

AMENDMENT NO. 19 TO
MASTER SETTLEMENT AGREEMENT

ZNF International LLC ("ZNF"), a limited liability company organized under the laws of the State of Florida, hereby signs and executes the Master Settlement Agreement ("MSA").

A. In addition, notwithstanding sections II (jj) and II (uu) of the MSA, ZNF shall be considered to be a Tobacco Products Manufacturer and a Participating Manufacturer, and each of the companies specified in Exhibit A to this Amendment (collectively the "Foreign Manufacturers/Exporters") shall not be considered to be a Tobacco Product Manufacturer (and each Foreign Manufacturer/Exporter shall for the purposes of the Model Statute set forth in Exhibit T to the MSA only, be considered to be a Participating Manufacturer), provided that:

- 1) ZNF signs the MSA by December 31, 2001 and is bound by such Agreement in all Settling States in which such Agreement binds Original Participating Manufacturers and Subsequent Participating Manufacturers;
- 2) On or before December 15, 2001, ZNF enters into an agreement (an "Exclusive Distribution Agreement") with each of the Foreign Manufacturers/Exporters, such Exclusive Distribution Agreement remain in full force and effect, and all the parties to each respective Exclusive Distribution Agreement fully perform their obligations thereunder. Each Exclusive Distribution Agreement must contain the following terms:
 - a) The Foreign Manufacturer/Exporter appoints ZNF as its exclusive importer and distributor (other than as set forth in paragraph (d) below) for sale in any state in the United States, including the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa and the Northern Mariana Islands ("the United States") of the cigarette mark known as VL (cigarettes other than VL shall be referred to as "OTHER CIGARETTES") which are and will be manufactured by the Foreign Manufacturer/Exporter or any licensee or Affiliate of the Foreign Manufacturer/Exporter under the trademark VL owned by the Foreign Manufacturer/Exporter (or as to which trademark VL the Foreign Manufacturer/Exporter has a manufacturing or license agreement with the owner of the trademark VL) and exported for intended sale in the United States, subject to the terms and conditions appearing in the Exclusive Distribution Agreement (insofar as such terms and conditions are not inconsistent with paragraphs (A) through (F)). In addition, the Foreign Manufacturer/Exporter may not sell any other brands of cigarettes or roll your own tobacco into the United States (other than those under the trademark VL) unless any and all such brands are exclusively distributed by an MSA Participating Manufacturer that will be responsible for all payments and other obligations under the MSA, and further provided that the Foreign Manufacturer/Exporter does not market or advertise any such brands in the United States. The term "Affiliate" as used herein

shall mean a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person. Solely for the purpose of this definition, the terms "owns", "is owned" and "ownership" means ownership of an equity interest, or the equivalent thereof, of 50 percent or more, and the term "person" means an individual, partnership, committee, association, corporation or any other organization of group of persons.

- b) Other than as specified in paragraph (d) below, the Foreign Manufacturer/Exporter shall not appoint any person other than ZNF as an additional importer and distributor for sale of cigarettes under the trademark VL within the United States, nor shall the Foreign Manufacturer/Exporter sell or distribute cigarettes under the trademark VL in the United States except through ZNF or market or advertise cigarettes under the trademark VL in the United States.
- c) The Foreign Manufacturer/Exporter shall supply cigarettes under the trademark VL which shall comply with the requirements or applicable regulations effective in the United States. ZNF shall obtain the governmental certification, license, permit or approval necessary to import and distribute cigarettes under the trademark VL in the United States and shall sell cigarettes under the trademark VL in the United States in strict compliance with any and all laws, regulations and other requirements of federal, state, and local governments and their agencies. ZNF shall be responsible for all payments under the MSA with respect to cigarettes under the trademark VL including the cigarettes sold under the trademark VL in the United States prior to the date of this Agreement, shall pay the taxes specified in the subsection II(z) of the MSA on the Cigarettes under the trademark VL, and shall report the Cigarettes under the trademark VL as its shipments in the manner prescribed in subsection II(mm) of the MSA.
- (d) The Foreign Manufacturer/Exporter may sell cigarettes under the trademark VL in the United States through an importer other than ZNF if such importer is an MSA Participating Manufacturer that will be responsible for the payments under the MSA with respect to the cigarettes under the trademark VL, as a result of the provisions of subsections II(mm) of the MSA and that pays the taxes specified in subsection II(z) on such cigarettes under the trademark VL, and provided that the Foreign Manufacturer/Exporter does not market or advertise such cigarettes under the trademark VL in the United States.
- (e) Each Exclusive Distribution Agreement between each Foreign Manufacturer/Exporter and ZNF shall be effective on the date of execution of that agreement (which shall be on or before

December 31, 2001) and shall not be terminated by either party to that agreement unless the Foreign Manufacturer/Exporter in question has appointed another signatory to the MSA as importer for the United States as long as the MSA remains in effect.

(3) The Settling States and the Original Participating Manufacturers are third-party beneficiaries of each Exclusive Distribution Agreement.

- B. ZNF shall not, after the date ZNF becomes a signatory to the MSA, import, sell or distribute Cigarettes manufactured (or purchased for resale in the States) by a Non-Participating Manufacturer.
- C. For purpose of sections IX(i) and IX(d)(1)(B) of the MSA, ZNF's 1997 and 1998 Market Share shall not include cigarettes manufactured (or purchased for resale in the States) by any Non-Participating Manufacturer.
- D. If any Foreign Manufacturer/Exporter becomes an Affiliate of an Original Participating Manufacturer, ZNF will not import the cigarettes of such Foreign Manufacturer/Exporter unless ZNF assumes the payment obligations under the MSA of an Original Participating Manufacturer with respect to all Cigarettes manufactured by (or under trademarks owned by or licensed to) such Foreign Manufacturer/Exporter and imported by ZNF.
- E. If ZNF becomes an Affiliate of an OPM, ZNF assumes the payment obligations under the MSA of an OPM with respect to the cigarettes shipped by ZNF in or to the United States.

All capitalized terms not otherwise defined shall have the meaning given such terms in the MSA.

Dated: November _____, 2001
Miami, Florida

ZNF INTERNATIONAL, LLC

By: Andrew Zafra
Managing Member

EXHIBIT "A"

**CITA Internacional a/k/a CITA TABACOS DE CANARIAS, S.L.
Princesa, 25 - 2d Planta (Edif. Hexagono)
Madrid 28008**