

## SETTLEMENT AGREEMENT

This Settlement Agreement (the “Settlement Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of its agency, U.S. Customs and Border Protection (“CBP” or “Customs”) (collectively, the “United States”), Defendant Pure Collection Ltd. (“Pure”), and Andrew Patrick (“Relator”) (hereafter collectively referred to as “the Parties”), by and through their authorized representatives.

### RECITALS

A. Pure is a retailer of knitwear, including cashmere and other woven products, and transacts extensively in the United States. It is a private corporation registered in England and headquartered at Mowbray House, Mowbray Square, Harrogate, West Yorkshire, HG1 5AU, England.

B. On May 3, 2016, Relator filed a *qui tam* action in the United States District Court for the District of Maine captioned *United States ex rel. Patrick v. Pure Collection Ltd.*, Civil No. 2:16-cv-00230-GZS, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). The Civil Action originally alleged, *inter alia*, that Pure violated the False Claims Act, 31 U.S.C. § 3729(a)(1)(G), in connection with its alleged improper and knowing concealment and avoidance of United States customs duties applicable to items it regularly shipped from the United Kingdom directly to U.S. customers. *See* ECF No. 1.

C. On July 14, 2017, the United States fully intervened in the Civil Action and filed its Complaint-in-Intervention. *See* ECF Nos. 18 & 19.

D. As more fully detailed in its Complaint-in-Intervention, the allegations of which are hereby incorporated by reference in the Recitals comprising the instant Settlement

Agreement, the United States contends that Pure, in violation of 31 U.S.C. § 3729(a)(1)(G), improperly and knowingly concealed and avoided Customs duties applicable to the knitwear and other items Pure regularly shipped from the United Kingdom directly to its thousands of U.S. customers, including those in Maine, from 2007 through 2017. This conduct is referred to herein as the “Covered Conduct.”

E. The United States contends that it has certain civil claims against Pure arising from the Covered Conduct.

F. This Settlement Agreement is neither an admission of liability by Pure nor a concession by the United States that its claims are not well founded.

G. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and under 31 U.S.C. § 3730(d) to Relator’s reasonable expenses, attorneys’ fees, and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

#### TERMS AND CONDITIONS

1. Pure agrees to pay to the United States the sum of Eight Hundred Seventy-Five Thousand Five Hundred and Thirty-Eight Dollars (**\$875,538.00**) (the “Settlement Amount”), regarding which \$404,988 constitutes restitution. Pure will make a payment to the United States in the amount of Two Hundred Thousand Dollars (**\$200,000.00**) (the “Initial Payment”) by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the District of Maine no later than thirty (30) days after the Effective Date of this Settlement Agreement.

a. Over a period of three years, Pure will thereafter pay the remaining Six Hundred Seventy-Five Thousand Five Hundred and Thirty-Eight Dollars (**\$675,538.00**), plus interest at 2.375% per annum, pursuant to the Promissory Note (“Note”) in the form of **Exhibit A** attached to this Agreement and incorporated herein by reference, that Pure agrees to execute contemporaneously with this Agreement.

b. Interest shall accrue on the unpaid settlement amount as indicated in the Note. Collectively the settlement amount and interest received by the United States shall be referred to as the “Settlement Proceeds.”

2. In the event that Pure fails to pay any amount as provided in Paragraph 1 above within five (5) days of the Due Dates set out in Paragraph 1 of the Note or the occurrence of any of the other events described in Paragraph 4 of the Note, Pure shall be in default of its payment obligations (“Event of Default”). The United States will provide written notice of the Event of Default and Pure shall have the opportunity to cure such Event of Default within five (5) business days of receipt of the notice. Notice of the Event of Default will be sent by first class mail addressed to both the below-signed attorneys for Pure and to Pure at its corporate headquarters. If Pure fails to cure such Event of Default within five (5) business days of receiving the Notice of the Event of Default, the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest shall accrue at the rate of 12% per annum compounded daily from the date of the Event of Default on the remaining unpaid total (principal and interest balance). Pure shall pay the United States all reasonable costs of collection and enforcement under this paragraph, including attorneys’ fees and expenses.

