

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
 Stylesheet Version v1.2

EPAS ID: PAT4290461

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT	
<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT	
<b>CONVEYING PARTY DATA</b>		
<b>Name</b>		<b>Execution Date</b>
NORTH ATLANTIC OPERATING COMPANY, INC.		02/17/2017
<b>RECEIVING PARTY DATA</b>		
<b>Name:</b>	PROSPECT CAPITAL CORPORATION, SECOND LIEN HOLDER	
<b>Street Address:</b>	10 EAST 40TH STREET, 42ND FLOOR	
<b>City:</b>	NEW YORK	
<b>State/Country:</b>	NEW YORK	
<b>Postal Code:</b>	10016	
<b>PROPERTY NUMBERS Total: 1</b>		
<b>Property Type</b>	<b>Number</b>	
<b>Patent Number:</b>	D494315	
<b>CORRESPONDENCE DATA</b>		
<b>Fax Number:</b>		
<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>		
<b>Email:</b>	michael.barys@thomsonreuters.com	
<b>Correspondent Name:</b>	ANDREA GNIADEK, PROJECT ASSISTANT	
<b>Address Line 1:</b>	111 WEST MONROE STREET	
<b>Address Line 2:</b>	CHAPMAN AND CUTLER LLP	
<b>Address Line 4:</b>	CHICAGO, ILLINOIS 60603	
<b>NAME OF SUBMITTER:</b>	ANDREA GNIADEK	
<b>SIGNATURE:</b>	/Michael Barys/	
<b>DATE SIGNED:</b>	02/24/2017	
<b>Total Attachments: 10</b>		
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**RECORDATION FORM COVER SHEET**  
**PATENTS ONLY**

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies)**

North Atlantic Operating Company, Inc.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

**3. Nature of conveyance/Execution Date(s):**

Execution Date(s) February 17, 2017

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Joint Research Agreement  
☐ Government Interest Assignment  
☐ Executive Order 9424, Confirmatory License  
☐ Other \_\_\_\_\_

**2. Name and address of receiving party(ies)**

Name: Prospect Capital Corporation, second lien holder

Internal Address: \_\_\_\_\_

Street Address: 10 East 40th Street, 42nd Floor

City: New York

State: New York

Country: USA Zip: 10016

Additional name(s) & address(es) attached? ☐ Yes ☒ No

**4. Application or patent number(s):**

☐ This document serves as an Oath/Declaration (37 CFR 1.63).

A. Patent Application No.(s)

29190624

B. Patent No.(s)

D494315

Additional numbers attached? ☐ Yes ☒ No

**5. Name and address to whom correspondence concerning document should be mailed:**

Name: Andrea Gniadek

Internal Address: Chapman and Cutler LLP

Street Address: 111 West Monroe Street

City: Chicago

State: IL Zip: 60603

Phone Number: \_\_\_\_\_

Docket Number: 4208765

Email Address: \_\_\_\_\_

**6. Total number of applications and patents involved: 1**

**7. Total fee (37 CFR 1.21(h) & 3.41) \$** \_\_\_\_\_

- ☐ Authorized to be charged to deposit account  
☐ Enclosed  
☐ None required (government interest not affecting title)

**8. Payment Information**

Deposit Account Number \_\_\_\_\_

Authorized User Name \_\_\_\_\_

**9. Signature:**



Signature

February 20, 2017

Date

Andrea Gniadek, Project Assistant

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 10

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, V.A. 22313-1450

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO PROSPECT CAPITAL CORPORATION PURSUANT TO THIS PATENT SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY PROSPECT CAPITAL CORPORATION HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE SECOND LIEN INTERCREDITOR AGREEMENT, DATED AS OF FEBRUARY 17, 2017 (AS AMENDED, RESTATED, AMENDED AND RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "*SECOND LIEN INTERCREDITOR AGREEMENT*"), AMONG FIFTH THIRD BANK, AN OHIO BANKING CORPORATION, AS FIRST LIEN COLLATERAL AGENT (AS DEFINED THEREIN) FOR THE FIRST LIEN CLAIMHOLDERS (AS DEFINED THEREIN), AND PROSPECT CAPITAL CORPORATION, A MARYLAND CORPORATION, AS SECOND LIEN COLLATERAL AGENT (AS DEFINED THEREIN) FOR THE SECOND LIEN CLAIMHOLDERS (AS DEFINED THEREIN). IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE SECOND LIEN INTERCREDITOR AGREEMENT AND THIS PATENT SECURITY AGREEMENT, THE TERMS OF THE SECOND LIEN INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

### PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "*Patent Security Agreement*") is made this 17th day of February, 2017, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "*Grantors*" and each individually "*Grantor*"), and PROSPECT CAPITAL CORPORATION, a Maryland corporation, in its capacity as agent for the Lenders and the other Secured Parties (in such capacity, together with its successors and assigns in such capacity, "*Administrative Agent*").

