

**AMENDED AND RESTATED
MEMORANDUM OF AGREEMENT
THE LEGAL FOUNDATION OF WASHINGTON ("LFW")
AND
THE ENDOWMENT FOR EQUAL JUSTICE ("EEJ")**

This Memorandum of Agreement ("MOA") sets forth the understandings between EEJ and LFW with respect to their relationship and to the unification of certain of their operations. This MOA is effective as of January 1, 2016 (the "Effective Date").

DEFINITIONS

- A. LFW is a non-profit corporation that receives monies collected from the Interest on Lawyers' Trust Account Rule and from other sources. LFW grants financial support to legal and law-related educational programs for persons of low-income in Washington State. LFW's core mission is to fund programs and support policies and initiatives which enable the poor and most vulnerable to overcome barriers in the civil justice system (LFW Mission Statement).
- B. EEJ is a non-profit corporation that was formed to help underwrite and stabilize funding for the full range of civil legal aid services in Washington State, including those prohibited by funding restrictions in certain federal and state funding sources as to the nature of services and the eligibility of clients, by providing a stable, permanent funding endowment for civil legal aid and civil equal justice in Washington State. EEJ operates to carry out certain of LFW's charitable purposes. EEJ and LFW recognize that unrestricted funds must be maintained for important services to particularly vulnerable clients.

RECITALS

- A. EEJ and LFW are tax exempt, Internal Revenue Code §501(c)(3), non-profit corporations engaged in supporting access to civil legal aid, legal services and legal representation for economically distressed, unrepresented or otherwise indigent persons in Washington State.
- B. The parties have previously consolidated operations and coordinated fundraising, resource development and fund disbursement efforts, and intend to continue to do so, to promote effectiveness, enhance efficiencies and strengthen each party's ability to achieve mutual objectives.
- C. The parties will mutually encourage the exploration of other opportunities to build on an active, mutually supportive relationship.
- D. This Amended and Restated Memorandum of Agreement completely restates and replaces that certain Amended and Restated Memorandum of Agreement between Legal Aid for Washington Fund ("LAW Fund"), LFW and EEJ dated December 4, 2008.

- E. As of January 1, 2016, LAW Fund has merged into and become a part of LFW. This MOA provides for amendments to the articles of incorporation and bylaws of EEJ related to the relationship between LFW and EEJ.

AGREEMENT

1. Amendments to Articles of Incorporation and Bylaws of EEJ

a. Articles of Incorporation. Articles II, V(1), and X of EEJ's Articles of Incorporation currently provide that LAW Fund is EEJ's sole member, that EEJ operates for the benefit or and to carry out the charitable purposes of LAW Fund, and that upon EEJ's dissolution, the assets would be distributed to LAW Fund. As of the Effective Date, EEJ will amend Articles II, V(1), and X of its Articles of Incorporation to provide as follows:

Article II (<No Members). The corporation shall have no members.

Article V, Section I (Purposes). To operate exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision, and specifically to be organized and operated to carry out certain of the charitable purposes of Legal Foundation of Washington ("LFW") by helping to underwrite and stabilize long-term, unrestricted funding for the full range of civil legal aid services in Washington State. The corporation will operate to help carry out the charitable purposes of LFW as stated in this Section 1 for so long as LFW remains qualified as an organization described in Sections 501(c)(3) and 509(a) of the Code, or any successor provisions, and if LFW shall cease to so qualify, then to benefit and carry out the charitable purposes stated in this Section 1 on behalf of such civil legal services programs in Washington State as shall at such time qualify as organizations described in Sections 501(c)(3) and 509(a) of the Code, or any successor provisions.

Amendment of this statement of purposes shall require approval by the Boards of both EEJ and LFW.

