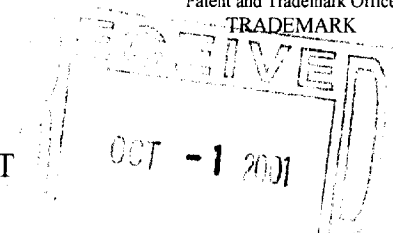


10-09-2001



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10-1-01



RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commission 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
08/30/2001

Merger

Change of Name

Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name Xanodyne Pharmacal, Inc. Execution Date
Month Day Year
08/30/2001

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 PNC Bank, National Association

DBA/AKA/TA _____

Composed of _____

Address (line 1) Commercial Loan Service Center/DCC

Address (line 2) 500 First Avenue

Address (line 3) Pittsburgh Pennsylvania 15219
City State/Country Zip Code

Individual General Partnership Limited Partnership 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.)

Corporation Association

Other _____

Citizenship/State of Incorporation/Organization _____

10/05/2001 DBYRNE 00000053 0729648

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
25.00 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 Product (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

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 are 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"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0729648"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0738956"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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 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.

Louis K. Ebling, Esq.
Name of Person Signing


Signature

September 27, 2001
Date Signed

PATENTS, TRADEMARKS AND COPYRIGHTS SECURITY AGREEMENT

XANODYNE PHARMACAL, INC., a Delaware corporation, with its principal place of business at 7310 Turfway Road, Suite 490, Florence, Kentucky 41042 ("Debtor"), for valuable consideration, receipt of which hereby is acknowledged, hereby transfers, assigns and pledges to **PNC BANK, NATIONAL ASSOCIATION**, a national banking association ("Secured Party"), and enters into this Patents, Trademarks and Copyrights Security Agreement (the "Agreement") and grants to Secured Party, a security interest in all of Debtor's right, title and interest in, to and under the following collateral, whether now existing or hereafter arising or acquired (the "Collateral"):

1. all trademarks, trade names, corporate names, fictitious names, trade dress, service marks, logos, commercial symbols, designs, prints and labels on which any of the foregoing have appeared, now appear or hereafter appear, and the good will and general intangibles of like nature relating thereto, now existing or hereafter adopted or acquired, and all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any other office or agency of the United States or any State thereof, or any other country or any political subdivision thereof, including, but not limited to, those described in Schedule A hereto, and all renewals thereof and all licenses thereof (whether as licensor or licensee) and other agreements and/or rights of any kind relating thereto (all of the foregoing being herein referred to as the "Trademarks");
2. all letters patent of the United States or of any other country, and all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any other office or agency of the United States or any State thereof or of any other country, including but not limited to, those described in Schedule B hereto, and all inventions, reissues, re-examinations, divisions, improvements, continuations, continuations-in-part or extensions thereof and all licenses thereof (whether as licensor or licensee) and other agreements and/or rights of any kind relating thereto (all of the foregoing being herein referred to as the "Patents");
3. all copyrights, whether registered or not, of the United States or any other country, and all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any other office or agency of the United States or any State thereof or of any other country, including but not limited to, those described in Schedule C hereto, and all variations, adaptations, or derivatives created by or for Debtor, renewals thereof and all licenses thereof (whether as licensor or licensee) and other agreements and/or rights of any kind relating thereto (all of the foregoing being herein referred to as the "Copyrights");

4. all rights to sue and other claims for past, present and future infringements of any of such Trademarks, Patents and Copyrights or dilution thereof, or for injury to the good will associated therewith;
5. all income, damages and other amounts payable of any kind under or with respect to any of the foregoing, including, without limitation, royalty fees, proceeds of infringement suits and other amounts of any kind; and
6. all proceeds and products of the foregoing, in whatever form the same may be,

