Supplement to ADR 2009-02

FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

LIMITED LIABILITY COMPANY AGREEMENT

OF

THE TRUE PATRIOT NETWORK, LLC

# LIMITED LIABILITY COMPANY AGREEMENT OF THE TRUE PATRIOT NETWORK, LLC

This Limited Liability Company Agreement of The True Patriot Network, LLC (the "Company") is effective as of January 28, 2009, by and between the Company and Nicolas J. Hanauer (the "Member") for the purpose of forming a limited liability company pursuant to the provisions of the Washington Limited Liability Company Act, as provided in Chapter 25.15 RCW, as amended (the "Washington Act").

For and in consideration of the mutual covenants contained in this Agreement, the Company and the Member agree as follows:

### 1. Organization of the Company

### 1.1 Name

The name of the Company is The True Patriot Network, LLC, or such other name as the Manager may from time to time hereafter designate.

#### 1.2 Formation

The Member has formed the Company as a limited liability company under the Washington Act.

## 1.3 Certificate of Formation

The term of the Company commenced upon the filing of the Certificate of Formation with the Secretary of State of the State of Washington on January 28, 2009; and shall be perpetual unless earlier terminated and dissolved pursuant to Section 12.

## 1.4 Registered Agent

The registered office and registered agent of the Company may be changed by the Manager from time to time.

# 2. Definitions; Rules of Construction

In addition to terms otherwise defined herein, the following terms are used herein as defined below:

"Agreement" means this Limited Liability Company Agreement as originally executed and as amended or restated from time to time.

"Unit" means the limited liability company interest of the Member as acquired by the Member pursuant to Section 7.

"Washington Act" means the Washington Limited Liability Company Act, and any successor statute, as amended from time to time.

Words used herein, regardless of the number and gender used, shall be deemed and construed to include any other number, singular or plural, and other gender, masculine, feminine or neuter, as the context requires, and, as used herein, unless the context clearly requires otherwise, the words "hereof," "herein" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provisions hereof.

## 3. Purpose

The purpose of the Company shall be to engage in any lawful business that may be engaged in by a limited liability company organized under the Washington Act, as such business activities may be determined by the Manager from time to time.

## 4. Principal Office

The principal office of the Company, and such additional offices as the Manager may establish, shall be located at such place or places inside or outside the state of Washington as the Manager may designate from time to time.

# 5. The Member

The name and address of the Member of the Company are:

Nicolas J. Hanauer 1000 Second Avenue, Suite 1200 Seattle, WA 98104

## 6. Management of the Company

## 6.1 Manager

The Manager shall be Nicolas J. Hanauer. The Manager shall serve as Manager until the earlier of his resignation, incapacity or death or his replacement by the Member.

<sup>&</sup>quot;Manager" means the Manager designated in Section 6.

<sup>&</sup>quot;Member" means the Member identified in Section 5.

## 6.2 Authority of Manager

The Manager shall have the sole and exclusive right to manage the business of the Company and shall have all powers and rights necessary, appropriate or advisable to effectuate and carry out the purposes and business of the Company.

## 6.3 Limitation on Authority of Manager

The Manager shall not have authority to perform any act in contravention of this Agreement.

## 6.4 Appointment by Manager

The Manager may appoint, employ or otherwise contract with such other persons or entities for the transaction of the business of the Company or the performance of services for or on behalf of the Company as the Manager shall determine in his sole discretion. The Manager may delegate to any such officer, person or entity such authority to act on behalf of the Company as the Manager may from time to time deem appropriate in his discretion.

## 6.5 Execution of Company Documents

When the taking of such action has been authorized by the Manager, any other person specifically authorized by the Manager may execute any contract or other agreement or document on behalf of the Company and may execute and file on behalf of the Company with the Secretary of State of the State of Washington any certificates of amendment to the Certificate of Formation, one or more restated certificates of formation and certificates of merger or consolidation and, upon the dissolution and completion of winding up of the Company, a certificate of cancellation canceling the Certificate of Formation.

