FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)
1-22-02
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101953639

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner o attached original documents or copy thereof.

1. Name of conveying party(ies):

Endo Pharmaceuticals Inc.

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

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

2. Name and address of receiving party(ies)

Name: JPMorgan Chase Bank

Internal Address:

Street Address: 270 Park Avenue

City: New York State: NY ZIP: 10017

- ☐ Individual(s) citizenship
- ☐ Association
- ☐ General Partnership
- ☐ Limited Partnership
- ☒ Corporation-State NY
- ☐ Other

If assignee is not domiciled in the United States, a domestic represetative 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: December 21, 2001

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

PLEASE SEE ATTACHED

73790107

Additional numbers attached? ☐ Yes ☐ No

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

Name: Penelope Agodoa

Internal Address: Federal Research Corporation

01/23/2002 GTON11 00000059 73790107
01 FC:481 40.00 OP
02 FC:482 1400.00 OP

Street Address: 400 Seventh Street, N.W.

Suite 101

City: Washington State: DC ZIP: 20004

6. Total number of applications and registrations involved: .....

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

- ☐ 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.

Maha Hussain — Name of Person Signing

Signature

January 18, 2002 — Date

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

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

Licensed Trademarks

Mark	Application No.	Registration No.	Licensor
LIDODERM	73/790107	1597110	Hind Healthcare Inc.
TAKON	74/339115	1821958	Hind Healthcare Inc.
TAKON	71/661401	600488	Hind Healthcare Inc.

United States Trademark Registrations and Applications

Mark	Application No.	Registration No.	Record Owner
CARBEX	75/109197	2133797	Endo Pharmaceuticals Inc.
DESIGN (Human with pyramid)	75/682557		Endo Pharmaceuticals Inc.
DILONE & Design	71/463508	405807	Endo Pharmaceuticals Inc.
DOLEX	75/561014		Endo Pharmaceuticals Inc.
DOLIVA	75/561015		Endo Pharmaceuticals Inc.
ENDO	74/464554	2004648	Endo Pharmaceuticals Inc.
ENDO (Stylized)	71/360540	324936	Endo Pharmaceuticals Inc.
ENDO (Stylized)	75/431737	2189503	Endo Pharmaceuticals Inc.
ENDO GENERIC PRODUCTS	75/347955	2267677	Endo Pharmaceuticals Inc.
ENDO LABORATORIES	75/347956	2317044	Endo Pharmaceuticals Inc.
ENDOCET	74/519259	1993892	Endo Pharmaceuticals Inc.
ENDOCODONE	75/708346	2411389	Endo Pharmaceuticals Inc.
ENDODAN	74/519256	1995948	Endo Pharmaceuticals Inc.
ENDODERM	75/542875		Endo Pharmaceuticals Inc.
ENDOMS-CR (Stylized)	75/542883		Endo Pharmaceuticals Inc.
ENDOMS-ER (Stylized)	75/543451		Endo Pharmaceuticals Inc.
GABADEX	76/186398		Endo Pharmaceuticals Inc.

GABIDEX	76/186394		Endo Pharmaceuticals Inc.
HYCODAN	455017	399421	Endo Pharmaceuticals Inc.
HYCOMINE	71/667025	612080	Endo Pharmaceuticals Inc.
HYCOTUSS	73/020948	1019802	Endo Pharmaceuticals Inc.
HYCOVENT SR	75/557249		Endo Pharmaceuticals Inc.
HYDROCODEX	75/908160		Endo Pharmaceuticals Inc.
LIDOVAR	75/620185		Endo Pharmaceuticals Inc.
MAXAN	75/561016		Endo Pharmaceuticals Inc.
METHADEX	75/783516		Endo Pharmaceuticals Inc.
MOBAN	72/363906	921439	Endo Pharmaceuticals Inc.
MORPHIDEX	74/639661	2229214	Endo Pharmaceuticals Inc.
MS-CR	75/542882		Endo Pharmaceuticals Inc.
MYLINIA	75/620577		Endo Pharmaceuticals Inc.
NARCAN	72/225014	808366	Endo Pharmaceuticals Inc.
NEURALA	75/620595		Endo Pharmaceuticals Inc.
NUBAIN	73/082855	1062047	Endo Pharmaceuticals Inc.
NUMORPHAN	74/494055	1936442	Endo Pharmaceuticals Inc.
NURALLO	75/620773		Endo Pharmaceuticals Inc.
OXYCODEX	76/135388		Endo Pharmaceuticals Inc.

OXYDEX	75/609662		Endo Pharmaceuticals Inc.
PERCO	76/299887		Endo Pharmaceuticals Inc.
PERCOCET	72165	1051682	Endo Pharmaceuticals Inc.
PERCOCET-5 LIQUID	75/557229		Endo Pharmaceuticals Inc.
PERCODAN	553092	507983	Endo Pharmaceuticals Inc.
PERCODEX	75/920913		Endo Pharmaceuticals Inc.
PERCOFEN	76/299888		Endo Pharmaceuticals Inc.
PERCOLONE	75/205674	2206110	Endo Pharmaceuticals Inc.
PERCOLOX	76/237483		Endo Pharmaceuticals Inc.
PERCOPHEN	76/299889		Endo Pharmaceuticals Inc.
PERCOPROFEN	76/246272		Endo Pharmaceuticals Inc.
SUSTAINED DURATION	75/625134		Endo Pharmaceuticals Inc.
SYMMETREL	72/190162	778424	Endo Pharmaceuticals Inc.
SYMMETREL	72/427398	971190	Endo Pharmaceuticals Inc.
SYMMETREL AMANTADINE HCL & Design	75/557230		Endo Pharmaceuticals Inc.
ULTRADEX	75/386465		Endo Pharmaceuticals Inc.
ZYDONE	73/588206	1412979	Endo Pharmaceuticals Inc.
VICODEX	76/340,440		Endo Pharmaceuticals Inc.

EXECUTED COPY

SUPPLEMENTAL SECURITY AGREEMENT

dated as of December 21, 2001,

among

ENDO PHARMACEUTICALS HOLDINGS INC.,

each Subsidiary
listed on Schedule I hereto

and

JPMORGAN CHASE BANK,

as Collateral Agent

<<2056452.5>>

SUPPLEMENTAL SECURITY AGREEMENT dated as of December 21, 2001, among ENDO PHARMACEUTICALS HOLDINGS INC., a Delaware corporation ("Holdings"), each subsidiary of Holdings listed on Schedule I hereto (each such Subsidiary other than ENDO PHARMACEUTICALS INC., a Delaware corporation (the "Borrower"), individually, a "Subsidiary Guarantor"; Holdings, the Borrower and the Subsidiary Guarantors are referred to collectively herein as the "Endo Grantors") and JPMORGAN CHASE BANK, a New York banking corporation ("Chase"), as collateral agent (in such capacity the "Collateral Agent") for the Senior Secured Parties (as defined below).

A. Reference is made to (a) the Amended and Restated Credit Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Credit Agreement"), among Holdings, the Borrower, the lenders from time to time party thereto (the "Lenders") and Chase, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and (b) the Amended and Restated Guarantee Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Guarantee Agreement"), among the Guarantors (as defined therein) and the Collateral Agent.

B. The Lenders have agreed to extend credit pursuant to the Credit Agreement.

C. To induce each of the Lenders to extend credit to the Borrower pursuant to the Credit Agreement, each of the Endo Grantors has agreed to enter into this Agreement in order to secure the Senior Obligations of the Endo Grantors and to provide for certain rights and obligations with respect to the Collateral (as defined below). In extending credit to the Borrower and in entering into this Agreement, each of the Lenders is relying on the undertakings of each of the Endo Grantors as set forth herein.

Accordingly, each of the parties hereto hereby agrees as follows:

ARTICLE I

Definitions

SECTION 1.01. Definition of Terms Used Herein. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings specified in the Credit Agreement. All terms defined in the New York UCC (as defined herein) and not defined in this Agreement or in the Credit Agreement shall have the meanings specified in the New York UCC.

SECTION 1.02. Definition of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

"Account Debtor" shall mean any Person who is or who may become obligated to any Endo Grantor under, with respect to or on account of an Account.

"Assigned Contracts" shall have the meaning assigned to such term in the Collateral Assignment.

"Collateral" shall mean all (a) Accounts, (b) Assigned Contracts, (c) Chattel Paper, (d) Commercial Tort Claims, (e) Deposit Accounts, (f) Documents, (g) Equipment, (h) General Intangibles, (i) Instruments, (j) Inventory, (k) Investment Property, (l) Letter-of-credit rights, (m) all books and records pertaining to the foregoing and (n) to the extent not otherwise included, all Proceeds and products of any of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

"Collateral Assignment" shall have the meaning assigned such term in the Credit Agreement.

"Collection Deposit Account" shall mean a lockbox account of an Endo Grantor maintained for the benefit of the Senior Secured Parties with the Collateral Agent or with a Sub-Agent pursuant to a Lockbox Agreement.

"Copyright License" shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by any Endo Grantor or that such Endo Grantor otherwise has the right to license, or granting any right to such Endo Grantor under any Copyright now or hereafter owned by any third party, and all rights of such Endo Grantor under any such agreement.

"Copyrights" shall mean all of the following now owned or hereafter acquired by any Endo Grantor: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise; and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule II.

"Credit Agreement" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"Documents" shall mean all instruments, files, records, ledger sheets and documents covering or relating to any of the Collateral.

"Endo Perfection Certificate" shall mean a certificate substantially in the form of Annex 2 hereto, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Financial Officer and the chief legal officer of Holdings.

