

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT2664877

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
SALIX PHARMACEUTICALS, LTD.	01/02/2014
RECEIVING PARTY DATA	
Name:	JEFFERIES FINANCE LLC, AS COLLATERAL AGENT
Street Address:	520 MADISON AVENUE
City:	NEW YORK
State/Country:	NEW YORK
Postal Code:	10022
PROPERTY NUMBERS Total: 76	
Property Type	Number
Patent Number:	7452872
Patent Number:	7625884
Patent Number:	8067429
Patent Number:	8486956
Patent Number:	8309569
Patent Number:	7928115
Patent Number:	8497256
Patent Number:	8513275
Patent Number:	8227482
Patent Number:	8507517
Patent Number:	8569326
Application Number:	11982603
Application Number:	12224774
Application Number:	12309893
Application Number:	11592854

Application Number:	13439594
Application Number:	11052570
Application Number:	13593453
Application Number:	13644241
Application Number:	13929003
Application Number:	14031731
Application Number:	13650188
Application Number:	13603647
Application Number:	13768617
Application Number:	12572344
Application Number:	13737535
Application Number:	13914074
Application Number:	13246287
Application Number:	13076967
Application Number:	13654978
Application Number:	13587539
Application Number:	13938777
Application Number:	13955660
Application Number:	13294307
Application Number:	13285397
Application Number:	13840861
Application Number:	29422358
Application Number:	13720235
Application Number:	13667585
Application Number:	61559686
Application Number:	61560133
Application Number:	61560267
Application Number:	61560788
Application Number:	13371238
Application Number:	13949684
Application Number:	13832440
Application Number:	13788401
Application Number:	14058836
Application Number:	14062333
PCT Number:	US2007005846

	US2007017379
PCT Number:	US2007007438
PCT Number:	US2008080115
PCT Number:	US2009035192
PCT Number:	US2009035348
PCT Number:	US2009059321
PCT Number:	US2010037131
PCT Number:	US2010028962
PCT Number:	US2010038742
PCT Number:	US2013023110
PCT Number:	US2010048624
PCT Number:	US2011025170
PCT Number:	US2011033905
PCT Number:	US2011039085
PCT Number:	US2011043767
PCT Number:	US2011043769
PCT Number:	US2011058549
PCT Number:	US2013032395
PCT Number:	US2012070612
PCT Number:	US2012063380
PCT Number:	US2012024746
PCT Number:	US2013031848
PCT Number:	US2013059415
PCT Number:	US2013059590
PCT Number:	US2013059589
PCT Number:	US2013029542

CORRESPONDENCE DATA

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Correspondence will be sent via US Mail when the email attempt is unsuccessful.
Correspondent Name: COVINGTON & BURLING LLP
Address Line 1: 1201 PENNSYLVANIA AVENUE
Address Line 2: ATTN: PATENT DOCKETING
Address Line 4: WASHINGTON, DISTRICT OF COLUMBIA 20004

NAME OF SUBMITTER:

JENNIFER AUGSBURGER

PATENT

REEL: 031896 FRAME: 0754

/Jennifer Augsburger/

Date:

01/02/2014

Total Attachments: 9

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PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT dated as of January 2, 2014 (this "**Agreement**"), among **SALIX PHARMACEUTICALS, LTD.**, a Delaware corporation (the "**Grantor**"), located at 8510 Colonnade Center Drive, Raleigh, NC 27615, and JEFFERIES FINANCE, LLC ("**Jefferies**"), as collateral agent (in such capacity, the "**Collateral Agent**").

