

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	Trademark Security and Pledge Agreement
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Vector Tobacco Inc.		08/16/2007	CORPORATION: VIRGINIA

RECEIVING PARTY DATA	
Name:	U.S. Bank National Association
Street Address:	60 Livingston Avenue
City:	St. Paul
State/Country:	MINNESOTA
Postal Code:	55107
Entity Type:	National Banking Corporation:

PROPERTY NUMBERS Total: 33

Property Type	Number	Word Mark
Registration Number:	2748408	V
Registration Number:	2849708	1
Registration Number:	3053228	1
Registration Number:	2849709	2
Registration Number:	3053229	2
Registration Number:	2849710	3
Registration Number:	3053230	3
Registration Number:	1041041	EAGLE 20'S
Registration Number:	1900069	EAGLE 20'S
Registration Number:	2782773	MAKE IT YOUR QUEST
Registration Number:	1863306	MERIDIAN 100'S 20 CLASS A CIGARETTES
Registration Number:	2883026	NICOTINE FREE. SIMPLE AS 1-2-3
Registration Number:	1159377	OMNI
Registration Number:	2858950	QUEST

OP \$840.00 2748408

Registration Number:	2837372	QUEST 1
Registration Number:	2979617	QUEST 1 LOW NICOTINE LIGHTS 20 CLASS A CIGARETTES
Registration Number:	3038371	QUEST, 1, LOW NICOTINE, LIGHTS, 20 CLASS A CIGARETTES
Registration Number:	3091066	QUEST 1 LOW NICOTINE MENTHOL LIGHTS 20 CLASS A CIGARETTES
Registration Number:	2837373	QUEST 2
Registration Number:	2979618	QUEST 2 EXTRALOW NICOTINE LIGHTS 20 CLASS A CIGARETTES
Registration Number:	3086264	QUEST 2 EXTRALOW NICOTINE LIGHTS 20 CLASS A CIGARETTES
Registration Number:	3091067	QUEST 2 EXTRALOW NICOTINE MENTHOL LIGHTS 20 CLASS A CIGARETTES
Registration Number:	2837374	QUEST 3
Registration Number:	2979619	QUEST 3 NICOTINE FREE LIGHTS 20 CLASS A CIGARETTES
Registration Number:	3056373	QUEST 3 NICOTINE FREE LIGHTS 20 CLASS A CIGARETTES
Registration Number:	3071883	QUEST 3 NICOTINE FREE, MENTHOL LIGHTS 20 CLASS A CIGARETTES
Registration Number:	2696969	REDUCED CARCINOGENS. PREMIUM TASTE.
Registration Number:	3140520	SILVER EAGLE
Registration Number:	2875596	STEP TO NICOTINE FREE!
Serial Number:	78411476	MONTERA
Serial Number:	78718785	QUEST
Serial Number:	78891393	QUEST
Serial Number:	78409580	

CORRESPONDENCE DATA

Fax Number: (714)755-8290
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 714-540-1235
Email: ipdocket@lw.com
Correspondent Name: Latham & Watkins LLP
Address Line 1: 650 Town Center Drive, Suite 2000
Address Line 4: Costa Mesa, CALIFORNIA 92626

ATTORNEY DOCKET NUMBER:	038507-0069
NAME OF SUBMITTER:	Anna T Kwan

Signature:	/Anna T Kwan/
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Date:	08/16/2007
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Total Attachments: 13
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TRADEMARK SECURITY AND PLEDGE AGREEMENT

This TRADEMARK SECURITY AND PLEDGE AGREEMENT, dated as of August 16, 2007 (as may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), is made by Vector Tobacco Inc., a Virginia corporation (the "Grantor") in favor of U.S. Bank National Association, as collateral agent (in such capacity, the "Collateral Agent") for the Noteholders (as defined in the Security Agreement referred to below).

WHEREAS, the Grantor has guaranteed the Notes issued under the Indenture, dated as of August 16, 2007 (as amended, supplemented, or otherwise modified from time to time, the "Indenture") among Vector Group Ltd. (the "Issuer"), the Grantor and certain of the Issuer's other direct and indirect subsidiaries and the Collateral Agent, in its capacity as trustee thereunder.

