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FORM PTO-1594
1-31-92

RECORDATION FORM FOR
TRADEMARKS



101539053

F COMMERCE
Trademark Office

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.
Box Assignment, Washington, DC 20231

<p>1. Name of conveying party(ies): <u>Odyssey Pharmaceuticals, Inc.</u></p> <p><u>MU</u> <u>11.9.00</u></p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State of NJ <input type="checkbox"/> Other _____ Additional name(s) of conveying party(ies) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies):</p> <p>Name: <u>Transamerica Business Credit Corp.</u></p> <p>Internal Address: _____</p> <p>Street Address: <u>9399 West Higgins Road, Suite 600</u></p> <p>City <u>Rosemont</u> State <u>IL</u> ZIP <u>10580</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State <u>of Delaware</u> <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designation must be a separate document from Assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date: <u>August 31, 2000</u></p>	<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) <u>76/006,316</u> <u>76/006/317</u> <u>76/090,875</u></p> <p>B. Trademark registration No.(s) _____</p> <p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p><u>PENNIE & EDMONDS LLP</u> <u>1155 Avenue of the Americas</u> <u>New York, NY 10036</u></p> <p>Attn.: <u>Carol M. Wilhelm</u></p> <p>File No.: <u>10148-005-999</u></p>	<p>6. Total number of applications and registrations involved: <u>3</u></p> <p>7. Total fee (37 CFR 3.41):.....\$ <u>90.00</u></p> <p>Please charge to the deposit account listed in Section 8.</p> <p>8. Deposit account number: <u>16-1150</u></p>
DO NOT USE THIS SPACE	
<p>9. Statement and signature.</p> <p><i>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.</i></p> <p><u>Carol M. Wilhelm</u> <u>Carol M. Wilhelm</u> <u>November 9, 2000</u> Name of Person Signing Reg. No. Signature Date</p> <p>Total number of pages comprising cover sheet: <u>26</u></p>	

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignment
Washington, D.C. 20231



INTELLECTUAL PROPERTY SECURITY AGREEMENT

Dated August 31, 2000

From

ODYSSEY PHARMACEUTICALS, INC.

as Grantor

to

TRANSAMERICA BUSINESS CREDIT CORPORATION

as Lender

NY2 - 1086836.3

**TRADEMARK
REEL: 002187 FRAME: 0222**



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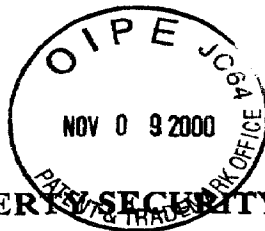


SCHEDULES

- Schedule I - Patents and Patent Applications
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- Schedule IV - Licenses
- Schedule V - Third Party Claims/Pending Litigation/Unauthorized Uses

EXHIBITS

- Exhibit A - Form of Intellectual Property Security Agreement Supplement



INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") dated August __, 2000, made by ODYSSEY PHARMACEUTICALS, INC. (f/k/a Advanced Remedics, Inc.), a New Jersey corporation having its chief executive office and principal place of business at 17 West Street, East Hanover, New Jersey 07936 (the "Grantor") and TRANSAMERICA BUSINESS CREDIT CORPORATION, a Delaware corporation having its principal office at 9399 West Higgins Road, Suite 600, Rosemont, Illinois 60018 and having an office at 555 Theodore Fremd Avenue, Rye, New York 10580 (the "Lender").

WITNESSETH:

WHEREAS, Sidmak Laboratories, Inc. ("Sidmak", and together with the Grantor, the "Borrowers") and the Lender are parties to a Loan and Security Agreement dated as of September 3, 1998 (as amended, the "Existing Loan and Security Agreement"), pursuant to which the Lender agreed, subject to the terms and conditions set forth therein, to make loans and other extensions of credit to Sidmak.

WHEREAS, the Borrowers have requested that the Lender agree to amend and restate the Existing Loan and Security Agreement and the Lender has agreed to do so, subject to the terms and conditions of that certain Amended and Restated Loan and Security Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"; all capitalized terms used herein that are not otherwise defined herein shall have the meanings set forth in the Loan Agreement).

WHEREAS, it is a term and condition of the Loan Agreement that this Agreement be duly executed by the Grantor on or before the Closing Date.

