

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this “Agreement”), dated as of [April 1, 2015], is entered into between the Chicago Bar Foundation (“CBF”), and [_____] (“Participant”) (collectively, “Parties”).

RECITALS

WHEREAS, CBF developed the Justice Entrepreneurs Project (“JEP”) as a lawyer “incubator” program to expand the availability of affordable legal services for low and moderate income people and to provide new lawyers the opportunity to develop solo and small-firm law practices;

WHEREAS, JEP will encourage and support such independent law practices by providing substantive and skills training, assistance and coaching on business issues, mentoring, the ability to collaborate with peers and other successful practitioners, and other support;

WHEREAS, CBF has developed a Statement of Principles, a copy of which is attached as Exhibit A and incorporated by reference that will guide Participant’s participation in the Project; and

WHEREAS, Participant wishes to participate in JEP; and

WHEREAS, CBF and Participant wish to set forth their understanding of their respective duties and obligations.

THEREFORE, in consideration of the mutual covenants, promises, and conditions contained in this Agreement, and for good and valuable consideration the adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Participation/Term: Participant agrees to participate in JEP in accordance with the terms of this Agreement. The Term of this Agreement and Participant’s participation in JEP will begin on [May 11, 2015] and continue for a term of approximately 18 months until [October 31, 2016], unless earlier terminated in accordance with Section 6 below (Participant’s final date in JEP for any reason is referred to as the “Ending Date”).

2. Office Space: Participant may use office space at 208 S. Jefferson Street, Suite 204, Chicago, Illinois 60661 (the “Office”), which will include reasonable use of general shared office space and access to private conference rooms for use in meeting with clients, plus wireless internet access and access to a printer and/or copier (for use of which CBF may in its discretion charge a reasonable fee). Participant’s use of the Office is subject and subordinate to the Lease Agreement Between 208 S. Jefferson Street Building, LLC (as Landlord) and Chicago Bar Foundation (as Tenant) dated August 16, 2013 (“Lease”), a copy of which has been made available to Participant. Participant’s use of the Office will be in accordance with all applicable terms and conditions of the Lease and Participant’s right to use the Office will end on the termination of the Lease or the CBF’s right to possession of the Office (if either occurs before the Ending Date).

3. Obligations of CBF: To assist and encourage Participant's independent law practice, CBF will provide Participant with certain business assistance and related services including (i) assistance in obtaining referrals from legal aid organizations for the sole and exclusive benefit of Participant; (ii) access to continuing legal education programs, training on operating and marketing a legal practice and business, and mentoring services, all as determined in CBF's reasonable discretion; and (iii) bulk and other discounts on products and services from outside providers (e.g., law practice management software), as may be made available by such providers.

4. Obligations of Participant: Participant agrees to the following:

(a) To pay "Rent" for use of the Office (to defray a portion of the cost thereof) in the total amount of \$3,600, to be paid on the following schedule throughout the Term:

(i) for [May 2015 through October 2015], the amount of \$0 per month; and

(ii) for [November 2015 through October 2016], the amount of \$300 per month; and

Rent payments are due on the first day of the applicable month.

(b) To abide by any building or Office rules as may be established from time to time by CBF or the Landlord of the Office.

(c) Have in place prior to establishing Participant's practice or seeing any clients and maintain throughout the Term and for a period of at least one year after the Ending Date, professional liability insurance in the minimum amount of \$200,000 per occurrence / \$500,000 aggregate, or such greater amount as may be required by the Illinois Supreme Court Rules, from a reputable carrier licensed to provide such insurance in the State of Illinois. Participant will provide CBF with proof of such insurance.

(d) To be and remain an active licensed attorney in good standing in the State of Illinois (and in any other courts or jurisdictions in which Participant practices law during the Term).

(e) To immediately notify the CBF in writing of: (i) any change in bar-admission/membership status; (ii) any cancellation or change in the insurance coverage required by Section 4(c) above; or (c) any inquiry from or complaint filed with the Attorney Registration and Disciplinary Commission ("ARDC") (or similar agency or bar association in any other jurisdiction) or any action taken against Participant by the ARDC (or such other agency).