for the purpose of securing the payment to Secured Party of all of the following ("Obligations"): all loans, advances, debts, liabilities, obligations, covenants and duties owing to Secured Party from any Debtor of any kind or nature, present or future, whether or not evidenced by any note, guaranty or other instrument, including but not limited to those arising under: (i) the Loan Agreement of even date herewith by and between Debtor and Secured Party; (ii) any International Swaps and Derivatives Association Master Agreement ("Master Agreement"), and including each Transaction (as such term is defined in the Master Agreement), as confirmed in the applicable confirmation of each such Transaction, (iii) any obligation of Debtor to Secured Party or any Secured Party's Affiliate under any other interest rate swap, cap, collar, floor, option, forward, or other type of interest rate protection, foreign exchange or derivative transaction agreement, or (iv) any other agreement, instrument or document, whether or not for the payment of money, whether arising by reason of an extension of credit, opening of a letter of credit, loan, guaranty, indemnification or in any other manner, whether direct or indirect (including those acquired by assignment, participation, purchase, negotiation, discount or otherwise), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising and whether or not contemplated by Debtor or Secured Party or Secured Party's Affiliate on the date hereof; and, as to all of the foregoing, including any amendments, modifications, or superceding documents to each of the foregoing; and all charges, expenses, fees, including but not limited to reasonable attorneys' fees, and any other sums chargeable to Debtor under any of the Obligations. As used herein, "Secured Party's Affiliate" will mean any person, partnership, joint venture, company or business entity under common control or having similar equity holders owning at least ten percent (10%) thereof with Secured Party, whether such common control is direct or indirect. All of Secured Party's direct or indirect parent corporations, sister corporations, and subsidiaries will be deemed to be a Secured Party's Affiliate for purposes of this Agreement.

1. **Representations and Warranties.** Debtor represents and warrants as follows:
 - 1.1 Each of the Trademarks, Patents and Copyrights is valid, enforceable and subsisting;
 - 1.2 The Schedules hereto are true and complete lists of all Collateral as of the date hereof.
 - 1.3 This Agreement creates a legal and valid lien on the Collateral, enforceable against Debtor and all third parties.

- 1.4 This Agreement does not violate and is not in contravention of any other agreement to which Debtor is a party or any judgment or decree by which Debtor is bound and does not require any consent under any other agreement to which Debtor is a party or by which Debtor is bound.
- 1.5 Debtor has the requisite corporate power and authority to execute, deliver and perform this Agreement, and this Agreement is the legal, valid and binding obligation of Debtor, enforceable in accordance with its terms.
- 1.6 Debtor is the sole and exclusive owner of and has good and marketable title to the Collateral; none of the Collateral is subject to any mortgage, pledge, lien, security interest, lease, charge, setoff, defense, claim, license, shop right, work for hire claims, covenant not to sue, or other encumbrance, except the liens in favor of Secured Party; and there are no legal actions, administrative proceedings or claims pending or threatened relating to any of the Collateral.

2. **Covenants.** Debtor covenants and agrees as follows:

- 2.1 Anything herein to the contrary notwithstanding, Debtor will remain liable under the Collateral to observe and perform all the conditions and obligations to be observed and performed by Debtor thereunder, all in accordance with and pursuant to the terms and provisions thereof. Secured Party will have no obligation or liability under any of the Collateral by reason of or arising out of this Agreement or the receipt by Secured Party of any payment relating to any of the Collateral pursuant hereto, nor will Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of Debtor under or pursuant to any of the Collateral, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by Debtor or the sufficiency of any performance by any party under any of the Collateral, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to Debtor or to which it may be entitled at any time or times.
- 2.2 Debtor will furnish to Secured Party from time to time, and not less frequently than upon each anniversary of execution of this Agreement, statements and schedules identifying and describing any change, including but not limited to additions and/or deletions in the Collateral, and such other reports in connection with the Collateral as Secured Party may reasonably request, all in reasonable detail.
- 2.3 Debtor (either itself or through its licensees) will: (a) continue to properly use and maintain each Trademark that is material to Debtor's business in full force and free from any claim of abandonment for non-use, (b) maintain, as in the past, the quality of products and services offered under such Trademark, (c) employ such Trademark with the appropriate registration, and (d) not, and not permit any licensee or sublicensee thereof to, do any act or knowingly omit to do any act whereby such Trademark may become invalidated.