"General Intangibles" shall mean all choses in action and causes of action and all other intangible personal property of any Endo Grantor of every kind and nature (other than Accounts), including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Hedging Agreements and other agreements, but excluding the Assigned Contracts), Intellectual Property, Internet domain names, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim,

security interest or other security held by or granted to any Endo Grantor to secure payment by an Account Debtor of any of the Accounts.

"Intellectual Property" shall mean all intellectual and similar property of any Endo Grantor of every kind and nature now owned (or, with respect to Licenses, used) or hereafter acquired by any Endo Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other confidential or proprietary data or information, software and databases and all embodiments or fixations thereof and related documentation.

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense of intellectual and similar property of any Endo Grantor of every kind and nature now owned or hereafter acquired by any Endo Grantor to which any Endo Grantor is a party, including those listed on Schedule III (other than those license agreements in existence on the date hereof and listed on Schedule VI and those license agreements entered into after the date hereof, in each case that by their terms prohibit a grant of a security interest by such Endo Grantor as licensee thereunder; provided that computer software licenses that are not material to the operation of any Endo Grantor's business shall not be included on Schedule III).

"Lockbox Agreements" shall mean the lockbox agreements among any Endo Grantor, the Collateral Agent and a Sub-Agent, substantially in the form of Annex 1 or in such other form as the Collateral Agent may specify.

"New York UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

"Patent License" shall mean any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Endo Grantor or that any Endo Grantor otherwise has the right to license, is in existence, or granting to any Endo Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Endo Grantor under any such agreement.

"Patents" shall mean all of the following now owned or hereafter acquired by any Endo Grantor: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, including those listed on Schedule IV; and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Senior Obligations" shall mean, collectively, (a) the due and punctual payment by the Borrower of (i) the principal of, premium (if any) and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at

maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrower under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (iii) all other monetary obligations of the Borrower to any of the Senior Secured Parties under the Credit Agreement and each of the other Loan Documents, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to the Credit Agreement and each of the other Loan Documents, (c) the due and punctual payment and performance of all obligations of each other Loan Party under or pursuant to this Agreement and each of the other Loan Documents, (d) the due and punctual payment and performance of all obligations of the Borrower or any other Loan Party under each Hedging Agreement that (i) is in effect on the Effective Date with a counterparty that is a Lender or an Affiliate of a Lender as of the Effective Date or (ii) is entered into after the Effective Date with any counterparty that is a Lender or an Affiliate of a Lender at the time such Hedging Agreement is entered into and (e) the due and punctual payment and performance of all monetary obligations and other liabilities of each Loan Party to the Administrative Agent or any of its Affiliates in respect of overdrafts and related liabilities and obligations arising from or in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds.

"Senior Secured Parties" shall mean (a) the Lenders, (b) the Administrative Agent (and any Affiliate of the Administrative Agent to which any obligations described in clause (e) of the definition of the term "Senior Obligations" is owed), (c) the Collateral Agent, (d) the Issuing Bank, (e) each counterparty to a Hedging Agreement entered into with the Borrower that either (i) is in effect on the Effective Date if such counterparty is a Lender or an Affiliate of a Lender as of the Effective Date or (ii) is entered into after the Effective Date if such counterparty is a Lender or an Affiliate of a Lender at the time such Hedging Agreement is entered into, (f) the beneficiaries of each indemnification obligation undertaken by any Endo Grantor under any Loan Document and (g) the successors and assigns of each of the foregoing.

"Senior Security Interest" shall have the meaning assigned to such term in Section 2.01.

"Sub-Agent" shall mean a financial institution that shall have delivered to the Collateral Agent an executed Lockbox Agreement.

"Support Documents" shall mean, collectively, the Security Documents and the Guarantee Agreement.

"Trademark License" shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any Endo Grantor or that any Endo Grantor otherwise has the right to license, or granting to any Endo Grantor any right to use any Trademark now or hereafter owned by any third party, and all rights of any Endo Grantor under any such agreement.

"Trademarks" shall mean all of the following now owned or hereafter acquired by any Endo Grantor: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, excluding Internet domain names, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, any similar offices in any State of the United States or any similar offices in any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule V; and (b) all goodwill associated therewith or symbolized thereby.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in any applicable jurisdiction.

ARTICLE II

Senior Security Interest

SECTION 2.01. Senior Security Interest. As security for the payment or performance, as the case may be, in full of the Senior Obligations, each Endo Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent and its successors and assigns, for the benefit of the Senior Secured Parties, and hereby grants to the Collateral Agent and its successors and assigns, for the benefit of the Senior Secured Parties, a first-priority security interest in all of such Endo Grantor's right, title and interest in, to and under the Collateral now owned or at any time hereafter acquired by such Endo Grantor or in which such Endo Grantor now has or at any time in the future acquires any right, title or interest (the "Senior Security Interest"). Without limiting the foregoing, each Endo Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings), continuation statements, and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment, including (a) whether such Endo Grantor is an organization, the type of organization and any organizational identification number issued to such Endo Grantor, (b) in the case of a financing statement filed as a fixture filing or covering Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Collateral relates and (c) a description of collateral that describes such property in any other manner as the Collateral Agent may reasonably determine is necessary or advisable to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent, including, without limitation, describing such property as "all assets" or "all property". Each Endo Grantor agrees to provide such information to the Collateral Agent promptly upon request.

The Collateral Agent is further authorized to the extent permitted by law to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any State of the United States or in any other country) such filings and other documents as may be necessary or advisable for the purpose of perfecting, confirming,

continuing, enforcing or protecting the Senior Security Interest granted by each Endo Grantor, without the signature of any Endo Grantor, and naming any Endo Grantor or the Endo Grantors as debtors and the Collateral Agent as Senior Secured Party.

SECTION 2.02. Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Endo Grantor shall be deemed to have granted a security interest in any of such Endo Grantor's right, title or interest, now owned by any Endo Grantor and listed on Schedule VI hereto or at anytime hereafter acquired: (a) in any Intellectual Property if the grant of such security interest shall constitute or result in the abandonment, invalidation or rendering unenforceable the right, title or interest of any Endo Grantor therein; (b) in any license, contract or other agreement to which such Endo Grantor is a party or any of its rights or interests thereunder, including, without limitation, with respect to any pledged interests in any partnership or limited liability company that is not a Subsidiary, to the extent, but only to the extent, that such grant of a security interest, under the terms of such license, contract or other agreement (other than any partnership agreement, limited liability company operating agreement, shareholder's agreement or any other agreement in respect of the Capital Stock of a Subsidiary), results in a breach or termination of, or constitutes a default under any such license, contract or other agreement (other than to the extent that any such term (i) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including Title 11 of the United States Code entitled "Bankruptcy", as now or hereafter in effect, or any successor thereto) or principles of equity or (ii) is otherwise ineffective); provided, that (A) such Endo Grantor shall have used commercially reasonable efforts to prevent the inclusion of any such term in any such license, contract or other agreement and to obtain all requisite consent to enable such Endo Grantor to provide a security interest in such asset and, in any event, immediately upon the ineffectiveness, lapse or termination of any such term, the Collateral shall include, and such Endo Grantor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect, and (B) the foregoing limitation shall not affect, limit, restrict or impair the grant by such Endo Grantor of a security interest pursuant to this Agreement in any receivable or any money or other amounts due or to become due under any such license, contract or other agreement or in the Proceeds from the sale or disposition of any such license, contract or other agreement; or (c) in any of the issued and outstanding Capital Stock of any Foreign Subsidiary in excess of 65% of the total combined voting power of all classes of Capital Stock of such Foreign Subsidiary entitled to vote; provided, that immediately upon the amendment of Title 26 of the United States Code entitled "Internal Revenue Code", as now or hereafter in effect, or any successor thereto, or the rules and regulations promulgated thereunder to allow the pledge of a greater percentage of the total combined voting power of Capital Stock in a Foreign Subsidiary without adverse tax consequences to Holdings or any of its Subsidiaries, the Collateral shall include, and each Endo Grantor shall be deemed to have granted a security interest in, such greater percentage of Capital Stock of each Foreign Subsidiary as is permitted under such amendment.

SECTION 2.03. No Assumption of Liability. The Senior Security Interest is granted as security only and shall not subject the Collateral Agent or any other Senior Secured Party to, or in any way alter or modify, any obligation or liability of any Endo Grantor with respect to or arising out of the Collateral.

ARTICLE III

Representations and Warranties

A. The Endo Grantors jointly and severally represent and warrant to the Collateral Agent and the Senior Secured Parties that:

SECTION 3.01. Title and Authority. Each Endo Grantor has good and valid rights in and title to the Collateral with respect to which it has purported to grant the Senior Security Interest hereunder and has full power and authority to grant to the Collateral Agent the Senior Security Interest and in such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained and is in full force and effect.

SECTION 3.02. Filings. (a) The Endo Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of each Endo Grantor, is correct and complete as of the Effective Date. Fully executed (to the extent required by applicable law) UCC financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Collateral have been delivered to the Collateral Agent for filing in each governmental, municipal or other office specified in Schedule 6 to the Endo Perfection Certificate, which are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Senior Security Interest in Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary as of the Effective Date to publish notice of and protect the validity of and to establish a legal, valid and perfected first-priority security interest in favor of the Collateral Agent (for the benefit of the Senior Secured Parties) in respect of all Collateral in which a security interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories or possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements or amendments.

(b) Each Endo Grantor represents and warrants that fully executed security agreements in the form hereof and containing a description of all Collateral consisting of Intellectual Property constituting United States Patents (and Patents for which United States registration applications are pending), United States registered Trademarks (and Trademarks for which United States registration applications are pending) and United States registered Copyrights (and Copyrights for which United States registration applications are pending) have been delivered to the Collateral Agent for recording such Intellectual Property by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction in the United States, to protect the validity of and to establish a legal, valid and perfected first-priority security interest in favor of the Collateral Agent (for the benefit of the Senior Secured Parties) in respect of all Collateral consisting of such Intellectual Property in which a security interest may be perfected by filing,

recording or registration in the United States (or any political subdivision thereof) and its territories and possessions and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary (other than such actions as are contemplated in Section 3.02(a), the registration of unregistered copyrights, and except as are necessary to perfect the Senior Security Interest with respect to any Collateral consisting of Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof).