Reference is made to (a) the Guarantee and Collateral Agreement, dated as of January 2, 2014 (as amended, supplemented or otherwise modified from time to time, the "**Guarantee and Collateral Agreement**"), among the Borrower, the Subsidiary Guarantors from time to time party thereto and the Collateral Agent and (b) the Credit Agreement, dated as of January 2, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, the Lenders party thereto and Jefferies, as administrative agent and collateral agent. The Lenders have agreed to extend credit to the Borrower subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. Each Grantor (other than the Borrower) is an affiliate of the Borrower, will derive substantial benefits from the extensions of credit to the Borrower pursuant to the Credit Agreement and is willing to execute and deliver the Guarantee and Collateral Agreement and this Agreement in order to induce the Lenders to extend such credit. Pursuant to the Guarantee and Collateral Agreement, the Grantor is required to execute and deliver this Agreement. Accordingly, the parties hereto agree as follows:

Section 1. Terms. Each capitalized term used but not defined in this Agreement has the meaning given or ascribed to it in the Guarantee and Collateral Agreement. The rules of construction specified in Section 1.01(b) of the Guarantee and Collateral Agreement also apply to this Agreement.

Section 2. Grant of Security Interest. As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in all right, title or interest in or to any and all of the following assets and properties that such Grantor now owns or at any time hereafter may acquire (collectively, the "**Patent Collateral**"):

- (a) all Patents (as defined in the Credit Agreement) issued by and pending Patent applications filed with the United States Patent and Trademark Office (or any successor office), including those listed on Schedule I;
- (b) all Proceeds and products of any and all of the foregoing; and
- (c) rights to sue for past, present and future infringements of any and all of the foregoing.

Section 3. Recordation. This Agreement has been executed and delivered by each Grantor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. Each Grantor authorizes and requests that the Commissioner of Patents record this Agreement.

Section 4. Guarantee and Collateral Agreement. The security interests granted to the Collateral Agent herein are granted in furtherance, and not in limitation of, the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the Patent Collateral are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. In the event of any conflict between the terms of this Agreement and the Guarantee and Collateral Agreement, the terms of the Guarantee and Collateral Agreement shall govern, and for the avoidance of doubt, Patent Collateral shall not include any Excluded Assets.

Section 5. Counterparts. This Agreement 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. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic transmission (including by .pdf, .tif or similar format) shall be as effective as delivery of a manually signed counterpart of this Agreement.


Section 6. Further Assurances. Each Grantor further agrees to execute and deliver to the Collateral Agent in accordance with the terms of the Credit Agreement and the Guarantee and Collateral Agreement any and all further documents and instruments, and do any and all further acts which the Collateral Agent (or the Collateral Agent's agents or designees) reasonably requests in order to confirm this grant of security interest in and to the Patent Collateral.

SECTION 7. Applicable Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

SALIX PHARMACEUTICALS, LTD.


By: 

Name: Adam C. Derbyshire

Title: Executive Vice President, Finance and
Administration, Chief Financial
Officer, Treasurer and Assistant
Secretary

Acknowledged and Agreed by:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: 

Name: E. Joseph Hess

Title: Managing Director

**SCHEDULE I TO
PATENT SECURITY AGREEMENT**

U.S. Patents and Patent Applications

Case Number	Country Name	App Number	App Title	Pat Number	Owner Name
119557-01302	United States of America	11/982603	POLYETHELENE GLYCOL COLONIC PURGATIVE COMPOSITION		Salix Pharmaceuticals, Ltd.
119557-01503	United States of America	12/224774	RIFAXIMIN ANTI-RECTAL DYSFUNCTION PREPARATION		Salix Pharmaceuticals, Ltd
119557-01520	Patent Cooperation Treaty	PCT/US2007/005846	RIFAXIMIN ANTI-RECTAL DYSFUNCTION PREPARATION		Salix Pharmaceuticals, Ltd
119557-01603	United States of America	12/309893	COMPOSITIONS AND METHODS FOR THE TREATMENT OF RADIATION PROCTOSIGMOIDITIS		Salix Pharmaceuticals, Ltd
119557-01620	Patent Cooperation Treaty	PCT/US2007/017379	METHODS OF TREATMENT FOR RADIATION ENTERITIS		Salix Pharmaceuticals, Ltd
119557-01901	United States of America	11/592854	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES		Salix Pharmaceuticals, Ltd
119557-01902	United States of America	11/835897	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES	7452872	Salix Pharmaceuticals, Ltd
119557-01903	United States of America	11/877589	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES	7625884	Salix Pharmaceuticals, Ltd
119557-01905	United States of America	13/439594	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES		Salix Pharmaceuticals, Ltd
119557-01920	Patent Cooperation Treaty	PCT/US2007/007438	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES		Salix Pharmaceuticals, Ltd
119557-02001	United States of America	11/052570	RAPIDLY DISSOLVING METOCLOPRAMIDE SOLID ORAL DOSAGE AND METHOD THEREOF		Salix Pharmaceuticals, Ltd
119557-02120	Patent Cooperation Treaty	PCT/US2008/080115	NOVEL THERAPEUTIC TARGETS IN BOWEL DISEASE		Salix Pharmaceuticals, Ltd
119557-02202	United States of America	12/393012	FORMS OF RIFAXIMIN AND USES THEREOF	8067429	Salix Pharmaceuticals, Ltd
119557-02204	United States of America	12/708836	FORMS OF RIFAXIMIN AND USES THEREOF	8486956	Salix Pharmaceuticals, Ltd
119557-02210	United States of America	13/593453	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-02211	United States of America	13/644241 ¹	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-02212	United States of America	13/929003	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-02213	United States of America	14/031731	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd

Case Number	Country Name	App Number	App Title	Pat Number	Owner Name
119557-02220	Patent Cooperation Treaty	PCT/US2009/035192	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-02303	United States of America	12/393979	METHODS FOR TREATING DIARRHEA-ASSOCIATED IRRITABLE BOWEL SYNDROME	8309569	Salix Pharmaceuticals, Ltd
119557-02304	United States of America	13/650188	METHODS FOR TREATING BOWEL DISEASE		Salix Pharmaceuticals, Ltd
119557-02320	Patent Cooperation Treaty	PCT/US2009/035348	METHODS FOR TREATING BOWEL DISEASES	WO2009/108814	Salix Pharmaceuticals, Ltd
119557-02403	United States of America	13/603647	METHODS OF TREATING BOWEL DISEASES BY ADMINISTERING A BOWEL CLEANSER AND AN ANTIBIOTIC		Salix Pharmaceuticals, Ltd
119557-02602	United States of America	13/768617	METHODS OF TREATING HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-02620	Patent Cooperation Treaty	PCT/US2009/059321	METHODS FOR TREATING HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-02703	United States of America	12/572344	METHODS OF TREATING HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-02706	United States of America	13/737535	METHODS OF TREATING HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-02707	United States of America	13/914074 ²	METHODS OF TREATING HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-02720	Patent Cooperation Treaty	PCT/US2010/037131	METHODS FOR TREATING HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-03502	United States of America	13/246287	COMPOSITIONS FOR BOWEL PREPARATION AND METHODS OF USE THEREOF		Salix Pharmaceuticals, Ltd
119557-03520	Patent Cooperation Treaty	PCT/US2010/028962	COMPOSITIONS FOR BOWEL PREPARATION AND METHODS OF USE THEREOF		Salix Pharmaceuticals, Ltd
119557-03604	United States of America	12/957831	METHODS OF TREATING TRAVELERS DIARRHEA AND HEPATIC ENCEPHALOPATHY	7928115	Salix Pharmaceuticals, Ltd
119557-03605	United States of America	13/076967	METHODS OF TREATING TRAVELER'S DIARRHEA AND HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-03606	United States of America	13/654978	METHODS OF TREATING TRAVELER'S DIARRHEA AND HEPATIC ENCEPHALOPATHY		Salix Pharmaceuticals, Ltd
119557-03620	Patent Cooperation Treaty	PCT/US2010/038742	MODULATION OF SYSTEMIC EXPOSURE TO RIFAXIMIN		Salix Pharmaceuticals, Ltd
119557-03920	Patent Cooperation Treaty	PCT/US2013/023110	RIFAXIMIN DERIVATIVE AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-04020	Patent Cooperation Treaty	PCT/US2010/048624	METHODS FOR TREATING IRRITABLE BOWEL SYNDROME (IBS)		Salix Pharmaceuticals, Ltd

