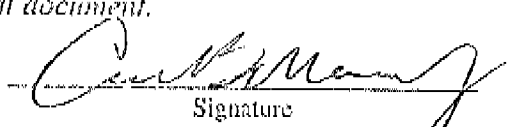


FORM PTO-1595
OMB No. 0631-0011 (exp. 1/93)

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

RECORDATION FORM COVER SHEET PATENTS ONLY

<p>1. Name of conveying party(ies): <i>Balvinder S. Bhatti; Craig Harrison Miller; Jeffrey Daniel Schmitt</i></p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: <i>Targacept, Inc.</i></p> <p>Internal Address: _____</p> <p>Street Address: <i>200 East First Street, Suite 300</i></p> <p>City: <i>Winston-Salem</i> State: <i>North Carolina</i></p> <p>Zip: <i>27101</i></p> <p>Country: <i>USA</i></p> <p>Additional name & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger</p> <p><input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name</p> <p><input type="checkbox"/> Other</p> <p>Execution Date: <i>November 4 & 5, 2003</i></p>	<p>4. Application number(s) or patent number(s): <i>10/607,930</i></p> <p>Entitled: <i>N-Aryl Diazaspiracyclic Compounds and Methods of Preparation and Use Thereof</i></p> <p>If this document is being filed together with a new application, the execution date of the application is:</p> <p>A. Patent Application No.(s) _____</p> <p>B. Patent 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>Name: <i>Womble Carlyle Sandridge & Rice</i></p> <p>Internal Address: <i>P.O. Box 7037</i></p> <p><i>Atlanta, Georgia 30357-0037</i></p> <p>Street Address: <i>1201 West Peachtree Street</i></p> <p><i>Suite 3500</i></p> <p>City: <i>Atlanta</i>, State: <i>GA</i> Zip: <i>30309</i></p>	<p>6. Total number of applications and patents involved: <i>1</i></p> <p>7. Total fee (37 CFR 3.41).....<i>\$40.00</i></p> <p><input type="checkbox"/> Enclosed</p> <p><input checked="" type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number <i>09-0528</i></p> <p>(Attach duplicate copy of this page if paying by deposit account)</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><i>Carl B. Massey, Jr.</i> Name of Person Signing</p> <p> Signature</p> <p><i>Nov 12, 2003</i> Date</p> <p>Total number of pages including cover sheet, attachments and document: _____</p>	

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ASSIGNMENT

Whereas, we, Balwinder Singh Bhatti, 2636 Polo Road, Winston-Salem, North Carolina, Craig Harrison Miller, 1564 Sharon Road, Winston-Salem, North Carolina and Jeffrey Daniel Schmitt, 5619 Pineview Drive, Winston-Salem, North Carolina, have invented a new and useful Improvement in N-ARYL DIAZASPIRACYCLIC COMPOUNDS AND METHODS OF PREPARATION AND USE THEREOF, for which a provisional application was filed on July 5, 2002 and assigned Serial No. 60/394,337, and an application for United States Letters Patent was filed on June 27, 2003 and assigned Serial No. 10/607,930.

Now, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration paid to us by Targacept, Inc., a corporation organized under the laws of the State of Delaware, having a principal place of business at 200 East First Street, Suite 300, Winston-Salem, North Carolina 27101, the receipt whereof is hereby acknowledged, and in fulfillment of our pre-existing obligation of assignment, we do hereby assign, sell, and transfer unto the said Targacept, Inc., its successors and assigns, the entire right, title, and interest in said invention and application (including all inventions disclosed therein) for the United States and all countries foreign thereto, and any Letters Patent which may issue therefor in the United States and all countries foreign thereto and all divisions, reissues, continuations, extensions thereof. The Commissioner of Patents and Trademarks is requested to issue such Letters Patent in accordance herewith. We covenant that we are the lawful owners of the invention and application above mentioned, that the same are unencumbered, that no license has been granted to make, use, or sell the said invention, and that we have the full right to make this assignment, and agree that we will communicate to said assignee or its representatives any facts known to us respecting said invention, and will, upon request, testify in any interference proceedings, sign all lawful papers, execute all divisional, continuing, or reissue applications, make all rightful oaths, and generally do everything which in the opinion of said assignee or its attorneys may be reasonably required to aid said assignee to obtain full protection for said invention.

11-09-2003
Date

B. S. Bhatti
Balwinder Singh Bhatti (SEAL)

T103 1530.1

11/4/03
Date

Craig Harrison Miller (SEAL)
Craig Harrison Miller

11/5/03
Date

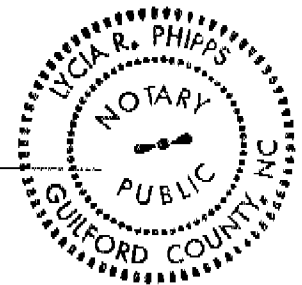
Jeffrey Daniel Schmitt (SEAL)
Jeffrey Daniel Schmitt

State of North Carolina)
: ss
County of Forsyth)

Before me, a Notary Public for said County, personally appeared Balwinder Singh Bhatti, known to me to be the person who executed the foregoing instrument and acknowledged it to be his/her act and deed.

Witness my hand and seal this 4th day of November, 2003.

Lycia R. Phipps
Notary Public

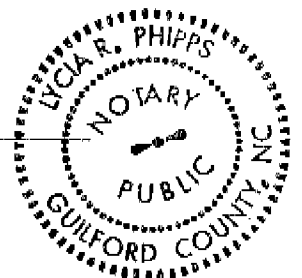


State of North Carolina)
: ss
County of Forsyth)

Before me, a Notary Public for said County, personally appeared Craig Harrison Miller, known to me to be the person who executed the foregoing instrument and acknowledged it to be his/her act and deed.

Witness my hand and seal this 4th day of November, 2003.

Lycia R. Phipps
Notary Public



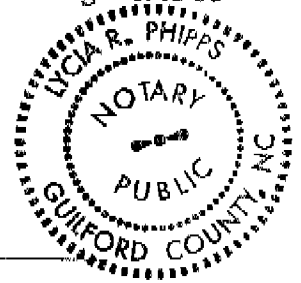
T103 1530.1

State of North Carolina)
)
 : ss
County of Forsyth)

Before me, a Notary Public for said County, personally appeared Jeffrey Daniel Schmitt, known to me to be the person who executed the foregoing instrument and acknowledged it to be his/her act and deed.

Witness my hand and seal this 5th day of November, 2003.

Lycia R. Phipps
Notary Public



Docct No.: T103 1530.1