### WITNESSETH:

WHEREAS, pursuant to that certain Second Lien Credit Agreement dated as of February 17, 2017 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "*Credit Agreement*") by and among Turning Point Brands, Inc., a Delaware corporation ("*Turning Point*"), and North Atlantic Trading Company, Inc., a Delaware corporation ("*NATC*" and together with Turning Point, the "*Borrowers*"), the Grantors party thereto, the various institutions from time to time party thereto as Lenders (each of such Lenders, together with its successors and assigns, is referred to hereinafter as a "*Lender*"), Administrative Agent, and Fifth Third Bank, an Ohio banking corporation, as Administrative Sub-Agent, the Lenders have agreed to make certain financial accommodations available to the Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the Lenders and the other Secured Parties are willing to make the financial accommodations to the Borrowers as provided for in the Credit Agreement and the other Loan Documents, but only upon the condition, among others, that Grantors shall have executed and delivered to Administrative Agent, for the benefit of the Secured Parties, that certain Second Lien Guaranty and Security Agreement, dated as of February 17, 2017 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, amended and restated, supplemented or otherwise modified, the "*Guaranty and Security Agreement*"); and

WHEREAS, pursuant to the Guaranty and Security Agreement, Grantors are required to execute and deliver to Administrative Agent, for the benefit of the Secured Parties, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

SECTION 1. DEFINED TERMS.

All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Guaranty and Security Agreement or, if not defined therein, in the Credit Agreement, and this Patent Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, mutatis mutandis.

SECTION 2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.

Each Grantor hereby unconditionally grants, assigns, and pledges to Administrative Agent, for the benefit of each of the Secured Parties, to secure the Secured Obligations, a continuing security interest (referred to in this Patent Security Agreement as the "*Security Interest*") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "*Patent Collateral*"):

(1) all patentable inventions and designs, all United States, foreign, and multinational patents, certificates of invention, and similar industrial property rights, and applications for any of the foregoing, including:

(i) each patent and patent application listed in Schedule I attached hereto,

(ii) all reissues, substitutes, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof,

(iii) all inventions and improvements described and claimed therein,

(iv) all rights to sue or otherwise recover for any past, present and future infringement or other violation thereof,

(v) all Proceeds of the foregoing, including license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto, income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto, and

(vi) all other rights of any accruing thereunder or pertaining thereto throughout the world.

SECTION 3. SECURITY FOR SECURED OBLIGATIONS.

This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Administrative Agent, the other Secured Parties or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor. Each Grantor hereby agrees that, anything herein to the contrary notwithstanding, such Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary actions in connection with the Patent Collateral subject to a security interest hereunder.

SECTION 4. SECURITY AGREEMENT.

The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to Administrative Agent, for the benefit of the Secured Parties, pursuant to the Guaranty and Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Administrative Agent with respect to the Security Interest in the Patent Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Patent Security Agreement and the Guaranty and Security Agreement, the Guaranty and Security Agreement shall control.

SECTION 5. COUNTERPARTS.

This Patent Security Agreement is a Loan Document. This Patent Security Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Patent Security Agreement constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Patent Security Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Patent Security Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Patent Security Agreement.

SECTION 6. CHOICE OF LAW, JURISDICTION AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION.

ALL TERMS OF SECTION 29 OF THE GUARANTY AND SECURITY AGREEMENT ("GOVERNING LAW; JURISDICTION, WAIVER OF JURY TRIAL, ETC.") ARE INCORPORATED HEREIN BY THIS REFERENCE, AND SHALL APPLY TO THIS PATENT SECURITY AGREEMENT, *MUTATIS MUTANDIS*.

SECTION 7. NOTICES.

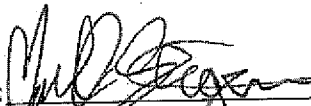
All notices and other communications provided for herein shall be (i) in writing, (ii) delivered and deemed received in accordance with the procedures set forth in Section 11.3 of the Credit Agreement and (iii) addressed to the parties at the address, facsimile number or email address provided therein. Any party hereto may change its address, facsimile number or email address for notices and other communications hereunder by notice to all of the other parties hereto in accordance with the foregoing.

[SIGNATURE PAGE FOLLOWS]

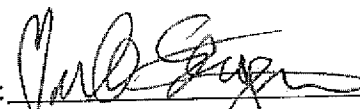
IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed and delivered as of the day and year first above written.

GRANTORS:


NORTH ATLANTIC OPERATING COMPANY, INC.

By:   
Name: Mark A. Stegeman  
Title: Senior Vice President and Chief  
Financial Officer

INTREPID BRANDS, LLC.

