

04-26-2000

FORM PTO-1618A

Expires 06/30/99
OMB 0651-0027

03-31-2000

U.S. Patent & TMOrc/TM Mail Rcpt Dt. #70

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



101336574

MKD
3.31.00

**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: _____
- Merger
- Change of Name
- Other: _____

Conveying Party

Mark if additional names of conveying parties attached

Execution Date:

Oct. 29, 1999

Name: IGI, Inc

Formerly: Successor by merger to Vineland Laboratories, Inc.

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association

Other: _____

Citizenship / State of Incorporation / Organization: DE

Receiving Party

Mark if additional names of conveying parties attached

Name: American Capital Strategies, Ltd.

DBA/AKA/TA: _____

Composed of: _____

Address (line 1): 2 Bethesda Metro Center

Address (line 2): 14th Floor

Address (line 3): Bethesda MD 20814
City State / Country Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other: _____

If document is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached.

Citizenship / State of Incorporation / Organization: DE

04/26/2000 DNGUYEN 00000185 012510 1357555

FOR OFFICE USE ONLY

01 FC:481 40.00 CH
02 FC:482 100.00 CH

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

**TRADEMARK
REEL: 002059 FRAME: 0506**

Domestic Representative (for the first Receiving Party Only)

Name: _____

Address (line 1): _____

Address (line 2): _____

Address (line 3): _____

Address (line 4): _____

Correspondent Name and Address (for the first Receiving Party Only)

Name: Syreetta Anderson

Address (line 1): ARNOLD & PORTER

Address (line 2): 555 12th Street N.W.

Address (line 3): Suite 1226.4

Address (line 4): Washington, DC 20004-1202

Pages Enter the total number of pages of the attached conveyance document including any attachments: 18

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)

1357555; 1339965; 1315317; 1312930; 922226

Number of Properties Enter the total number of properties involved: 5

Fee Amount Fee Amount for Properties Listed (37 C.F.R. 3.41) \$140.00

Method of Payment Enclosed Deposit Account

Deposit Account Number: 01-2510

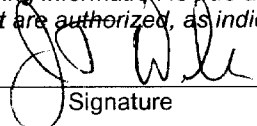
Authorization to charge additional fees: Yes No

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.

James T. Walsh, Esq.

Name of Person Signing



Signature

3/27/00

Date Signed

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement") is made as of the 29th day of October, 1999 by IGI, INC. ("Grantor"), a Delaware corporation, and successor by merger to Vineland Laboratories, Inc. having a mailing address at Wheat Road and Lincoln Avenue, Buena, NJ 08310, and delivered to AMERICAN CAPITAL STRATEGIES, LTD., a Delaware corporation having a mailing address at 2 Bethesda Metro Center, 14th Floor, Bethesda, Maryland 20814 ("Lender").

BACKGROUND

A. Grantor has entered into that certain Note and Equity Purchase Agreement dated as of even date herewith among Grantor, IGEN, Inc., ImmunoGenetics, Inc., and Blood Cells, Inc. (collectively, "Borrowers") and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Purchase Agreement"). Capitalized terms not defined herein shall have the meanings given to such terms in the Purchase Agreement.

B. This Agreement is being executed contemporaneously with that certain Security Agreement of even date herewith among Borrowers and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Security Agreement"), under which, inter alia, Grantor is granting Lender a lien on and security interest in certain assets of Grantor associated with or relating to products leased or sold or services provided under Grantor's trademarks and the goodwill associated therewith as security for the payment and performance of all the Obligations (as defined in the Security Agreement) of all the Borrowers, and under which Lender is entitled to foreclose or otherwise deal with such assets, trademarks, service marks and tradenames under the terms and conditions set forth therein.

