

Debt Purchase and Litigation Funding Agreement

This agreement (hereinafter the "Agreement") is entered into as of this ___ day of January, 2017 between the Utah Republican Party, (the "UTGOP") and David Bateman ("Bateman") (collectively, the "Parties").

Recitals

WHEREAS the UTGOP is challenging 2014 Utah Senate Bill 54 (the "Litigation"), and the Litigation to date has been brought in two actions filed in the United States District Court for the District of Utah: the first, titled Utah Republican Party v. Herbert, et al., Case No. 2:14-cv-00876-DN-DBP (D. Utah), filed on December 1, 2014 ("Case I"); and the second, titled Utah Republican Party v. Cox, Case No. 2:16-cv-00038-DN (D. Utah) ("Case II"), filed on January 15, 2016; and

WHEREAS Case II is currently on appeal before the United States Court of Appeals for the Tenth Circuit, titled Utah Republican Party v. Cox, 10th Cir. Case No. 16-4091; and

WHEREAS the UTGOP currently owes the entity(ies) representing the UTGOP (the "Legal Firm(s)") outstanding amounts in legal fees and expenses which were incurred by the UTGOP prior to December 16, 2017, in pursuit of Case I and Case II (the "Outstanding Legal Debt").

The UTGOP, including the State Central Committee ("SCC"), Chairman Rob Anderson, and Party Officers desire to vigorously continue the Litigation to overturn SB54 and preserve the integrity of the Caucus System. Chairman Anderson and others have shared with Bateman the difficulty the Party has had in collecting the resources it needs both to pay off the Outstanding Legal Debt and to fund an ongoing Litigation effort; and

WHEREAS under the UTGOP Constitution Article IV the SCC is stated as "the governing and policy-making body of the [UTGOP]"; and

WHEREAS on November 4, 2017 the SCC adopted a motion "[t]o have the lawsuit continue until we can hear the outcome of the appeal, as long as no party dollars are used from this point forward. And that the SCC appoints a subcommittee to oversee the process . . .". The subcommittee designated in the November 4th SCC directive convened on November 7th and named itself the Constitutional Defense Committee ("CDC"). The CDC and other members of the SCC are interested in ensuring, subject to the will of the SCC, that the constitutionality of SB54 is fully adjudicated by the Courts, and Bateman's interests in overturning SB54 are aligned with members of the CDC; and

WHEREAS the SCC can delegate to officers or committee its power to act to direct Litigation activities and strategy; and

WHEREAS, if the UTGOP, or SCC as needed, delegates power to act to direct Litigation activities and strategy to a committee whose members are fixed and whose members are

interested in ensuring, subject to the will of the SCC, that the constitutionality of SB54 is fully adjudicated by the Courts, Bateman, personally, through a related political action committee, or through another entity, desires to ensure payment of future Litigation expenses incurred by the UTGOP to support the SB54 repeal effort and desires to acquire the rights to Outstanding Legal Debt if he can successfully enter into an agreement with Legal Firms to do so.

Agreement

NOW, THEREFORE, incorporating the recitals above, and in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Condition

1. Only if the UTGOP
 - a. delegates the following powers to a UTGOP committee whose members (i) are fixed to those assigned to the CDC as of December 16, 2017; (ii) fully support overturning SB54; and (iii) can and will vigorously pursue the Litigation, as directed by the SCC:

The full power and authority, subject to the will of the SCC, to manage, direct, conduct, and move forward the Litigation and repeal efforts on behalf of the UTGOP and to make all decisions and take all action related thereto; and
 - b. continues that delegation without interruption until the constitutionality of SB54 is fully adjudicated by the Courts or the SCC directs otherwise,

will Bateman be obligated to perform under this agreement.

