

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE TO

**Tender Offer Statement Under Section 14(d)(1) Or 13(e)(1)
of the Securities Exchange Act of 1934
(Amendment No. 7)**

New Valley Corporation

(Name of Subject Company)

Vector Group Ltd

VGR Holding Inc.

(Name of Filing Persons – Offerors)

Common Share, par value \$0.01 per share
(Title of Class of Securities)

649080-50-4

(CUSIP Number of Class of Securities)

Joselynn D. Van Siclen

Vice President and Chief Financial Officer

Vector Group Ltd.

100 S.E. Second Street

Miami, Florida 33131

(305) 579-8000

(Name, address and telephone number of person authorized
to receive notices and communications on behalf of filing persons)

Copies to:

Roland Hlawaty, Esq.

Milbank, Tweed, Hadley & McCloy LLP

1 Chase Manhattan Plaza

New York, New York 10005

(212) 530-5735

Calculation of Filing Fee

Transaction value*

\$88,570,931

Amount of filing fee

\$10,425

* Estimated solely for the purpose of calculating the filing fee pursuant to Rule 0-11 under the Securities Exchange Act of 1934, as amended, based on the product of (i) \$9.21, the market price of the common shares of New Valley Corporation computed in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, based on the average of the high and low sales prices of New Valley Corporation's common shares as quoted on The Nasdaq Stock Market on November 11, 2005 and (ii) 9,616,822, the maximum number of common shares to be acquired pursuant to the offer.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$10,425.

Form or Registration No.: Form S-4.

Schedule TO.

Filing Party: Vector Group Ltd.

Date Filed: October 20, 2005.

November 16, 2005.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
 issuer tender offer subject to Rule 13e-4.
 going-private transaction subject to Rule 13e-3.
 amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:



1. Name of Reporting Person: I.R.S. Identification Nos. of above persons (entities only):
Vector Group Ltd.

2. Check the Appropriate Box if a Member of a Group (See Instructions):
(a)
(b)

3. SEC Use Only:

4. Source of Funds (See Instructions):
OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
Delaware

7. Sole Voting Power:
12,849,118

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:

9. Sole Dispositive Power:
12,849,118

10. Shared Dispositive Power:

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
12,849,118

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

13. Percent of Class Represented by Amount in Row (11):
57.7%

14. Type of Reporting Person (See Instructions):
CO; HC

1. Name of Reporting Person: VGR Holding Inc. I.R.S. Identification Nos. of above persons (entities only):

2. Check the Appropriate Box if a Member of a Group (See Instructions):

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions):
OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
Delaware

7. Sole Voting Power:
12,849,118

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:

9. Sole Dispositive Power:
12,849,118

10. Shared Dispositive Power:

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12,849,118

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

13. Percent of Class Represented by Amount in Row (11):
57.7%

14. Type of Reporting Person (See Instructions):
CO; HC

1. Name of Reporting Person: I.R.S. Identification Nos. of above persons (entities only):
Bennett S. LeBow

2. Check the Appropriate Box if a Member of a Group (See Instructions):
(a)
(b)

3. SEC Use Only:

4. Source of Funds (See Instructions):
OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
United States

7. Sole Voting Power:
12,849,118

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:

9. Sole Dispositive Power:
12,849,118

10. Shared Dispositive Power:

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
12,849,118

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

13. Percent of Class Represented by Amount in Row (11):
57.7%

14. Type of Reporting Person (See Instructions):
IN

This Amendment No. 7 to the Tender Offer Statement on Schedule TO and combined Amendment No. 25 to the joint statement on Schedule 13D (together with the Initial Schedule TO (as defined below), as previously amended and as amended hereby, the "Schedule TO"), is filed by Vector Group Ltd., a Delaware corporation ("Vector"), its wholly owned subsidiary, VGR Holding Inc., a Delaware corporation ("VGR"), and, with respect to the Schedule 13D, Bennett S. LeBow (together with Vector and VGR, the "Reporting Persons"). The Schedule TO amends and supplements (1) the Tender Offer Statement on Schedule TO filed on October 20, 2005 (the "Initial Schedule TO") and (2) the Reporting Persons' Statement on Schedule 13D, as amended, and relates to the current offer by VGR to exchange shares of Vector common stock for each outstanding common share of New Valley Corporation, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended, and in the related Letter of Transmittal, copies of which are incorporated by reference to Exhibits (a)(1), as amended, and (a)(2) to the Initial Schedule TO (which, with any amendments or supplements thereto, collectively constitute the "Offer").

Items 1 to 11.

The information set forth in the Offer is incorporated herein by reference with respect to Items 1-11 of this Schedule TO.

On November 16, 2005, Vector announced that it was increasing its offer to the stockholders of New Valley Corporation ("New Valley") to acquire all of the outstanding common shares of New Valley that Vector does not already own and that several large stockholders of New Valley have endorsed the terms of the increased exchange offer by entering into agreements with Vector, copies of which are attached to this Schedule TO as Exhibits (a)(17) through (a)(22). Under these agreements, each holder has agreed to tender all of its common shares of New Valley into Vector's increased offer. The New Valley common shares subject to these agreements represent 26.9% of New Valley's outstanding common shares.

Also on November 16, 2005 and subsequent to Vector's announcement, another large stockholder of New Valley endorsed the terms of Vector's increased exchange offer by entering into an agreement with Vector, a copy of which is attached to this Schedule TO as Exhibit (a)(23). The New Valley common shares subject to this agreement represent approximately 1.4% of New Valley's outstanding common shares.

Collectively, the shares subject to these agreements, when aggregated with the approximately 57.7% of New Valley's common stock currently owned by Vector, account for approximately 86% of New Valley's outstanding common stock that is committed to the transaction.

Item 12. Exhibits.

- (a)(17) Agreement to Tender dated November 16, 2005 between Vector and Jeff Altman.
- (a)(18) Agreement to Tender dated November 16, 2005 between Vector and Canyon Capital Advisors LLC.
- (a)(19) Agreement to Tender dated November 16, 2005 between Vector, Diamond A Partners, L.P. and Diamond A Investors, L.P.
- (a)(20) Agreement to Tender dated November 16, 2005 between Vector and Little Meadow Corp.
- (a)(21) Agreement to Tender dated November 16, 2005 between Vector and Steel Partners II LP.
- (a)(22) Agreement to Tender dated November 16, 2005 between Vector and Tortoise Corp.
- (a)(23) Agreement to Tender dated November 16, 2005 between Vector and Robert D. Evans.