(f) To be a member in good standing of the Chicago Bar Association.

(g) To conduct Participant's legal practice and all legal and business related to the practice in an accurate, thorough and professional manner in accordance with the highest ethical

and professional standards, the Illinois Supreme Court Rules, including without limitation the Illinois Rules of Professional Conduct, and any and all other applicable laws and regulations, and in accordance with the provisions in Section 5 below.

(h) During the first six months of participation in JEP, to provide approximately 20 hours per week of pro bono legal services through JEP's placement of Participant with the Coordinated Advice and Referral Program for Legal Services (CARPLS) and an appropriate legal aid organization based on Participant's area of practice and/or practice interests.

(i) To actively participate in JEP, including regularly attending JEP programming, cooperating in the evaluation and assessment process for JEP, and sharing information to improve the program.

(j) To conduct Participant's legal practice, and otherwise act, consistent with the Statement of Principles attached hereto as Exhibit A.

5. Relationship of the Parties: Each Party shall be independent of, and not an agent, employee, or fiduciary of the other Party. This Agreement does not create a partnership, law firm, association, joint venture, or other joint business relationship between the Parties and neither Party has any right or power under this Agreement to create any obligation, expressed or implied, on behalf of the other Party or to bind the other Party in any manner whatsoever. No employee of a Party will be deemed to be an employee of the other party by virtue of this Agreement. Neither Party shall hold itself out to anyone as an agent of the other party. Neither party shall use the other's name, insignia, picture, or logo without written permission.

6. Termination:

(a) Either Party may terminate this Agreement upon 30 days written notice to the other Party.

(b) CBF may terminate this Agreement immediately upon notice to Participant if (i) Participant's license to practice law is suspended or Participant is disbarred or is otherwise no longer authorized to practice law in Illinois or any other court or jurisdiction in which Participant had been licensed to practice law during the Term, (ii) if Participant no longer has professional liability insurance in accordance with Section 4(c) above, or (iii) if Participant breaches any of the other terms of this Agreement, including without limitation the obligations of Section 4 not specifically identified in this Section 6(b) above, and the breach(es) are not capable of being cured to the reasonable satisfaction of CBF.

(c) CBF may terminate this Agreement upon 14 days notice to Participant for the reasons set forth in subsections (i) through (ii) immediately below, provided however that Participant be given such 14 day period to cure the reason(s) to the reasonable satisfaction of CBF if the reason(s) is(are) curable:

(i) If Participant fails to make any Rent payment or other payment required to be made by the Participant when due; or

(ii) If Participant breaches any of the other terms of this Agreement, including without limitation the obligations of Section 4 not specifically identified in Section 6(b) above.

(d) Any termination of this Agreement will not relieve Participant of its obligations that survive the end of this Agreement. Participant will pay any unpaid Rent due and unpaid through the date of termination and any other payment due and owing to CBF no later than 14 days after the date of termination.

(e) Upon termination for any reason, Participant must immediately vacate the Office and surrender all keys to CBF.

7. Notice of Cessation of Law Practice: If Participant stops practicing law completely during the Term, Participant will terminate this Agreement in accordance with Section 6(a) above and promptly provide CBF with written certification that Participant has stopped all client representation and provide a statement in writing that proper law firm closure protocols have and will continue to be followed, including, without limitation, notification of existing and potential clients and disbursements of trust fund accounts, according to the Illinois Rules of Professional Conduct and other applicable law.

8. NO WARRANTY:

(a) EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES WILL OR HAVE BEEN MADE TO THE PARTICIPANT. IN NO EVENT IS CBF GUARANTEEING OR PROMISING PARTICIPANT'S PROFITABILITY OR BUSINESS SUCCESS.