SECTION 3.03. Validity of Senior Security Interest. The Senior Security Interest constitutes (i) a legal and valid security interest in all the Collateral securing the payment and performance of the Senior Obligations, (ii) subject to the filings described in Section 3.02 above, a perfected security interest in all Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the UCC or other applicable law in such jurisdictions and (iii) a security interest that shall be perfected in all Collateral in which a security interest may be perfected upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable, within the three-month period (commencing as of the date hereof) pursuant to 35 U.S.C. § 261 or 15 U.S.C. § 1060 or the one-month period (commencing as of the date hereof) pursuant to 17 U.S.C. § 205 and otherwise as may be required pursuant to the laws of any other necessary jurisdiction in the United States. The Senior Security Interest is and shall be prior to any other Lien on any of the Collateral, other than Liens expressly permitted to be prior to the Senior Security Interest pursuant to Section 6.02 of the Credit Agreement.

SECTION 3.04. Absence of Other Liens. The Collateral is owned by the Endo Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. None of the Endo Grantors have filed or consented to the filing of (a) any financing statement or analogous document under the UCC or any other applicable laws covering any Collateral, (b) any assignment in which any Endo Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (c) any assignment in which any Endo Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. None of the Endo Grantors hold any commercial tort claim except as indicated on the Endo Perfection Certificate.

B. The Collateral Agent and the Senior Secured Parties each represent and warrant to the other parties hereto that:

SECTION 3.05. Authorization; Enforceability. (a) The execution, delivery and performance of this Agreement (i) have been duly authorized by all requisite corporate action on its part and (ii) will not contravene any provision of its charter or by-laws or any order of any court or other Governmental Authority having applicability to it or any applicable law and (b) this Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding obligation.

ARTICLE IV

Covenants

SECTION 4.01. Change of Name; Location of Collateral; Records; Place of Business. (a) Each Endo Grantor agrees promptly to notify the Collateral Agent in writing of any change (i) in its corporate name, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it with an aggregate book value in excess of $5,000,000 is located (including the establishment of any such new office or facility, but excluding the consolidation of one existing office location with another existing office location), (iii) in its identity or type of organization or corporate structure, (iv) in its Federal Taxpayer Identification Number or organizational identification number, as applicable, or (v) in its jurisdiction of organization. Each Endo Grantor agrees to promptly provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the immediately preceding sentence. Each Endo Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for (i) the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first-priority security interest in all the Collateral. Each Endo Grantor agrees promptly to notify the Collateral Agent if any material portion of the Collateral owned or held by such Endo Grantor is damaged or destroyed.

(b) Each Endo Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Endo Grantor is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Collateral, and, at such time or times as the Collateral Agent may reasonably request, promptly to prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Collateral.

SECTION 4.02. Periodic Certification. Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.01 of the Credit Agreement, Holdings shall deliver to the Collateral Agent a certificate executed by a Financial Officer and the chief legal officer of Holdings (a) setting forth the information required pursuant to Sections 1 and 2 of the Endo Perfection Certificate or confirming that there has been no change in such information since the date of such certificate or the date of the most recent certificate delivered pursuant to this Section 4.02 and (b) certifying that all UCC financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (a) above to the extent necessary to protect and perfect the Senior Security Interest for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period).

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Each certificate delivered pursuant to this Section 4.02 shall identify in the format of Schedule II, III, IV, V or VI, as applicable, all Intellectual Property of any Endo Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Collateral Agent.

SECTION 4.03. Protection of Security. Each Endo Grantor shall, at its own cost and expense, take any and all actions necessary to defend title to the Collateral against all Persons and to defend the Senior Security Interest of the Collateral Agent in the Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.02 of the Credit Agreement.

SECTION 4.04. Further Assurances. Each Endo Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time request to better assure, preserve, protect and perfect the Senior Security Interest of the Collateral Agent and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Senior Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith; provided, however, that no recordation or filing of the lien granted hereunder need be made in any jurisdiction outside the United States, including its possessions or territories, unless requested by the Collateral Agent or the Required Lenders. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

Without limiting the generality of the foregoing, each Endo Grantor hereby authorizes the Collateral Agent, with prompt notice thereof to the Endo Grantors, to supplement this Agreement by supplementing Schedule II, III, IV, V or VI hereto or adding additional schedules hereto to specifically identify any asset or item that may constitute Collateral (or, in the case of Schedule VI, property excluded from the Collateral) consisting of Copyrights, Licenses, Patents or Trademarks; provided, however, that any Endo Grantor shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Endo Grantor hereunder with respect to such Collateral. Each Endo Grantor agrees that it will use commercially reasonable efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

SECTION 4.05. Inspection and Verification. The Collateral Agent and such Persons as the Collateral Agent may reasonably designate shall have the right, at the Endo Grantors' own cost and expense, to inspect the Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Collateral is located, to discuss the Endo Grantors' affairs with the officers of the Endo Grantors and their independent accountants and to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral, including, in the case of Accounts or Collateral in the possession of any third Person, by contacting Account Debtors or the third Person

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possessing such Collateral for the purpose of making such a verification. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Senior Secured Party.

SECTION 4.06. Taxes; Encumbrances. At its option, the Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Collateral and not permitted pursuant to Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Collateral to the extent any Endo Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Endo Grantor agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this Section 4.06 shall be interpreted as excusing any Endo Grantor from the performance of, or imposing any obligation on the Collateral Agent or any other Senior Secured Party to cure or perform, any covenants or other promises of any Endo Grantor with respect to taxes, assessments, charges, fees, liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

SECTION 4.07. Assignment of Senior Security Interest. If at any time any Endo Grantor shall take a security interest in any property of an Account Debtor or any other Person to secure payment and performance of an Account, such Endo Grantor shall promptly assign such security interest to the Collateral Agent. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other Person granting the security interest.

SECTION 4.08. Continuing Senior Obligations of the Endo Grantors. Each Endo Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral, all in accordance with the terms and conditions thereof, and each Endo Grantors agrees to indemnify and hold harmless the Collateral Agent and the other Senior Secured Parties from and against any and all liability for such performance.

SECTION 4.09. Use and Disposition of Collateral. None of the Endo Grantors shall make or permit to be made an assignment, pledge or hypothecation of the Collateral or shall grant any other Lien in respect of the Collateral, except as expressly permitted by Section 6.02 of the Credit Agreement. None of the Endo Grantors shall make or permit to be made any transfer of the Collateral and each Endo Grantor shall remain at all times in possession of the Collateral owned by it, except that (a) Inventory may be sold in the ordinary course of business and (b) unless and until the Collateral Agent shall notify the Endo Grantors that an Event of Default shall have occurred and be continuing and that during the continuance thereof the Endo Grantors shall not sell, convey, lease, license, assign, transfer or otherwise dispose of any Collateral (which notice may be given by telephone if promptly confirmed in writing), the Endo Grantors may use and dispose of the Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document. Without limiting the generality of the foregoing, each Endo Grantor agrees that it shall not permit any Inventory to be in the possession or control of any warehouseman, bailee, agent or processor at any time unless such warehouseman, bailee, agent or processor shall have been notified of the Senior Security Interest and shall have agreed in writing to

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hold the Inventory for the benefit of the Secured Parties subject to the Senior Security Interest and the instructions of the Collateral Agent and to waive and release any Lien held by it with respect to such Inventory, whether arising by operation of law or otherwise.

SECTION 4.10. Limitation on Modification of Accounts. None of the Endo Grantors will, without the prior written consent of the Collateral Agent, grant any extension of the time of payment of any of the Accounts included in the Collateral, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Endo Grantor is engaged.

SECTION 4.11. Insurance. The Endo Grantors, at their own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with Section 5.07 of the Credit Agreement. Each Endo Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Endo Grantor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Collateral under policies of insurance, endorsing the name of such Endo Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Endo Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Endo Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this Section 4.11, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Endo Grantors to the Collateral Agent and shall be additional Senior Obligations secured hereby.

SECTION 4.12. Legend. Each Endo Grantor shall maintain, in form and manner satisfactory to the Collateral Agent, its Chattel Paper and its books, records, and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Chattel Paper has been assigned to the Collateral Agent for the benefit of the Senior Secured Parties and that the Collateral Agent has a security interest therein.

SECTION 4.13. Covenants Regarding Patent, Trademark and Copyright Collateral. (a) Schedule II sets forth a list of all United States registered Copyrights and Copyrights for which registration applications are pending. Schedule III sets forth a list of all material Licenses. Schedule IV sets forth a list of all United States issued Patents. Schedule V sets forth a list of all United States registered Trademarks and Trademarks for which registration applications are pending.

(b) Each Endo Grantor agrees that it will not, and, to the extent it has or can reasonably obtain such power, will not permit any of its licensees or its sublicensees to, do any act, or omit to do any act, whereby any Patent that is material to the conduct of such Endo Grantor's business may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by such Patent with the relevant patent number as necessary and sufficient to establish and preserve its rights under applicable patent laws.

(c) Each Endo Grantor (either itself or, to the extent it has or can reasonably obtain such power, through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Endo Grantor's business, (i) maintain such Trademark in full force free from any reasonably founded claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark at a level at least substantially consistent with the quality of such products and services as of the date hereof, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(d) Each Endo Grantor (either itself or, to the extent it has or can reasonably obtain such power, through its licensees or its sublicensees) will, for each work covered by a Copyright material to the conduct of any Endo Grantor's business, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as may be necessary and sufficient to establish and preserve its rights as may be required from time to time under any applicable copyright laws.