Item 13. Information Required By Schedule 13e-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

VECTOR GROUP LTD.

By: /s/ Richard J. Lampen
Name: Richard J. Lampen
Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen
Name: Richard J. Lampen
Title: Executive Vice President

BENNETT S. LEBOW

By: Vector Group Ltd.

By: /s/ Richard J. Lampen
Name: Richard J. Lampen
Title: Executive Vice President

Dated: November 17, 2005

EXHIBIT INDEX

- (a)(17) Agreement to Tender dated November 16, 2005 between Vector and Jeff Altman.
- (a)(18) Agreement to Tender dated November 16, 2005 between Vector and Canyon Capital Advisors LLC.
- (a)(19) Agreement to Tender dated November 16, 2005 between Vector, Diamond A Partners, L.P. and Diamond A Investors, L.P.
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- (a)(21) Agreement to Tender dated November 16, 2005 between Vector and Steel Partners II LP.
- (a)(22) Agreement to Tender dated November 16, 2005 between Vector and Tortoise Corp.
- (a)(23) Agreement to Tender dated November 16, 2005 between Vector and Robert D. Evans.

AGREEMENT TO TENDER

THIS AGREEMENT TO TENDER, dated as of November 16, 2005 (the "Agreement"), among Vector Group Ltd., a Delaware corporation ("Vector"), VGR Holding Inc., a Delaware corporation and a wholly owned subsidiary of Vector ("VGR"), and the stockholder of New Valley Corporation, a Delaware corporation (the "Company"), identified as such on the signature page hereto ("Stockholder").

WITNESSETH:

WHEREAS, on October 20, 2005, VGR commenced an offer to exchange 0.461 of a share of common stock, par value \$.10 per share, of Vector ("Vector Common Stock") for each issued and outstanding common share, par value \$.01, of the Company (the "Common Shares") not owned by Vector or its subsidiaries, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended (the "Prospectus"), and in the related letter of transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer");

WHEREAS, as of the date hereof, the Stockholder owns (beneficially and of record) the number of Common Shares as is set forth immediately beneath the Stockholder's name on the signature page of this Agreement (the "Existing Shares"), which information the Stockholder acknowledges is true, correct and complete to the best of such Stockholder's knowledge (all such Existing Shares, together with any Common Shares, beneficial ownership of which is directly or indirectly acquired by the Stockholder after the date hereof, are referred to herein as the "Owned Shares") (for purposes of this Agreement, "beneficial ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act"));

WHEREAS, as a condition to Vector's and VGR's willingness to consider amending the Offer to increase the exchange ratio, Vector, VGR and the Stockholder have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Vector, VGR and the Stockholder hereby agree as follows:

**ARTICLE I.
TENDER OF SHARES AND OTHER COVENANTS OF THE STOCKHOLDER**

Section 1.1. Amendment of the Offer. Vector and VGR shall amend the Offer to increase the exchange ratio to .54 by issuing a press release to that effect (and filing the press release with the Securities and Exchange Commission) within one business day after the date hereof and as soon as practical thereafter shall amend the Prospectus to give effect to the increased exchange ratio (the "Amendment"). The terms and conditions of the Amendment shall be identical to those in the Offer, except for such changes as would not materially adversely affect the Stockholder ("Non-Material Changes"). For the avoidance of doubt, Non-Material Changes

shall not include a reduction in the exchange ratio, a reduction in the number of Common Shares sought in the Offer or a material change in the conditions of the Offer, including without limitation a waiver of a non-waivable condition as described in the first bullet point on page 37 of the Prospectus.

Section 1.2. Tender of Shares. In consideration of the Amendment, if Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than Non-Material Changes or to increase the exchange ratio further or to waive any or all of the conditions to the Offer other than a non-waivable condition as described in the first bullet point on page 37 of the Prospectus (a “Permitted Subsequent Amendment”)), the Stockholder shall take all actions which the Stockholder has the power to take in order to cause the tender, on or before the second business day prior to the expiration of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), pursuant to the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), of all of the Owned Shares, and shall not withdraw any such tendered shares unless this Agreement is terminated in accordance with its terms.

Section 1.3. No Inconsistent Actions or Arrangements. Except as contemplated by this Agreement, provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the Stockholder shall not, during the period from the date hereof until the termination of this Agreement in accordance with its terms (the “Term”) (i) transfer (which term shall include, without limitation, any sale, assignment, gift, pledge, hypothecation or other disposition), or consent to any transfer of, any or all of the Owned Shares or any interest therein, or create or permit to exist any pledge, lien, security interest, mortgage, trust, charge, claim, equity, right of first refusal, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind on any or all of the Owned Shares (other than margin loans entered into in the ordinary course of business, such loans referred to herein as “Permitted Encumbrances”), provided, however, that the Stockholder may transfer any or all of the Owned Shares or any interest therein pursuant to an agreement to which Vector and the transferee are parties; (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of the Owned Shares or any interest therein, unless Vector is a party thereto; (iii) grant any proxy, power-of-attorney or other authorization in or with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; (iv) deposit any or all of the Owned Shares into a voting trust or enter into a voting agreement or arrangement with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; or (v) take any other action that would in any way restrict, limit or interfere with the performance of the Stockholder’s obligations hereunder or the transactions contemplated hereby, unless pursuant to an agreement to which Vector is a party. The Stockholder shall take all actions to remove any Permitted Encumbrances from all Owned Shares immediately prior to tendering such shares in accordance with Section 1.2. Vector shall act promptly and reasonably on any agreement presented by the Stockholder.

Section 1.4. Stop Transfer. Provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the undersigned Stockholder shall not request that the Company

register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Owned Shares, unless such transfer is made to perform the Stockholder's obligations under Section 1.2 hereof.