(b) PARTICIPANT SPECIFICALLY RECOGNIZES AND ACKNOWLEDGES THAT THE INDEPENDENT BUSINESS VENTURE TO BE UNDERTAKEN BY PARTICIPANT DEPENDS ON THE ABILITY OF PARTICIPANT AS AN INDEPENDENT BUSINESS ENTITY, AS WELL AS OTHER FACTORS, SUCH AS MARKET AND ECONOMIC CONDITIONS, BEYOND THE CONTROL OF CBF AND PARTICIPANT. PARTICIPANT ACKNOWLEDGES THAT SUCCESS OR FAILURE OF PARTICIPANT'S BUSINESS WILL BE DEPENDENT ON THE BUSINESS AND LEGAL ACUMEN AND DILIGENCE OF PARTICIPANT. PARTICIPANT AGREES THAT NO DEFAULT, DEFECT OR OMISSION BY CBF OR ANY OF THEIR DIRECTORS, OFFICERS, AGENTS, EMPLOYEES OR RELATED OR AFFILIATED PARTIES, IN PROVIDING AND PERFORMING THE BUSINESS ASSISTANCE SERVICES SHALL BE DEEMED TO BE A DEFAULT BY ANY OF THEM UNDER THIS AGREEMENT.

(c) PARTICIPANT AGREES TO ACCEPT THE SERVICES PROVIDED BY THE JEP PROGRAM ON AN "AS-IS" BASIS WITH NO WARRANTIES OF ANY KIND. CBF

DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. LIMITATION ON LIABILITY: NEITHER CBF NOR ANY OF ITS DIRECTORS, OFFICERS, AGENTS, EMPLOYEES OR RELATED OR AFFILIATED PARTIES SHALL BE LIABLE TO PARTICIPANT IN ANY ACTION OR CLAIM FOR CONSEQUENTIAL OR SPECIAL DAMAGES, LOSS OF PROFITS, LOSS OF OPPORTUNITY, OR LOSS OF USE, WHETHER THE ACTION IN WHICH RECOVERY OF DAMAGES IS SOUGHT IS BASED ON CONTRACT, TORT (INCLUDING SOLE, CONCURRENT OR OTHER NEGLIGENCE AND STRICT LIABILITY), STATUTE OR OTHERWISE. TO THE EXTENT PERMITTED BY LAW. ANY STATUTORY REMEDIES WHICH ARE INCONSISTENT WITH THE PROVISIONS OF THESE TERMS ARE WAIVED. CBF AND ITS DIRECTORS, OFFICERS, AGENTS, EMPLOYEES OR RELATED OR AFFILIATED PARTIES SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOSS OF PROFITS OR REVENUE, INCURRED BY PARTICIPANT OR ANY THIRD PARTY, IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. INDEMNIFICATION: PARTICIPANT ASSUMES ALL RISKS INCIDENTAL TO PARTICIPANT'S USE OF THE OFFICE AND IS SOLELY RESPONSIBLE FOR ANY AND ALL ACCIDENTS AND INJURIES TO PERSONS, INCLUDING PARTICIPANT'S AGENTS, EMPLOYEES AND INVITEES AND FOR PROPERTY DAMAGE ARISING OUT OF OR IN CONNECTION WITH THE USE OF THE OFFICE. PARTICIPANT HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS CBF AND ITS DIRECTORS, OFFICERS, AGENTS, EMPLOYEES OR RELATED OR AFFILIATED PARTIES AGAINST ANY COST, DAMAGE, CLAIM, LIABILITY OR EXPENSE ARISING IN ANY MANNER FROM PARTICIPANT'S USE OR OCCUPANCY OF THE OFFICE OR RELATING TO THIS AGREEMENT, INCLUDING PARTICIPANT'S LAW PRACTICE, UNLESS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CBF. THIS INDEMNIFICATION WILL SURVIVE THE TERMINATION OF THIS AGREEMENT.

11. Notice: All notices, consents, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall conclusively be deemed effective (1) on personal delivery, (2) on confirmed delivery by courier service, (3) on confirmed facsimile or electronic mail transmission, or (4) three days after deposit in the United States mail by first class/certified/registered or certified mail, postage prepaid, addressed to the party to be notified as set forth below:

If to CBF:

Chicago Bar Foundation
321 S. Plymouth Court, Suite 3B

Chicago, IL 60604
Attn: Director, Justice Entrepreneurs Project
Email: thammond@chicagobar.org

If to Participant:

Email: _____

Any party may change its address for purposes of this Section by giving written notice of its new address to the other party in the manner set forth above. The section shall not constitute a waiver of the requirements for service of process.

