

## PATENT ASSIGNMENT

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| SUBMISSION TYPE:   | NEW ASSIGNMENT  |
| NATURE OF CONVEYANCE:  | Grant of Security Interest in US Patents (2nd Lien)                   |
| CONVEYING PARTY DATA   |   |
| Name   | Execution Date  |
| North Atlantic Operating Company, Inc.   | 07/28/2011  |
| RECEIVING PARTY DATA   |   |
| Name:  | U.S. Bank National Association, as second lien notes collateral agent |
| Street Address:  | 60 Livingston Avenue  |
| Internal Address:  | EP-MN-WS3C  |
| City:  | St. Paul  |
| State/Country:   | MINNESOTA   |
| Postal Code:   | 55107-2292  |
| PROPERTY NUMBERS Total: 1  |   |
| Property Type  | Number  |
| Patent Number:   | D494315   |
| CORRESPONDENCE DATA  |   |
| Fax Number:  | (212)354-8113   |
| <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>   |   |
| Phone:   | 2128198200  |
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| Correspondent Name:  | White & Case LLP  |
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| Address Line 2:  | Patents & Trademarks  |
| Address Line 4:  | New York, NEW YORK 10036  |
| ATTORNEY DOCKET NUMBER:  | 1155735-0012  |
| NAME OF SUBMITTER:   | Frances B. Cutajar  |
| Total Attachments: 5<br>source=NAOCPatentAgreement2ndLienUSBNA#page1.tif<br>source=NAOCPatentAgreement2ndLienUSBNA#page2.tif<br>source=NAOCPatentAgreement2ndLienUSBNA#page3.tif<br>source=NAOCPatentAgreement2ndLienUSBNA#page4.tif<br>source=NAOCPatentAgreement2ndLienUSBNA#page5.tif |   |

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PATENT  
REEL: 026758 FRAME: 0299

GRANT OF SECURITY INTEREST  
IN UNITED STATES PATENTS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, North Atlantic Operating Company, Inc., a Delaware corporation (the "Grantor") with principal office at 5201 Interchange Way, Louisville, KY 40229, hereby grants to U.S. BANK NATIONAL ASSOCIATION, at 60 Livingston Avenue, EP-MN-WS3C, St. Paul, MN, 55107-2292, as Second Lien Notes Collateral Agent under the Second Lien Notes Security Agreement (the "Grantee"), a continuing security interest in (i) all of the Grantor's rights, title and interest in, to and under the United States patents (the "Patents") set forth on Schedule A attached hereto, in each case together with (ii) all Proceeds (as such term is defined in the Second Lien Notes Security Agreement referred to below) and products of the Patents, and (iii) all causes of action arising prior to or after the date hereof for infringement of any of the Patents or unfair competition regarding the same.

THIS GRANT is made to secure the satisfactory performance and payment of all the Second Lien Notes Obligations of the Grantor, as such term is defined in the Second Lien Notes Security Agreement among the Grantor, the other assignors from time to time party thereto and the Grantee, dated as of July 28, 2011 (as amended, modified, restated and/or supplemented from time to time, the "Second Lien Notes Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Second Lien Notes Security Agreement), the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Patents acquired under this Grant.

This Grant has been granted in conjunction with the security interest granted to the Grantee under the Second Lien Notes Security Agreement. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Second Lien Notes Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Grant are deemed to conflict with the Second Lien Notes Security Agreement, the provisions of the Second Lien Notes Security Agreement shall govern.

**[Remainder of this page intentionally left blank; signature page follows]**

IN WITNESS WHEREOF, the undersigned have executed this Grant as of the  
28th day of July, 2011.

NORTH ATLANTIC OPERATING COMPANY,  
INC., Grantor

By 

Name: Brian Harriss

Title: Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,

as Second Lien Notes Collateral Agent, as Grantee

By: Donald T. Hurrelbrink

Name: Donald T. Hurrelbrink

Title: Vice President

| Company  | Country          | Patent                         | Application<br>or Patent<br>No. | Filing Date | Issue Date | Assignees  |
|--|------------------|--------------------------------|---------------------------------|-------------|------------|--|
| North<br>Atlantic<br>Operating<br>Company,<br>Inc. | United<br>States | Cigarette<br>Making<br>Machine | D494,315                        | 9/23/2003   | 8/10/2004  | Assigned<br>from Bruce<br>V. Cartier to<br>North<br>Atlantic<br>Operating<br>Company,<br>Inc.<br>8/25/2004,<br>recorded at<br>14542/0253 |