3. Exercise of Rights Upon the Event of Default.

a. Upon declaration of the Event of Default, the United States may exercise, at its sole discretion, one or more of the following rights, as applicable: (a) move the U.S. District Court to enforce the balance of the Stipulated Judgment against Pure; (b) declare this Agreement breached, and proceed with any claims against Pure, including those to be released by this Agreement; (c) offset the remaining unpaid balance, inclusive of interest, from any amounts due and owing to Pure by any department, agency, or agent of the United States at the time of the Event of Default; (d) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. Pure agrees not to contest any offset imposed pursuant to this provision, either administratively or in any state or federal court.

b. In the Event of Default as defined in Paragraph 2 above, CBP may exclude Pure from shipping goods and merchandise into the United States until Pure pays the Settlement Amount and reasonable costs as set forth above. CBP will provide written notice of any such exclusion to Pure by first class mail addressed to both the below-signed attorneys for Pure and to Pure at its corporate headquarter. Pure waives any further notice of the exclusion, and agrees not to contest such exclusion either administratively or in any state or federal court.

4. Contingent upon the United States receiving the Initial Payment from Pure and as soon as feasible thereafter, the United States agrees to pay from the proceeds of the Initial Payment the sum of \$36,000.00 to Relator by electronic funds transfer pursuant to instructions provided by Counsel for Relator. Contingent upon the United States receiving the remaining \$675,538.00 plus interest of the Settlement Amount due pursuant to the Note in equal monthly installments, the United States agrees to pay from each such installment the sum of \$3502.79 to Relator on a monthly basis by electronic funds transfer. In the event Pure pre-pays any amount

as permitted by the terms of the Note, , the United States further agrees to pay to Relator 18% from each such pre-paid installment by electronic funds transfer

5. Subject to the exceptions in Paragraph 7 (concerning excluded claims) below, and conditioned upon Pure's full payment of the Settlement Amount, and subject to Paragraph 14 below (concerning bankruptcy and/or insolvency proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the United States releases Pure and all of its past, present, and future owners, successors, predecessors, subsidiaries, divisions, affiliates, brother and sister companies, directors, principals, limited partners, general partners, managers, officers, agents, and employees from any civil or administrative monetary claim the United States has for the Covered Conduct under the federal False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Tariff Act of 1930, as amended by 19 U.S.C. §§ 1202-1683(g); or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

6. Subject to the exceptions in Paragraph 7 (concerning excluded claims) below, and conditioned upon Pure's full payment of the Settlement Amount, and subject to Paragraph 14 below (concerning bankruptcy and/or insolvency proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Pure and all of its past, present, and future owners, successors, predecessors, subsidiaries, divisions, affiliates, brother and sister companies, directors, principals, limited partners, general partners, managers, officers, agents, and employees from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733, except, however, that Pure and Relator reserve and do not release each other for all claims and

defenses relating to the Relator's attorney's fees and costs under 31 U.S.C. § 3730(d) as provided by Paragraph 8 hereof, to the extent that they are not otherwise resolved by a separate settlement agreement between Pure and Relator. The parties understand and agree that Relator shall be entitled to seek an order for an award of reasonable attorney fees and costs in this action, pursuant to 31 U.S.C. § 3730. The parties reserve and do not release each other for all claims and defenses relating to the Relator's attorney's fees and costs, to the extent that they are not otherwise resolved by a separate settlement agreement.

7. Notwithstanding the releases given in Paragraphs 5 and 6 of this Settlement Agreement, or any other term of this Settlement Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Settlement Agreement, any administrative liability, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Settlement Agreement; and
- f. Any liability of any other individuals.