ARTICLE II. MISCELLANEOUS

Section 2.1. Termination. This Agreement shall terminate and be of no further force and effect upon the written mutual consent of the parties hereto. In addition, this Agreement shall automatically terminate and be of no further force and effect, without any action on the part of any of the parties hereto: (i) if Vector and VGR shall not have complied with Section 1.1 hereof; (ii) upon the expiration or termination of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) without any Common Shares being accepted for exchange; (iii) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) has not been completed by December 14, 2005 (the "Offer Expiration Date"); or (iv) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) shall be amended other than by a Permitted Subsequent Amendment. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

Section 2.2. Specific Performance. Each party acknowledges that if such party fails to perform any of its obligations under this Agreement immediate and irreparable harm or injury would be caused to the others for which money damages would not be an adequate remedy. In such event, the Stockholder, Vector and VGR agree that the other parties hereto shall have the right, in addition to any other rights each such party may have, to specific performance of this Agreement. Accordingly, if any party should institute an action or proceeding seeking specific enforcement of the provisions hereof, the breaching party hereby waives the claim or defense such party has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. Each party further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

Section 2.3. Entire Agreement; No Third-Party Beneficiaries; Time of the Essence. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, and this Agreement is intended to confer rights or remedies hereunder only to the parties hereto; provided, however, the rights and remedies under this Agreement shall inure to the benefit of and be enforceable by and against the Stockholder's personal or legal representatives, executors, administrators, successors, and heirs. In interpreting this Agreement, time shall be of the essence.

Section 2.4. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State. The parties hereto irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and

the transactions contemplated hereby (and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts). The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 2.5. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, Vector, VGR and the Stockholder have caused this Agreement to be executed as of the date first written above.

VECTOR GROUP LTD.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

STOCKHOLDER

Jeff Altman

Name of Stockholder

By: /s/ Jeff Altman

Name: Jeff Altman

Title:

Existing Common Shares: 108,700

AGREEMENT TO TENDER

THIS AGREEMENT TO TENDER, dated as of November 16, 2005 (the "Agreement"), among Vector Group Ltd., a Delaware corporation ("Vector"), VGR Holding Inc., a Delaware corporation and a wholly owned subsidiary of Vector ("VGR"), and the stockholder of New Valley Corporation, a Delaware corporation (the "Company"), identified as such on the signature page hereto ("Stockholder").

WITNESSETH:

WHEREAS, on October 20, 2005, VGR commenced an offer to exchange 0.461 of a share of common stock, par value \$.10 per share, of Vector ("Vector Common Stock") for each issued and outstanding common share, par value \$.01, of the Company (the "Common Shares") not owned by Vector or its subsidiaries, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended (the "Prospectus"), and in the related letter of transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer");

WHEREAS, as of the date hereof, the Stockholder owns (beneficially and of record) the number of Common Shares as is set forth immediately beneath the Stockholder's name on the signature page of this Agreement (the "Existing Shares"), which information the Stockholder acknowledges is true, correct and complete to the best of such Stockholder's knowledge (all such Existing Shares, together with any Common Shares, beneficial ownership of which is directly or indirectly acquired by the Stockholder after the date hereof, are referred to herein as the "Owned Shares") (for purposes of this Agreement, "beneficial ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act"));

WHEREAS, as a condition to Vector's and VGR's willingness to consider amending the Offer to increase the exchange ratio, Vector, VGR and the Stockholder have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Vector, VGR and the Stockholder hereby agree as follows:

**ARTICLE I.
TENDER OF SHARES AND OTHER COVENANTS OF THE STOCKHOLDER**

Section 1.1. Amendment of the Offer. Vector and VGR shall amend the Offer to increase the exchange ratio to .54 by issuing a press release to that effect (and filing the press release with the Securities and Exchange Commission) within one business day after the date hereof and as soon as practical thereafter shall amend the Prospectus to give effect to the increased exchange ratio (the "Amendment"). The terms and conditions of the Amendment shall be identical to those in the Offer, except for such changes as would not materially adversely affect the Stockholder ("Non-Material Changes"). For the avoidance of doubt, Non-Material Changes

shall not include a reduction in the exchange ratio, a reduction in the number of Common Shares sought in the Offer or a material change in the conditions of the Offer, including without limitation a waiver of a non-waivable condition as described in the first bullet point on page 37 of the Prospectus.

Section 1.2. Tender of Shares. In consideration of the Amendment, if Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than Non-Material Changes or to increase the exchange ratio further or to waive any or all of the conditions to the Offer other than a non-waivable condition as described in the first bullet point on page 37 of the Prospectus (a "Permitted Subsequent Amendment")), the Stockholder shall take all actions which the Stockholder has the power to take in order to cause the tender, on or before the second business day prior to the expiration of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), pursuant to the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), of all of the Owned Shares, and shall not withdraw any such tendered shares unless this Agreement is terminated in accordance with its terms.

Section 1.3. No Inconsistent Actions or Arrangements. Except as contemplated by this Agreement, provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the Stockholder shall not, during the period from the date hereof until the termination of this Agreement in accordance with its terms (the "Term") (i) transfer (which term shall include, without limitation, any sale, assignment, gift, pledge, hypothecation or other disposition), or consent to any transfer of, any or all of the Owned Shares or any interest therein, or create or permit to exist any pledge, lien, security interest, mortgage, trust, charge, claim, equity, right of first refusal, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind on any or all of the Owned Shares (other than margin loans entered into in the ordinary course of business, such loans referred to herein as "Permitted Encumbrances"), provided, however, that the Stockholder may transfer any or all of the Owned Shares or any interest therein pursuant to an agreement to which Vector and the transferee are parties; (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of the Owned Shares or any interest therein, unless Vector is a party thereto; (iii) grant any proxy, power-of-attorney or other authorization in or with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; (iv) deposit any or all of the Owned Shares into a voting trust or enter into a voting agreement or arrangement with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; or (v) take any other action that would in any way restrict, limit or interfere with the performance of the Stockholder's obligations hereunder or the transactions contemplated hereby, unless pursuant to an agreement to which Vector is a party. The Stockholder shall take all actions to remove any Permitted Encumbrances from all Owned Shares immediately prior to tendering such shares in accordance with Section 1.2. Vector shall act promptly and reasonably on any agreement presented by the Stockholder.

Section 1.4. Stop Transfer. Provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the undersigned Stockholder shall not request that the Company

register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Owned Shares, unless such transfer is made to perform the Stockholder's obligations under Section 1.2 hereof.

