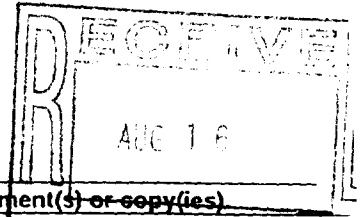


08-19-1999



101121667



MWD  
8-16-99

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies)

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year  
\_\_\_\_\_
- Merger
- Change of Name
- Other Release

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year  
07151999

Name Hilal Capital, LP

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name Visible Genetics Inc.

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 700 Bay Street

Address (line 2) Suite 1000

Address (line 3) Toronto

Ontario Canada

M5G 1Z6

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other \_\_\_\_\_

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization Ontario, Canada

08/18/1999 NTHA11 00000311 74663394

FOR OFFICE USE ONLY

01 FC:481 40.00 OP  
02 FC:482 975.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 001944 FRAME: 0844

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

<input type="text" value="74663394"/>	<input type="text" value="75375355"/>	<input type="text" value="75375357"/>
<input type="text" value="74663351"/>	<input type="text" value="75375301"/>	<input type="text" value="75375354"/>
<input type="text" value="74663357"/>	<input type="text" value="75375356"/>	<input type="text" value="75375358"/>

<input type="text" value="2040905"/>	<input type="text"/>	<input type="text"/>
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**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Carl Van Demark

August 11, 1999

Name of Person Signing

Signature

Date Signed

**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

<input type="text" value="75432467"/>	<input type="text" value="75432424"/>	<input type="text" value="75618137"/>
<input type="text" value="75375359"/>	<input type="text" value="75432423"/>	<input type="text" value="75709311"/>
<input type="text" value="75375915"/>	<input type="text" value="75432466"/>	<input type="text" value="75697252"/>
<input type="text" value="75375916"/>	<input type="text" value="75192433"/>	<input type="text" value="75697251"/>
<input type="text" value="75375914"/>	<input type="text" value="75164130"/>	<input type="text" value="75580440"/>
<input type="text" value="75381639"/>	<input type="text" value="75256338"/>	<input type="text" value="75654635"/>
<input type="text" value="75432516"/>	<input type="text" value="75256340"/>	<input type="text" value="75651279"/>

**Registration Number(s)**

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**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

**Conveying Party**

Mark if additional names of conveying parties attached

Enter Additional Conveying Party

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Mark if additional names of receiving parties attached

Enter Additional Receiving Party

Name

DBA/AK/A/T/A

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

<input type="text" value="75697253"/>	<input type="text" value="75568538"/>	<input type="text"/>
<input type="text" value="75580441"/>	<input type="text" value="74491356"/>	<input type="text"/>
<input type="text" value="75580442"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75618136"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75713735"/>	<input type="text"/>	<input type="text"/>
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<input type="text" value="75568539"/>	<input type="text"/>	<input type="text"/>

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RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

Conveying Party

Mark if additional names of conveying parties attached

Enter Additional Conveying Party

Execution Date  
Month Day Year

Name HIGHBRIDGE INTERNATIONAL LLC

07 15 1999

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other LIMITED LIABILITY COMPANY

Citizenship State of Incorporation/Organization CAYMAN ISLANDS

Receiving Party

Mark if additional names of receiving parties attached

Enter Additional Receiving Party

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3) City State/Country Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)


RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Mark if additional names of conveying parties attached

Enter Additional Conveying Party

Execution Date

Month Day Year

Name **HILAL CAPITAL MANAGEMENT LLC, AS ADVISOR FOR LEO HOLDINGS, INC.**

07 15 1999

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other **LIMITED LIABILITY COMPANY**

Citizenship State of Incorporation/Organization **DELAWARE**

**Receiving Party**

Mark if additional names of receiving parties attached

Enter Additional Receiving Party

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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**Trademark Application Number(s) or Registration Number(s)**

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**Trademark Application Number(s)**

**Registration Number(s)**

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July 15, 1999

Hilal Capital Management, LLC  
60 East 42nd Street, Suite 1946  
New York, New York 10165  
Attention: Dr. Peter K. Hilal

Gentlemen:

Reference is made to the Term Loan Agreement dated as of April 30, 1998, as amended (the "Loan Agreement") among Visible Genetics Corp., Hilal Capital, LP, Hilal Capital QP, LP, Hilal Capital International, Ltd., Highbridge International LLC, Hilal Capital Management LLC, as advisor for Leo Holdings, Inc., and C.J. Partners L.P.

All capitalized terms used in this letter which are not defined in this letter and which are defined in the Loan Agreement shall have the same meaning in this letter as in the Loan Agreement.

Schedule A annexed hereto sets forth the outstanding principal amount and accrued but unpaid interest as of the date hereof owed by the Borrower to each Lender. Such schedule shall be amended to reflect additional accrued interest if the Transaction is not completed on July 15, 1999.

We have advised you that Visible Genetics Inc. (the "Company") and E.M. Warburg, Pincus & Co. LLC ("Warburg Pincus") entered into a letter of intent dated July 8, 1999 pursuant to which certain funds affiliated with Warburg, Pincus intend to invest \$30 million in the Company in exchange for the issuance by the Company to such funds of (the "Transaction") (i) 30,000 Series A Convertible Preferred Shares with a liquidation value of \$30 million which are convertible into common shares of the Company at a conversion price of \$11.00 per share (the "Preferred Shares") and (ii) warrants to purchase 1,100,000 common shares of the Company exercisable for four years at a price of \$12.60 per share (the "Warrants").