8. Notwithstanding the releases given in Paragraph 6 of this Settlement Agreement, or any other term of this Settlement Agreement, the Relator specifically reserves and does not release his claims for Relator's attorney's fees and costs under 31 U.S.C. § 3730(d) and Pure

specifically reserves and does not release its defenses to and the right to challenge the Relator's claims for attorney's fees and costs.

9. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Settlement Agreement but agree and confirm that this Settlement Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the payments described in Paragraph 4, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Settlement Agreement and/or the Civil Action.

10. Pure waives and shall not assert any defenses it may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action.

11. Pure fully and finally releases the United States and its agencies, officers, agents, employees, and servants from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Pure has asserted, could have asserted, or may assert in the future against the United States and its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the investigation and prosecution thereof.

12. Pure and its past and present officers, directors, attorneys, agents, servants, and employees, as well as successors and assigns of any of them, fully and finally release the Relator,

his heirs, successors, attorneys, agents and assigns from any and all claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Pure or its past and present officers, directors, attorneys, agents, servants, and employees have asserted, could have asserted, or may assert in the future related to the Civil Action or the Covered Conduct and Relators' investigation and prosecution thereof.

13. Unallowable Costs Defined:

a. All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Pure, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Settlement Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Settlement Agreement;
- (3) Pure's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Settlement Agreement (including attorney's fees);
- (4) the negotiation and performance of this Settlement Agreement;
- (5) the payment Pure makes to the United States pursuant to this Settlement Agreement and any payments that Pure may make to Relator, including costs and attorneys fees,

are unallowable costs for United States Government contracting purposes (hereinafter referred to as Unallowable Costs).



b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Pure, and Pure shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Pure shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Pure or any of her subsidiaries or affiliates from the United States. Pure agrees that the United States, at a minimum, shall be entitled to recoup from Pure any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Pure's books and records and to disagree with any calculations submitted by Pure or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Pure, or the effect of any such Unallowable Costs on the amount of such payments.

14. Pure represents that it has reviewed its financial situation and, based on reasonable forecasts previously provided to the United States, that it currently is solvent within the meaning of United States Bankruptcy law (*see, e.g.*, 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I)) and able to pay its debts within the meaning of the United Kingdom Insolvency Act 1986, and that, based on those forecasts, it reasonably expects to remain solvent and able to pay its debts following payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Settlement Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Pure within the meaning of 11 U.S.C. §

547(c)(1), and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Pure was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

15. If within 91 days of the Effective Date of this Agreement or of any payment made under this Settlement Agreement, Pure commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors under United States or United Kingdom law (a) seeking to have any order for relief of Pure's debts, or seeking to adjudicate Pure as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Pure or for all or any substantial part of Pure's assets, Pure agrees as follows:

a. Pure's obligations under this Settlement Agreement may not be avoided or modified pursuant to 11 U.S.C. § 547 or by operation of any law of the United Kingdom, and Pure shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Pure's obligations under this Settlement Agreement may be avoided or modified under 11 U.S.C. § 547 or by operation of any law of the United Kingdom; (ii) Pure was insolvent at the time this Settlement Agreement was entered into, or became insolvent as a result of the payment made to the United States, or was otherwise unable to pay its debts; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Pure.

b. If Pure's obligations under this Settlement Agreement are avoided or modified for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code or by operation of any law of the United Kingdom, the United States, at its sole option, may rescind the releases in this Settlement Agreement and bring any civil and/or administrative claim, action, or proceeding against Pure for the claims that would otherwise be covered by the releases provided in Paragraphs 5 and 6, above. Pure agrees that (i) any such claims, actions, or proceedings brought by the United States are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Pure shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay or similar bar pursuant to the United Kingdom Insolvency Act 1986 or by operation of any law of the United Kingdom; (ii) Pure shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought by the United States within 90 calendar days of written notification to Pure that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of the Agreement; and (iii) the United States has a valid claim against Pure in the full amount of treble damages and penalties available pursuant to 31 U.S.C. 3729(a)(1), and the United States may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. Pure acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

16. This Settlement Agreement is intended to be for the benefit of the Parties only.

17. Within three (3) business days of execution of this Agreement, the United States shall sign and file in the Civil Action a Consent Motion for Stipulated Judgment for \$875,538.00 in favor of the United States on its Complaint-in-Intervention, attaching a copy of this Agreement and the Note as exhibits to the Consent Motion.