ARTICLE II. MISCELLANEOUS

Section 2.1. Termination. This Agreement shall terminate and be of no further force and effect upon the written mutual consent of the parties hereto. In addition, this Agreement shall automatically terminate and be of no further force and effect, without any action on the part of any of the parties hereto: (i) if Vector and VGR shall not have complied with Section 1.1 hereof; (ii) upon the expiration or termination of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) without any Common Shares being accepted for exchange; (iii) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) has not been completed by December 14, 2005 (the "Offer Expiration Date"); or (iv) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) shall be amended other than by a Permitted Subsequent Amendment. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

Section 2.2. Specific Performance. Each party acknowledges that if such party fails to perform any of its obligations under this Agreement immediate and irreparable harm or injury would be caused to the others for which money damages would not be an adequate remedy. In such event, the Stockholder, Vector and VGR agree that the other parties hereto shall have the right, in addition to any other rights each such party may have, to specific performance of this Agreement. Accordingly, if any party should institute an action or proceeding seeking specific enforcement of the provisions hereof, the breaching party hereby waives the claim or defense such party has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. Each party further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

Section 2.3. Entire Agreement; No Third-Party Beneficiaries; Time of the Essence. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, and this Agreement is intended to confer rights or remedies hereunder only to the parties hereto; provided, however, the rights and remedies under this Agreement shall inure to the benefit of and be enforceable by and against the Stockholder's personal or legal representatives, executors, administrators, successors, and heirs. In interpreting this Agreement, time shall be of the essence.

Section 2.4. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State. The parties hereto irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and

the transactions contemplated hereby (and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts). The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 2.5. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, Vector, VGR and the Stockholder have caused this Agreement to be executed as of the date first written above.

VECTOR GROUP LTD.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

STOCKHOLDER

Canyon Capital Advisors LLC

Name of Stockholder

By: /s/ Mitchell R. Julis

Name: Mitchell R. Julis

Title: Authorized Signatory

Existing Common Shares: 1,275,735

AGREEMENT TO TENDER

THIS AGREEMENT TO TENDER, dated as of November 16, 2005 (the "Agreement"), among Vector Group Ltd., a Delaware corporation ("Vector"), VGR Holding Inc., a Delaware corporation and a wholly owned subsidiary of Vector ("VGR"), and the stockholder of New Valley Corporation, a Delaware corporation (the "Company"), identified as such on the signature page hereto ("Stockholder").

WITNESSETH:

WHEREAS, on October 20, 2005, VGR commenced an offer to exchange 0.461 of a share of common stock, par value \$.10 per share, of Vector ("Vector Common Stock") for each issued and outstanding common share, par value \$.01, of the Company (the "Common Shares") not owned by Vector or its subsidiaries, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended (the "Prospectus"), and in the related letter of transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer");

WHEREAS, as of the date hereof, the Stockholder owns (beneficially and of record) the number of Common Shares as is set forth immediately beneath the Stockholder's name on the signature page of this Agreement (the "Existing Shares"), which information the Stockholder acknowledges is true, correct and complete to the best of such Stockholder's knowledge (all such Existing Shares, together with any Common Shares, beneficial ownership of which is directly or indirectly acquired by the Stockholder after the date hereof, are referred to herein as the "Owned Shares") (for purposes of this Agreement, "beneficial ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act"));

WHEREAS, as a condition to Vector's and VGR's willingness to consider amending the Offer to increase the exchange ratio, Vector, VGR and the Stockholder have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Vector, VGR and the Stockholder hereby agree as follows:

**ARTICLE I.
TENDER OF SHARES AND OTHER COVENANTS OF THE STOCKHOLDER**

Section 1.1. Amendment of the Offer. Vector and VGR shall amend the Offer to increase the exchange ratio to .54 by issuing a press release to that effect (and filing the press release with the Securities and Exchange Commission) within one business day after the date hereof and as soon as practical thereafter shall amend the Prospectus to give effect to the increased exchange ratio (the "Amendment"). The terms and conditions of the Amendment shall be identical to those in the Offer, except for such changes as would not materially adversely affect the Stockholder ("Non-Material Changes"). For the avoidance of doubt, Non-Material Changes

shall not include a reduction in the exchange ratio, a reduction in the number of Common Shares sought in the Offer or a material change in the conditions of the Offer, including without limitation a waiver of a non-waivable condition as described in the first bullet point on page 37 of the Prospectus.

Section 1.2. Tender of Shares. In consideration of the Amendment, if Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than Non-Material Changes or to increase the exchange ratio further or to waive any or all of the conditions to the Offer other than a non-waivable condition as described in the first bullet point on page 37 of the Prospectus (a “Permitted Subsequent Amendment”)), the Stockholder shall take all actions which the Stockholder has the power to take in order to cause the tender, on or before the second business day prior to the expiration of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), pursuant to the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), of all of the Owned Shares, and shall not withdraw any such tendered shares unless this Agreement is terminated in accordance with its terms.

Section 1.3. No Inconsistent Actions or Arrangements. Except as contemplated by this Agreement, provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the Stockholder shall not, during the period from the date hereof until the termination of this Agreement in accordance with its terms (the “Term”) (i) transfer (which term shall include, without limitation, any sale, assignment, gift, pledge, hypothecation or other disposition), or consent to any transfer of, any or all of the Owned Shares or any interest therein, or create or permit to exist any pledge, lien, security interest, mortgage, trust, charge, claim, equity, right of first refusal, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind on any or all of the Owned Shares (other than margin loans entered into in the ordinary course of business, such loans referred to herein as “Permitted Encumbrances”), provided, however, that the Stockholder may transfer any or all of the Owned Shares or any interest therein pursuant to an agreement to which Vector and the transferee are parties; (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of the Owned Shares or any interest therein, unless Vector is a party thereto; (iii) grant any proxy, power-of-attorney or other authorization in or with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; (iv) deposit any or all of the Owned Shares into a voting trust or enter into a voting agreement or arrangement with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; or (v) take any other action that would in any way restrict, limit or interfere with the performance of the Stockholder’s obligations hereunder or the transactions contemplated hereby, unless pursuant to an agreement to which Vector is a party. The Stockholder shall take all actions to remove any Permitted Encumbrances from all Owned Shares immediately prior to tendering such shares in accordance with Section 1.2. Vector shall act promptly and reasonably on any agreement presented by the Stockholder.