(e) Each Endo Grantor shall notify the Collateral Agent within five business days if such Endo Grantor knows or has a reasonable basis to know that any Patent, Trademark or Copyright material to the conduct of its business may become abandoned, lost or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Endo Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(f) In no event shall any Endo Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent or for the registration of any Trademark or Copyright material to the conduct of such Endo Grantor's business with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly thereafter informs the Collateral Agent and, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's Senior Security Interest in such Patent, Trademark or Copyright, and to the extent permitted by applicable law each Endo Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; it is understood and agreed that such appointment is coupled with an interest and is irrevocable.

(g) Each Endo Grantor will take all reasonably necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each application that is material to the conduct of any Endo Grantor's business relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Endo Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if commercially reasonable, to initiate opposition, interference and cancellation proceedings against third parties.

(h) In the event that any Endo Grantor has reason to believe that any Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Endo Grantor's business has been or is about to be infringed, misappropriated or diluted by a third party, such Endo Grantor promptly shall notify the Collateral Agent and shall, if commercially reasonable, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral.

(i) Upon and during the continuance of an Event of Default, each Endo Grantor shall use commercially reasonable efforts to obtain all requisite consents or approvals by the licensor under each License to effect the assignment of all of such Endo Grantor's right, title and interest thereunder to the Collateral Agent or its designee.

SECTION 4.14. Other Actions. In order to further insure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Collateral, each Endo Grantor agrees, in each case at such Endo Grantor's own expense, to take the following actions with respect to the following Collateral:

(a) Instruments and Tangible Chattel Paper. If any Endo Grantor shall currently hold or at any time hereafter acquire any Instruments or Tangible Chattel Paper, such Endo Grantor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify.

(b) Deposit Accounts. For each deposit account that any Endo Grantor shall at any time open or maintain, such Endo Grantor shall, at the Collateral Agent's request and option, pursuant to an agreement in form and substance satisfactory to the Collateral Agent, either (i) cause the depositary bank to agree to comply at any time with instructions from the Collateral Agent to such depositary bank directing the disposition of funds from time to time credited to such deposit account, without further consent of such Endo Grantor, or (ii) arrange for the Collateral Agent to become the customer of the depositary bank with respect to the deposit account, with the Endo Grantor being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw funds from such deposit account. The Collateral Agent agrees with each Endo Grantor that the Collateral Agent shall not give any such instructions or withhold any withdrawal rights from any Endo Grantor, unless an Event of Default has occurred and is continuing, or, after giving

effect to any withdrawal would occur. The provisions of this paragraph shall not apply to (A) any deposit account for which any Endo Grantor, the depositary bank and the Collateral Agent have entered into a cash collateral agreement specially negotiated among such Endo Grantor, the depositary bank and the Collateral Agent for the specific purpose set forth therein and (B) deposit accounts for which the Collateral Agent is the depositary.

(c) Investment Property. If any Endo Grantor shall currently hold or at any time hereafter acquire any certificated securities, such Endo Grantor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify. If any securities now or hereafter acquired by any Endo Grantor are uncertificated and are issued to such Endo Grantor or its nominee directly by the issuer thereof, such Endo Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance satisfactory to the Collateral Agent, either (i) cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Endo Grantor or such nominee, or (ii) arrange for the Collateral Agent to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Endo Grantor are held by such Endo Grantor or its nominee through a securities intermediary or commodity intermediary, such Endo Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (A) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from the Collateral Agent to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Collateral Agent to such commodity intermediary, in each case without further consent of any Endo Grantor or such nominee, or (B) in the case of Financial Assets or other Investment Property held through a securities intermediary, arrange for the Collateral Agent to become the entitlement holder with respect to such investment property, with the Endo Grantor being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw or otherwise deal with such investment property. The Collateral Agent agrees with each of the Endo Grantors that the Collateral Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by any Endo Grantor, unless an Event of Default has occurred and is continuing or, after giving effect to any such investment and withdrawal rights, would occur. The provisions of this paragraph (c) shall not apply to any financial assets credited to a securities account for which the Collateral Agent is the securities intermediary.

(d) Electronic Chattel Paper and Transferable Records. If any Endo Grantor shall currently hold or at any time hereafter acquire an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, such Endo Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under UCC Section 9-105 of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in

Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Endo Grantor that the Collateral Agent will arrange, pursuant to procedures satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Endo Grantor to make alterations to the electronic chattel paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Endo Grantor with respect to such electronic chattel paper or transferable record.

(e) Letter-of-credit Rights. If any Endo Grantor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Endo Grantor, upon the occurrence and during the continuance of an Event of Default, such Endo Grantor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, such Endo Grantor shall promptly (and, in any case, within five business days), pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in the Section 6.02 of this Agreement.

(f) Commercial Tort Claims. If any Endo Grantor shall currently hold or at any time hereafter acquire a commercial tort claim, the Endo Grantor shall, at the time of delivery of quarterly financial statements with respect to the preceding fiscal quarter pursuant to Section 5.01 of the Credit Agreement, notify the Collateral Agent thereof in a writing signed by such Endo Grantor, including a summary description of such claim, with such writing to be in form and substance satisfactory to the Collateral Agent.

ARTICLE V

Collections

SECTION 5.01. Collection Deposit Accounts. Effective upon notice to the Endo Grantors from the Collateral Agent after the occurrence and during the continuance of an Event of Default (which notice may be given by telephone if promptly confirmed in writing), each Endo Grantor agrees to establish and maintain one or more Collection Deposit Accounts with the Collateral Agent or with any financial institution that (i) is satisfactory to the Collateral Agent and (ii) enters into a Lockbox Agreement. Each such Collection Deposit Account will, without any further action on the part of any Endo Grantor, the Collateral Agent or any Sub-Agent, be a closed lockbox account under the exclusive dominion and control of the Collateral Agent in which funds are held subject to the rights of the Collateral Agent hereunder. No Endo Grantor shall have any

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right or power to withdraw any funds from any Collection Deposit Account without the prior written consent of the Collateral Agent until all Events of Default are cured or waived. The Endo Grantors irrevocably authorize the Collateral Agent to notify each Sub-Agent (i) of the occurrence of an Event of Default and (ii) of the matters referred to in this Section 5.01. Following the occurrence of an Event of Default, the Collateral Agent may instruct each Sub-Agent to transfer immediately all funds held in each Collection Deposit Account to an account maintained with the Collateral Agent.

SECTION 5.02. Collections. (a) From and after any notice of an Event of Default described in Section 5.01, each Endo Grantor agrees to notify and direct promptly each Account Debtor and every other Person obligated to make payments with respect to the Accounts, Inventory and Assigned Contracts to make all such payments to a Collection Deposit Account established by it. Each Endo Grantor shall use all reasonable efforts to cause each Account Debtor and every other Person identified in the preceding sentence to make all payments with respect to the Accounts, Inventory and Assigned Contracts directly to such Collection Deposit Account.

(b) Upon the occurrence and during the continuance of an Event of Default, in the event that any Endo Grantor directly receives any remittances on Accounts, Inventory or with respect to the Assigned Contracts, notwithstanding the arrangements for payment directly into the Collection Deposit Accounts, such remittances shall be held in trust for the benefit of the Collateral Agent and the Senior Secured Parties and shall be segregated from other funds of such Endo Grantor, subject to the Senior Security Interest granted hereby, and such Endo Grantor shall cause such remittances and payments to be deposited into the applicable Collection Deposit Account as soon as practicable after such Endo Grantor's receipt thereof.

SECTION 5.03. Power of Attorney. Each Endo Grantor irrevocably makes, constitutes and appoints, without any further action on the part of any Endo Grantor, the Collateral Agent or any Sub-Agent, the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Endo Grantor's true and lawful agent and attorney-in-fact, and in such capacity the Collateral Agent shall have the right, with power of substitution for each Endo Grantor and in each Endo Grantor's name or otherwise, for the use and benefit of the Collateral Agent and the other Senior Secured Parties, only upon the occurrence and during the continuance of an Event of Default (i) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (ii) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (iii) to sign the name of any Endo Grantor on any invoice or bill of lading relating to any of the Collateral; (iv) to send verifications of Accounts to any Account Debtor; (v) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (vi) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (vii) to notify, or to require any Endo Grantor to notify, Account Debtors to make payment directly to the Collateral Agent; and (viii) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; provided, however, that nothing herein

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contained shall be construed as requiring or obligating the Collateral Agent or any other Senior Secured Party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent or any other Senior Secured Party, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Collateral Agent or any other Senior Secured Party with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Endo Grantor or to any claim or action against the Collateral Agent or any other Senior Secured Party. It is understood and agreed that the appointment of the Collateral Agent as the agent and attorney-in-fact of the Endo Grantors for the purposes set forth above is coupled with an interest and is irrevocable. The provisions of this Section shall in no event relieve any Endo Grantor of any of its obligations hereunder or under any other Loan Document with respect to the Collateral or any part thereof or impose any obligation on the Collateral Agent or any other Senior Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Collateral Agent or any other Senior Secured Party of any other or further right which it may have on the date of this Agreement or hereafter, whether hereunder, under any other Loan Document, by law or otherwise.