18. Except as provided above with respect to Relator as set forth in Paragraph 6, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Settlement Agreement.

19. Each party and signatory to this Settlement Agreement represents that it freely and voluntarily enters in to this Settlement Agreement without any degree of duress or compulsion.

20. This Settlement Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Settlement Agreement is the United States District Court for the District of Maine. For purposes of construing this Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties to this Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

21. This Settlement Agreement constitutes the complete agreement between the Parties.

22. This Settlement Agreement may not be amended except by written consent of the Parties.

23. The undersigned counsel represents and warrants that they are fully authorized to execute this Settlement Agreement on behalf of the persons and entities indicated below.

24. This Settlement Agreement may be executed in counterparts by all signatories, each of which constitutes an original and all of which constitute one and the same.

25. This Settlement Agreement is binding on Pure's successors, transferees, heirs, and assigns.

26. This Settlement Agreement is binding on Relator's successors, transferees, heirs, and assigns.

27. All parties consent to the United States' disclosure of this Settlement Agreement, and information about this Settlement Agreement, to the public.


28. This Settlement Agreement is effective on the date of signature of the last signatory thereto ("Effective Date of this Settlement Agreement"). Facsimiles and/or scanned copies of original signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

*[Remainder of this page intentionally left blank; signatures on next pages]*


THE UNITED STATES OF AMERICA

HALSEY B. FRANK  
U.S. Attorney for the District of Maine

DATED: February 12, 2018

BY:   
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DATED: February 12, 2018

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DATED: February 12, 2018


BY:   
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DATED: February 12, 2018

BY:   
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**PURE COLLECTION LTD.**

DATED: February 12, 2018

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**PURE COLLECTION LTD.**

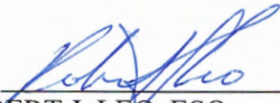
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DATED: February 9, 2018

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RELATIVES, ANDREW PATRICK

DATED: February \_\_, 2018

BY:   
ANDREW PATRICK, RELATOR

DATED: February \_\_, 2018

BY: \_\_\_\_\_  
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**RELATOR, ANDREW PATRICK**

DATED: February \_\_, 2018

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RELATOR, ANDREW PATRICK

DATED: February \_\_, 2018

BY: ANDREW PATRICK, RELATOR

DATED: February \_\_, 2018

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**RELATOR, ANDREW PATRICK**

DATED: February \_\_, 2018

BY: \_\_\_\_\_  
ANDREW PATRICK, RELATOR

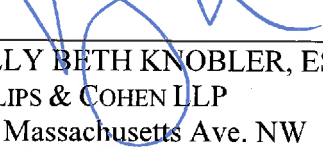
DATED: February \_\_, 2018

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DATED: February 9, 2018

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**Exhibit A to Settlement Agreement**  
**Promissory Note**

1. For value received, and pursuant to the Settlement Agreement into which this Promissory Note ("Note") is incorporated by reference and attached thereto as Exhibit A, Pure Collection, Ltd. ("Maker") promises to pay to the United States of America ("Holder"), or its assignee, the full principal sum of **\$875,538.00** together with interest accruing at the rates of 2.375% per annum ("Outstanding Balance"), as set forth below.