Section 1.4. Stop Transfer. Provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the undersigned Stockholder shall not request that the Company

register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Owned Shares, unless such transfer is made to perform the Stockholder's obligations under Section 1.2 hereof.

ARTICLE II. MISCELLANEOUS

Section 2.1. Termination. This Agreement shall terminate and be of no further force and effect upon the written mutual consent of the parties hereto. In addition, this Agreement shall automatically terminate and be of no further force and effect, without any action on the part of any of the parties hereto: (i) if Vector and VGR shall not have complied with Section 1.1 hereof; (ii) upon the expiration or termination of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) without any Common Shares being accepted for exchange; (iii) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) has not been completed by December 14, 2005 (the "Offer Expiration Date"); or (iv) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) shall be amended other than by a Permitted Subsequent Amendment. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

Section 2.2. Specific Performance. Each party acknowledges that if such party fails to perform any of its obligations under this Agreement immediate and irreparable harm or injury would be caused to the others for which money damages would not be an adequate remedy. In such event, the Stockholder, Vector and VGR agree that the other parties hereto shall have the right, in addition to any other rights each such party may have, to specific performance of this Agreement. Accordingly, if any party should institute an action or proceeding seeking specific enforcement of the provisions hereof, the breaching party hereby waives the claim or defense such party has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. Each party further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

Section 2.3. Entire Agreement; No Third-Party Beneficiaries; Time of the Essence. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, and this Agreement is intended to confer rights or remedies hereunder only to the parties hereto; provided, however, the rights and remedies under this Agreement shall inure to the benefit of and be enforceable by and against the Stockholder's personal or legal representatives, executors, administrators, successors, and heirs. In interpreting this Agreement, time shall be of the essence.

Section 2.4. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State. The parties hereto irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and

the transactions contemplated hereby (and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts). The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 2.5. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, Vector, VGR and the Stockholder have caused this Agreement to be executed as of the date first written above.

VECTOR GROUP LTD.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

STOCKHOLDER

Diamond A Partners, L.P.

Name of Stockholder

By: /s/ Andrew E. Shapiro

Name: Andrew E. Shapiro

Title: Managing Member of General Partner Lawndale
Capital Management, LLC

Existing Common Shares: 1,184,187

STOCKHOLDER

Diamond A Investors, L.P.

Name of Stockholder

By: /s/ Andrew E. Shapiro

Name: Andrew E. Shapiro

Title: Managing Member of General Partner Lawndale
Capital Management, LLC

Existing Common Shares: 149,669

AGREEMENT TO TENDER

THIS AGREEMENT TO TENDER, dated as of November 16, 2005 (the "Agreement"), among Vector Group Ltd., a Delaware corporation ("Vector"), VGR Holding Inc., a Delaware corporation and a wholly owned subsidiary of Vector ("VGR"), and the stockholder of New Valley Corporation, a Delaware corporation (the "Company"), identified as such on the signature page hereto ("Stockholder").

WITNESSETH:

WHEREAS, on October 20, 2005, VGR commenced an offer to exchange 0.461 of a share of common stock, par value \$.10 per share, of Vector ("Vector Common Stock") for each issued and outstanding common share, par value \$.01, of the Company (the "Common Shares") not owned by Vector or its subsidiaries, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended (the "Prospectus"), and in the related letter of transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer");

WHEREAS, as of the date hereof, the Stockholder owns (beneficially and of record) the number of Common Shares as is set forth immediately beneath the Stockholder's name on the signature page of this Agreement (the "Existing Shares"), which information the Stockholder acknowledges is true, correct and complete to the best of such Stockholder's knowledge (all such Existing Shares, together with any Common Shares, beneficial ownership of which is directly or indirectly acquired by the Stockholder after the date hereof, are referred to herein as the "Owned Shares") (for purposes of this Agreement, "beneficial ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act"));

WHEREAS, as a condition to Vector's and VGR's willingness to consider amending the Offer to increase the exchange ratio, Vector, VGR and the Stockholder have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Vector, VGR and the Stockholder hereby agree as follows:

**ARTICLE I.
TENDER OF SHARES AND OTHER COVENANTS OF THE STOCKHOLDER**

Section 1.1. *Amendment of the Offer.* Vector and VGR shall amend the Offer to increase the exchange ratio to .54 by issuing a press release to that effect (and filing the press release with the Securities and Exchange Commission) within one business day after the date hereof and as soon as practical thereafter shall amend the Prospectus to give effect to the increased exchange ratio (the "Amendment"). The terms and conditions of the Amendment shall be identical to those in the Offer, except for such changes as would not materially adversely affect the Stockholder ("Non-Material Changes"). For the avoidance of doubt, Non-Material Changes

shall not include a reduction in the exchange ratio, a reduction in the number of Common Shares sought in the Offer or a material change in the conditions of the Offer, including without limitation a waiver of a non-waivable condition as described in the first bullet point on page 37 of the Prospectus.

Section 1.2. Tender of Shares. In consideration of the Amendment, if Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than Non-Material Changes or to increase the exchange ratio further or to waive any or all of the conditions to the Offer other than a non-waivable condition as described in the first bullet point on page 37 of the Prospectus (a “Permitted Subsequent Amendment”)), the Stockholder shall take all actions which the Stockholder has the power to take in order to cause the tender, on or before the second business day prior to the expiration of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), pursuant to the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), of all of the Owned Shares, and shall not withdraw any such tendered shares unless this Agreement is terminated in accordance with its terms.

Section 1.3. No Inconsistent Actions or Arrangements. Except as contemplated by this Agreement, provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the Stockholder shall not, during the period from the date hereof until the termination of this Agreement in accordance with its terms (the “Term”) (i) transfer (which term shall include, without limitation, any sale, assignment, gift, pledge, hypothecation or other disposition), or consent to any transfer of, any or all of the Owned Shares or any interest therein, or create or permit to exist any pledge, lien, security interest, mortgage, trust, charge, claim, equity, right of first refusal, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind on any or all of the Owned Shares (other than margin loans entered into in the ordinary course of business, such loans referred to herein as “Permitted Encumbrances”), provided, however, that the Stockholder may transfer any or all of the Owned Shares or any interest therein pursuant to an agreement to which Vector and the transferee are parties; (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of the Owned Shares or any interest therein, unless Vector is a party thereto; (iii) grant any proxy, power-of-attorney or other authorization in or with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; (iv) deposit any or all of the Owned Shares into a voting trust or enter into a voting agreement or arrangement with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; or (v) take any other action that would in any way restrict, limit or interfere with the performance of the Stockholder’s obligations hereunder or the transactions contemplated hereby, unless pursuant to an agreement to which Vector is a party. The Stockholder shall take all actions to remove any Permitted Encumbrances from all Owned Shares immediately prior to tendering such shares in accordance with Section 1.2. Vector shall act promptly and reasonably on any agreement presented by the Stockholder.