- 2.4 Debtor will not do any act, or omit to do any act, whereby any Patent or Copyright may become abandoned, part of the public domain or otherwise unenforceable.
- 2.5 Debtor will notify Secured Party immediately if Debtor knows or has reason to know that any application or registration relating to any Patent, Copyright or Trademark may become abandoned or otherwise unenforceable, or of any adverse determination or development, including but not by way of limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or Copyright Office or any court, regarding the ownership of any part of the Collateral, its right to register the same, or to keep, use, enforce and/or maintain the same.
- 2.6 If at any time after the date of this Agreement, Debtor obtains rights to any new or additional Collateral, or becomes entitled to the benefit of any application or registration for any re-issue, division, re-examination, continuation-in-part, continuation, renewal or extension of any Collateral or any improvements, adaptations or derivations on any Collateral, the provisions of this Agreement will automatically apply thereto and Debtor will give to Secured Party prompt written notice thereof. Debtor authorizes Secured Party to modify this Agreement by adding from time to time a Schedule D, which Schedule D will include any such future Collateral and applications, and Debtor will execute and deliver to Secured Party from time to time such supplemental assignments or other instruments as Secured Party may desire for the purpose of confirming and perfecting Secured Party's interest in such Collateral. In no event will Debtor, either itself or through any agent, employee, licensee or designee, file an application for the issuance of any Patent or the registration of any Trademark with the United States Patent and Trademark Office, or for any Copyright registration with the United States Copyright Office, or any office or agency of the United States or any State thereof or of any other country or any political subdivision thereof, unless it promptly informs Secured Party, and, upon request of Secured Party, executes and delivers any and all agreements, instruments, documents, and papers as Secured Party may request to evidence and perfect Secured Party's security interest in such Collateral for which registration has been applied and the good will and other intellectual property and related general intangibles of Debtor relating thereto or represented thereby, and Debtor hereby constitutes Secured Party as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest and irrevocable until the Obligations are indefeasibly paid in full and this Agreement is terminated.
- 2.7 Debtor will take all necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any appropriate office or agency in any state or in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Collateral, including, without limitation, filing of applications

for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings. Notwithstanding the provisions of this Agreement, Secured Party acknowledges that Debtor shall have no affirmative obligation hereunder to apply for or maintain any Patents, Trademarks, or Copyrights in any foreign country in which Debtor is not substantially engaged in business operations in which the Trademarks, Patents, or Copyrights are utilized.

2.8 If any of the Collateral is infringed, misappropriated, diluted or otherwise used or returned without authorization by a third party, Debtor will promptly notify Secured Party after Debtor learns thereof and will take such actions as Secured Party will reasonably deem appropriate under the circumstances to protect such Collateral.

2.9 Debtor, at its sole cost and expense, will (a) appear in and defend any action arising out of, or in any manner connected with, any of the Collateral or the obligations or liabilities of Debtor thereunder, (b) continue to use consistent standards of quality in its manufacture of products sold under the Collateral and will allow Secured Party by its agents to inspect such products and quality control records relating thereto to ensure Debtor's compliance with such quality standards, and (c) allow Secured Party by its agents reasonable access to the books and records of Debtor relating to the Collateral.

2.10 Debtor will not (a) sell, assign, pledge or otherwise transfer or encumber all or any part of its interest in any of the Collateral, (b) grant any license under any of the Collateral (other than licenses to marketing and distribution agents in the ordinary course of business consistent with past practices), or (c) enter into any agreement which is inconsistent with Debtor's obligations under this Agreement.

3. Payment of Expenses by Secured Party. At its option, Secured Party may discharge taxes, liens, security interests or such other encumbrances as may attach to the Collateral, may pay for the maintenance and preservation of the Collateral, as reasonably determined by Secured Party to be necessary. Debtor will reimburse Secured Party on demand for any payment so made or any expense incurred by Secured Party pursuant to the foregoing authorization, and the Collateral also will secure any advances or payments so made or expenses so incurred by Secured Party.

4. Collections. After the occurrence of an Event of Default, as defined below, if directed by Secured Party, whenever Debtor receives any payment with respect to any of the Collateral it will hold such payment in trust for Secured Party and forthwith will deliver to Secured Party the same in the form received by Debtor without commingling with any funds belonging to Debtor, and promptly will deposit the same in a special collateral account with Secured Party.

5. Notification of Third Parties. Secured Party, at any time after the occurrence of an Event of Default, and without notice to Debtor, may notify any persons who are indebted to Debtor with respect to any Collateral of the assignment thereof to Secured Party and may direct such persons to make payment directly to Secured Party of the amounts due.

At the request of Secured Party after the occurrence of an Event of Default, Debtor will direct any persons who are indebted to Debtor with respect to any Collateral to make payment directly to Secured Party. Secured Party is authorized to give receipts to such persons for any such payments and such persons will be protected in making such payments to Secured Party.