C. Pursuant to the Security Agreement, Lender is acquiring a lien on, and security interest in, and license to use (which license is conditioned upon the occurrence and continuance of an Event of Default) the trademarks, service marks and trade names listed on Schedule "A" attached hereto (the "Trademarks"), together with all the goodwill of Grantor associated therewith and represented thereby, as security for all of the Obligations, and desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Purchase Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the payment and performance of all the Obligations, Grantor grants a lien and security interest to Lender in all of its present and future

right, title and interest in and to all service marks, trademarks, trademark and service mark registrations, trademark or service mark applications and trade names including, without limitation, the service marks, trademarks, trademark and service mark registrations, trademark or service mark applications and trade names listed on Schedule "A" hereto (the "Trademarks"), all of Grantor's rights and obligations pursuant to any license agreements between Grantor and any other Person or Persons with respect to any Patents, whether Grantor is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule "B" attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by such Assignor and now or hereafter covered by such licenses (collectively, the "Licenses"), together with all the goodwill of Grantor associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and all proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits (collectively the "Collateral").

2. Grantor hereby covenants and agrees to maintain the Trademarks in full force and effect and otherwise perform all of its obligations and undertakings under this Agreement until all of the Obligations are indefeasibly paid and satisfied in full and the Security Agreement has been terminated.

3. Grantor represents, warrants and covenants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) Each of the Trademarks is registered (or in the process of application for registration), and, to the best of Grantor's knowledge, is valid and enforceable;

(c) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and except for Liens permitted under Section 7.2(b) of the Purchase Agreement, each of the Trademarks is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, options, and covenants by Grantor not to sue third persons;

(d) Grantor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Grantor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks;

(f) Grantor has used and will continue to use for the duration of this Agreement, consistent standards of quality in services or products leased or sold under the Trademarks, and hereby grants to Lender and its employees and agents the right (with

no obligation of any kind upon Lender to do so) to visit Grantor's affiliates, franchises or management locations and to inspect the use of the Trademarks and quality control records relating thereto at reasonable times during regular business hours to ensure Grantor's compliance with this paragraph 3(f); and

(g) Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Trademarks.

4. Grantor further covenants that:

(a) Until all of the Obligations have been indefeasibly paid and satisfied in full, Grantor will not enter into any agreement which is inconsistent with Grantor's obligations under this Agreement or which restrict or impair Agent's right or priorities hereunder.

(b) If Grantor acquires rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto and such trademarks shall be deemed part of the Trademarks. Grantor shall give Lender written notice promptly upon its first use thereof along with an amended Schedule "A".

5. So long as this Agreement is in effect and so long as Grantor has not received notice from Lender that an Event of Default has occurred and is continuing under the Notes or the Purchase Agreement and that Lender has elected to exercise its rights hereunder, Grantor shall continue to have the exclusive right to use the Trademarks and Lender shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Grantor agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Trademarks without prior written consent of Lender or as may be expressly permitted under the Purchase Agreement. Notwithstanding the foregoing, and providing that no Default or Event of Default has occurred and is outstanding, Grantor shall be entitled to license any Trademarks in exchange for fair market consideration in the exercise of its reasonable business judgment.

7. Following the occurrence and during the continuance of an Event of Default under the Notes or the Purchase Agreement, Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State whose law governs the interpretation of the Security Agreement, may take such action permitted under the Purchase Documents, hereunder or under any law, in its exclusive discretion, to foreclose upon or otherwise exercise its rights against the Trademarks covered hereby. For such purposes, Grantor authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for

Lender to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute on Grantor's behalf a trademark- assignment in the form attached hereto as Exhibit 1. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Purchase Documents, and until all the Obligations are indefeasibly paid and satisfied in full and the Security Agreement is terminated.

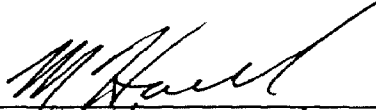
8. This Agreement shall not be modified without the written consent of the parties hereto.
9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Purchase Documents and shall be cumulative. In the event of an inconsistency between this Agreement and the Security Agreement, the language of the Security Agreement shall control.
10. Upon full and unconditional satisfaction of all of the Obligations, Lender shall execute and deliver to Grantor all documents reasonably necessary to terminate Lender's security interest in the Trademarks.
11. Any and all fees, costs and expenses, of whatever kind or nature, including the attorneys' fees and legal expenses incurred by Lender in connection with the preparation and execution of this Agreement and all other documents relating hereto, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Grantor on demand by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate of interest determined in accordance with Section 8.2(c) of the Purchase Agreement.
12. Subject to any applicable terms of the Security Agreement, Grantor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Agreement or thereafter to preserve and maintain all rights in the Trademarks, and upon reasonable request of Lender, Grantor shall make federal application on registrable but unregistered trademarks belonging to Grantor. Any reasonable expenses incurred in connection with such applications shall be borne by Grantor. Grantor shall not abandon any Trademark without the prior written consent of the Lender, which consent shall not unreasonably be withheld.

13. Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event Lender may, if Grantor reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Grantor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.
14. If an Event of Default is outstanding under the Notes or the Purchase Agreement, Lender may, without any obligation to do so, complete any obligation of Grantor hereunder, in Grantor's name or in Lender's name, but at Grantor's expense, and Grantor hereby agrees to reimburse Lender in full for all reasonable costs and expenses, including attorneys' fees, incurred by Lender in protecting, defending and maintaining the Trademarks.
15. No course of dealing between Grantor and Lender nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Purchase Documents, or by any other future agreements between Grantor and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.
16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.
17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
18. This Agreement shall be governed by and construed in conformity with the laws of the State of Maryland without regard to its otherwise applicable principles of conflicts of laws.
19. Grantor and Lender each waive any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties under this Agreement.
20. THE OBLIGATIONS SECURED HEREBY AND THE SECURITY INTERESTS GRANTED HEREUNDER ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF OCTOBER 19, 1999, AMONG FLEET CAPITAL CORPORATION, AS AGENT FOR THE SENIOR LENDERS, AMERICAN CAPITAL STRATEGIES, LTD., AND ASSIGNORS TO THE INDEBTEDNESS AND OTHER LIABILITIES OWED BY ASSIGNORS

UNDER AND PURSUANT TO THE LOAN AND SECURITY AGREEMENT
DATED AS OF OCTOBER 19, 1999, AND EACH RELATED "LOAN
DOCUMENT" (AS DEFINED THEREIN), AND EACH ASSIGNEE
HEREUNDER, BY ITS ACCEPTANCE HEREOF, ACKNOWLEDGES AND
AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION
AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Security Agreement the day and year first above written.

IGI, INC.

By: 
Name: M. Hanschke
Title: CEO

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF : SS
COUNTY OF :

On this 24th of October, 1999, before me personally appeared Manfred Hanushek to me known and being duly sworn, deposes and says that s/he is CEO of IGI INC.; that s/he signed the Agreement thereto as such officer pursuant to the authority vested in him by law; _____ that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Carolyn Elliott
Notary Public

My Commission Expires:

Notarial Seal
Carolyn Elliott, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Jan. 8, 2000

Exhibit I

TRADEMARK ASSIGNMENT

WHEREAS, IGI, INC. ("Grantor") is the registered owner of the United States trademarks, tradenames and registrations listed on Schedule "A" attached hereto and made a part hereof (the "Trademarks"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ ("Grantee"), having a place of business at _____, is desirous of acquiring said Trademarks;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith issued under and pursuant to the Power of Attorney.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the ____ day of _____, _____.

By: _____
Attorney-in-fact

POWER OF ATTORNEY

IGI, INC., ("Grantor"), hereby authorizes AMERICAN CAPITAL STRATEGIES, its successors and assigns, and any officer or agent thereof (collectively, "Lender") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Trademark Security Agreement between Grantor and Lender dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Trademark Agreement", including, without limitation, the power to use the Trademarks (as defined in the Trademark Agreement) and listed on Schedule A attached hereto and made a part hereof, to grant or issue any exclusive or nonexclusive license under the Trademarks to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks, in each case subject to the terms of the Trademark Agreement.

This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of a certain Loan and Security Agreement bearing even date herewith among Grantor and Leader, as each document may be hereinafter supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Trademark Agreement.

This Power of Attorney shall be irrevocable for the life of the Trademark Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, this 29th day of October, 1999.

IGI, INC.