WHEREAS, it is a condition precedent to the obligations of the Collateral Agent under the Indenture that the Grantor shall have executed and delivered that certain Security Agreement, dated as of August 16, 2007, in favor of the Collateral Agent (as amended, supplemented, replaced or otherwise modified from time to time, the "Security Agreement").

WHEREAS, under the terms of the Security Agreement, the Grantor has granted a security interest in certain Property, including, without limitation, certain Intellectual Property of the Grantor to the Collateral Agent for the ratable benefit of the Noteholders, and has agreed as a condition thereof to execute this Agreement for recording with the United States Patent and Trademark Office and other applicable Governmental Authorities.

WHEREAS, this Agreement is supplemental to the provisions contained in the Security Agreement and, in the event of an inconsistency among them, the Security Agreement shall control over this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

§ 1 DEFINITIONS.

1.1. Terms Defined in the Security Agreement. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Security Agreement.

1.2. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Assignment of Marks" has the meaning set forth in Section 2.2 herein.

“PTO” means the United States Patent and Trademark Office.

“Trademark Collateral” has the meaning set forth in Section 2.1 herein.

1.3 Rules of Construction. Unless otherwise provided herein, the rules of construction set forth in Section 1.2 of the Security Agreement shall be applicable to this Agreement.

§ 2

GRANT OF SECURITY INTEREST.

2.1. Security Interest. As collateral security for the payment and performance in full of all of the Secured Liabilities, the Grantor hereby pledges and grants to the Collateral Agent, for the benefit of the Collateral Agent and the ratable benefit of the Noteholders, a continuing security interest in and first priority lien on all of such Grantor’s rights, title and interests in all Trademarks, Trademark Licenses, Trade Secrets and Trade Secret Licenses, including the Trademarks, Trademark Licenses and Trade Secret Licenses referred to on Schedule A hereto (as such schedule may be amended or supplemented from time to time), in each case whether now or hereafter existing or arising or in which such Grantor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the “Trademark Collateral”).

2.2. Assignment of Trademarks upon Default. The Grantor acknowledges that the Collateral Agent has the right, pursuant to the power of attorney granted the Collateral Agent hereunder and under the Security Agreement, upon the occurrence and during the continuance of an Event of Default, to execute on behalf of such Grantor an assignment of Trademarks that constitute Trademark Collateral in the form attached as Annex 1 hereto (each an “Assignment of Trademarks”) for the sole purpose of effecting the Collateral Agent’s exercise of its remedies under Section 8 of the Security Agreement. In furtherance of the foregoing, the Grantor hereby authorizes the Collateral Agent to complete, execute and record with the PTO an Assignment of Trademarks on behalf of such Grantor upon the occurrence and during the continuance of an Event of Default for the sole purpose of effecting the Collateral Agent’s exercise of its remedies under Section 8 of the Security Agreement.

2.3. Conditional Assignment. In addition to, and not by way of limitation of, the grant and pledge of the Trademark Collateral provided in Section 2.1, the Grantor grants, assigns, transfers, conveys and sets over to the Collateral Agent, for the benefit of the Noteholders, such Grantor’s entire right, title and interest in and to the Trademark Collateral; *provided*, that such grant, assignment, transfer and conveyance shall be and become of force and effect only (a) in connection with the Collateral Agent’s exercise of its rights and remedies in strict accordance with the terms of the Security Agreement, and (b) upon or after the occurrence and during the continuance of an Event of Default and (c) either (i) upon the written demand of the Collateral Agent at any time during such continuance or (ii) immediately and automatically (without notice or action of any kind

by the Collateral Agent) upon an Event of Default for which acceleration of the payment of the Notes is automatic under the Indenture or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by the Grantor to the Collateral Agent or its nominee in lieu of foreclosure).