Article X (Dissolution). Upon dissolution or winding up, all the remaining assets of the corporation shall be distributed by the board of directors to LFW, provided, however, that if LFW shall at such time fail to qualify as an organization described in Section 501(c)(3) of the Code, or any successor provision, then the assets shall be distributed to such other organization or organizations as the board of directors shall in its discretion select provided that such organization or organizations shall then (a) qualify for exemption under Section 501(c)(3) of the Code, or any successor provision and (b) support legal services and law-related educational programs for persons of low-income in Washington State, including funding programs and supporting policies and initiatives which enable the poor and most vulnerable to overcome barriers in the civil justice system.

b. Bylaws. Articles I, II, V, VI, VII, and X of EEJ's First Amended and Restated Bylaws currently refer to LAW Fund. As of the Effective Date, EEJ will amend these Bylaws to eliminate references to either LAW Fund or LFW except as follows:

Article I (Relation hip to Legal Foundation of Washington). Legal Foundation of Washington ("LFW") shall have no rights with regard to the Endowment for Equal Justice (the "corporation") except to the limited extent expressly stated in the corporation's Articles of Incorporation and in Article I of these Bylaws. At all times, LFW shall have the right to appoint at least one but not more than two current or former members of its board of directors to the corporation's board of directors. At the annual meeting of LFW each year, the corporation shall submit a report to LFW, which may be oral or written.

The corporation shall promptly amend its Articles of Incorporation and Bylaws to make LFW a non-voting member of the corporation if/when (a) the Office of the Attorney General of the State of Washington issues an opinion and/or there is a controlling judicial determination that RCW 24.03.030(2) allows distributions of income to an organization exempt under Section 501(c)(3) of the Internal Revenue Code to its member that is also exempt under Section 501(c)(3) of the Internal Revenue Code or (b) RCW 24.03.030(2) is amended to clearly allow such distributions of income.

Amendment of this Article I shall require approval by the Boards of both the corporation and LFW.

Article V. Section 1 (Annual Meeting). The annual meeting of the corporation's board of directors shall be held ... sufficiently in advance of the annual meeting of LFW to enable the board of directors to present a report at such meeting of LFW.

2. Tax Exempt status: The parties acknowledge that performance hereunder will not be conducted in a manner that could cause either party to act other than exclusively in furtherance of its tax exempt purpose or in a manner that could adversely affect any other party's tax exempt status. Upon enactment of either federal or state legislation, regulation or other administrative rules that adversely affects the tax treatment of the consideration provided for in this MOA or the tax-exempt status of either organization, the parties agree to attempt to renegotiate the terms of this MOA. This process may be initiated by either EEJ or LFW. If the parties cannot renegotiate the terms of this MOA within a reasonable period of time not to exceed sixty (60) days from the date renegotiation is requested, then either EEJ or LFW may, upon thirty (30) days' written notice, cancel this MOA. Such notice must comply with the provisions of Section 22 ("Notices") of this MOA.
3. Office Sharing: EEJ has utilized office space of LFW for the operations of EEJ pursuant to the 2008 Amended and Restated Memorandum of Agreement between the parties. As of the Effective Date, the offices of EEJ and the LFW will continue to be located together at LFW's office suite at 1325 -4th Avenue, Seattle, Washington 98101. The parties will maintain separate websites and stationery.
4. Direct Costs. Except to the extent expressly stated to the contrary in Section 5 below, each party shall bear its own direct costs, including the cost of its own audit, tax returns, D&O insurance, Board costs, consultant costs, investment management fees, and bank fees.
5. Fund Raising and Resource Development Efforts: It is the explicit hope and intention of all parties that the organizations function together efficiently, seamlessly and cordially. LFW

will continue to assume the administrative functions and costs related to all fundraising/resource development and resource allocation efforts on behalf of EEJ. In consideration of such efforts and for the provision of space and the other services to be provided by LFW, EEJ will reimburse LFW for the direct fundraising costs of EEJ incurred by LFW, including without limitation the salary and benefits for the allocated portion of the efforts by the LFW Chief Resource Development Officer and all other employees engaged in those efforts, and the allocated portion of office space for these employees and associated equipment and supplies. Because of the integrated mission of the two organizations and the increasingly interconnected work activities between LFW and EEJ development staff, (a) no portion of the salary, benefits, or costs related to LFW's Executive Director will be allocated to EEJ, (b) no salary, benefits or costs related to other LFW staff will be allocated to EEJ except to the extent that the LFW staff time is directly related to EEJ fundraising, and (c) no other costs incurred by LFW (e.g., rent and office equipment) are allocated to EEJ and, instead, are regarded as in-kind contributions to the extent they benefit EEJ.