By: M. Hanuschek
Name: M. Hanuschek
Title: CFO

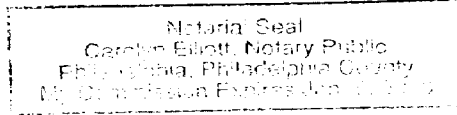
STATE OF :
: S.S.
COUNTY OF :

On this 19th day of October, 1991 before me, a Notary Public for the said County and State, personally appeared known to me or satisfactorily proven to me to be attorney-in-fact on behalf of IGI, INC. ("Grantor") and s/he acknowledged to me that s/he executed the foregoing Trademark Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Carolyn Elliott

Notary Public

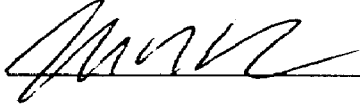


My Commission Expires:

ACCEPTANCE

The undersigned, AMERICAN CAPITAL STRATEGIES, LTD., as aforesaid, accepts the foregoing Agreement as of the 21st day of October, 1999 in Bethesda, Maryland.

**AMERICAN CAPITAL
STRATEGIES, LTD.**

By: 

Title: CEO

SCHEDULES TO TRADEMARK SECURITY AGREEMENT
BETWEEN IGI, INC. AND AMERICAN CAPITAL

SCHEDULE A

TRADEMARKS OF IGI, INC.

.....
Trademarks For Owner: IGI, INC.
Date of Report: 130C1999
.....

Docket No. Current Owner Ctry Types Status Cur App Dt Curr App No Curr Reg D Curr Reg No Renewal
Expires

IMH-0202 IGI, INC. SING G REGISTERED 26AU1996 S/1772/96 26AU1986 S/1772/86 26AU2003
26AU2003

Attorney:RAL Client/Division: IMH Agent: Class & Type: IM 5 Goods: PHARMACEUTICAL VETERINARY & SANITARY PREPARATIONS; DIETETIC
Mark: VINELAND

Trademarks For Owner: IGI, INC.
Date of Report: 130C1999

Docket No Current Owner Ctry Types Status Cur App Dt Curr App No Curr Reg D Curr Reg No Renewal
Expires -----
IMH-0061 IGI, INC. ECUA A REGISTERED 14N01989 17848 160C1990 3394-95 160C2005
160C2005

Attorney:RAL Client/Division: IMH Agent: Class & Type: IN 5
Mark: VINELAND Goods: PHARMACEUTICAL VETERINARY & SANITARY PREPARATIONS; DIETETIC

IMH-0067 IGI, INC. USA REGISTERED 27MY1982 366721 03SE1985 1357555 03SE2005
03SE2005

Attorney:RAL Client/Division: IMH Agent: Class & Type: IN 5
Mark: PROTECTA-PAD Goods: PHARMACEUTICAL VETERINARY & SANITARY PREPARATIONS; DIETETIC

IMH-0068 IGI, INC. USA REGISTERED 27MY1982 73/366720 11JE1985 1339965 11JE2005
11JE2005

Attorney:RAL Client/Division: IMH Agent: Class & Type: IN 5
Mark: NIK STOP Goods: PHARMACEUTICAL VETERINARY & SANITARY PREPARATIONS; DIETETIC

IMH-0069 IGI, INC. USA REGISTERED 27MY1982 366725 22JA1985 1315317 22JA2005
22JA2005

Attorney:RAL Client/Division: IMH Agent: Class & Type: IN 5
Mark: METOX Goods: PHARMACEUTICAL VETERINARY & SANITARY PREPARATIONS; DIETETIC

IMH-0070 IGI, INC. USA REGISTERED 27MY1982 73/366724 08JA1985 1312930 08JA2005
08JA2005

Attorney:RAL Client/Division: IMH Agent: Class & Type: IN 3
Mark: PREEN GLEEM Goods: BLEACHING PREPARATIONS & OTHER SUBSTANCES FOR LAUNDRY USE;

.....
Trademarks For Owner: IGI, INC.
Date of Report: 130C1999
.....

Docket No. Expires	Current Owner	Ctry	Types Status	Cur App Dt	Cur App No	Cur Reg D	Cur Reg No	Renewal
IMH-0115 190C2001	IGI, INC.	USA	REGISTERED	02SEI970	369673	190C1971	922226	190C2001

Attorney:RAL Client/Division:IMH Agent: Class & Type: IN 18 Goods:LEATHER & IMITATIONS OF LEATHER & GOODS MADE OF THESE
Mark: LIQUICHLOR

SCHEDULE B

None.