6. **Further Assurances.** At the request of Secured Party, Debtor will join with Secured Party in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing this Agreement and all financing, continuation and termination statements in all public offices where filing is deemed necessary or desirable by Secured Party. Debtor will execute and deliver to Secured Party from time to time such further documents, supplemental assignments or other instruments, and take all further actions as Secured Party may consider necessary or desirable to create, perfect, confirm, preserve, continue or validate Secured Party's interest in the Collateral or to enable Secured Party to exercise or enforce its rights with respect to such interest. Debtor hereby authorizes Secured Party to execute and file on behalf of Debtor all financing statements and documents deemed necessary or appropriate to perfect Secured Party's interest in the Collateral.
7. **Receivers.** Upon or at any time after the occurrence of an Event of Default, Secured Party may request the appointment of a receiver of the Collateral. Such appointment may be made without notice, and without regard to (i) the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations; and (ii) the value of the Collateral at such time. Such receiver will have the power to take possession, control and care of the Collateral and to collect all accounts resulting therefrom. Notwithstanding the appointment of any receiver, trustee, or other custodian, Secured Party will be entitled to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Agreement to Secured Party.
8. **Default.**
 - 8.1 Only upon the occurrence of (herein referred to as an "Event of Default"): (i) any Event of Default as defined in any of the documents evidencing any of the Obligations, or (ii) any default under any of such documents that do not have a defined set of "Events of Default," Secured Party may exercise any one or more of the rights and remedies granted pursuant to this Agreement or given to a secured party under applicable law, as it may be amended from time to time, including but not limited to the right to take possession and sell, lease or otherwise dispose of the Collateral and, at its option, operate, use or exercise any rights of ownership pertaining to the Collateral as Secured Party deems necessary to preserve the value and receive the benefits of the Collateral. Upon the occurrence of an Event of Default, Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and take possession of and remove the same therefrom. Secured Party may require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties.

8.2 Debtor further agrees that, in the event of any disposition of the Collateral upon an Event of Default, Debtor will duly execute, acknowledge and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of registrations and/or applications for registration of all Trademarks, Copyrights and Patents. Debtor hereby irrevocably appoints Secured Party as its attorney-in-fact, with full power of substitution, to execute, deliver, and record such documents on Debtor's behalf upon the occurrence of an Event of Default. For the purposes of enabling Secured Party to exercise its rights and remedies upon an Event of Default, Debtor hereby grants to Secured Party an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Debtor) to use, assign, license or sublicense any of the Collateral, now owned or hereafter acquired by Debtor, and wherever the same may be located.

8.3 The net proceeds arising from the disposition of the Collateral after deducting expenses incurred by Secured Party will be applied to the Obligations in the order determined by Secured Party. If any excess remains after the discharge of all of the Obligations, the same will be paid to Debtor or as required by law. If after exhausting all of the Collateral, there should be a deficiency, Debtor will be liable therefor to Secured Party; provided, however, that nothing contained herein will obligate Secured Party to proceed against the Collateral prior to making a claim against Debtor or any other party obligated under the Obligations or prior to proceeding against any other collateral for the Obligations.

8.4 Whenever notice is required by law to be sent by Secured Party to Debtor of any sale, lease or other disposition of the Collateral, five days written notice sent to Debtor's address set forth herein for notices will be reasonable.

8.5 The rights and remedies provided herein are cumulative and are not exclusive of any other rights or remedies provided by applicable law.

9. **Enforcement Actions.** Secured Party may, but will in no way be obligated to, bring suit in its own name to enforce the Collateral and any license thereunder. If Secured Party elects to bring any such suit in its own name, Debtor will at the request of Secured Party do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement and Debtor will promptly, upon demand, reimburse and indemnify Secured Party for all costs and expenses incurred by Secured Party in the exercise of its rights under this Section.

10. **Obligations, Indemnifications, and Expenses.** If Debtor fails to comply with any of its obligations hereunder, Secured Party may, but will not be obligated to, do so at the expense of Debtor. To the extent that Secured Party incurs any costs or expenses in protecting or enforcing its rights in the Collateral or observing or performing any of the conditions or obligations of Debtor hereunder, including but not limited to reasonable attorneys' fees and the costs and expenses of litigation, such costs and expenses will be due on demand, will be included in the indebtedness secured hereby and will bear interest from the incurring or payment thereof at the highest Default Rate as defined in any of the

Obligations. Debtor will indemnify and hold Secured Party harmless against (a) all expenses, liabilities, losses and damages that Secured Party may incur under the Collateral or under or by reason of this Agreement, and (b) all claims and demands whatsoever that may be asserted against Secured Party by reason of this Agreement or any act of Secured Party under this Agreement or under any of the Collateral.