The amount owed will be calculated monthly to ensure that actual costs associated with EEJ activities, including those referenced in Sections 4 and 5 are properly accounted for. LFW's Executive Director and the Chief Resource Development Officer will review the budgeted amounts quarterly to assure that the allocation of staff is consistent with the budget; any material inconsistency will be addressed by reallocating either staff resources or costs so that the budget and costs are in alignment for the full calendar year. Such amount shall be payable on a calendar year basis within thirty (30) days following the end of the calendar year, starting with the close of calendar year 2016.

The Chief Resource Development Officer will be an LFW employee and be subject to and required to comply with all LFW personnel policies. While it is expected that the Chief Resource Development Officer will work closely with EEJ's Board of Directors, the Chief Resource Development Officer will report directly to the LFW Executive Director. Consistent with LFW personnel policies, the LFW Executive Director will have the authority and the sole discretion to hire, evaluate and, when appropriate, terminate the Chief Resource Development Officer. The LFW Executive Director will consult with EEJ Board of Directors, however, with respect to hiring, evaluating and terminating the Chief Resource Development Officer. Nothing in this agreement is intended to create an employer/employee relationship between EEJ and the Chief Resource Development Officer.

The Chief Resource Development Officer and the LFW Executive Director will prepare an annual resource development budget, which budget is subject to the approval of the EEJ and LFW Boards of Directors. The budget will include all allocated expenses related to resource development activities (as described above) and will include a statement describing what is being allocated. Any amendment to the approved resource development budget, and any resource development expenditure not included in the approved budget that is in excess of Five Thousand Dollars (\$5,000) individually or Ten Thousand Dollars (\$10,000) in the aggregate, will require the approval of the EEJ and LFW Boards of Directors or their respective Executive or Operations Committees.

Each party's Board of Directors shall take any and all actions necessary to perfect and maintain its status as a non-profit corporation and a charitable organization under Washington law,

including without limitation maintaining its registration under the Charitable Solicitations Act. EEJ and LFW, as appropriate, will acknowledge receipt of any gifts, grants and charitable contributions to such organization in its own name.

6. Mission. LFW and EEJ share a core mission to fund programs and support policies and initiatives which enable the poor and most vulnerable to overcome barriers in the civil justice system. Low-income Washingtonians routinely face multiple civil legal problems that significantly affect their everyday lives. These problems are experienced to greater degrees by low-income persons of color, victims of domestic violence or sexual assault, persons with disabilities and youth. The compound effect of these problems on individuals and families today is even more acute, with the average number of civil legal problems per low-income household having tripled since 2003. Our state civil justice system does not serve Washington's poorest residents the way it should. Most low-income people do not get the help they need to solve their legal problems, and significant majorities of low-income people do not believe they or others like them will receive fair treatment by our civil justice system (Civil Legal Need Study Update 2015).

7. External Funding. The parties acknowledge that they receive monies from a variety of external sources, intend to support one another in fundraising and resource development efforts, and will explore innovative means for leveraging or increasing revenue for civil legal services.

a. Campaign for Equal Justice. The non-endowment directed monies raised on behalf of the Campaign for Equal Justice and received by EEJ will be disbursed to LFW for current use and disbursement consistent with LFW's Mission Statement.