Section 1.4. Stop Transfer. Provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the undersigned Stockholder shall not request that the Company

register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Owned Shares, unless such transfer is made to perform the Stockholder's obligations under Section 1.2 hereof.

ARTICLE II. MISCELLANEOUS

Section 2.1. Termination. This Agreement shall terminate and be of no further force and effect upon the written mutual consent of the parties hereto. In addition, this Agreement shall automatically terminate and be of no further force and effect, without any action on the part of any of the parties hereto: (i) if Vector and VGR shall not have complied with Section 1.1 hereof; (ii) upon the expiration or termination of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) without any Common Shares being accepted for exchange; (iii) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) has not been completed by December 14, 2005 (the "Offer Expiration Date"); or (iv) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) shall be amended other than by a Permitted Subsequent Amendment. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

Section 2.2. Specific Performance. Each party acknowledges that if such party fails to perform any of its obligations under this Agreement immediate and irreparable harm or injury would be caused to the others for which money damages would not be an adequate remedy. In such event, the Stockholder, Vector and VGR agree that the other parties hereto shall have the right, in addition to any other rights each such party may have, to specific performance of this Agreement. Accordingly, if any party should institute an action or proceeding seeking specific enforcement of the provisions hereof, the breaching party hereby waives the claim or defense such party has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. Each party further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

Section 2.3. Entire Agreement; No Third-Party Beneficiaries; Time of the Essence. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, and this Agreement is intended to confer rights or remedies hereunder only to the parties hereto; provided, however, the rights and remedies under this Agreement shall inure to the benefit of and be enforceable by and against the Stockholder's personal or legal representatives, executors, administrators, successors, and heirs. In interpreting this Agreement, time shall be of the essence.

Section 2.4. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State. The parties hereto irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and

the transactions contemplated hereby (and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts). The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 2.5. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, Vector, VGR and the Stockholder have caused this Agreement to be executed as of the date first written above.

VECTOR GROUP LTD.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

STOCKHOLDER

Little Meadow Corp.

Name of Stockholder

By: /s/ Edward E. Mattner

Name: Edward E. Mattner

Title: Authorized Signatory

Existing Common Shares: 20,000

AGREEMENT TO TENDER

THIS AGREEMENT TO TENDER, dated as of November 16, 2005 (the "Agreement"), among Vector Group Ltd., a Delaware corporation ("Vector"), VGR Holding Inc., a Delaware corporation and a wholly owned subsidiary of Vector ("VGR"), and the stockholder of New Valley Corporation, a Delaware corporation (the "Company"), identified as such on the signature page hereto ("Stockholder").

WITNESSETH:

WHEREAS, on October 20, 2005, VGR commenced an offer to exchange 0.461 of a share of common stock, par value \$.10 per share, of Vector ("Vector Common Stock") for each issued and outstanding common share, par value \$.01, of the Company (the "Common Shares") not owned by Vector or its subsidiaries, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended (the "Prospectus"), and in the related letter of transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer");

WHEREAS, as of the date hereof, the Stockholder owns (beneficially and of record) the number of Common Shares as is set forth immediately beneath the Stockholder's name on the signature page of this Agreement (the "Existing Shares"), which information the Stockholder acknowledges is true, correct and complete to the best of such Stockholder's knowledge (all such Existing Shares, together with any Common Shares, beneficial ownership of which is directly or indirectly acquired by the Stockholder after the date hereof, are referred to herein as the "Owned Shares") (for purposes of this Agreement, "beneficial ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act"));

WHEREAS, as a condition to Vector's and VGR's willingness to consider amending the Offer to increase the exchange ratio, Vector, VGR and the Stockholder have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Vector, VGR and the Stockholder hereby agree as follows:

**ARTICLE I.
TENDER OF SHARES AND OTHER COVENANTS OF THE STOCKHOLDER**

Section 1.1. Amendment of the Offer. Vector and VGR shall amend the Offer to increase the exchange ratio to .54 by issuing a press release to that effect (and filing the press release with the Securities and Exchange Commission) within one business day after the date hereof and as soon as practical thereafter shall amend the Prospectus to give effect to the increased exchange ratio (the "Amendment"). The terms and conditions of the Amendment shall be identical to those in the Offer, except for such changes as would not materially adversely affect the Stockholder ("Non-Material Changes"). For the avoidance of doubt, Non-Material Changes

shall not include a reduction in the exchange ratio, a reduction in the number of Common Shares sought in the Offer or a material change in the conditions of the Offer, including without limitation a waiver of a non-waivable condition as described in the first bullet point on page 37 of the Prospectus.

Section 1.2. Tender of Shares. In consideration of the Amendment, if Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than Non-Material Changes or to increase the exchange ratio further or to waive any or all of the conditions to the Offer other than a non-waivable condition as described in the first bullet point on page 37 of the Prospectus (a "Permitted Subsequent Amendment")), the Stockholder shall take all actions which the Stockholder has the power to take in order to cause the tender, on or before the second business day prior to the expiration of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), pursuant to the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), of all of the Owned Shares, and shall not withdraw any such tendered shares unless this Agreement is terminated in accordance with its terms.