By:   
Name: Mark A. Stegeman  
Title: Senior Vice President and Chief  
Financial Officer

NATIONAL TOBACCO COMPANY, L.P.

By:   
Name: Mark A. Stegeman  
Title: Senior Vice President and Chief  
Financial Officer

[Signature Page to Patent Security Agreement (Second Lien)]



ACCEPTED AND ACKNOWLEDGED BY:

ADMINISTRATIVE AGENT:

PROSPECT CAPITAL CORPORATION, a Maryland  
corporation

By: *M. Grier Eliasek*  
Name: M. Grier Eliasek  
Title: President and Chief Operating Officer

[Signature Page to Patent Security Agreement—Second Lien]

**SCHEDULE I  
TO  
PATENT SECURITY AGREEMENT**

**PATENTS AND PATENT APPLICATIONS**

GRANTOR	COUNTRY	PATENT	APPLICATION / PATENT No.	FILING DATE	ISSUE DATE
NORTH ATLANTIC OPERATING COMPANY, INC.	U.S.	CIGARETTE MAKING MACHINE	29190624/ D494315	09/23/2003	08/10/2004
NORTH ATLANTIC OPERATING COMPANY, INC.	CA	CIGARETTE MAKING MACHINE	CA20040106343 F/ CA106343(S)	03/23/2004	12/28/2005
INTREPID BRANDS, LLC	U.S.	APPARATUS COMPRISING A CHECK VALVE FOR DISPENSING E-LIQUIDS	14/680,239 US20150282530 A1	04/07/2015	10/18/2015
INTREPID BRANDS, LLC	WO	APPARATUS COMPRISING A CHECK VALVE FOR DISPENSING E-LIQUIDS	PCT/US15/2463 2/ WO 2015/157224	04/07/2015	10/15/2015
INTREPID BRANDS, LLC	CA	ELECTRONIC VAPORIZER	161,794 / 161,794 (DESIGN PATENT)	03/31/2015	12/10/2015
INTREPID BRANDS, LLC	CN	ELECTRONIC VAPORIZER	201530147486.7 / ZL20153014748 67	05/15/2015	02/03/2016
INTREPID BRANDS, LLC	EM	ELECTRONIC VAPORIZER	002696443 / 002696443- 0001/0002	05/07/2015	05/07/2015

GRANTOR	COUNTRY	PATENT	APPLICATION / PATENT NO.	FILING DATE	ISSUE DATE
INTREPID BRANDS, LLC	KR	ELECTRONIC VAPORIZER	30-2015- 0024925 / N/A	05/15/2015	N/A
INTREPID BRANDS, LLC	KR	ELECTRONIC VAPORIZER	30-2016- 0008897 / N/A	02/26/2016	N/A
INTREPID BRANDS, LLC	U.S.	ELECTRONIC VAPORIZER	29/509,355 / N/A	11/17/2014	N/A
INTREPID BRANDS, LLC	VN	ELECTRONIC VAPORIZER	3-2015-00729 / N/A	05/15/2015	N/A
INTREPID BRANDS, LLC	VN	ELECTRONIC VAPORIZER	3-2016-01027 / N/A	05/15/2015	N/A
INTREPID BRANDS, LLC	U.S.	PERSONAL ELECTRONIC VAPORIZER	15/013,500 / 2016-0227838 A1	02/02/2016	08/11/2016
INTREPID BRANDS, LLC	WO	PERSONAL ELECTRONIC VAPORIZER	PCT/US16/1615 5 / WO 2016/126698	02/02/2016	08/11/2016
INTREPID BRANDS, LLC	U.S.	PERSONAL ELECTRONIC VAPORIZER	62/110,838 / N/A	02/02/2016	N/A
INTREPID BRANDS, LLC	U.S.	PERSONAL ELECTRONIC VAPORIZER	62/326,402 / N/A	04/22/2016	N/A
INTREPID BRANDS, LLC	U.S.	PERSONAL ELECTRONIC VAPORIZER	62/348,491 / N/A	06/10/2016	N/A
INTREPID BRANDS, LLC	U.S.	APPARATUS COMPRISING A CHECK VALVE FOR DISPENSING E-LIQUIDS	61/976,225 / N/A	04/07/2014	N/A
INTREPID BRANDS, LLC	CN	PERSONAL ELECTRONIC VAPORIZER	2016210327279 / N/A	08/31/2016	N/A
INTREPID BRANDS, LLC	U.S.	WICKLESS CARTOMIZER	62/374,164 / N/A	08/12/2016	N/A

GRANTOR	COUNTRY	PATENT	APPLICATION / PATENT No.	FILING DATE	ISSUE DATE
NATIONAL TOBACCO COMPANY	U.S.	WAX OVEN FOR VAPORIZER	62/372,087 / N/A	08/08/2016	N/A