11. Secured Party's Power of Attorney. Debtor hereby irrevocably constitutes and appoints Secured Party, and any officer thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor or in its name, from time to time in Secured Party's discretion for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, Debtor hereby gives Secured Party the power and right, on behalf of Debtor, after an Event of Default, and without notice to or assent by Debtor, to do the following:

- 11.1** to receive payment of, endorse, and receipt for, any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of the Collateral;
- 11.2** to commence and prosecute any suits, actions or proceeding at law or in equity in any court of competent jurisdiction to collect any of the Collateral and to enforce any other right in respect of the Collateral;
- 11.3** to settle, compromise or adjust any suit, action or proceeding described above, and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate; and
- 11.4** generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect or preserve the Collateral and Secured Party's security interest and rights therein in order to effect the intent of this Agreement, all as fully and effectively as Debtor might do.

Debtor hereby ratifies all that such attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest, will be irrevocable and will terminate only upon payment in full of the Obligations and the termination of all financing arrangements relating thereto and this Agreement. The powers conferred upon Secured Party hereunder are solely to protect Secured Party's interests in the Collateral and will not impose any duty upon it to exercise any such powers. Secured Party will have no obligation to preserve any rights of any third parties in the Collateral or to perform any duties or obligations of any Debtor under or with respect to any of the Collateral. Secured Party will be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it, any of its

affiliates nor any of its agents will be responsible to Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own gross negligence or willful misconduct.

12. General.

12.1 Waiver. No delay or omission on the part of Secured Party to exercise any right or power arising from any default or Event of Default will impair any such right or power or be considered a waiver of any such right or power or a waiver of any such default or Event of Default or an acquiescence therein nor will the action or non-action of Secured Party in case of such Default or Event of Default impair any right or power arising as a result thereof or affect any subsequent default or any other default of the same or a different nature.

12.2 Notices. All notices, demands, requests, consents, approvals and other communications required hereunder will be in writing and will be conclusively deemed to have been received by a party hereto and to be effective on the day on which delivered personally to such party, or sent by telex, telecopy (followed by written confirmation) or other telegraphic means, or by overnight courier service, or by certified or registered mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Secured Party: PNC Bank, National Association
Commercial Loan Service Center/DCC
500 First Avenue
Pittsburgh, PA 15219

To Debtor: Xanodyne Pharmacal, Inc.
7310 Turfway Road, Suite 490
Florence, Kentucky 41042
Attn: Mr. Thomas P. Jennings

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered, or if sent by telex, telecopy or telegraphic means, on the day on which transmitted, or if sent by overnight courier service, on the day after deposit thereof with such service, or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

12.3 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns; provided, however, that Debtor may not assign this Agreement in whole or in part without the prior written consent of Secured Party, and Secured Party at any time may assign this Agreement in whole or in part. All references herein to "Debtor" and "Secured Party" will be deemed to apply to Debtor and Secured Party and their respective successors and assigns.

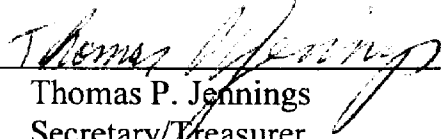
- 12.4 **Modifications.** No modification or waiver of any provision of this Agreement nor consent to any departure by Debtor therefrom, will be established by conduct, custom, or course of dealing; and no modification, waiver or consent will in any event be effective unless the same is in writing and specifically refers to this Agreement, and then such waiver or consent will be effective only in the specific instance and for the purpose for which given. No notice to or demand on Debtor in any case will entitle Debtor to any other or further notice or demand in the same, similar or other circumstance.
- 12.5 **Illegality.** If fulfillment of any provision hereof or any transaction related hereto or of any provision of this Agreement, at the time performance of such provision is due, involves transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled will be reduced to the limit of such validity.
- 12.6 **Gender, etc.** Whenever used herein, the singular number will include the plural, the plural the singular and the use of the masculine, feminine or neuter gender will include all genders.
- 12.7 **Headings.** The headings in this Agreement are for convenience only and will not limit or otherwise affect any of the terms hereof.
- 12.8 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same agreement. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.
- 12.9 **Governing Law.** This Agreement has been delivered and accepted at and will be deemed to have been made at Cincinnati, Ohio and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the State of Ohio, without regard to conflicts of law principles.
- 12.10 **Jurisdiction.** *Debtor hereby irrevocably agrees and submits to the exclusive jurisdiction of any state or federal court located within Hamilton County, Ohio, or, at the option of Secured Party in its sole discretion, of any state or federal court(s) located within any other county, state or jurisdiction in which Secured Party at any time or from time to time chooses in its sole discretion to bring an action or otherwise exercise a right or remedy, and Debtor waives any objection based on forum non conveniens and any objection to venue of any such action or proceeding. Debtor hereby irrevocably consents that all service of process be made by certified mail directed to Debtor at its address set forth herein for notices and service so made will be deemed to be completed the earlier of Debtor's actual receipt thereof or five (5) business days after the same has been deposited in U.S. Mails, postage prepaid. Nothing contained herein will prevent Secured Party from serving process in any other manner permitted by law.*