WHEREAS, unless otherwise defined in this Agreement or in the Loan Documents, terms defined in Article 8 or 9 of the Uniform Commercial Code in effect in the State of New York ("N.Y. Uniform Commercial Code") are used in this Agreement as such terms are defined in such Article 8 or 9.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Grant of Security. The Grantor hereby assigns and grants to the Lender a Lien on and security interest in all of its right, title and interest in the United States and throughout the world in and to the following, whether now owned or hereafter acquired and whether now or hereafter existing (collectively, the "Intellectual Property Collateral"):

- (a) all patents, patent applications and patentable inventions, including, without limitation, each patent and patent application identified in Schedule I attached hereto and

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made a part hereof, and including without limitation (i) all inventions and improvements described and claimed therein, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past and future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, provisionals, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever accruing thereunder or pertaining thereto (the "Patents");

(b) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations and any renewals thereof, including, without limitation, each registration and application identified in Schedule II attached hereto and made a part hereof, and including without limitation (i) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (ii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (the "Trademarks");

(c) all copyrights, whether statutory or common law, and whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, each copyright registration and copyright application, if any, identified in Schedule III attached hereto and made a part hereof, and including, without limitation, (i) the right to print, publish and distribute any of the foregoing, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), (iv) all physical things embodying such works (including, without limitation, copies thereof) created or otherwise used in the business of Grantor, and (v) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever accruing thereunder or pertaining thereto (the "Copyrights");

(d) all other license agreements with any other person in connection with any of the Patents, Trademarks or Copyrights, or such other person's patents, trade names, trademarks, service marks or copyrights, whether Grantor is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Schedule IV attached hereto and made a part hereof, subject, in each case, to the terms of such license agreements, including, without limitation, terms requiring consent to a grant of a security interest, and any right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses (the "Licenses");

(e) all other inventions, discoveries, trade secrets, improvements, processes, methods, formulae, applications, ideas, know-how, customer lists, corporate and other business records, license rights, advertising materials, operating manuals, sales literature, drawings, specifications, descriptions, name plates, catalogs, dealer contracts, supplier contracts, distributor agreements, confidential information, consulting agreements, engineering contracts, proprietary information, goodwill (and all other assets which uniquely reflect such goodwill), and all other information and agreements necessary or attendant to or resulting from the business of the Grantor (the "Proprietary Information"); and

(f) all proceeds of any and all of the foregoing Intellectual Property Collateral (including, without limitation, proceeds that constitute property of the types described in clauses (a) - (e) of this Section 1) and, to the extent not otherwise included, all (i) payments under insurance (whether or not the Lender is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Intellectual Property Collateral, and (ii) cash.

SECTION 2. Security for Obligations. This Agreement secures the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations now or hereafter existing, whether direct or indirect, absolute or contingent, including any extensions, modifications, substitutions, amendments or renewals thereof, whether for principal, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 3. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Intellectual Property Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Lender of any of its rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Intellectual Property Collateral, and (c) the Lender shall not have any obligation or liability under the contracts and agreements included in the Intellectual Property Collateral by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. The Grantor represents and warrants as to itself and its Intellectual Property Collateral as follows:

(a) The Grantor is the legal and beneficial owner of the entire right, title and interest in and to the Intellectual Property Collateral free and clear of any Lien, claim, option or right of others, except for the liens and security interests created by this Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Intellectual Property Collateral or listing the Grantor or any trade name of the Grantor as debtor is on file in any recording office (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office), except such as may have been filed in favor of the Lender relating to the Loan Documents.

(b) Set forth in Schedule I is a complete and accurate list of all patents and all patent applications owned by the Grantor. Set forth in Schedule II is a complete and accurate list of all trademark and service mark registrations and all trademark and service mark applications owned by the Grantor. Set forth in Schedule III is a complete and accurate list of all copyright registrations and copyright applications owned by the Grantor. Set forth in Schedule IV is a complete and accurate list of all Licenses owned by the Grantor in which the Grantor is (i) a licensor with respect to any of the Patents, Trademarks or Copyrights, or (ii) a licensee of any other person's patents, trade names, trademarks, service marks or copyrights. The Grantor has made all necessary filings and recordations to protect and maintain its interest in the patents, patent applications, trademark and service mark registrations, trademark and service mark applications, copyright registrations, copyright applications and Licenses set forth in Schedules I, II, III and IV.

(c) Each patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration and copyright application set forth in Schedules I, II and III is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and, to the Grantor's knowledge, is valid, registrable and enforceable. Each License identified in Schedule IV is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Grantor's knowledge, is valid and enforceable. The Grantor is not aware of any uses of any item of Intellectual Property Collateral which could be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Intellectual Property Collateral.