ARTICLE VI

Remedies

SECTION 6.01. Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, each Endo Grantor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (i) with respect to any Collateral consisting of Intellectual Property, on demand, to cause the Senior Security Interest to become an assignment, transfer and conveyance of any of or all such Collateral by the applicable Endo Grantors to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (ii) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a Senior Secured Party under the UCC or other applicable law. Without limiting the generality of the foregoing, each Endo Grantor agrees that the Collateral Agent shall have the right, subject to the requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral, at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and

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deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Endo Grantor, and each Endo Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal that such Endo Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Endo Grantors 10 days' written notice (which each Endo Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, any Senior Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Endo Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Senior Secured Party from any Endo Grantor as a credit against the purchase price, and such Senior Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Endo Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and, to the extent then permitted by applicable law, no Endo Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Senior Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 6.01 shall be deemed to conform to the commercially

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reasonable standards as provided in Section 9-610(b) of the Uniform Commercial Code as in effect in the New York UCC or its equivalent in other jurisdictions.

SECTION 6.02. Application of Proceeds. The Collateral Agent shall apply the proceeds of any collection or sale of Collateral, as well as any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in its capacity as such hereunder or under any other Loan Document) in connection with such collection or sale or otherwise in connection with this Agreement or any of the Senior Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent or the Administrative Agent hereunder or under any other Loan Document on behalf of any Endo Grantor and any other costs or expenses incurred by any Senior Secured Party in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Senior Obligations (the amounts so applied to be distributed among the Senior Secured Parties pro rata in accordance with the amounts of the Senior Obligations owed to them on the date of any such distribution); and

THIRD, to the Endo Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money by the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 6.03. Grant of License to Use Intellectual Property. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Article at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Endo Grantor hereby grants to the Collateral Agent, to the extent such Endo Grantor has the right to do so (provided, that such Endo Grantor use commercially reasonable efforts to obtain such right), an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Endo Grantors) to use, license or sublicense any of the Collateral consisting of Intellectual Property now owned or hereafter acquired by such Endo Grantor, wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof and including such rights of quality control in favor of such Endo Grantor as shall be reasonably necessary in order to maintain the validity of the licensed Trademarks. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, upon the occurrence and during the continuation of an Event of Default;

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provided, that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Endo Grantors notwithstanding any subsequent cure of an Event of Default.

ARTICLE VII

Concerning the Collateral Agent

SECTION 7.01. Appointment of Collateral Agent. Each of the Senior Secured Parties appoints Chase to act as Collateral Agent pursuant to the terms of the Support Documents and this Agreement and authorizes the Collateral Agent to execute and perfect the Support Documents in the name of and for the benefit of the Senior Secured Parties, and Chase agrees to act as Collateral Agent for such Senior Secured Parties, pursuant to the terms of the Support Documents and this Agreement.

SECTION 7.02. Limitations on Responsibility of Collateral Agent. The Collateral Agent shall not be responsible in any manner whatsoever for the correctness of any recitals, statements, representations or warranties contained herein or in any other Loan Document, except for those expressly made by it herein. The Collateral Agent makes no representation as to the value or condition of the Collateral or any part thereof, as to the title of any Endo Grantor to the Collateral, as to the security afforded by this Agreement or any other Support Document or, as to the validity, execution, enforceability, legality or sufficiency of this Agreement or any other Loan Document, and the Collateral Agent shall incur no liability or responsibility in respect of any such matters. The Collateral Agent shall not be responsible for insuring the Collateral, for the payment of taxes, charges, assessments or liens upon the Collateral or otherwise as to the maintenance of the Collateral, except as provided in the immediately following sentence when the Collateral Agent has possession of the Collateral. The Collateral Agent shall have no duty to any Endo Grantor or to the Senior Secured Parties as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Collateral Agent or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto, except the duty to accord such of the Collateral as may be in its possession substantially the same care as it accords its own assets and the duty to account for monies received by it. The Collateral Agent shall not be required to ascertain or inquire as to the performance by any Endo Grantor of any of the covenants or agreements contained herein or in the other Loan Documents. Neither the Collateral Agent nor any agent or representative thereof shall be personally liable for any action taken or omitted to be taken hereunder in the absence of its own gross negligence or wilful misconduct. No officer of the Collateral Agent shall be personally liable for any action taken or omitted to be taken hereunder in the absence of its own gross negligence or wilful misconduct. The Collateral Agent may execute any of the powers granted under this Agreement or any of the other Support Documents and perform any duty hereunder or thereunder either directly or by or through agents or attorneys-in-fact, and shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it without gross negligence or willful misconduct.

SECTION 7.03. Reliance by Collateral Agent; Indemnity Against Liabilities; etc.
(a) Whenever in the performance of its duties under this Agreement the Collateral Agent shall

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deem it necessary or desirable that a matter be proved or established with respect to any Endo Grantor or any other Person in connection with the taking, suffering or omitting of any action hereunder by the Collateral Agent, such matter may be conclusively deemed to be proved or established by a certificate purporting to be executed by an officer of such Person, and the Collateral Agent shall have no liability with respect to any action taken, suffered or omitted in reliance thereon.

(b) The Collateral Agent may consult with counsel and shall be fully protected in taking any action hereunder in accordance with any advice of such counsel. The Collateral Agent shall have the right but not the obligation at any time to seek instructions concerning the administration of this Agreement, the duties created hereunder or the Collateral from any court of competent jurisdiction.

(c) The Collateral Agent shall be fully protected in relying upon any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order or other paper or document that it believes to be genuine and to have been signed or presented by the proper party or parties. In the absence of its gross negligence or wilful misconduct or actual notice to the contrary, the Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinions furnished to the Collateral Agent in connection with this Agreement.

(d) The Collateral Agent shall not be deemed to have actual, constructive, direct or indirect notice or knowledge of the occurrence of any Event of Default unless and until the Collateral Agent shall have received notice from the proper Person indicating that an Event of Default has occurred. The Collateral Agent shall have no obligation whatsoever either prior to or after receiving such a notice to inquire whether an Event of Default has, in fact, occurred and shall be entitled to rely conclusively, and shall be fully protected in so relying, on any notice so furnished to it.

(e) If the Collateral Agent has been requested to take any specific action pursuant to any provision of this Agreement, the Collateral Agent shall not be under any obligation to exercise any of the rights or powers vested in it by this Agreement in the manner so requested unless it shall have been provided indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction.

SECTION 7.04. Resignation of the Collateral Agent. The Collateral Agent may at any time, by giving thirty days' prior written notice to Holdings and each other Senior Secured Party, resign and be discharged from the responsibilities hereby created, such resignation to become effective upon the earlier of (a) the acceptance of the appointment of a successor pursuant to the next sentence of this Section or (b) the appointment of a successor by the Required Lenders and the acceptance of such appointment by such successor. If no successor shall be appointed and approved pursuant to clause (b) above within 30 days after the date of any such resignation, the Collateral Agent may apply to any court of competent jurisdiction to appoint a successor to act until a successor shall have been appointed by the Required Lenders as above provided or may, on behalf of the Senior Secured Parties, appoint a successor Collateral Agent. Any successor Collateral Agent shall be a bank with an office in New York, New York, having a combined capital

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and surplus of at least $500,000,000 that is authorized to perform the functions of the Collateral Agent hereunder.

SECTION 7.05. Expenses and Indemnification by the Endo Grantors. By countersigning this Agreement, the Endo Grantors jointly and severally agree (a) to reimburse the Collateral Agent, on demand, for any reasonable expenses incurred by the Collateral Agent, including reasonable counsel fees, other reasonable charges and disbursements and compensation of agents, arising out of, in any way connected with, or as a result of, the execution or delivery of this Agreement or any other Support Document or any agreement or instrument contemplated hereby or thereby or the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or in connection with the enforcement or protection of the rights of the Collateral Agent and the Senior Secured Parties under this Agreement and the other Support Documents and (b) to indemnify and hold harmless the Collateral Agent and its Affiliates and their respective directors, officers, employees and agents, on demand, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Collateral Agent in its capacity as the Collateral Agent or any of them in any way relating to or arising out of this Agreement or any other Support Document or any action taken or omitted by them under this Agreement or any other Support Document; provided, that the Endo Grantors shall not be liable to the Collateral Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of the Collateral Agent or any of its Affiliates or any of their respective directors, officers, employees or agents. Any such amounts payable as provided hereunder shall be additional Senior Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.05 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any Lender. All amounts due under this Section 7.05 shall be payable on written demand therefor.

SECTION 7.06. Expenses and Indemnification by the Lenders. Each of the Lenders agrees (i) to reimburse the Collateral Agent, on demand, in the amount of its pro rata share (based on the amount of its Commitment), for any expenses referred to in Section 7.05 that shall not have been reimbursed by the Endo Grantors or paid from the proceeds of Collateral as provided herein and (ii) to indemnify and hold harmless the Collateral Agent and its Affiliates, directors, officers, employees and agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements referred to in Section 7.05, to the extent the same shall not have been reimbursed by the Endo Grantors or paid from the proceeds of Collateral as provided herein; provided, that no Lender shall be liable to the Collateral Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of the Collateral Agent or any of its Affiliates or any of their respective directors, officers, employees or agents.

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ARTICLE VIII

Miscellaneous

SECTION 8.01. Waivers; Amendment. (a) No failure or delay by the Collateral Agent, the Administrative Agent, the Issuing Bank or any other Senior Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent and the other Senior Secured Parties hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Endo Grantors therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 8.01, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Endo Grantors in any case shall entitle such Endo Grantors to any other or further notice or demand in similar or other circumstances Without limiting the generality of the foregoing, the making of any Loan or the issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent or any other Secured Party may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into among the Collateral Agent and the Endo Grantor or Endo Grantors with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 8.02. Senior Security Interest Absolute. All rights of the Collateral Agent hereunder, the grant of a security interest in the Collateral and all obligations of each Endo Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Senior Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Senior Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument relating to any of the foregoing, (c) any exchange, release or nonperfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guaranty, for all or any of the Senior Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Endo Grantor in respect of the Senior Obligations or in respect of this Agreement (other than the indefeasible payment in full in cash of all the Senior Obligations).