# 7. Capital Contributions

The Member shall, as soon as is reasonably practicable, make an initial contribution to the capital of the Company as described in Exhibit A and shall receive in exchange therefore the number of Units set forth in Exhibit A. Thereafter, the Member may make additional capital contributions at such times and in such amounts as the Manager may determine. When the Member makes such additional capital contributions to the Company, it shall confirm in writing the contribution of such assets (subject to indicated liabilities) to the Company, and cause that writing to be included in the Company's books and records.

### 8. Distributions; Allocations of Income and Loss

Distributions of cash or other assets of the Company to the Member shall be made at such times and in such amounts as the Manager may determine. All distributions and allocations of taxable not income or net loss shall be made to the Member.

#### 9. Books and Records

The Manager shall maintain records and accounts of all operations and expenditures of the Company.

## 10. Assignments of Company Interest

The Member's interest in the Company shall be transferable in whole or in part without the consent of any other person, and the assignee shall be admitted as a Member and admitted to all the rights of the transferring Member upon execution of a counterpart to this Agreement.

# 11. Withdrawal

The withdrawal of the Member shall result in the dissolution of the Company pursuant to Section 12.

### 12. Dissolution

Subject to the provisions of Section 13, the Company shall be dissolved and its affairs wound up and terminated upon the determination of the Member to dissolve the Company.

# 13. Winding Up

# 13.1 Responsibility for Winding Up

Upon dissolution of the Company pursuant to Section 12, the Manager may wind up the Company's affairs; however, any competent court, upon cause shown, may wind up the Company's affairs upon application of a legal representative or assignce of the Manager, and in connection therewith may appoint a fiquidating trustee.

# 13.2 Distribution of Assets Upon Winding Up

Upon the winding up of the Company, the assets shall be distributed as follows:
(a) to creditors, including the Member should the Member be a creditor, in satisfaction of liabilities of the Company other than liabilities for which reasonable provision for payment has been made and liabilities for distributions to the Member; and (b) the remainder, if any, to the Member.

## 14. Limitation on Liability

The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Member and the Manager of the Company shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being the Member or Manager.

#### 15. Indemnification

To the fullest extent not prohibited by law, the Company shall indemnify and hold harmless the Member and the Manager from and against any and all losses, claims, demands, costs, damages, liabilities (joint and several), expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Member or the Manager may be involved, or threatened to be involved, as a party or otherwise, arising out of or incidental to any business of the Company transacted or occurring while the Member was a Member or a Manager was a Manager, as the case may be, regardless of whether the Member or the Manager continue to be a Member or a Manager of the Company at the time any such liability or expense is paid or incurred.

### 16. Reliance by Third Parties

This Agreement is entered into between the Company and the Member for the exclusive benefit of the Company, its Member, and its successors and assigns. Specifically (but not by way of limitation), this Agreement is not intended for the benefit of any creditor of the Company or any other person. Except to the extent provided by applicable stature, and then only to that extent, no such creditor or third party shall have any rights under this Agreement or under any other agreement between the Company and the Member, either with respect to any contribution to the Company or otherwise.

### 17. No Corporation or Partnership Intended for Non-tax Purposes

The Member has formed the Company under the Washington Act, and expressly denies any intent hereby to form a partnership under either the Washington Uniform Partnership Act or the Washington Limited Partnership Act or a corporation under the Washington Business Corporation Act. For federal income tax purposes, the Member intends to treat this entity as a disregarded entity.

### 18. Amendments

This Agreement may be amended only upon the written consent of the Member.

# 19. Governing Law

This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Washington without giving effect to any choice of law or conflict of law provision or rule (whether of the state of Washington or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the state of Washington.

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the date first written above.

