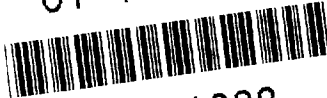


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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

ChemCodes Inc.

1.702

- Individual(s) Association General Partnership Limited Partnership Corporation-State Delaware Other

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Intersouth Partners V, L.P.

Internal Address: Suite 610

Street Address: 3211 Shannon Road

City: Durham State: NC Zip: 27707

- Individual(s) citizenship Association General Partnership Limited Partnership Delaware Corporation-State Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: October 31, 2001

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

75/831729 76/301994

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Charlotte L. Tart, Esq.

Internal Address: Suite 300

Street Address: 4101 Lake Boone Trail

City: Raleigh State: NC Zip: 27607

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

Pablo A. Scolnik

Name of Person Signing

Signature

10/31/01 Date

6

Total number of pages including cover sheet, attachments, and document:

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

01/10/2002 TDIAZ1 00000117 75831729

01 FC:481 02 FC:482

40.00 OP 25.00 OP

TRADEMARK REEL: 002420 FRAME: 0472

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Agreement"), dated as of October __, 2001, by and between the purchasers set forth on Exhibit A to that certain Note Purchase Agreement dated as of even date herewith (the "Purchase Agreement") (each, a "Lender", and sometimes collectively referred to herein as the "Lenders") and CHEMCODES INC. (the "Borrower").

RECITALS

WHEREAS, the Lenders will make advances to Borrower (the "Loan"), as described in the Purchase Agreement between the Lenders and the Borrower, but only if Borrower grants the Lenders a security interest in its Copyrights, Trademarks and Patents and other collateral described in that certain security agreement between Borrower and the Lenders (the "Collateral"), executed in connection with the Loan and dated as of the date hereof (the "Security Agreement"); and

WHEREAS, Borrower has granted the Lenders a security interest in all of its right, title and interest, presently existing or later acquired to all the Collateral.

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

AGREEMENT

1. Secured Obligations. This Security Agreement is given to secure the due and punctual payment of the principal of and interest on the Notes and the due and punctual performance of all other obligations under the Purchase Agreement and related documents, together with any extensions and renewals of the foregoing obligations and reasonable attorneys' fees if collected by or through an attorney-at-law (collectively the "Secured Obligations"); provided, however, that "Secured Obligations" shall not include any obligations of Borrower to any respective Lender as equity holder of any of Borrower's capital stock. This Agreement shall terminate and be of no further force or effect upon the terms set forth in Section 3 below.

2. Security Interest. As security for the due and punctual payment and performance by Borrower of the Secured Obligations, Borrower hereby grants the Lenders a first priority security interest in all of its right, title and interest in its Intellectual Property (as defined below). As used herein, the term "Intellectual Property" shall include:

(a) All copyrights, trademarks, and patents of Borrower, including, without limitation, the copyrights, patents and trademarks listed on Schedule A attached hereto, all amendments, renewals, extensions relating thereto, and all licenses or other rights to use the foregoing and all license fees and royalties from such use;

(b) Any trade secrets and any intellectual property rights in computer software and computer software products now or later existing, created, acquired or held;

(c) All design rights which may be available to Borrower now or later created, acquired or held;

(d) Any claims for damages (past, present or future) for infringement of any of the rights above, with the right, but not the obligation, to sue and collect damages for use or infringement of the intellectual property rights above;

(e) All proceeds and products of any of the foregoing, including any and all insurance, indemnity or warranty payments, license royalties, proceeds of infringement suits, the right to sue for past, present and future infringements rights throughout the world, and all re-issues, divisions continuations, renewals, extensions and continuations-in-part with respect to any of the foregoing.