b. Civil Rule 23(±) - Residual Funds (Cy Pres). The parties agree that Cy Pres revenue received pursuant to Civil Rule 23(f), as it may be amended from time to time, is essential to the ability of LFW to meet its core mission and address the issues identified in the 2015 Civil Legal Needs Study Update. Therefore, after considering LFW's core mission and its ability to meet the needs identified in the 2015 Civil Legal Needs Study Update and in communication with EEJ, LFW's Board of Directors shall determine whether Cy Pres revenue received by LFW is allocated in part to EEJ for its permanent endowment, or whether immediate needs require that Cy Pres revenue be totally expended via distribution to LFW grant recipients. Decisions by LFW on the use of Cy Pres revenue will depend on a variety of factors, including but not limited to the current financial outlook; the environment for other funding sources including IOLTA, the Campaign for Equal Justice, and public funds; the need to respond to emergent community needs within the Alliance for Equal Justice; and other factors that are not known at this time. All decisions will be based on the LFW Board's understanding of current client need and of the need for a stable, permanent endowment.

c. Other Direct Awards to LFW. Other direct awards of Cy Pres funds that are specified as payable to LFW shall be governed by the provisions of this subparagraph c. Such revenue is essential to the ability of LFW to meet its core mission and address the issues identified in the 2015 Civil Legal Needs Study Update. Therefore, after considering LFW's core mission and its ability to meet the needs identified in the 2015 Civil Legal Needs Study Update and in communication with EEJ, LFW's Board of Directors shall determine whether Cy Pres revenue received by LFW is allocated in part to EEJ for its permanent endowment, or whether

immediate needs require that Cy Pres revenue be totally expended via distribution to LFW grant recipients. Decisions by LFW on the use of Cy Pres revenue will depend on a variety of factors, including but not limited to the current financial outlook; the environment for other funding sources including IOLTA, the Campaign for Equal Justice, and public funds; the need to respond to emergent community needs within the Alliance for Equal Justice; and other factors that are not known at this time. All decisions will be based on the LFW Board's understanding of current client need and of the need for a stable, permanent endowment.

d. Direct Awards to EEJ. Direct awards of Cy Pres funds that are specified as payable to EEJ shall be governed by the provisions of this subparagraph d. Such direct awards to EEJ are essential to the ability of EEJ to build endowment in order to stabilize funding for civil legal aid services. Therefore, EEJ's Board, in communication with LFW, shall determine whether such Cy Pres revenue is allocated in part to LFW to meet immediate needs in fulfillment of the shared core mission of EEJ and LFW. Decisions by EEJ on the use of such Cy Pres revenue will depend on a variety of factors, including but not limited to the current financial outlook; the environment for other funding sources including IOLTA, the Campaign for Equal Justice, and public funds; the need to respond to emergent community needs within the Alliance for Equal Justice; and other factors that are not known at this time. All decisions will be based on the EEJ Board's understanding of current client need and of the need for a stable, permanent endowment.

e. Planning. Each Fall, a joint committee comprised of members of the Boards of Directors of LFW and EEJ shall meet for the purpose of reviewing the proposed operating budget and revenues forecast for the upcoming calendar year for both LFW and EEJ and the anticipated effect of that data on the allocation of Cy Pres funds received during that current calendar year. At the Fall meeting and at other times during the year as needed, the joint committee shall work together to develop and monitor implementation of a plan for coordinating outreach efforts relating to the solicitation of Cy Pres funds, including addressing whether each organization should solicit on behalf of both organizations, stressing in such solicitations the need for both long term and current funding for civil legal aid in the State of Washington. The parties commit to work cooperatively together with the objective of obtaining the maximum level of Cy Pres funding from all sources.