Schedule of Payments (including interest):

Balance Due	\$	875,538		Monthly Payment
Initial Payment	\$	<u>200,000</u>	Pursuant to settlement agreement.	-\$19,459.94
Remaining Amount Due	\$	<u>675,538</u>		

Quarter	Due Dates	Payment	Interest	Principal	Balance
			2.375%		
1	3/1/2018	(\$19,459.94)	\$1,337.00	(\$18,122.94)	
2	4/1/2018	(\$19,459.94)	\$1,301.13	(\$18,158.81)	
3	5/1/2018	(\$19,459.94)	\$1,265.19	(\$18,194.75)	
4	6/1/2018	(\$19,459.94)	\$1,229.18	(\$18,230.76)	
5	7/1/2018	(\$19,459.94)	\$1,193.10	(\$18,266.84)	
6	8/1/2018	(\$19,459.94)	\$1,156.95	(\$18,302.99)	
7	9/1/2018	(\$19,459.94)	\$1,120.72	(\$18,339.22)	
8	10/1/2018	(\$19,459.94)	\$1,084.43	(\$18,375.51)	
9	11/1/2018	(\$19,459.94)	\$1,048.06	(\$18,411.88)	
10	12/1/2018	(\$19,459.94)	\$1,011.62	(\$18,448.32)	
11	1/1/2019	(\$19,459.94)	\$975.11	(\$18,484.83)	
12	2/1/2019	(\$19,459.94)	\$938.52	(\$18,521.42)	
13	3/1/2019	(\$19,459.94)	\$901.87	(\$18,558.07)	
14	4/1/2019	(\$19,459.94)	\$865.14	(\$18,594.80)	
15	5/1/2019	(\$19,459.94)	\$828.33	(\$18,631.61)	
16	6/1/2019	(\$19,459.94)	\$791.46	(\$18,668.48)	
17	7/1/2019	(\$19,459.94)	\$754.51	(\$18,705.43)	
18	8/1/2019	(\$19,459.94)	\$717.49	(\$18,742.45)	
19	9/1/2019	(\$19,459.94)	\$680.40	(\$18,779.54)	
20	10/1/2019	(\$19,459.94)	\$643.23	(\$18,816.71)	

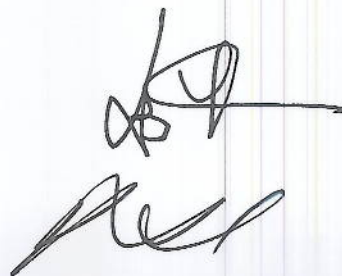
21	11/1/2019	(\$19,459.94)	\$605.99	(\$18,853.95)
22	12/1/2019	(\$19,459.94)	\$568.67	(\$18,891.27)
23	1/1/2020	(\$19,459.94)	\$531.28	(\$18,928.66)
24	2/1/2020	(\$19,459.94)	\$493.82	(\$18,966.12)
25	3/1/2020	(\$19,459.94)	\$456.28	(\$19,003.66)
26	4/1/2020	(\$19,459.94)	\$418.67	(\$19,041.27)
27	5/1/2020	(\$19,459.94)	\$380.99	(\$19,078.95)
28	6/1/2020	(\$19,459.94)	\$343.22	(\$19,116.72)
29	7/1/2020	(\$19,459.94)	\$305.39	(\$19,154.55)
30	8/1/2020	(\$19,459.94)	\$267.48	(\$19,192.46)
31	9/1/2020	(\$19,459.94)	\$229.49	(\$19,230.45)
32	10/1/2020	(\$19,459.94)	\$191.43	(\$19,268.51)
33	11/1/2020	(\$19,459.94)	\$153.30	(\$19,306.64)
34	12/1/2020	(\$19,459.94)	\$115.09	(\$19,344.85)
35	1/1/2021	(\$19,459.94)	\$76.80	(\$19,383.14)
36	2/1/2021	(\$19,459.80)	\$38.44	(\$19,421.36)
Total		<u>(\$700,557.70)</u>	<u>\$25,019.78</u>	<u>(\$675,537.92)</u>

2. Payments will be made by wire transfer as indicated in the Settlement Agreement. If there is any change in the method or instructions of payment, the Holder shall inform the Maker at least 5 business days before payment is due.