Future Legal Expenses

2. Bateman shall pay, directly or indirectly, all future Litigation legal expenses incurred on or after December 16, 2017 that are payable to UTGOP outside legal counsel tasked to litigate the Litigation ("Future Litigation Expenses").
3. The UTGOP shall require retained legal counsel, to provide Bateman and the UTGOP with monthly budgets in an effort to estimate for Bateman and the UTGOP the amount of fees and/or costs they expect to incur in the ongoing matter.
4. The UTGOP shall make a good-faith effort to negotiate with current and future counsel to ensure that Future Litigation Expenses are reasonable.
5. The UTGOP shall require retained legal counsel to provide Bateman and UTGOP with a copy of all invoices for Future Litigation Expenses.
6. Bateman shall pay all Future Litigation Expenses within 30 days of the receipt of

the invoices. If the 30-day window is exceeded, the Party shall allow Bateman at least 15 days to cure following written notification by the UTGOP to Bateman.

7. No UTGOP officer, committee, or employee shall, without express direction from the SCC, move to dismiss any part of the Litigation or act in any way to delay, impede, circumvent or limit the Litigation or other efforts to repeal and/or overturn SB54. If the UTGOP elects to dismiss the Litigation, which shall only be done by a majority vote of the SCC, and Bateman objects within six weeks of the notification to him of dismissal, the UTGOP shall repay Bateman for the Future Litigation Expenses he has paid less any amounts already repaid to him.

8. In the event that Bateman does not pay any of the Future Litigation Expenses, as provided in this Agreement, the UTGOP may choose to dismiss the Litigation pursuant to its governing documents.

9. The UTGOP shall keep Bateman apprised on a timely basis of all developments with respect to the Litigation.

10. The UTGOP shall consult with Bateman on all UTGOP press releases about the Litigation.

11. The UTGOP shall not dismiss Legal Firms from involvement in the Litigation without first consulting with Bateman.

12. The UTGOP shall reasonably pursue all Litigation attorneys' fees and costs awards to which it may become entitled for Future Litigation Expenses ("Future Reimbursements") and shall not enter into any Future Reimbursements settlement without first consulting with Bateman.

13. The UTGOP shall pay all of the Future Reimbursements and Future Reimbursement settlements it recovers to Bateman, up to the amount Bateman has paid in Future Legal Expenses and in acquiring the Outstanding Legal Debt.

14. To the extent allowed by FEC regulations and State and Federal law, the UTGOP shall establish a separate account to which interested parties can contribute specifically for the purpose of funding the Litigation. A written donor confirmation of the purpose of the contribution must accompany the donation for the funds to be put in such an account. To the extent that Bateman donates funds to this account, both Parties shall consider those funds as paid Future Litigation Expenses pursuant to Bateman's obligation under section 2 of this agreement. The UTGOP shall keep a strict accounting of funds in that account and shall not commingle or pool funds from that account with UTGOP funds in any other account nor use such funds for any purpose other than Litigation and SB54 repeal efforts. The UTGOP shall promptly apply all such funds to pay Future Litigation Expenses in order to reduce the amounts otherwise owed by Bateman under section 2 of this Agreement, and, to the extent that no Future Litigation Expenses remain to be paid, the UTGOP shall apply such funds to repay Bateman for his expenditures made under the terms of this Agreement for Future Litigation Expenses and then for acquiring the Outstanding Legal Debt until those expenditures have been repaid in full.

Outstanding Legal Debt

15. UTGOP hereby authorizes Legal Firms to enter into agreements with Bateman, assigning the Outstanding Legal Debt to Bateman, and hereby waive any ethics claims UTGOP could raise against Legal Firms for assigning the Outstanding Legal Debt. Legal Firms are free to negotiate and enter into an agreement with Bateman if they so choose.

16. If Bateman is successful in acquiring the Outstanding Legal Debt from Legal Firms, the Parties agree to the following:

- a. The UTGOP shall reasonably pursue all Litigation attorneys' fees and costs awards to which it may be entitled for Litigation up to the date of this Agreement ("Past Reimbursements") and shall not enter into any Past Reimbursement settlement without Bateman's prior written approval.
- b. The UTGOP shall pay all the Past Reimbursements it recovers to Bateman, up to the amounts: (i) Bateman has paid in Future Legal Expenses; and (ii) Bateman has paid or committed to pay to acquire the Outstanding Legal Debt.
- c. Bateman shall disclose to the UTGOP the amount for which he acquired the Outstanding Legal Debt.
- d. Bateman shall forbear collecting from the UTGOP any of the Outstanding Legal Debt in amounts in excess of Past Reimbursements collected by the UTGOP, unless the SCC directs that the Litigation be dismissed and Bateman objects in writing within six weeks of being notified, in which case Bateman shall forbear for 12 months from the date of the SCC vote for dismissal, after which he may pursue the Outstanding Legal Debt against the UTGOP up to the amounts: (i) Bateman has paid in Future Legal Expenses, and (ii) Bateman has paid or committed to pay to acquire the Outstanding Legal Debt.
- e. If Bateman pursues the Outstanding Legal Debt as provided immediately above, the UTGOP shall waive any and all defenses and claims that it would have against the Legal Firms for the Outstanding Legal Debt.

17. If Bateman is unsuccessful in negotiating an agreement to acquire Outstanding Legal Debt, it shall in no way be construed as a violation of this Agreement.

18. If Bateman is unable to negotiate an agreement to acquire Outstanding Legal Debts from Legal Firms by February 1, 2018, the UTGOP shall seek a declaratory judgement from a court of competent jurisdiction, at Bateman's sole expense, to determine if all of Case I legal fees and costs are indeed payable by the UTGOP, in light of counsel's untimeliness in filing its request for fee reimbursement. The UTGOP shall make no agreement with Legal Firms to ensure payment of fees from Case I before that declaratory judgment ruling, or in contradiction to that ruling, without written authorization from Bateman. The UTGOP waives any such claims against Bateman if Bateman succeeds in acquiring the Outstanding Legal Debt.

Other Provisions

19. The UTGOP shall notify Bateman within 5 business days of any significant financial concerns that arise that may threaten the solvency of the Party, including but not limited to all threatened or actual litigation, regulatory investigations, or threats by vendors to foreclose on debt held by the Party, so that Bateman may seek to offer his assistance to resolve said concerns.

20. UTGOP agrees to release Bateman of any and all claims related to actions he has taken with respect to his efforts to repeal SB54 and defeat Count My Vote. Bateman and UTGOP will work together to ensure Bateman's contributions are compliant with FEC regulations, and Federal and State laws, and UTGOP will indemnify Bateman and hold him harmless with respect to these compliance issues to the extent that he acts in accordance with compliance recommendations made by the UTGOP.

21. The UTGOP agrees to add the following to the agenda for the January 27, 2018 SCC meeting, to be carried out chronologically in the order provided: (a) an opportunity for Bateman to address the SCC for a period of time not to exceed 10 minutes; and (b) a motion brought forth by a willing SCC member of Bateman's choosing to take action to further defend and preserve the Caucus-Convention process—the details of which will be provided by the January 12, 2018 deadline.

22. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Utah.

23. Interpretation. This Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted.

24. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder will be in writing and will be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as will be specified in a notice given in accordance with this Section 11).

If to Bateman:

4203 N Red Maple Court
Lehi UT 84043

If to the UTGOP:

BJ Griffin
Utah Republican Party

117 E South Temple
Salt Lake City, UT 84111
bjgriffin@utgop.org

25. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

26. Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

27. Independent Counsel. Each Party acknowledges that each of them has had the opportunity to review this Agreement with independent legal counsel.

28. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

29. No Assignment. Except as expressly provided herein, no party to this Agreement may assign its rights or obligations hereunder without the prior written consent of the other Parties.

30. Third Party Beneficiary. Mumford P.C. and Christ T. Troupis are intended Third Party Beneficiaries of the provisions of this Agreement addressing Bateman acquiring the Outstanding Legal Debt and the provision requiring UTGOP consultation with Bateman prior to dismissing Legal Firms.

31. Any communications from Bateman will not be provided upon UTGOP letterhead or use UTGOP logo's or trademarks. Any violation of this term will be a material breach of this contract.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Litigation Funding Agreement as of the date in the first paragraph.

UTGOP:

By: Rob Anderson
Name: Rob Anderson
Title: Chairman

I personally represent that I, as chair of the UTGOP or chair of the SCC, have authority to bind the UTGOP to this agreement.

Rob Anderson
Rob Anderson

David Bateman:

David Bateman
David Bateman