2.4. Supplemental to Security Agreement. Pursuant to the Security Agreement the Grantor has granted to the Collateral Agent, for the benefit of the Noteholders, a continuing security interest in and first lien on the Collateral (including the Trademark Collateral). The Security Agreement, and all rights and interests of the Collateral Agent in and to the Collateral (including the Trademark Collateral) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Agreement, the grant, assignment, transfer and conveyance of the Trademark Collateral hereunder, or the recordation of this Agreement (or any other document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Security Agreement, the security interest of the Collateral Agent in the Collateral (including the Trademark Collateral) pursuant to the Security Agreement, the attachment and perfection of such security interest under the UCC (including the security interest in the Trademark Collateral), or any present or future rights and interests of the Collateral Agent in and to the Collateral under or in connection with the Security Agreement or the UCC. Any and all rights and interests of the Collateral Agent in and to the Trademark Collateral (and any and all obligations of the Grantor with respect to the Trademark Collateral) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Collateral Agent (and the obligations of the Grantor) in, to or with respect to the Collateral (including the Trademark Collateral) provided in or arising under or in connection with the Security Agreement and shall not be in derogation thereof.

§ 3

AFTER-ACQUIRED TRADEMARKS

3.1. After-acquired Trademarks. If, after the execution of the Agreement and before the end of the Security Period, the Grantor shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Licenses, Trade Secrets or Trade Secret Licenses or become entitled to the benefit of any Trademarks, Trademark Licenses, Trade Secrets or Trade Secret Licenses, the provisions of this Agreement shall automatically apply thereto and such Grantor shall promptly provide to the Collateral Agent notice thereof in writing and execute and deliver to the Collateral Agent such documents or instruments as the Collateral Agent may reasonably request further to implement, preserve or evidence the Collateral Agent's interest therein.

3.2. Amendment to Schedule. The Grantor authorizes the Collateral Agent to modify this Agreement and the Assignments of Trademarks, without the necessity of such Grantor's further approval or signature, by amending Schedule A hereto and the Annex to each Assignment of Trademarks to include any future or other Trademarks, Trademark Licenses, Trade Secrets or Trade Secret Licenses that become part of the Trademark Collateral under Section 2 or Section 3.1.

§ 4

GOVERNING LAW; CONSENT TO JURISDICTION.

This Agreement, the relationship between the parties hereunder and any claim or dispute (whether sounding in contract, tort, statute or otherwise) relating to this Agreement or that relationship shall be governed by and construed in accordance with law of the State of New York including section 5-1401 of the New York General Obligations Law but excluding any other conflict of law rules that would lead to the application of the law of another jurisdiction. If the law of a jurisdiction other than New York is, under section 1-105(2) of the UCC, mandatorily applicable to the perfection, priority or enforcement of any security interest granted under this Agreement in respect of any Trademark Collateral, that other law shall apply solely to the matters of perfection, priority or enforcement to which it is mandatorily applicable.

§ 5

MISCELLANEOUS.

5.1.1 Headings. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Grantor and its respective successors and assigns, and shall inure to the benefit of the Collateral Agent, the Noteholders and their respective successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Grantor acknowledges receipt of a copy of this Agreement.

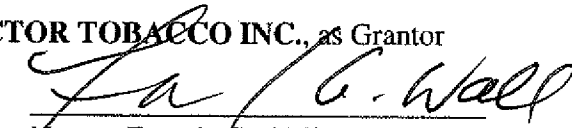
5.1.2 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[Signatures begin on next page]

IN WITNESS WHEREOF, the Grantor has caused this Trademark Security and Pledge Agreement to be executed and delivered by its duly authorized officer as of the day and year first above written.

VECTOR TOBACCO INC., as Grantor

By:

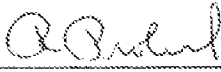

Name: Francis G. Wall

Title: Vice President

(Signature Page to Trademark Security and Pledge Agreement-Vector Tobacco Inc.)

TRADEMARK
REEL: 003603 FRAME: 0396

U.S. BANK NATIONAL
ASSOCIATION, as Collateral Agent

By: 
Name: Richard Prokosch
Title: Vice President

(Signature Page to Trademark Security and Pledge Agreement-Vector Tobacco Inc.)