(d) The Grantor has not made a previous assignment, transfer or agreement constituting a present or future assignment, transfer or encumbrance of any of the Intellectual Property Collateral. The Grantor has not granted any license (other than those listed on Schedule IV hereto), release, covenant not to sue, or non-assertion assurance to any person with respect to any part of the Intellectual Property Collateral.

(e) The Grantor has used proper statutory notice in connection with its use of each patent, each registered trademark and service mark and each copyright contained in Schedules I, II and III.

(f) This Agreement creates in favor of the Lender a valid and perfected first priority security interest in the Intellectual Property Collateral of the Grantor, securing the payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken.

(g) No consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other Person is required (i) for the assignment and grant by the Grantor of the security interest assigned and granted hereby or for the execution, delivery or performance of this Agreement by the Grantor, (ii) for the perfection or maintenance of the security interest created hereunder (including the first priority nature of such security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code, which financing statements have been duly filed, and the filing and recordal of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office or (iii) for the exercise by the Lender of its rights provided for in this Agreement or the remedies in respect of the Intellectual Property Collateral pursuant to this Agreement.

(h) Except for the Licenses set forth in Schedule IV and except as set forth in Schedule V, to the Grantor's knowledge, there are no claims that are likely to be made by any third party relating to any item of Intellectual Property Collateral.

(i) Except as set forth in Schedule V, no claim has been made and is continuing or, to the Grantor's knowledge, threatened that any item of Intellectual Property Collateral is invalid or unenforceable or that the use by the Grantor of any Intellectual Property Collateral does or may violate the rights of any Person. Except as set forth in Schedule V, to the Grantor's knowledge, there is currently no infringement or unauthorized use of any item of Intellectual Property Collateral.

(j) The Grantor has taken all necessary steps to use consistent standards of quality in the manufacture, distribution and sale of all products sold and the provision of all services provided under or in connection with any of the Trademarks and has taken all reasonably necessary steps to ensure that all licensed users of any of the Trademarks use such consistent standards of quality.

(k) This Agreement has been duly authorized and validly executed and is binding on and enforceable against the Grantor in accordance with its terms, except as enforceability may be limited by (i) bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) general principles of equity.

SECTION 5. Further Assurances. (a) The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver, and use its best efforts to cause to be executed and delivered, all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Lender may request, in order to perfect and protect any security interest assigned and granted or purported to be assigned and granted hereby or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any part of the Intellectual Property Collateral. Without limiting the generality of the foregoing, the Grantor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Lender may request, in order to perfect and preserve the security interest assigned and granted or purported to be assigned and granted hereunder.

(b) The Grantor hereby authorizes the Lender to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Intellectual Property Collateral without the signature of the Grantor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Intellectual Property Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Lender from time to time statements and schedules further identifying and describing the Intellectual Property Collateral and such other reports in connection with the Intellectual Property Collateral as the Lender may reasonably request, all in reasonable detail.

(d) The Grantor agrees that, should it obtain an ownership interest in any patent, patent application, patentable invention, trademark, service mark, trade name, trade dress, other indicia of trade origin, trademark or service mark registration, trademark or service mark application, copyright, work of authorship, copyright registration, copyright application, license or other Proprietary Information, which is not now a part of the Intellectual Property Collateral, (i) the provisions of Section 1 shall automatically apply thereto, (ii) any such patent, patent application, patentable invention, trademark, service mark, trade name, trade dress, indicia of trade origin, trademark or service mark registration or trademark or service mark application (together with the goodwill of the business connected with the use of same and symbolized by same), copyright, work of authorship, copyright registration, copyright application, license or other Proprietary Information shall automatically become part of the Intellectual Property Collateral, and (iii) with respect to any ownership interest in any patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application or license that the Grantor should obtain, it shall give prompt written notice thereof to the Lender in accordance with Section 13 hereof. The Grantor authorizes the Lender to modify this Agreement by amending Schedules I, II, III and IV (and will cooperate with the Lender in effecting any such amendment) to include any patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application or license which becomes part of the Intellectual Property Collateral under this Section.