By signing this letter, each of us hereby agrees as follows:

1. Effective upon the closing of the Transaction the Loans shall be repaid as follows:

(a) the full principal amount and all interest owed to each of Highbridge International LLC ("Highbridge") and Leo Holdings, Inc. ("Leo") shall be repaid out of the proceeds of the Transaction and such Lenders shall deliver to the Company, in exchange therefore, the original copies of the notes evidencing such Loans, marked "Paid in Full."

(b) Each of the Loans outstanding to each Lender other than Highbridge and Leo shall automatically be converted into (i) that number of Preferred Shares allocated to such Lender as set forth on Schedule A; and (ii) that number of Warrants allocated to such Lender as set forth on Schedule A, and shall be deemed to be paid in full. The Company shall deliver to such Lenders certificates evidencing such preferred shares and warrants in exchange for the original copies of the promissory notes evidencing such Loans, marked "Paid in Full."

(c) Concurrent with, and as a condition to, the repayment of the Loans, the Lenders shall execute and deliver to the Borrower or Guarantor in form satisfactory for filing in the appropriate jurisdiction, such termination statements and other instruments as the Borrower and Guarantor shall request terminating any and all Liens in the assets of the Company, the Borrower and any of their respective subsidiaries in favor of Lenders, including but not limited to Liens in patents, trademarks and other intellectual property. To the extent that any such instrument is not executed or delivered at the time of repayment of Loans, the Lenders shall promptly thereafter execute and deliver such instrument to Borrower or Guarantor. Each Lender shall take any other action which Borrower or Guarantor may reasonably request so as to ensure that all Liens in favor of Lenders are released and any recording or other public evidence thereof is extinguished.

(d) Upon repayment of the Loans as set forth herein, the Loan Agreement and the Guaranty shall be terminated and shall be of no further force and effect.

2. (a) The Company shall file a registration statement with the Securities and Exchange Commission on or prior to October 30, 1999, covering the common shares issuable upon conversion of the Preferred Shares and exercise the Warrants and shall use its commercially reasonable best efforts to have such registration statement declared effective by the Securities and Exchange Commission on or prior to December 31, 1999.

(b) The Company hereby agrees that the common shares issuable upon conversion of the Preferred Shares and exercise of the Warrants shall constitute Registrable Securities as such term is defined in the Registration Rights Agreement dated as of April 30, 1998, among the Company and the Lenders (the "Registration Rights Agreement").



(c) The Company and the Lenders hereby amend the Registration Rights Agreement by deleting Section 2.2(b) in its entirety and replacing it with a new Section 2(b) annexed as Exhibit A hereto. The Registration Rights Agreement as amended hereby remains in full force and effect.

3. On the earlier of the date on which the Company or Warburg Pincus have elected not to complete the Transaction or, if the Transaction shall not be completed by September 30, 1999, this Agreement shall be of no further force and effect. If the Transaction is not completed and the Company enters into an alternative equity financing, the Lenders will have the right, at their election, to participate in that Transaction by converting their outstanding Loans on the same basis as the other participants in the Transaction.

4. (a) This Agreement shall be governed by the laws of the State of New York without giving effect to the principle of conflicts of laws.

(b) This Agreement constitutes the entire understanding of the parties hereto with respect to this subject matter hereof and supersedes all prior agreements and understanding among such parties with respect to the subject matter hereof.

[The rest of this page intentionally left blank]

(c) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

Very truly yours,

VISIBLE GENETICS CORP.

By: HWJ

VISIBLE GENETICS INC.

By: HWJ

Agreed and Accepted:

HILAL CAPITAL, LP

By: \_\_\_\_\_

HILAL CAPITAL QP, LP

By: \_\_\_\_\_

HILAL CAPITAL INTERNATIONAL, LTD

By: \_\_\_\_\_

HIGHBRIDGE INTERNATIONAL, LLC

By: \_\_\_\_\_

07/15/99 THU 18:05 FAX 212 953 1012  
07/15/99 17:51 FAX 212 758 6010  
07/15/99 THU 16:14 FAX 212 953 1012  
JUL 15 '99 02:05PM BAER MARKS & UPHAM 212 702 5600

Hilal Capital LP  
DUBIN & SWIECA  
Hilal Capital LP

SRZ  
Hilal Capital LP

002  
006  
006

Hilal Capital Management, LLC  
July 15, 1999  
Page 4

(c) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

Very truly yours,

VISIBLE GENETICS CORP.

By: \_\_\_\_\_

VISIBLE GENETICS INC.

By: \_\_\_\_\_

Agreed and Accepted:

HILAL CAPITAL, LP

By: [Signature]

HILAL CAPITAL QP, LP

By: [Signature]

HILAL CAPITAL INTERNATIONAL, LTD

By: [Signature]

HIGHBRIDGE INTERNATIONAL, LLC

By: Highbridge Capital Management, LLC  
By: [Signature]

5411693

4

07/15/99 THU 18:05 FAX 212 953 1012  
07/15/99 THU 17:51 FAX 212 759 6010  
07/15/99 THU 18:14 FAX 212 953 1012

Hilal Capital LP  
DUBIN & SWIECA  
Hilal Capital LP

SRZ 003  
Hilal Capital LP 007  
007

Hilal Capital Management, LLC  
July 15, 1999  
Page 5

HILAL CAPITAL MANAGEMENT LLC,  
as advisor to Leo Holdings, Inc.

By: P. 111

C.J. PARTNERS, L.P.

By: G.A.W.

5411493

5

FROM SCHULTE ROTH & ZABEL LLP a4  
received Jul 15 07:03PM (00:49) on WFG NY line [8] for 'JAKESPI'  
WORKSRV1 printed JAK378E3098618A on Jul 15 07:03PM 1999 \* Pg 3/3  
(THU) 7.15.99 19:03/ST.19:02/NO.4261743360 P 3