

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM416326

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	TRADEMARK SECURITY AND PLEDGE AGREEMENT		
SEQUENCE:	2		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Vector Tobacco Inc.		01/27/2017	Corporation: VIRGINIA
RECEIVING PARTY DATA			
Name:	U.S. Bank National Association, as collateral agent		
Street Address:	60 Livingston Ave.		
Internal Address:	EP-MN-WS3C		
City:	St. Paul		
State/Country:	MINNESOTA		
Postal Code:	55107		
Entity Type:	National Association: UNITED STATES		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	1041041	EAGLE 20'S	
Registration Number:	3140520	SILVER EAGLE	
Serial Number:	87265921	WHY PAY MORE?	
CORRESPONDENCE DATA			
Fax Number:	7147558290		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
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:	038507-0584		
NAME OF SUBMITTER:	Anna T Kwan		
SIGNATURE:	/atk/		
DATE SIGNED:	02/15/2017		
Total Attachments: 7			

OP \$90.00 1041041

source=C.13
SC1-#4327647-v2-Vector_January_2017_Notes_-_Trademark_Security_Agreement_(Vector_Tobacco)#page1.tif
source=C.13
SC1-#4327647-v2-Vector_January_2017_Notes_-_Trademark_Security_Agreement_(Vector_Tobacco)#page2.tif
source=C.13
SC1-#4327647-v2-Vector_January_2017_Notes_-_Trademark_Security_Agreement_(Vector_Tobacco)#page3.tif
source=C.13
SC1-#4327647-v2-Vector_January_2017_Notes_-_Trademark_Security_Agreement_(Vector_Tobacco)#page4.tif
source=C.13
SC1-#4327647-v2-Vector_January_2017_Notes_-_Trademark_Security_Agreement_(Vector_Tobacco)#page5.tif
source=C.13
SC1-#4327647-v2-Vector_January_2017_Notes_-_Trademark_Security_Agreement_(Vector_Tobacco)#page6.tif
source=C.13
SC1-#4327647-v2-Vector_January_2017_Notes_-_Trademark_Security_Agreement_(Vector_Tobacco)#page7.tif

TRADEMARK SECURITY AND PLEDGE AGREEMENT

This **TRADEMARK SECURITY AND PLEDGE AGREEMENT**, dated as of January 27, 2017 (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 January 27, 2017 (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 January 27, 2017, 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 certain Intellectual Property of the Grantor to the Collateral Agent for the ratable benefit of the Secured Parties, 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 grants to the Collateral Agent, for the benefit of the Secured Parties, a continuing security interest in and lien on all of such Grantor’s right, title and interest 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 substantially the form of Exhibit 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 hereby grants, assigns, transfers, conveys and sets over to the Collateral Agent, for the benefit of the Secured Parties, 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 Secured Parties, a continuing security interest in and 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.

(a) 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 Secured Parties 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.

(b) 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, this Trademark Security and Pledge Agreement has been executed and delivered by its duly authorized officer as of the day and year first above written.

Vector Tobacco Inc.,
as Grantor

By: Nicholson

Name: Nicholas P. Anson

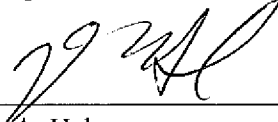
Title: Vice President Finance, Treasurer and Chief
Financial Officer

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

TRADEMARK
REEL: 005991 FRAME: 0271

U.S. Bank National Association,
as Collateral Agent

By: _____



Name: Joshua A. Hahn

Title: Vice President

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

TRADEMARK
REEL: 005991 FRAME: 0272

Schedule A
to the Trademark Security and Pledge Agreement

United States Trademark Registrations of Grantor

Trademark	App. No. App. Date	Reg. No. Reg. Date	Status	Owner
EAGLE 20'S	73065753 14-OCT-1975	1041041 08-JUN-1976	Renewed in 2016	Vector Tobacco Inc.
SILVER EAGLE	78632586 18-MAY-2005	3140520 05-SEP-2006	Renewed in 2016	Vector Tobacco Inc.

United States Trademark Applications of Grantor

Trademark	App. No. App. Date	Reg. No. Reg. Date	Status	Owner
WHY PAY MORE?	87265921 12-DEC-2016		Pending	Vector Tobacco Inc.