(e) With respect to each patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application and License, the Grantor agrees to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office, the United States Copyright Office or in any court, to (i) maintain each such patent, trademark or service mark registration, copyright registration and License of the Grantor, and (ii) pursue each such patent application, trademark or service mark application, and copyright application now or hereafter included in the Intellectual Property Collateral of the Grantor, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for re-issue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings. The Grantor agrees to take corresponding steps with respect to each new or acquired patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application or License to which it is now or later becomes entitled. Any expenses incurred in connection with such activities shall be borne by the Grantor. The Grantor shall not, without the prior written consent of the Lender, discontinue use of or otherwise abandon any patent or patentable invention, trademark or service mark, copyright or License identified in Schedules I, II and III and IV, or abandon any right to file an application for letters patent, trademark or service mark registration, or copyright registration, or abandon any pending application for a letters patent, trademark or service mark registration, or copyright registration identified in Schedules I, II and III.

(f) The Grantor agrees to notify the Lender promptly and in writing if it learns (i) that any item of the Intellectual Property Collateral may be determined to have become abandoned or dedicated or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or any court) regarding any item of the Intellectual Property Collateral.

(g) In the event that the Grantor becomes aware that any item of the Intellectual Property Collateral is infringed or misappropriated by a third party, the Grantor shall promptly notify the Lender and shall take such actions as the Grantor or the Lender deems reasonable and appropriate under the circumstances to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities shall be borne by the Grantor.

(h) The Grantor shall continue to use proper statutory notice in connection with its use of each of its patents, registered trademarks and service marks, and copyrights contained in Schedules I, II and III.

(i) The Grantor shall take all steps which it or the Lender deems reasonable and appropriate under the circumstances to preserve and protect each item of its Intellectual Property

Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the quality of the products and services as of the date hereof, and taking all steps necessary to ensure that all licensed users of any of the Trademarks use such consistent standards of quality.

(j) The Grantor will not change the location of its chief executive office or establish any other place of business.

(k) The Grantor will not in any way hypothecate or create or permit to exist any Lien (except for the Liens created under the Loan Documents) on, nor will the Grantor sell, transfer, assign, pledge, collaterally assign, exchange or otherwise dispose of or grant any option with respect, to any of the Intellectual Property Collateral. If the Intellectual Property Collateral, or any item thereof, is sold, transferred, assigned, exchanged, or otherwise disposed of in violation of these provisions, the security interest of the Lender shall continue in such Intellectual Property Collateral or item thereof notwithstanding such sale, transfer, assignment, exchange or other disposition, and the Grantor will hold the proceeds thereof in a separate account for the benefit of the Lender. Following such a sale, the Grantor will transfer such proceeds to the Lender in kind, together with any necessary endorsement. If the proceeds of any such sale are notes, instruments, documents of title, letters of credit or chattel paper, such proceeds shall be promptly delivered to the Lender to be held as collateral hereunder.

(l) The Grantor will not enter into any contractual obligations that may restrict or inhibit the Lender's rights or ability to sell or otherwise dispose of the Intellectual Property Collateral or any item thereof.

SECTION 6. Lender Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Lender as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Lender's discretion, to take any action and to execute any instrument that the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral,

(b) to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above, and

(c) to file any claims or take any action or to institute any proceedings that the Lender may deem necessary or desirable for the collection of any payments relating to any of the Intellectual Property Collateral or otherwise to enforce the rights of the Lender with respect to any item of the Intellectual Property Collateral.

SECTION 7. Lender May Perform. If the Grantor fails to perform any agreement contained herein, the Lender may, but without any obligation to do so and without further notice, itself perform, or cause performance of, such agreement, and the expenses of the Lender incurred in connection therewith shall be payable by the Grantor under Section 11(b).

SECTION 8. The Lender's Duties. The powers conferred on the Lender hereunder are solely to protect its interest in the Intellectual Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of the certificates of registration for any of the Trademarks and Copyrights, the letters patent for any of the Patents and any License in its possession and the accounting for moneys actually received by it hereunder, the Lender shall have no duty as to any Intellectual Property Collateral, whether or not the Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of the certificates of registration for any of the Trademarks and Copyrights, the letters patent for any of the Patents and any License in its possession if such certificates of registration, letters patent and licenses are accorded treatment substantially equal to that which it accords its own property.