SECTION 8.03. Notices. All communications and notices hereunder shall be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of Holdings.

SECTION 8.04. Further Assurances. Each Endo Grantor agrees to do such further acts and things, and to execute and deliver such additional conveyances, assignments, agreements and

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instruments, as the Collateral Agent may at any time reasonably request in connection with the administration and enforcement of this Agreement or with respect to the Collateral or any part thereof or in order better to assure and confirm unto the Collateral Agent its respective rights and remedies hereunder.

SECTION 8.05. Binding Effect; Several Agreement; Assignments. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of any Endo Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of its successors and assigns. This Agreement shall become effective as between the Collateral Agent and any Endo Grantor when a counterpart hereof executed on behalf of such Endo Grantor shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Endo Grantor and the Collateral Agent and their respective successors and assigns, and shall inure to the benefit of such Endo Grantor, the Collateral Agent and the other Senior Secured Parties, and their respective successors and assigns, except that no Endo Grantor shall have the right to assign or otherwise transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such attempted assignment or other transfer shall be void), except as expressly contemplated by this Agreement or the other Loan Documents. This Agreement shall be construed as a separate agreement with respect to each Endo Grantor and may be amended, modified, supplemented, waived or released with respect to any Endo Grantor without the approval of any other Endo Grantor and without affecting the obligations of any other Endo Grantor hereunder.

SECTION 8.06. Survival of Agreement; Severability. (a) All covenants, agreements, representations and warranties made by each Endo Grantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Collateral Agent and the other Senior Secured Parties and shall survive the execution and delivery of the Loan Documents, the making by the Lenders of any Loans, the issuance of the Letters of Credit by the Issuing Bank, regardless of any investigation made by such Senior Secured Parties or on their behalf and notwithstanding that the Collateral Agent or any other Senior Secured Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of, premium (if any) or any accrued interest on any Loan or any fee or any other amount payable under the Credit Agreement or any other Loan Document is outstanding and unpaid or the LC Exposure does not equal zero, and so long as the Commitments have not expired or terminated.

(b) In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

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SECTION 8.07. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 8.08. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute a single contract, and shall become effective as provided in Section 8.05. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.09. Rules of Interpretation; Headings. The rules of interpretation specified in Section 1.03 of the Credit Agreement shall be applicable to this Agreement. Article and section headings used herein are for the purpose of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting this Agreement.

SECTION 8.10. Jurisdiction; Consent to Service of Process. (a) Each Endo Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or the other Loan Documents shall affect any right that the Collateral Agent or any other Senior Secured Party may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Endo Grantor or its properties in the courts of any jurisdiction.

(b) Each Endo Grantor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (a) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.03. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 8.11. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.11.

SECTION 8.12. Additional Endo Grantors. Pursuant to Section 5.12 of the Credit Agreement, each Subsidiary that was not in existence or not a Subsidiary Loan Party on the date of the Credit Agreement is required to enter into this Agreement as a Subsidiary Guarantor upon becoming a Subsidiary Loan Party. Upon execution and delivery by the Collateral Agent and such a Subsidiary of an instrument in the form of Annex 3, such Subsidiary shall become a Subsidiary Guarantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor herein. The execution and delivery of such instrument shall not require the consent of any Endo Grantor hereunder. The rights and obligations of each Endo Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Subsidiary Guarantor as a party to this Agreement.

SECTION 8.13. Termination. (a) The Senior Security Interest shall terminate when all the Senior Obligations have been indefeasibly paid in full in cash, the Lenders have no further commitment to lend, the LC Exposure has been reduced to zero and the Issuing Bank has no further commitment to issue Letters of Credit under the Credit Agreement, at which time the Collateral Agent shall execute and deliver to the Endo Grantors, at the Endo Grantors' expense, all UCC termination statements and similar documents which the Endo Grantors shall reasonably request to evidence termination or release of the Senior Security Interest. Any execution and delivery of termination statements or documents pursuant to this Section 8.13 shall be without recourse to or warranty by the Collateral Agent. An Endo Grantor shall automatically be released from its obligations hereunder and the Senior Security Interest in the Collateral of such Endo Grantor shall be automatically released in the event that all the Capital Stock of such Endo Grantor shall be sold, transferred or otherwise disposed of to a Person that is not Holdings or an Affiliate of Holdings in accordance with the terms of the Credit Agreement; provided, that (i) such sale, transfer or disposition is permitted under the Credit Agreement or (ii) the Required Lenders shall have consented to such sale, transfer or other disposition (to the extent required by the Credit Agreement) and the terms of such consent did not provide otherwise.

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(b) This Agreement shall terminate at any time after the termination of the Senior Security Interest as provided in Section 8.13(a).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers or agents, all as of the day and year first above written.

ENDO PHARMACEUTICALS HOLDINGS INC.,

by

Name: Jeffrey R. Black
Title: Senior Vice President, Chief Financial Officer

ENDO PHARMACEUTICALS INC.,

by

Name:
Title: Jeffrey R. Black
Senior Vice President, Chief Financial Officer

ENDO INC.,

by

Name: Jeffrey R. Black
Title: Senior Vice President, Chief Financial Officer

JPMORGAN CHASE BANK, as Administrative Agent and Collateral Agent and a Lender,

by

Name:
Title:

<<2056452>>

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers or agents, all as of the day and year first above written.

ENDO PHARMACEUTICALS HOLDINGS INC.,

by

_____

Name:
Title:

ENDO PHARMACEUTICALS INC.,

by

_____

Name:
Title:

ENDO INC.,

by

_____

Name:
Title:

JPMORGAN CHASE BANK, as Administrative Agent and Collateral Agent and a Lender,

by Robert Bottamedi

Name: ROBERT BOTTAMEDI
Title: VICE PRESIDENT

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LOCKBOX AGREEMENT dated as of [ ], among [Name of Endo Grantor], a [ ] corporation (the "Endo Grantor"), JPMORGAN CHASE BANK, a New York banking corporation ("Chase"), as collateral agent (in such capacity, the "Collateral Agent") for the Senior Secured Parties (such term, and each other capitalized term used but not defined herein, having the meaning given it in the Supplemental Security Agreement referred to below) and [ ], a [ ] banking corporation (the "Sub-Agent").

A. The Endo Grantors and the Collateral Agent are parties to the Supplemental Security Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Supplemental Security Agreement"). Pursuant to the terms of the Supplemental Security Agreement, the Endo Grantors have granted to the Collateral Agent, for the benefit of the Senior Secured Parties, a security interest in its Accounts and other Collateral (including Assigned Contracts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Equipment, General Intangibles, Instruments, Inventory, Investment Property, Letter-of-credit rights, all books and records pertaining to the foregoing and to the extent not otherwise included all Proceeds and products of any of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing) to secure the payment and performance of the Senior Obligations and have irrevocably appointed the Collateral Agent as their agent to collect amounts due in respect of Accounts, Inventory and Assigned Contracts. Capitalized terms used but not defined herein have the meanings assigned in the Supplemental Security Agreement referred to therein, as applicable.

B. The Sub-Agent has agreed to act as collection sub-agent of the Collateral Agent to receive and forward payments with respect to the Accounts, Inventory and Assigned Contracts on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Collateral Agent hereby appoints the Sub-Agent as its collection sub-agent under the Supplemental Security Agreement and authorizes the Sub-Agent, on the terms and subject to the conditions set forth herein, to receive payments in respect of Collateral consisting of Accounts, Inventory and Assigned Contracts.

2. Contemporaneously with the execution and delivery by the Sub-Agent of this Agreement, and for the purposes of this Agreement, the Sub-Agent shall establish and maintain one or more collection accounts for the benefit of the Collateral Agent (all such accounts being collectively called the "Collection Deposit Account"). The Collection Deposit Account shall be designated with the title "JPMorgan Chase Bank, as Collateral Agent under the Supplemental Security Agreement dated as of December 21, 2001" (or a similar title). All payments received by the Sub-Agent in respect of the Accounts, Inventory or Assigned Contracts shall be deposited in the Collection Deposit Account and shall not be commingled with other funds. All funds at any time on deposit in the Collection Deposit Account shall be held by the Sub-Agent for application in accordance with the terms of this Agreement. The Sub-Agent agrees to give the Collateral Agent

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prompt notice if the Collection Deposit Account shall become subject to any writ, judgment, warrant of attachment, execution or similar process. As security for the payment and performance of the Senior Obligations, the Endo Grantor hereby pledges, assigns and transfers to the Collateral Agent, and hereby creates and grants to the Collateral Agent, a security interest in the Collection Deposit Account and all property and assets held therein.

3. Any authorized officer of the Collateral Agent shall have the sole right of withdrawal over the Collection Deposit Account; provided, however, that the Collateral Agent hereby authorizes the Sub-Agent to permit the Endo Grantor to make withdrawals from the Collection Deposit Account so long as the Sub-Agent has not received notice from the Collateral Agent pursuant to the next succeeding sentence or paragraph 7 below. Upon receipt of written telecopy or telephonic notice (which, in the case of telephonic notice, shall be promptly confirmed in writing or by telecopy) from the Collateral Agent so directing the Sub-Agent at any time during the existence of an Event of Default, the Sub-Agent shall no longer permit withdrawals from the Collection Deposit Account to be made by the Endo Grantor and, if so directed in such notice, shall promptly transmit to the Collateral Agent, at the office specified in such notice, all funds, if any, then on deposit in, or otherwise to the credit of, the Collection Deposit Account (provided that funds on deposit that are subject to collection may be transmitted promptly upon collection and that the Sub-Agent may retain a reasonable reserve in a separate deposit account with the Sub-Agent for unpaid and future fees and amounts which may be subject to collection). If so directed in such notice, the Sub-Agent shall deliver directly to the Collateral Agent at the office specified in such notice all checks, drafts and other instruments for the payment of money relating to the Accounts, Inventory or Assigned Contracts at the time in the possession of or thereafter received by the Sub-Agent without depositing such checks, drafts or other instruments in the Collection Deposit Account or any other account.