3. This Note may be prepaid, in whole or in part, without penalty or premium. Partial payment does not alter the interest rate applicable each year as reflected in paragraph 1 of this Note.

4. Maker is in default of this Note on the date of occurrence of any of the following events ("Events of Default").

- A. Maker's failure to pay any amount provided for in this Note within five days of when such payment is due and payable ("Due Date"); provided, however, that an Event of Default does not occur if, because of events outside of Maker's control, the Holder does not receive the paid amount after transmission by Maker. Maker will make its best efforts to insure Holder's receipt of the paid amount.
- B. If prior to making the full payment of the amount due under this Note, any case, proceeding, or other action is instituted;
  - a. under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have any order for relief of debtors, or seeking to adjudicate Maker as bankrupt or insolvent; or



- b. seeking appointment of a receiver, trustee, custodian or other similar official for Maker or for all or any substantial part of Maker's assets.

C. If Paragraph 1 of the Settlement Agreement is violated.

5. The Maker shall provide the United States written notice of an Event of Default within two (2) business days of such event by overnight mail, delivered to the Office of the United States Attorney for the District of Maine ("USAO"), at 100 Middle Street, 6<sup>th</sup> Floor, East Tower, Portland, Maine, 04101, United States of America.

6. Upon the occurrence of an Event of Default, the United States will provide written notice of the Event of Default and Maker shall have the opportunity to cure such Event of Default within five (5) business days of receiving the notice as set out in Paragraph 2 of the Settlement Agreement:

- A. If the Maker fails to cure the Event of Default within five (5) business days of receiving the United States' Notice of the Event of Default, the portion of the Outstanding Balance (principal and interest balance) shall become immediately due and payable (default amount). Interest shall accrue on the default amount from the date of the Event of Default at 12 per cent per annum, compounded daily.
- B. The United States retains any and all other rights and remedies it has or may have under law and equity, and may exercise those rights or remedies, as set out in Paragraph 3 of the Settlement Agreement.
- C. No failure or delay on the part of the United States to exercise any right or remedy shall operate as a waiver of the United States' rights. No partial or single exercise by the United States of any right or remedy shall operate as a waiver of the United States' rights.
- D. Maker will pay the United States all reasonable costs of collection, including reasonable attorneys' fees and expenses.

7. Waiver by the Holder of any default by Maker, its successors, or assigns will not constitute a waiver of a subsequent default. Failure by the Holder to exercise any right, power, or privilege which it may have by reason of default will not preclude the exercise of such right, power, or privilege so long as such default remains uncured or if a subsequent default occurs.

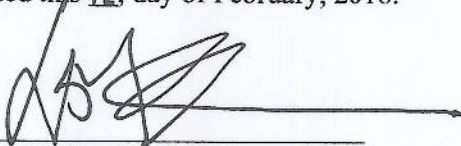
8. This Note shall be governed and construed according to the laws of the United States of America.



9. Maker acknowledges that it is entering into this Note, freely, voluntarily and with no degree of compulsion whatsoever.

10. Maker hereby affirms that it has authority to enter into this Note, and that it has: (1) reviewed this Note and the Settlement Agreement; and (2) consulted with legal counsel in connection with this matter.

IN WITNESS THEREOF, Maker intending to be legally bound hereby, has executed this Note, duly attested this 12, day of February, 2018.



Pure Collection, Ltd.  
February 12, 2018

K A Beckett.  
Notarized  
Harrogate, England  
12<sup>th</sup> February 2018.



*Signed as a deed before me,  
Katherine Ann Beckett, Notary Public  
for England and Wales by  
Nicholas Bruce Falkingham on behalf  
of Pure Collection Limited.*

**The Notary Solution Limited** 4  
**Copthall Bridge House, Station Bridge,**  
**Harrogate, HG1 1SP**  
**Tel: 01423 369607**