SECTION 9. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Lender may exercise in respect of the Intellectual Property Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the N.Y. Uniform Commercial Code, whether or not the N.Y. Uniform Commercial Code applies to the affected Intellectual Property Collateral, and also may (i) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Lender forthwith, assemble all or part of the documents and things embodying all or any part of the Intellectual Property Collateral as directed by the Lender and make them available to the Lender at a place and time to be designated by the Lender which is reasonably convenient to both parties and (ii) without notice, except as specified below, sell the Intellectual Property Collateral or any part thereof in one or more parcels at public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Intellectual Property Collateral of the Grantor, the goodwill of the business connected with and symbolized by any Trademarks subject to such disposition shall be included, and the Grantor shall supply to the Lender or its designee the Grantor's know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Intellectual Property Collateral subject to such disposition, and the Grantor's customer lists and other records and documents relating to such Intellectual Property Collateral and to the manufacture, distribution, advertising and sale of such products and services. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Grantor

of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon, all or any part of the Intellectual Property Collateral may, in the discretion of the Lender, be held by the Lender as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Lender pursuant to Section 11) in whole or in part by the Lender as permitted or required by the Loan Documents. Any surplus of such cash or cash proceeds held by the Lender and remaining after payment in full of all of the Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus.

(c) All payments received by the Grantor under or in respect of the Intellectual Property Collateral shall be received in trust for the benefit of the Lender, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary indorsement).

SECTION 10. Indemnity and Expenses. (a) The Grantor agrees to defend, protect, indemnify and hold harmless the Lender from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from such parties' gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) The Grantor will upon demand pay to the Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Lender may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Intellectual Property Collateral of the Grantor, (iii) the exercise or enforcement of any of the rights of the Lender against the Grantor, or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

SECTION 11. Amendments; Waivers; Etc. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

SECTION 12. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic or telex communication) and, if to the Grantor, mailed, telecopied, telegraphed, telexed or delivered to it, addressed to it at the address listed on the signature pages hereof, and if to the Lender, mailed, telecopied, telegraphed, telexed or delivered to it, addressed to it at the address on the signature pages hereof, or as to any party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed, telecopied, telegraphed or telexed, respectively, be effective when deposited in the mails, transmitted by telecopier, delivered to the telegraph company or confirmed by telex answerback, respectively. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Schedule hereto shall be effective as delivery of a manually executed counterpart thereof.

SECTION 13. Continuing Security Interest; Assignments. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (a) remain in full force and effect until the cash payment in full of the Obligations, (b) be binding upon the Grantor, its successors and assigns and (c) inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Loan Documents to any other Person and such other Person shall thereupon become vested with all the benefits in respect thereof assigned and granted to the Lender herein or otherwise. The Grantor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender.

SECTION 14. Release and Termination. (a) Upon any sale, lease, transfer or other disposition of any item of Intellectual Property Collateral in accordance with the terms of the Loan Documents, the Lender will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the release of such item of Intellectual Property Collateral from the security interest assigned and granted hereby; provided, however, that (i) at the time of such request and such release no Default or Event of Default shall have occurred and be continuing, (ii) the Grantor shall have delivered to the Lender, at least ten Business Days prior to the date of the proposed release, a written request for release describing the item of Intellectual Property Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Lender and a certification by the Grantor to the effect that the transaction is in compliance with the Loan Documents and as to such other matters as the Lender may request and (iii) the proceeds of any such sale, lease, transfer or other disposition shall be paid to, or in accordance with the instructions of, the Lender at the closing of such sale, lease, transfer or other disposition.

(b) Upon the cash payment in full of the Obligations, the security interest assigned and granted hereby shall terminate and all rights to the Intellectual Property Collateral shall revert to the Grantor. Upon any such termination, the Lender will, at the Grantor's expense,

execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 15. Security Interest Absolute. The obligations of the Grantor hereunder are independent of the obligations of any other party under the Loan Documents, and a separate action or actions may be brought and prosecuted against the Grantor to enforce this Agreement, irrespective of whether any action is brought against any other party or whether any other party is joined in any such action or actions. All rights of the Lender and the security interests hereunder, and all obligations of the Grantor hereunder, shall be absolute and unconditional, irrespective of, and the Grantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any circumstance that might constitute a discharge available to, or a discharge of, the Grantor.

SECTION 16. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 17. LIMITATION OF LIABILITY. THE LENDER SHALL HAVE NO LIABILITY TO THE GRANTOR (WHETHER SOUNDING IN TORT, CONTRACT, OR OTHERWISE) FOR LOSSES SUFFERED BY THE GRANTOR IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO THE TRANSACTIONS OR RELATIONSHIPS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS IT IS DETERMINED BY A FINAL AND NONAPPEALABLE JUDGMENT OR COURT ORDER BINDING ON THE LENDER THAT THE LOSSES WERE THE RESULT OF ACTS OR OMISSIONS CONSTITUTING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE LENDER. THE GRANTOR HEREBY WAIVES ALL FUTURE CLAIMS AGAINST THE LENDER FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES.