8. Annual EEJ Distribution.

a. Except as provided in subparagraph 8(b), annual distributions from EEJ's endowments (other than funds used to maintain EEJ's operations) will be directed by EEJ to LFW for use and disbursement. All funds disbursed by EEJ to LFW shall be used exclusively to fund the mission of LFW. LFW will comply with the intentions of donors to EEJ in its use of the funds distributed to it by EEJ.

b. EEJ urges that a paramount use of its distributions be to protect unrestricted advocacy on behalf of low-income individuals, families and organizations. Only when LFW cannot respond to such needs because of its own restrictions and where LFW would otherwise fund such a need, EEJ has the right to use its funds to respond to exigent needs in the access to justice community.

c. EEJ adopted a spending policy in December 2013 providing that (a) subject to its corpus always being in excess of \$10 million, 5% of the face value of EEJ endowment for the prior three year period determined quarterly and averaged, will be granted to LFW to be allocated to Washington State's civil legal aid network and (b) not less than every three years EEJ's Board will evaluate the balance between growth of the endowment and the obligation to distribute funds and modify the spending percentage, if and as appropriate, provided that this is not a basis for invading the \$10 million capital base. The EEJ Board will confer with the LFW Board before making any change to its spending policy.

9. Insurance. Each party shall separately maintain in full force and effect directors and officers liability insurance, comprehensive general liability insurance, and any other insurance that each party deems appropriate. In addition, LFW shall maintain premises liability insurance naming EEJ as an additional insured, and property damage insurance insuring the replacement cost of tenant improvements and equipment, furniture and fixtures of LFW.

10. Books; Records of Accounts; Tax Returns: The books and records of EEJ shall be maintained by LFW on behalf of EEJ and made available for review by the directors and officers of each organization during normal business hours. Books and records shall be maintained in accordance with generally accepted accounting principles and shall be audited annually by an independent accounting firm or firms as approved by the respective Boards of LFW and EEJ. LFW shall assure that all records and documentation required to be maintained by any funding source or by any governmental agency with authority over all or any part of EEJ's activities are properly maintained. The parties will file separately their respective Forms 990 (or Forms 990EZ) and other relevant federal tax forms with the Internal Revenue Service.

11. Termination: This MOA can be terminated by either EEJ or LFW as of the end of a calendar year upon not less than 180 days' prior written notice. In the event of such written notice, both EEJ and LFW will continue operating under the terms of this agreement. This includes LFW retaining as employees all personnel devoted to EEJ's fundraising activities for the remainder of the calendar year. EEJ will continue to be responsible to LFW for all actual costs allocated to EEJ pursuant to Sections 4 and 5 for the remainder of the calendar year. LFW and EEJ may, by mutual agreement, shorten or extend the period of personnel retention.

12. Announcements: The parties shall coordinate any public announcements or comments regarding the transactions contemplated hereby so that each party has reviewed and approved any proposed announcements prior to its issuance.

13. Confidential Information. Each party understands and acknowledges that it (and its employees, consultants, subcontractors and advisors) may have disclosed to it, in connection with the rendition and performance of their obligations under this MOA, confidential information of the other party. Each party agrees that it shall not disclose any such confidential information without the written consent of the other party.

14. Limitation of Liability and Indemnification. LFW, its officers, directors, trustees, employees, agents or designees (the "LFW Group") shall not be liable for any loss incurred by EEJ occasioned by acts performed (or not performed) by them, or advice or assistance given by them, in good faith in the performance of their duties hereunder, and in any event shall be liable only for willful wrongdoing or gross negligence and not for honest errors of judgment; provided,

however, that in no event shall LFW be held liable for any consequential damages or for any loss suffered by EEJ or by any third party, and provided further that the amount of damages claimed in respect of all breaches of contract that may occur during one fiscal year in regard to EEJ shall not exceed the costs in Section 4 that EEJ owes and/or has paid to LFW for the calendar year during which the breach of contract has occurred. EEJ agrees to indemnify and hold harmless the LFW Group against all costs, damages, judgments, attorneys' fees, expenses, obligations, and liabilities of every kind and nature that they or any of them may incur, sustain or be required to pay that arise as a result of EEJ's errors or omissions (unless such costs, damages, judgments, fees, expenses, obligations or liabilities that are incurred in connection with or arise out of LFW's willful wrongdoing or gross negligence).