4. The Sub-Agent shall furnish the Collateral Agent with monthly statements setting forth the amounts deposited in the Collection Deposit Account and all transfers and withdrawals therefrom, and shall furnish such other information at such times as shall be reasonably requested by the Collateral Agent.

5. The fees for the services of the Sub-Agent shall be mutually agreed upon between the Endo Grantor and the Sub-Agent and shall be the obligation of the Endo Grantor; provided, however, that, notwithstanding the terms of any agreement under which the Collection Deposit Account shall have been established with the Sub-Agent, the Endo Grantor and the Sub-Agent agree not to terminate such Collection Deposit Account for any reason (including, without limitation, the failure of the Endo Grantor to pay such fees) for so long as this Agreement shall remain in effect (it being understood that the foregoing shall not be construed to prohibit the resignation of the Sub-Agent in accordance with paragraph 7 below). Neither the Collateral Agent nor the Senior Secured Parties shall have any liability for the payment of any such fees. The Sub-Agent may perform any of its duties hereunder by or through its agents, officers or employees.

6. The Sub-Agent hereby represents and warrants that (a) it is a banking corporation duly organized, validly existing and in good standing under the laws of [ ] and has full corporate power and authority under such laws to execute, deliver and perform its obligations under this Agreement and (b) the execution, delivery and performance of this Agreement by the

Sub-Agent have been duly and effectively authorized by all necessary corporate action and this Agreement has been duly executed and delivered by the Sub-Agent and constitutes a valid and binding obligation of the Sub-Agent enforceable in accordance with its terms.

7. The Sub-Agent may resign at any time as Sub-Agent hereunder by delivery to the Collateral Agent of written notice of resignation not less than thirty days prior to the effective date of such resignation. The Sub-Agent may be removed by the Collateral Agent at any time, with or without cause, by written, telecopy or telephonic notice (which, in the case of telephonic notice, shall be promptly confirmed in writing or by telecopy) of removal delivered to the Sub-Agent. Upon receipt of such notice of removal, or delivery of such notice of resignation, the Sub-Agent shall promptly transmit or deliver to the Collateral Agent at the office specified in paragraph 10 (or such other office as the Collateral Agent shall specify) (a) all funds, if any, then on deposit in, or otherwise to the credit of, the Collection Deposit Account (provided that funds on deposit that are subject to collection may be transmitted promptly upon availability for withdrawal), (b) all checks, drafts and other instruments for the payment of money relating to the Accounts, Inventory or Assigned Contracts in the possession of the Sub-Agent, without depositing such checks, drafts or other instruments in the Collection Deposit Account or any other account and (c) any checks, drafts and other instruments for the payment of money relating to the Accounts, Inventory or Assigned Contracts by the Sub-Agent after such notice, in whatever form received.

8. The Endo Grantor consents to the appointment of the Sub-Agent and agrees that the Sub-Agent shall incur no liability to the Endo Grantor as a result of any action taken pursuant to an instruction given by the Collateral Agent in accordance with the provisions of this Agreement. The Endo Grantor agrees to indemnify and defend the Sub-Agent against any loss, liability, claim or expense (including reasonable attorneys' fees) arising from the Sub-Agent's entry into this Agreement and actions taken hereunder, except to the extent resulting from the Sub-Agent's gross negligence or wilful misconduct.

9. The term of this Agreement shall extend from the date hereof until the earlier of (a) the date on which the Sub-Agent has been notified in writing by the Collateral Agent that the Sub-Agent has no further duties under this Agreement and (b) the date of termination specified in the notice of removal given by the Collateral Agent, or notice of resignation given by the Sub-Agent, as the case may be, pursuant to paragraph 7. The obligations of the Sub-Agent contained in the last sentence of paragraph 7 and in paragraph 13, and the obligations of the Endo Grantor contained in paragraphs 5 and 8, shall survive the termination of this Agreement.

10. All notices and communications hereunder shall be in writing and shall be delivered by hand or by courier service, mailed by certified or registered mail or sent by telecopy (except where telephonic instructions or notices are authorized herein) and shall be effective on the day on which received (a) in the case of the Collateral Agent, to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of [Collateral Monitoring Department], and (b) in the case of the Sub-Agent, addressed to [ ], Attention of [ ]. For purposes of this Agreement, any officer of the Collateral Agent shall be authorized to act, and to give instructions and notices, on behalf of the Collateral Agent hereunder.

11. The Sub-Agent will not assign or transfer any of its rights or obligations hereunder (other than to the Collateral Agent) without the prior written consent of the other parties hereto, and any such attempted assignment or transfer shall be void.

12. This Agreement may be amended only by a written instrument executed by the Collateral Agent, the Sub-Agent and the Endo Grantor, acting by their duly authorized representative officers.

13. Except as otherwise provided in the Credit Agreement with respect to rights of set off available to the Sub-Agent in its capacity as a Lender (if and so long as the Sub-Agent is a Lender thereunder), the Sub-Agent hereby irrevocably waives any right to set off against, or otherwise deduct from, any funds held in the Collection Deposit Account and all items (and Proceeds thereof) that come into its possession in connection with the Collection Deposit Account any indebtedness or other claim owed by the Endo Grantor or any affiliate thereof to the Sub-Agent; provided, however, that this paragraph shall not limit the ability of the Sub-Agent to, and the Sub-Agent may, (a) exercise any right to set off against, or otherwise deduct from, any such funds to the extent necessary for the Sub-Agent to collect any fees owed to it by the Endo Grantor in connection with the Collection Deposit Account and (b) charge back and net against the Collection Deposit Account any returned or dishonored items or other adjustments in accordance with the Sub-Agent's usual practices.

14. This Agreement shall inure to the benefit of and be binding upon the Collateral Agent, the Sub-Agent, the Endo Grantor and their respective permitted successors and assigns.

15. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

16. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

17. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with

valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

[Name of Endo Grantor],

by

_____

Name:
Title:

JPMORGAN CHASE BANK,
as Collateral Agent,

by

_____

Name:
Title:

[Sub-Agent],

by

_____

Name:
Title:

<<2056452.5>>

[Form Of]

PERFECTION CERTIFICATE

Reference is made to (a) the Amended and Restated Credit Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Credit Agreement"), among Endo Pharmaceuticals Holdings Inc. ("Holdings"), Endo Pharmaceuticals Inc. (the "Borrower"), the lenders from time to time party thereto and JPMorgan Chase Bank, as Administrative Agent, (b) the Supplemental Security Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Supplemental Security Agreement"), among the Endo Grantors and JPMorgan Chase Bank, as Collateral Agent for the Senior Secured Parties and (c) the Amended and Restated Pledge Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Pledge Agreement"), among Holdings, the Subsidiary Pledgors and the Collateral Agent. Capitalized terms used but not defined herein have the meanings assigned in the Credit Agreement, the Supplemental Security Agreement or the Pledge Agreement, as applicable.

The undersigned, a Financial Officer and the chief legal officer, respectively, of Holdings, hereby certify to the Collateral Agent and each other Senior Secured Party as follows:

1. Names. (a) The exact corporate name of each Endo Grantor, as such name appears in its respective certificate of incorporation, is as follows:

(b) Set forth below is each other corporate name each Endo Grantor has had in the past five years, together with the date of the relevant change:

(c) Except as set forth in Schedule 1 hereto, no Endo Grantor has changed its identity or corporate structure in any way within the past five years. Changes in identity or corporate structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of corporate organization. If any such change has occurred, include in Schedule 1 the information required by Sections 1 and 2 of this certificate as to each acquiree or constituent party to a merger or consolidation.

(d) The following is a list of all other names (including trade names or similar appellations) used by each Endo Grantor or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years:

(e) Set forth below is the organizational number of each Endo Grantor that is a registered organization:

(f) Set forth below is the Federal Taxpayer Identification Number of each Endo Grantor:

(g) Set forth below is the corporate name, the organizational number and the Federal Taxpayer Identification Number of each Subsidiary other than the Endo Grantors that is subject to US Federal income taxation on its worldwide income:

2. Current Locations. (a) The chief executive office of each Endo Grantor is located at the address set forth opposite its name below:

Endo Grantor	Mailing Address	County	State

(b) Set forth below opposite the name of each Endo Grantor are all locations where such Endo Grantor maintains any books or records relating to any Accounts (with each location at which chattel paper, if any, is kept being indicated by an "*"):

Endo Grantor	Mailing Address	County	State

(c) The jurisdiction of formation of each Endo Grantor that is a registered organization is set forth opposite its name below:

Endo Grantor	Jurisdiction

(d) Set forth below opposite the name of each Endo Grantor are all the locations where such Endo Grantor maintains any Equipment or other Collateral not identified above:

Endo Grantor	Mailing Address	County	State

(e) Set forth below opposite the name of each Endo Grantor are all the places of business of such Endo Grantor not identified in paragraph (a), (b), (c) or (d) above:

Endo Grantor	Mailing Address	County	State

(f) Set forth below opposite the name of each Endo Grantor are the names and addresses of all Persons other than such Endo Grantor that have possession of any of the Collateral of such Endo Grantor:

Endo Grantor	Mailing Address	County	State

3. Unusual Transactions. All Accounts have been originated by the Endo Grantors and all Inventory has been acquired by the Endo Grantors in the ordinary course of business.

4. File Search Reports. File search reports have been obtained from each Uniform Commercial Code filing office identified with respect to such Endo Grantor in Section 2 hereof, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Credit Agreement.