THE TRUE PATRIOT NETWORK, LLC

MANAGER:

Nicolas J. Hanayer

MEMBER:

Nicolas J. Hanauer

### **EXHIBIT A**

# Member Names & Addresses **Capital Contributions** <u>Units</u> Owned Nicolas J. Hanauer 1. Member's right, title, and interest, 1,000 1000 Second Avenue, Suite 1200 including without limitation all Scattle, WA 98104 trademarks, copyrights, patents, trade secrets, and other intellectual property and proprietary rights and all associated goodwill, in the book and manuscript titled "The True Patriot" 2. Member's rights, duties, obligations, and interests under that certain Agreement, dated August 28, 2007, between Sasquatch Books, Inc., the Member and Eric Liu. 3. Member's right, title, and interest. including without limitation all trademarks, copyrights, patents, trade secrets, and other intellectual property and proprietary rights and associated goodwill, in the domain name and website at www.TruePat.org. 4. All inventory of copies of The True Patriot currently held by the Member. 5. All inventory of promotional materials and gifts relating to The True Patriot currently held by the Member. 6. All business equipment (including personal computers) currently held by the Member and dedicated to the promotion of The True Patriot and www.TruePat.org. TOTAL 1,000

#### CAPITAL CONTRIBUTION AGREEMENT

This Capital Contribution Agreement (this "Agreement") is made as of January 28, 2009 by and between The True Patriot Network, LLC, a Washington limited liability company (the "Company"), and Nicolas J. Flanauer ("Hanauer").

#### RECITALS

- A. The Company and Hanauer have entered into a Limited Liability Company Agreement, dated January 28, 2009 (the "LLC Agreement"), under which (i) the Company has agreed to issue to Hanauer 1,000 units of the Company (the "Units"), which will constitute 100% of the equity interests of the Company, and (ii) Hanauer has agreed to make certain capital contributions as set forth on Exhibit A to the LLC Agreement (the "True Patriot Assets."
- B. The Company and Hanauer desire to enter into this Agreement to provide for the issuance of the Units to Hanauer and the contribution of the True Patriot Assets by Hanauer to the Company.

### AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby confirmed, the parties to this Agreement agree as follows:

### 1. Contribution of True Patriot Assets

- (a) In exchange for the Units, Hanauer (individually and on behalf of his marital community) hereby contributes, grants, assigns, and conveys to the Company all of his right, title and interest in the True Patriot Assets, along with all right, title, and interest in all trademarks, copyrights, patents, trade secrets, and other intellectual property and proprietary rights and associated goodwill in the True Patriot Assets. Hanauer further agrees that Hanauer shall execute and deliver all documents and do all other acts that are reasonably necessary or desirable to perfect or record the right, title and/or interest of the Company in and to the True Patriot Assets.
- (b) The Company hereby assumes from Hanauer all obligations and liabilities under, arising from, or relating to the True Patriot Assets.

## 2. Governing Law

This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Washington without giving effect to any choice or conflict of law provision (whether of the State of Washington or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Washington.

## 3. Successors and Assigns

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This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns. Nothing in this Agreement is intended to confer any rights or benefits to any person or entity other than the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Hanauer has executed this Capital Contribution Agreement as of the date first set forth above.

NICOLAS J. HANAUER, individually and on behalf of his marifal community

ACCEPTED AND AGREED

LESLIE HANAUER, individually and on

behalf of her marital community

THE TRUE PATRIOT NETWORK, LLC

a Washington limited liability company

Name: Nicolas J. Hanauer

Title: Manager

#### Exhibit A

# Contributed Assets

- Hannuce's right, title, and interest, including without limitation all trademarks, copyrights, patents, trade secrets, and other intellectual property and proprietary rights and all associated goodwill, in the book and manuscript titled "The True Patriot".
- Hanauer's rights, duties, obligations, and interests under that certain Agreement, dated August 28, 2007, between Sasquarch Books, Inc., Hanauer and Eric Liu.
- Hannucr's right, ritle, and interest, including without limitation all trademarks, copyrights, patents, trade secrets, and other intellectual property and proprietary rights and associated goodwill, in the domain name and website at www.TrucPat.org.
- 4. All inventory of copies of The True Patriot currently held by Hanauer.
- All inventory of promotional materials and gifts relating to The True Patriot currently held by Hanauer.
- All business equipment (including personal computers) currently held by Hanauer and dedicated to the promotion of The True Patriot and www.TruePat.org.