TRADEMARK
REEL: 003603 FRAME: 0397

ANNEX 1
ASSIGNMENT OF TRADEMARKS

WHEREAS, _____, a _____ organized and existing under the laws of the State of _____, having a place of business at _____ (the "Assignor"), has adopted and used and is using the trademarks (the "Trademarks") identified on the Annex hereto, and is the owner of such Patents; and

WHEREAS, [COLLATERAL AGENT], having a place of business at [ADDRESS] (the "Assignee"), is desirous of acquiring the Patents;

WHEREAS, the Assignor and the Assignee have entered into that certain Trademark Security and Pledge Agreement, dated as of [_____] __, 20[____] (as may be amended, Trademark Collateral Agreement"). Capitalized terms used and not defined herein have the meanings given such terms in the Trademark Collateral Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Patents, together with (i) the Trademarks, Trademark Licenses and Trade Secret Licenses identified on the Annex attached hereto and incorporated herein by reference, (ii) the goodwill of the business symbolized by and associated with the Trademarks, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements of or damage or injury to the Trademarks or such associated goodwill.

This Assignment of Trademarks is intended to and shall take effect at such time as the Assignee shall complete this instrument by signing its acceptance of this Assignment of Trademarks below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, on this ___ day of _____, 20__.

[_____]

By: _____

Name:

Title:

The foregoing assignment of the Trademarks by the Assignor to the Assignee is hereby accepted as of the ___ day of _____, 20__.

[COLLATERAL AGENT]

By: _____

Name:

Title:

COMMONWEALTH OR STATE OF _____)

) ss.

COUNTY OF _____

On this the ___ day of _____, 20__, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of _____, and that being duly authorized (s)he signed such instrument as a free act on behalf of _____.

Notary Public


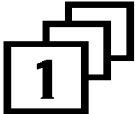

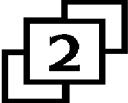



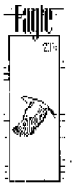
[Seal]

My commission expires:







Schedule A
to the Trademark Security and Pledge Agreement

Grantor: Vector Tobacco Inc.

United States Trademark Registrations of Grantor


MARK	REGISTRATION NUMBER / REGISTRATION DATE
	2748408 8/5/2003
1 and Design 	2849708 6/1/2004
New 1 & Design 	3,053,228 1/31/2006
2 and Design 	2849709 6/1/2001
New 2 & Design 	3,053,229 1/31/2006
3 and Design 	2,849,710 6/1/2004
New 3 & Design 	3,053,230 1/31/2006
EAGLE 20'S	1041041 6/8/1976
EAGLE 20's & Design 	1900069 6/13/1995
MAKE IT YOUR QUEST	2782773 11/11/2003

MERIDIAN & Design 	1863306 11/15/1994
NICOTINE FREE - SIMPLE AS 1-2-3	2883026 09/07/2004
OMNI	1159377 6/30/1981
QUEST (Stylized) 	2,858,950 6/29/2004
QUEST 1	2837372 4/27/2004
QUEST 1 (Black & White Packaging) 	2979617 7/26/2005
QUEST 1 (Blue Packaging) 	3,038,371 1/31/2006
QUEST 1 (Green Packaging) 	3,091,066 5/9/2006
QUEST 2	2837373 4/27/2004

<p>QUEST 2 (Black & White Packaging)</p> 	<p>2979618 7/26/2005</p>
<p>QUEST 2 (Blue Packaging)</p> 	<p>3,086,264 4/25/2006</p>
<p>QUEST 2 (Green Packaging)</p> 	<p>3,091,067 5/9/2006</p>
<p>QUEST 3</p>	<p>2837374 4/27/2004</p>
<p>QUEST 3 (Black & White Packaging)</p> 	<p>2979619 7/26/2005</p>
<p>QUEST 3 (Blue Packaging)</p> 	<p>3,056,373 1/31/2006</p>
<p>QUEST 3 (Green Packaging)</p> 	<p>3,071,883 3/21/2006</p>

REDUCED CARCINOGENS. PREMIUM TASTE.	2696969 3/18/2003
SILVER EAGLE	3,140,520 9/5/2006
STEP TO NICOTINE FREE!	2,875,596 8/17/2004

United States Trademark Applications of Grantor

MARK	APPLICATION NUMBER / APPLICATION DATE
MONTERA	78/411,476 4/30/2004
QUEST	78/718,785 9/22/2005
QUEST	78/891,393 5/24/2006
V (Service Mark) 	78/409,580 4/28/2004