SECTION 18. GOVERNING LAW. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO THE CONFLICTS OF LAW PROVISIONS OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW) AND DECISIONS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT FEDERAL LAW IS APPLICABLE.

SECTION 19. SUBMISSION TO JURISDICTION. ALL DISPUTES BETWEEN OR AMONG THE GRANTOR AND THE LENDER, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED ONLY BY STATE AND FEDERAL COURTS LOCATED IN NEW YORK, NEW YORK, AND THE COURTS TO WHICH AN APPEAL THEREFROM MAY BE TAKEN; PROVIDED,

STATE OF *New Jersey*)
) ss.:
COUNTY OF *Morris*)

On the 6th day of September, 2000, before me personally came Louis Guerci to me known, who, being by me duly sworn, did depose and say he resides at 77 De Forest Avenue and that he is the V.P. of ODYSSEY PHARMACEUTICALS, INC., the corporation described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said corporation; and that he signed said instrument on behalf of said corporation pursuant to said authority.

Eileen Casey
Notary Public

EILEEN CASEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 1, 2005

[Notarial Seal]

STATE OF *New Jersey*)
) ss.:
COUNTY OF *Morris*)

On the 6th day of September, 2000, before me personally came Louis Guerci to me known, who, being by me duly sworn, did depose and say he resides at 77 De Forest Avenue and that he is the V.P. of TRANSAMERICA BUSINESS CREDIT CORPORATION, the corporation described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said corporation; and that he signed said instrument on behalf of said corporation pursuant to said authority.

Eileen Casey
Notary Public

EILEEN CASEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 1, 2005

[Notarial Seal]

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be executed by its proper and duly authorized officer thereunto duly authorized as of the date first set forth above.

ODYSSEY PHARMACEUTICALS, INC.

By: Louis J. Guana
Name: Louis J Guana
Title: TRAMERICA

Agreed and consented to as of the date first above written:

TRANSAMERICA BUSINESS CREDIT CORPORATION

By: Barry S. Fein
Name: Barry S. Fein
Title: Vice President

STATE OF New Jersey)
) ss.:
COUNTY OF Merriam)

On the 6th day of September, 2000, before me personally came Paul Surci to me known, who, being by me duly sworn, did depose and say he resides at 77 De Forest Avenue and that he is the VP of ODYSSEY PHARMACEUTICALS, INC., the corporation described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said corporation; and that he signed said instrument on behalf of said corporation pursuant to said authority.

Eileen Casey
Notary Public

EILEEN CASEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 1, 2005

[Notarial Seal]

STATE OF New York)
) ss.:
COUNTY OF)

On the 6th day of September, 2000, before me personally came Barry Fein to me known, who, being by me duly sworn, did depose and say he resides at _____ and that he is the VP of TRANSAMERICA BUSINESS CREDIT CORPORATION, the corporation described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said corporation; and that he signed said instrument on behalf of said corporation pursuant to said authority.

Michael Walker
Notary Public

MICHAEL WALKER
NOTARY PUBLIC, State of New York
No. 01WA6015162
Qualified in Bronx County
Commission Expires October 26, 2000

[Notarial Seal]

SCHEDULE I
to
Intellectual Property Security Agreement

Patents and Patent Applications

None.

SCHEDULE II
to
Intellectual Property Security Agreement

Trademark Registrations and Applications

<u>Mark</u>	<u>Ser. No.</u>	<u>File Date</u>
ODYSSEY	76/006,316	3/21/00
ODYSSEY and Design	76/006,317	3/21/00
NYSTATIN VT	N/A	7/17/00

SCHEDULE III
to
Intellectual Property Security Agreement
Copyright Registrations and Applications

None.

NY2 - 1086836.3

TRADEMARK
REEL: 002187 FRAME: 0243

SCHEDULE IV
to
Intellectual Property Security Agreement

Licenses

None.

SCHEDULE V
to
Intellectual Property Security Agreement

Third Party Claims/Pending Litigation/Unauthorized Uses

None.

NY2 - 1086836.3

RECORDED: 11/09/2000

TRADEMARK
** TOTAL PAGE: 24 **
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