5. UCC Filings. Duly authenticated financing statements on Form UCC-1 in substantially the form of Schedule 5 hereto have been prepared for filing in the Uniform Commercial Code filing office in each jurisdiction identified with respect to such Endo Grantor in Section 2 hereof.

6. Schedule of Filings. Attached hereto as Schedule 6 is a schedule setting forth, with respect to the filings described in Section 5 above, each filing and the filing office in which such filing is to be made.

7. Filing Fees. All filing fees and taxes payable in connection with the filings described in Section 5 above have been paid.

8. Stock Ownership and other Equity Interests. Attached hereto as Schedule 8 is a true and correct list of all the issued and outstanding stock, partnership interests, limited liability company membership interests or other equity interest of each Subsidiary and the record and beneficial owners of such stock, partnership interests, membership interests or other equity interests. Also set forth on Schedule 8 is each equity investment of any Endo Grantor that represents 50% or less of the equity of the entity in which such investment was made.

9. Debt Instruments. Attached hereto as Schedule 9 is a true and correct list of all instruments, including any promissory notes, and other evidence of indebtedness held by each Endo Grantor that are required to be pledged under the Pledge Agreement, including all

intercompany notes between any of (a) Holdings, (b) any Subsidiary and (c) any other Subsidiary.

10. Advances. Attached hereto as Schedule 10 is (a) a true and correct list of all advances (i) made by Holdings to any Subsidiary or (ii) made by any Subsidiary to Holdings or any other Subsidiary (other than those identified on Schedule 9), which advances will be on and after the date hereof evidenced by one or more intercompany notes pledged to the Collateral Agent under the Pledge Agreement, and (b) a true and correct list of all unpaid intercompany transfers of goods sold and delivered by or to Holdings or any Subsidiary.

11. Mortgage Filings. Attached hereto as Schedule 11 is a schedule setting forth, with respect to each Mortgaged Property, (a) the exact name of the Person that owns such property as such name appears in its certificate of incorporation or other organizational document, (b) if different from the name identified pursuant to clause (a), the exact name of the current record owner of such property reflected in the records of the filing office for such property identified pursuant to the following clause and (c) the filing office in which a Mortgage with respect to such property must be filed or recorded in order for the Collateral Agent to obtain a perfected security interest therein.

12. Intellectual Property. Attached hereto as Schedule 12(A) in proper form for filing with the United States Patent and Trademark Office is a schedule setting forth all of each Endo Grantor's Patents, Patent Licenses, Trademarks and Trademarks Licenses, including the name of the registered owner, the registration number and the expiration date of each Patent, Patent License, Trademark and Trademark License owned by any Endo Grantor. Attached hereto as Schedule 12(B) in proper form for filing with the United States Copyright Office is a schedule setting forth all of each Endo Grantor's Copyrights and Copyright Licenses, including the name of the registered owner, the registration number and the expiration date of each Copyright or Copyright License owned by any Endo Grantor.

13. Commercial Tort Claims. Attached hereto as Schedule 13 is a true and correct list of all commercial tort claims held by any Endo Grantor, including a brief description thereof.

IN WITNESS WHEREOF, the undersigned have duly executed this certificate on this [ ] day of December.

ENDO PHARMACEUTICALS HOLDINGS INC.,

by

_____

Name:
Title: [Financial Officer]

by

_____

Name:
Title: [chief legal officer]

SUPPLEMENT NO. dated as of , to the Supplemental Security Agreement dated as of December 21, 2001 among ENDO PHARMACEUTICALS HOLDINGS INC., a Delaware corporation ("Holdings"), each subsidiary of Holdings listed on Schedule I thereto (each such Subsidiary other than ENDO PHARMACEUTICALS INC., a Delaware corporation (the "Borrower"), individually, a "Subsidiary Guarantor"; Holdings and the Subsidiary Guarantors are referred to collectively herein as the "Endo Grantors") and JPMORGAN CHASE BANK, a New York banking corporation ("Chase"), as collateral agent (in such capacity the "Collateral Agent") for the Senior Secured Parties (as defined in the Supplemental Security Agreement).

A. Reference is made to (a) the Amended and Restated Credit Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Credit Agreement"), among Holdings, the Borrower, the lenders from time to time party thereto (the "Lenders") and Chase, as administrative agent (in such capacity, the "Administrative Agent"), and (b) the Amended and Restated Guarantee Agreement dated as of December 21, 2001 (as amended, supplemented, waived or otherwise modified from time to time, the "Guarantee Agreement"), among the Guarantors (as defined therein) and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Supplemental Security Agreement and the Credit Agreement.

C. The Endo Grantors have entered into the Supplemental Security Agreement in order to induce the Lenders to make Loans and the Issuing Bank to issue Letters of Credit. Section 8.12 of the Supplemental Security Agreement provides that additional Subsidiaries may become Endo Grantors under the Supplemental Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "New Endo Grantor") is executing this Supplement in accordance with the requirements of the Credit Agreement to become an Endo Grantor under the Supplemental Security Agreement in order to induce the Lenders to make additional Loans and the Issuing Bank to issue additional Letters of Credit, and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent and the New Endo Grantor agree as follows:

SECTION 1. In accordance with Section 8.12 of the Supplemental Security Agreement, the New Endo Grantor by its signature below becomes an Endo Grantor under the Supplemental Security Agreement with the same force and effect as if originally named therein as an Endo Grantor and the New Endo Grantor hereby (a) agrees to all the terms and provisions of the Supplemental Security Agreement applicable to it as an Endo Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as an Endo Grantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Endo Grantor, as security for the payment and performance in full of the Senior Obligations (as defined in the Supplemental Security Agreement), does hereby create and grant (i) to the Collateral Agent, its successors and assigns, for the benefit of the Senior Secured Parties, their successors and assigns, a first-priority security interest in and lien on all of the New Endo

Grantor's right, title and interest in and to the Collateral (as defined in the Supplemental Security Agreement) of the New Endo Grantor. Each reference to an "Endo Grantor" in the Supplemental Security Agreement shall be deemed to include the New Endo Grantor. The Supplemental Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Endo Grantor represents and warrants to the Collateral Agent and the other Senior Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Endo Grantor and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Endo Grantor hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of the location of any and all Collateral of the New Endo Grantor and (b) set forth under its signature hereto, is the true and correct location of the chief executive office of the New Endo Grantor.

SECTION 5. Except as expressly supplemented hereby, the Supplemental Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Supplemental Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 8.03 of the Supplemental Security Agreement. All communications and notices

hereunder to the New Endo Grantor shall be given to it at the address set forth under its signature below.

SECTION 9. The New Endo Grantor agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, disbursements and other charges of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Endo Grantor and the Collateral Agent have duly executed this Supplement to the Supplemental Security Agreement as of the day and year first above written.

[Name of New Endo Grantor],

by

_____

Name:
Title:
Address:

JPMORGAN CHASE BANK, as Collateral Agent,

by

_____

Name:
Title:

SCHEDULE I
to Supplement No.___ to the
Supplemental Security Agreement

LOCATION OF COLLATERAL

Description	Location

Schedule I
to Supplemental Security Agreement

Subsidiaries

Endo Inc.
Endo Pharmaceuticals Inc.

United States Copyright Registration

Title	Reg. No.	Record Owner
Clinical considerations in parenteral analgesia.	TX1280669	Endo Pharmaceuticals Inc.

Schedule III

Material Intellectual Property Licenses

Agreement	Date	Licensor/Licensee
License Agreement (Trademark)	1/1/1979	Ciba-Geigy Limited (Licensee)
Software License Agreement – SAP Business Operating Systems	6/30/1998	Titan Technologies Group (Licensor)
Software License Agreement – document compliance for FDA submissions	3/31/2001	QUMAS Inc. (Licensor)

Licensed Patents

Patent No.	Licensor
4,994,276	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,128,143	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,135,757	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,169,639	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,330,761	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,399,358	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,399,359	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,399,362	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,455,046	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,472,711	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,478,574	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,512,297	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,554,387	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,612,053	Penwest Pharmaceuticals Group, a division of Penwest, Ltd.
5,709,869	Hind Healthcare, Inc.
5,411,738	Hind Healthcare, Inc.
5,601,838	Hind Healthcare, Inc.
5,589,180	Hind Healthcare, Inc.
5,352,683	Virginia Commonwealth University
5,502,058	Virginia Commonwealth University
5,834,479	Virginia Commonwealth University
5,840,731	Virginia Commonwealth University
5,869,498	Virginia Commonwealth University
5,863,922	Virginia Commonwealth University
Application	Virginia Commonwealth University
5,019,650	Dupont Pharmaceuticals Company
5,086,063	Dupont Pharmaceuticals Company
4,876,269	Du Pont Pharmaceuticals Company
4,990,617	Du Pont Pharmaceuticals Company

United States Issued Patents

Application No.	Patent No.	Record Owner
08/801,221	5,808,090	Endo Pharmaceuticals Inc.
08/885,068	5,955,475	Endo Pharmaceuticals Inc.
09/074,355	6,168,805	Endo Pharmaceuticals Inc.
09/520,099	6,166,211	Endo Pharmaceuticals Inc.
08/904,518	5,919,826	Endo Inc.
09/253,598	6,187,338	Endo Inc.
08/736,370	5,891,885	Endo Inc.
08/858,269	5,939,425	Endo Inc.
09/226,297	6,043,244	Endo Inc.
09/441,268	6,277,398	Endo Pharmaceuticals Inc.
09/063,754	6,054,451	Endo Inc.
09/042,248	6,007,841	Endo Inc.

Schedule VI
to the Supplemental Security Agreement

Certain Limited Exclusions (to the extent provided in Section 2.02 of the Supplemental Security Agreement)

None