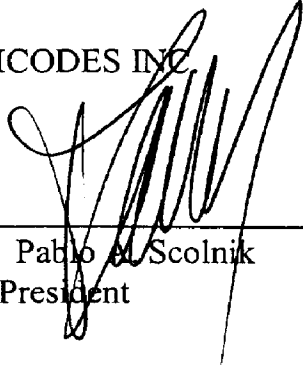
3. Term of Agreement. Borrower acknowledges and agrees that the number and amount of the Secured Obligations may fluctuate from time to time hereafter. Borrower expressly agrees that this Agreement and the security interest in the Intellectual Property conveyed to the Lenders hereunder shall remain valid and in full force and effect, notwithstanding any such fluctuations and future payments (other than payment in full as described in clause (i) below). This Agreement shall terminate, and each Lender shall release its security interest in the Intellectual Property, upon the earlier to occur of (i) the payment in full by or on behalf of Borrower of all of the then outstanding Notes issued pursuant to the Purchase Agreement, and (ii) the conversion of the Notes pursuant to their terms (as set forth in Section 1.1(b) of the Purchase Agreement).

This security interest is granted hereunder in conjunction with the security interest in the Collateral granted under the Security Agreement. The Lenders' rights and remedies in the Intellectual Property granted hereunder are in addition to those in the Purchase Agreement, the Security Agreement and other documents related thereto, and are in addition to those available at law or in equity. The Lenders' rights, powers and remedies herein are cumulative with every right, power or remedy provided in the Security Agreement. The Lenders' exercise of their rights, powers or remedies in this Agreement, Purchase Agreement, Security Agreement or any other documents related thereto does not preclude the simultaneous or later exercise of any or all other rights, powers or remedies.

This Agreement is hereby executed by the parties hereto as of the year and date first above written.

BORROWER:

CHEMCODES INC.



By: _____

Name: Pablo A. Scolnik

Title: President

LENDERS:

INTERSOUTH PARTNERS V, L.P.

By its General Partner,
Intersouth Associates V, LLC

By: _____

Name: _____

Title: _____

NORO-MOSELEY PARTNERS V, L.P.

By its General Partner,
Moseley & Company V, LLC

By:  _____

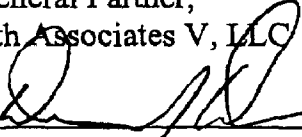
Name: Russell R. French

Title: Member of G.P.

LENDERS:

INTERSOUTH PARTNERS V, L.P.

By its General Partner,
Intersouth Associates V, LLC

By: 
Name: _____
Title: _____

NORO-MOSELEY PARTNERS V, L.P.

By its General Partner,
Moseley & Company V, LLC

By: _____
Name: _____
Title: _____

CORP-12283-9-240727-02

SCHEDULE A

INTELLECTUAL PROPERTY

GlaxoWellcome (now GlaxoSmithKline) Patents Licensed by ChemCodes

- As listed in Schedules A and B of the Technology License Agreement, dated June 10, 1999, as amended on May 15, 2001.

Joint GlaxoSmithKline-ChemCodes Patents

- Computer-Controlled Valve System, Application Number 60/259,758
- Cross-Linked Solid Supports for Solid Phase Synthesis, Application Number 09/598217

ChemCodes Patents

- Contract Bidding for Custom Synthesis of a Chemical Structure, Application Number 09/773,563

Trademark Applications

ChemCodes servicemark, Application Number 75/831,729
Enabling Power For Chemistry, Application Number 76/301,994

Trade Secrets

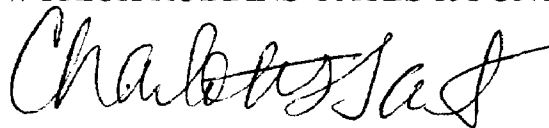
Know-how and software to operate technology platform

October 31, 2001

Page 2

Very truly yours,

WYRICK ROBBINS YATES & PONTON LLP

A handwritten signature in black ink, appearing to read "Charlotte L. Tart". The signature is written in a cursive, flowing style with some overlapping letters.

Charlotte L. Tart

CLT/rtj

Enclosures