Section 1.3. No Inconsistent Actions or Arrangements. Except as contemplated by this Agreement, provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the Stockholder shall not, during the period from the date hereof until the termination of this Agreement in accordance with its terms (the "Term") (i) transfer (which term shall include, without limitation, any sale, assignment, gift, pledge, hypothecation or other disposition), or consent to any transfer of, any or all of the Owned Shares or any interest therein, or create or permit to exist any pledge, lien, security interest, mortgage, trust, charge, claim, equity, right of first refusal, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind on any or all of the Owned Shares (other than margin loans entered into in the ordinary course of business, such loans referred to herein as "Permitted Encumbrances"), provided, however, that the Stockholder may transfer any or all of the Owned Shares or any interest therein pursuant to an agreement to which Vector and the transferee are parties; (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of the Owned Shares or any interest therein, unless Vector is a party thereto; (iii) grant any proxy, power-of-attorney or other authorization in or with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; (iv) deposit any or all of the Owned Shares into a voting trust or enter into a voting agreement or arrangement with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; or (v) take any other action that would in any way restrict, limit or interfere with the performance of the Stockholder's obligations hereunder or the transactions contemplated hereby, unless pursuant to an agreement to which Vector is a party. The Stockholder shall take all actions to remove any Permitted Encumbrances from all Owned Shares immediately prior to tendering such shares in accordance with Section 1.2. Vector shall act promptly and reasonably on any agreement presented by the Stockholder.

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register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Owned Shares, unless such transfer is made to perform the Stockholder's obligations under Section 1.2 hereof.

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Section 2.1. Termination. This Agreement shall terminate and be of no further force and effect upon the written mutual consent of the parties hereto. In addition, this Agreement shall automatically terminate and be of no further force and effect, without any action on the part of any of the parties hereto: (i) if Vector and VGR shall not have complied with Section 1.1 hereof; (ii) upon the expiration or termination of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) without any Common Shares being accepted for exchange; (iii) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) has not been completed by December 14, 2005 (the "Offer Expiration Date"); or (iv) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) shall be amended other than by a Permitted Subsequent Amendment. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

Section 2.2. Specific Performance. Each party acknowledges that if such party fails to perform any of its obligations under this Agreement immediate and irreparable harm or injury would be caused to the others for which money damages would not be an adequate remedy. In such event, the Stockholder, Vector and VGR agree that the other parties hereto shall have the right, in addition to any other rights each such party may have, to specific performance of this Agreement. Accordingly, if any party should institute an action or proceeding seeking specific enforcement of the provisions hereof, the breaching party hereby waives the claim or defense such party has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. Each party further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

Section 2.3. Entire Agreement; No Third-Party Beneficiaries; Time of the Essence. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, and this Agreement is intended to confer rights or remedies hereunder only to the parties hereto; provided, however, the rights and remedies under this Agreement shall inure to the benefit of and be enforceable by and against the Stockholder's personal or legal representatives, executors, administrators, successors, and heirs. In interpreting this Agreement, time shall be of the essence.

Section 2.4. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State. The parties hereto irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and

the transactions contemplated hereby (and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts). The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

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IN WITNESS WHEREOF, Vector, VGR and the Stockholder have caused this Agreement to be executed as of the date first written above.

VECTOR GROUP LTD.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

STOCKHOLDER

Steel Partners II LP

Name of Stockholder

By: /s/ Warren Lichtenstein

Name: Warren Lichtenstein

Title: Managing Partner

Existing Common Shares: 1,104,357

AGREEMENT TO TENDER

THIS AGREEMENT TO TENDER, dated as of November 16, 2005 (the "Agreement"), among Vector Group Ltd., a Delaware corporation ("Vector"), VGR Holding Inc., a Delaware corporation and a wholly owned subsidiary of Vector ("VGR"), and the stockholder of New Valley Corporation, a Delaware corporation (the "Company"), identified as such on the signature page hereto ("Stockholder").

WITNESSETH:

WHEREAS, on October 20, 2005, VGR commenced an offer to exchange 0.461 of a share of common stock, par value \$.10 per share, of Vector ("Vector Common Stock") for each issued and outstanding common share, par value \$.01, of the Company (the "Common Shares") not owned by Vector or its subsidiaries, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended (the "Prospectus"), and in the related letter of transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer");

WHEREAS, as of the date hereof, the Stockholder owns (beneficially and of record) the number of Common Shares as is set forth immediately beneath the Stockholder's name on the signature page of this Agreement (the "Existing Shares"), which information the Stockholder acknowledges is true, correct and complete to the best of such Stockholder's knowledge (all such Existing Shares, together with any Common Shares, beneficial ownership of which is directly or indirectly acquired by the Stockholder after the date hereof, are referred to herein as the "Owned Shares") (for purposes of this Agreement, "beneficial ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act"));

WHEREAS, as a condition to Vector's and VGR's willingness to consider amending the Offer to increase the exchange ratio, Vector, VGR and the Stockholder have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Vector, VGR and the Stockholder hereby agree as follows:

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shall not include a reduction in the exchange ratio, a reduction in the number of Common Shares sought in the Offer or a material change in the conditions of the Offer, including without limitation a waiver of a non-waivable condition as described in the first bullet point on page 37 of the Prospectus.

Section 1.2. Tender of Shares. In consideration of the Amendment, if Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than Non-Material Changes or to increase the exchange ratio further or to waive any or all of the conditions to the Offer other than a non-waivable condition as described in the first bullet point on page 37 of the Prospectus (a "Permitted Subsequent Amendment")), the Stockholder shall take all actions which the Stockholder has the power to take in order to cause the tender, on or before the second business day prior to the expiration of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), pursuant to the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), of all of the Owned Shares, and shall not withdraw any such tendered shares unless this Agreement is terminated in accordance with its terms.

Section 1.3. No Inconsistent Actions or Arrangements. Except as contemplated by this Agreement, provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the Stockholder shall not, during the period from the date hereof until the termination of this Agreement in accordance with its terms (the "Term") (i) transfer (which term shall include, without limitation, any sale, assignment, gift, pledge, hypothecation or other disposition), or consent to any transfer of, any or all of the Owned Shares or any interest therein, or create or permit to exist any pledge, lien, security interest, mortgage, trust, charge, claim, equity, right of first refusal, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind on any or all of the Owned Shares (other than margin loans entered into in the ordinary course of business, such loans referred to herein as "Permitted Encumbrances"), provided, however, that the Stockholder may transfer any or all of the Owned Shares or any interest therein pursuant to an agreement to which Vector and the transferee are parties; (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of the Owned Shares or any interest therein, unless Vector is a party thereto; (iii) grant any proxy, power-of-attorney or other authorization in or with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; (iv) deposit any or all of the Owned Shares into a voting trust or enter into a voting agreement or arrangement with respect to any or all of the Owned Shares, unless pursuant to an agreement to which Vector is a party; or (v) take any other action that would in any way restrict, limit or interfere with the performance of the Stockholder's obligations hereunder or the transactions contemplated hereby, unless pursuant to an agreement to which Vector is a party. The Stockholder shall take all actions to remove any Permitted Encumbrances from all Owned Shares immediately prior to tendering such shares in accordance with Section 1.2. Vector shall act promptly and reasonably on any agreement presented by the Stockholder.