12. Authority: Each person signing below warrants that they have the authority to enter into and perform the conditions of this Agreement and to bind themselves and the principal(s) set forth below.

13. Amendment/Modification: This Agreement contains the entire understanding of the Parties with respect to the transactions and matters contemplated hereby, supersedes all previous agreements between the Parties concerning the subject matter, and cannot be amended except by a writing signed by both Parties.

14. Severability: If a court of competent jurisdiction finds any provision of this Agreement unenforceable, all other provisions will remain in full force and effect and the unenforceable provision will be replaced with an enforceable provision that most nearly achieves the intent and economic effect of the unenforceable provision.

15. No Third Party Beneficiary: This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire any right by virtue of this Agreement.

16. Non-Assignment/Delegation: The Parties shall not at any time assign or transfer, or attempt to assign or transfer, any of its rights, interests or obligations under or in respect of this Assignment to any person; provided that CBF may assign this Agreement to any successor or any related or affiliated entity that is created to oversee or manage JEP in whole or part.

17. Governing Law: This Agreement shall be interpreted according to Illinois law and the jurisdiction for any lawsuit arising under this Agreement shall exclusively be in the courts located in Cook County, Illinois.

18. Survival: In the event of a termination of this Agreement, the following provisions shall be deemed to survive such termination: Sections 5, 6(d), 6(e), 7, 8, 9, 10, 11, 12,

13, 14, 15, 16, and 17. Expiration or termination shall not relieve the Parties of any obligation accruing prior to such expiration or termination.

19. Counterparts: This Agreement may be signed in any number of counterparts, each of which will be deemed an original. The Parties shall be entitled to rely upon and enforce a facsimile or other electronic transmission of any authorized signature as if it were the original.

IN WITNESS WHEREOF, the undersigned have caused the Agreement to be executed as follows:

CHICAGO BAR FOUNDATION

PARTICIPANT

By: _____

(Print Name)

Date: _____

Date: _____

Exhibit A
JEP Statement of Principles

The Justice Entrepreneurs Project (JEP) is a small business incubator for recent law school graduates to start socially conscious law practices. These firms will develop market-based solutions to serve low and moderate-income Chicagoans who cannot afford legal services at traditional firms. Central to the project is developing innovative service models that maximize technology, leverage existing referral networks, and feature attorney-client collaboration and à la carte service offerings.

Lawyers participating in the JEP are committed to establishing successful law practices that:

1. Focus on serving the legal needs of low and moderate-income clients who typically have too much income to qualify for free legal aid but do not have the means to afford legal assistance in the traditional legal market. The JEP target market is generally defined as people earning between 150% and 400% of the federal poverty level.¹
2. Concentrate on areas of law where the legal market does not provide sufficient access to legal assistance for low and moderate-income people.
3. Seek to make legal assistance more approachable by placing deliberate emphasis on understanding clients' perspectives and adapting to their needs, and by working with clients in a collaborative effort to address their legal issues and achieve their goals.
4. Utilize innovative methods to make legal assistance more accessible and affordable for clients in the target market and to reach those clients, including:
 - a. Using fixed fees and other alternatives to the billable hour in order to provide greater fairness, flexibility, transparency and certainty to clients;
 - b. Offering limited scope representation, when appropriate, to provide clients with additional options for representation;
 - c. Maximizing the use of technology to create efficiencies in practice that benefit the client and the law practice.

Lawyers participating in the JEP are also committed to:

1. Collaborating with fellow JEP participants and other JEP partner entities.
2. Actively participating in efforts to improve the profession, the practice of law and the larger justice system.
3. Developing economically sustainable and replicable delivery models for meeting the legal needs of the JEP target market.

¹ The federal poverty guidelines are available here: <http://www.familiesusa.org/resources/tools-for-advocates/guides/federal-poverty-guidelines.html>.