12.11 Waiver of Jury Trial. The parties hereto each waive any right to trial by jury in any action or proceeding relating to this Agreement, the Obligations, the Collateral, or any actual or proposed transaction or other matter contemplated in or relating to any of the foregoing.

Signed as of August 30, 2001.

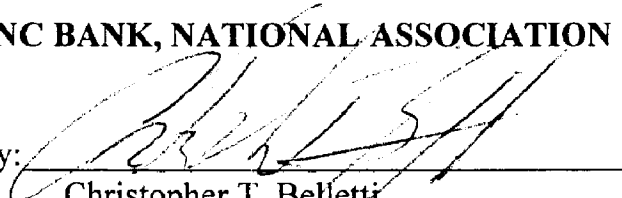
DEBTOR:

XANODYNE PHARMACAL, INC.

By: 
Thomas P. Jennings
Secretary/Treasurer

SECURED PARTY:


PNC BANK, NATIONAL ASSOCIATION

By: 
Christopher T. Belletti
Vice President

STATE OF OHIO)
)
COUNTY OF HAMILTON)

 SS.

The foregoing instrument was acknowledged before me this August 30, 2001 by Thomas P. Jennings, a duly authorized officer of Xanodyne Pharmacal, Inc., a Delaware corporation, on behalf of the corporation.

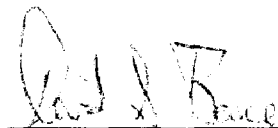


Notary Public
My commission expires: _____

STATE OF OHIO)
)
COUNTY OF HAMILTON)

 SS.

The foregoing instrument was acknowledged before me this August 30, 2001 by Christopher T. Belletti, a duly authorized officer of PNC Bank, National Association, a national banking association, on behalf of the association.



Notary Public
My commission expires: _____

CINlibrary/1078723.4

SCHEDULE A

Trademarks

Issued:

<u>Registration No.</u>	<u>Registration Date</u>	<u>Mark</u>	<u>Country</u>
729648	April 10, 1962	AMICAR	USA
738956	October 9, 1962	LEVOPROME	USA
13048	June 1, 1985	AMICAR	Puerto Rico

SCHEDULE B

Patents

Issued:

Patent No.

Country

5173488

USA

SCHEDULE C

Copyrights

NONE

SCHEDULE D
Additional Collateral

FROST BROWN TODD LLC

2200 PNC Center
201 E. Fifth Street
Cincinnati, Ohio 45202-4182
(513) 651-6800
Facsimile (513) 651-6981
www.frostbrowntodd.com

LOUIS K. EBLING
lebling@fbtlaw.com
(513) 651-6752

September 28, 2001

Commissioner of Patents and Trademarks
Box Assignments—FEE
Washington, D.C. 20231

**RE: TRANSMITTAL OF RECORDATION FORM COVER SHEET and
ASSIGNMENT—Registration Nos. 0729648 and 0738956**

Dear Sir or Madam:

With regard to the above-noted matter, enclosed for filing you will find the following:

- Recordation Form Cover Sheet
- Copy of Patents, Trademarks and Copyrights Security Agreement
- Check in the Amount of \$65.00
- Certificate of Mailing
- Return Postcard

The Commissioner for Patents and Trademarks is hereby authorized to charge any fee or credit overpayment to Frost Brown Todd Deposit Account No. 06-2226.

Very truly yours,

FROST BROWN TODD LLC



Louis K. Ebling

LKE/mss
Enclosures
C:\NLibrary\1101264.1

OHIO • KENTUCKY • INDIANA • TENNESSEE

TRADEMARK
REEL: 002378 FRAME: 0774

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to:

Commissioner of Patents and Trademarks
Box Assignments—FEE
Washington, D.C. 20231

on September 28, 2001
(Date)

M S Stout
(Signature)

Mary Sarah Stout
(Typed or printed name of person signing certificate)

CINlibrary/1101805.1