Section 1.4. Stop Transfer. Provided that Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than by a Permitted Subsequent Amendment), the undersigned Stockholder shall not request that the Company

register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Owned Shares, unless such transfer is made to perform the Stockholder's obligations under Section 1.2 hereof.

ARTICLE II. MISCELLANEOUS

Section 2.1. Termination. This Agreement shall terminate and be of no further force and effect upon the written mutual consent of the parties hereto. In addition, this Agreement shall automatically terminate and be of no further force and effect, without any action on the part of any of the parties hereto: (i) if Vector and VGR shall not have complied with Section 1.1 hereof; (ii) upon the expiration or termination of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) without any Common Shares being accepted for exchange; (iii) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) has not been completed by December 14, 2005 (the "Offer Expiration Date"); or (iv) if the Offer (as amended by the Amendment or any Permitted Subsequent Amendment) shall be amended other than by a Permitted Subsequent Amendment. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

Section 2.2. Specific Performance. Each party acknowledges that if such party fails to perform any of its obligations under this Agreement immediate and irreparable harm or injury would be caused to the others for which money damages would not be an adequate remedy. In such event, the Stockholder, Vector and VGR agree that the other parties hereto shall have the right, in addition to any other rights each such party may have, to specific performance of this Agreement. Accordingly, if any party should institute an action or proceeding seeking specific enforcement of the provisions hereof, the breaching party hereby waives the claim or defense such party has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. Each party further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

Section 2.3. Entire Agreement; No Third-Party Beneficiaries; Time of the Essence. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, and this Agreement is intended to confer rights or remedies hereunder only to the parties hereto; provided, however, the rights and remedies under this Agreement shall inure to the benefit of and be enforceable by and against the Stockholder's personal or legal representatives, executors, administrators, successors, and heirs. In interpreting this Agreement, time shall be of the essence.

Section 2.4. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State. The parties hereto irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and

the transactions contemplated hereby (and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts). The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 2.5. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, Vector, VGR and the Stockholder have caused this Agreement to be executed as of the date first written above.

VECTOR GROUP LTD.

By: /s/ Richard J. Lampen
Name: Richard J. Lampen
Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen
Name: Richard J. Lampen
Title: Executive Vice President

STOCKHOLDER

Tortoise Corp.
Name of Stockholder

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: President

Existing Common Shares: 1,242,686

AGREEMENT TO TENDER

THIS AGREEMENT TO TENDER, dated as of November 16, 2005 (the "Agreement"), among Vector Group Ltd., a Delaware corporation ("Vector"), VGR Holding Inc., a Delaware corporation and a wholly owned subsidiary of Vector ("VGR"), and the stockholder of New Valley Corporation, a Delaware corporation (the "Company"), identified as such on the signature page hereto ("Stockholder").

WITNESSETH:

WHEREAS, on October 20, 2005, VGR commenced an offer to exchange 0.461 of a share of common stock, par value \$.10 per share, of Vector ("Vector Common Stock") for each issued and outstanding common share, par value \$.01, of the Company (the "Common Shares") not owned by Vector or its subsidiaries, on the terms and conditions contained in Vector's prospectus dated October 20, 2005, as amended (the "Prospectus"), and in the related letter of transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer");

WHEREAS, as of the date hereof, the Stockholder owns (beneficially and of record) the number of Common Shares as is set forth immediately beneath the Stockholder's name on the signature page of this Agreement (the "Existing Shares"), which information the Stockholder acknowledges is true, correct and complete to the best of such Stockholder's knowledge (all such Existing Shares, together with any Common Shares, beneficial ownership of which is directly or indirectly acquired by the Stockholder after the date hereof, are referred to herein as the "Owned Shares") (for purposes of this Agreement, "beneficial ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act"));

WHEREAS, as a condition to Vector's and VGR's willingness to consider amending the Offer to increase the exchange ratio, Vector, VGR and the Stockholder have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Vector, VGR and the Stockholder hereby agree as follows:

**ARTICLE I.
TENDER OF SHARES AND OTHER COVENANTS OF THE STOCKHOLDER**

Section 1.1. *Amendment of the Offer.* Vector and VGR shall amend the Offer to increase the exchange ratio to .54 by issuing a press release to that effect (and filing the press release with the Securities and Exchange Commission) within one business day after the date hereof and as soon as practical thereafter shall amend the Prospectus to give effect to the increased exchange ratio (the "Amendment"). The terms and conditions of the Amendment shall be identical to those in the Offer, except for such changes as would not materially adversely affect the Stockholder ("Non-Material Changes"). For the avoidance of doubt, Non-Material Changes

shall not include a reduction in the exchange ratio, a reduction in the number of Common Shares sought in the Offer or a material change in the conditions of the Offer, including without limitation a waiver of a non-waivable condition as described in the first bullet point on page 37 of the Prospectus.

Section 1.2. Tender of Shares. In consideration of the Amendment, if Vector and VGR have complied with Section 1.1 hereof and shall not subsequently have amended the Offer (other than Non-Material Changes or to increase the exchange ratio further or to waive any or all of the conditions to the Offer other than a non-waivable condition as described in the first bullet point on page 37 of the Prospectus (a "Permitted Subsequent Amendment")), the Stockholder shall take all actions which the Stockholder has the power to take in order to cause the tender, on or before the second business day prior to the expiration of the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), pursuant to the Offer (as amended by the Amendment or any Permitted Subsequent Amendment), of all of the Owned Shares, and shall not withdraw any such tendered shares unless this Agreement is terminated in accordance with its terms.

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the transactions contemplated hereby (and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts). The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the courts of the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

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VECTOR GROUP LTD.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

VGR HOLDING INC.

By: /s/ Richard J. Lampen

Name: Richard J. Lampen

Title: Executive Vice President

STOCKHOLDER

Robert D. Evans

Name of Stockholder

By: /s/ Robert D. Evans

Name: Robert D. Evans

Title:

Existing Common Shares: 303,333