EEJ and its officers, directors, trustees, employees, agents or designees (the "EEJ Group") shall not be liable for any loss incurred by LFW occasioned by acts performed (or not performed) by them, or advice or assistance given by them, in good faith in the performance of their duties hereunder, and in any event shall be liable only for willful wrongdoing or gross negligence and not for honest errors of judgment. LFW agrees to indemnify and hold harmless EEJ, and its officers, directors, trustees, agents or designees, arising from LFW's errors or omissions against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of every kind and nature which they or any of them may incur, sustain or be required to pay (unless such costs, damages, judgments, fees, expenses, obligations or liabilities are incurred in connection with or arise out of EEJ's willful wrongdoing or gross negligence).

This section 14 shall survive the termination of this MOA.

15. Dispute Resolution: In the event of a dispute, the parties to this MOA agree to submit the same to mediation. The parties will mutually agree upon a mediator and will share the costs of the mediator equally. If the parties cannot agree on a mediator, the dispute shall be submitted to Judicial Dispute Resolution (JDR) in accordance with JDR'S Mediation Procedures. If the dispute fails to resolve through mediation, the parties, acting in their own capacity or through their designated legal representatives, agree to submit the dispute to binding arbitration before an arbitrator they have mutually selected. If the parties cannot agree on the arbitrator, the dispute shall be submitted to JDR in accordance with the procedural provisions of RCW 7.04 and the administrative provisions of JDR. The parties agree to pay for the costs of the arbitration proceeding equally. The selected sole arbitrator will conduct the arbitration in accordance with Washington law and JDR's Rules of Arbitration. The arbitrator will be the sole judge of the admissibility of evidence offered by the parties and will be given the authority to determine and award appropriate relief. The parties agree to abide by the decision of the arbitrator to be rendered pursuant to a Binding Arbitration Agreement and further agree that judgment may be entered in King County Superior Court. The arbitrator's decision shall be final and shall not be appealable except to the extent provided for by law.

16. Applicable Law: This MOA shall be governed and construed under the laws of Washington State.

17. No Third Party Benefit: This MOA is intended for the exclusive benefit of the parties and their respective successors and assigns, and nothing contained in this MOA shall be construed as creating any rights or benefits in or to any third party, and shall not be enforceable by any third party.

18. Assignment: Neither party may assign this MOA without the prior written consent of the other party.

19. Counterparts: This MOA may be executed in one or more counterparts, with the same force and effect as if executed in one complete instrument.

20. Entire Understanding; Amendment: This MOA constitutes the entire understanding of the parties and supersedes any and all prior understandings or agreements between the parties, whether written or oral, with respect to the subject matter of this MOA. This MOA may not be amended or modified except in a writing signed by both parties.

21. Nature of Relationship: The parties are entering into this MOA for purposes of coordinating administrative, fundraising/resource development and grant disbursement activities. Neither this MOA nor the parties' conduct prior to, or after, the execution of this MOA shall be deemed to create a partnership, joint venture employment, agency, franchise, or other form of agreement or relationship. The parties shall be acting as independent entities. Neither party shall have any right to obligate or bind the other party in any manner whatsoever, and nothing contained herein shall give, nor is intended to give, any rights to any third person. Each party agrees to be responsible for all of its state taxes, withholding, social security, insurance and all salaries, benefits and other costs of its employees, except as otherwise specifically contemplated by the provisions of this Agreement.

22. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed delivered when addressed to the President of the Board of Directors of each party, as follows: (a) if sent by registered or certified mail, upon the expiration of five (5) days from mailing, (b) if sent by overnight courier, on the next business day from delivery to the courier during business hours, (c) if hand delivered, upon delivery, or (d) if faxed, upon (i) verification of receipt by the President of the relevant party and (ii) a successful fax transmittal record.

IN WITNESS WHEREOF, the parties have executed this MOA on the dates set forth below, with an effective date of January 1, 2016.

LEGAL FOUNDATION OF WASHINGTON ENDOWMENT FOR EQUAL JUSTICE

By: 

Title: f.e/debt

Date: DC, cJ-OIG

Date: 7/20/16