Case Number	Country Name	App Number	App Title	Pat Number	Owner Name
119557-04202	United States of America	13/587539	METHODS FOR TREATING INFECTION		Salix Pharmaceuticals, Ltd & Board of Regents of the University of California
119557-04220	Patent Cooperation Treaty	PCT/US2011/025170	METHODS FOR TREATING INFECTION		Salix Pharmaceuticals, Ltd & Board of Regents of the University of California
119557-04702	United States of America	13/094261	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES FOR THE TREATMENT OF MALES	8497256	Salix Pharmaceuticals, Ltd
119557-04703	United States of America	13/938777	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES FOR THE TREATMENT OF MALES		Salix Pharmaceuticals, Ltd
119557-04720	Patent Cooperation Treaty	PCT/US2011/033905	FORMULATIONS AND USES OF 2-HYDROXY-5-PHENYLAZOBENZOIC ACID DERIVATIVES FOR THE TREATMENT OF MALES		Salix Pharmaceuticals, Ltd
119557-04807	United States of America	13/152804	FORMS OF RIFAXIMIN AND USES THEREOF	8513275	Salix Pharmaceuticals, Ltd
119557-04808	United States of America	13/955660	NEW FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-04820	Patent Cooperation Treaty	PCT/US2011/039085	NEW FORMS OF RIFAXIMIN AND USES THEREOF	WO2011/153444	Salix Pharmaceuticals, Ltd
119557-05219	Patent Cooperation Treaty	PCT/US2011/043767	FORMULATIONS OF RIFAXIMIN AND USES THEREOF	WO2012/009387	Salix Pharmaceuticals, Ltd
119557-05220	Patent Cooperation Treaty	PCT/US2011/043769	FORMULATIONS OF RIFAXIMIN AND USES THEREOF	WO2012/009388	Salix Pharmaceuticals, Ltd
119557-06005	United States of America	13/294307	METHODS AND COMPOSITIONS FOR TREATING HIV-ASSOCIATED DIARRHEA		Salix Pharmaceuticals, Ltd, Napo Pharmaceuticals
119557-06006	United States of America	13/285397	METHODS AND COMPOSITIONS FOR TREATING HIV-ASSOCIATED DIARRHEA		Salix Pharmaceuticals, Ltd, Napo Pharmaceuticals
119557-06020	Patent Cooperation Treaty	PCT/US2011/058549	METHODS AND COMPOSITIONS FOR TREATING HIV-ASSOCIATED DIARRHEA		Salix Pharmaceuticals, Ltd & Napo Pharmaceuticals
119557-06402	United States of America	13/840861	METHODS AND COMPOSITIONS FOR TREATING HIV-ASSOCIATED DIARRHEA		Salix Pharmaceuticals, Ltd
119557-06420	Patent Cooperation Treaty	PCT/US2013/032395	METHODS AND COMPOSITIONS FOR TREATING HIV-ASSOCIATED DIARRHEA		Salix Pharmaceuticals, Ltd
119557-11101	United States of America	29/422358	AUTOMATIC INJECTION DEVICE		Progenics Pharmaceuticals, Inc./Radius Product Dev/Salix

Case Number	Country Name	App Number	App Title	Pat Number	Owner Name
					Pharmaceuticals, Ltd
119557-11202	United States of America	13/720235	METHODS FOR TREATMENT AND PREVENTION OF OPIOID INDUCED CONSTIPATION USING ORAL COMPOSITIONS OF METHYLNALTREXONE		Salix Pharmaceuticals, Ltd
119557-11220	Patent Cooperation Treaty	PCT/US2012/070612	METHODS FOR TREATMENT AND PREVENTION OF OPIOID INDUCED CONSTIPATION USING ORAL COMPOSITIONS OF METHYLNALTREXONE		Salix Pharmaceuticals, Ltd
119557-12902	United States of America	13/667585	METHODS FOR TREATING IRRITABLE BOWEL SYNDROME (IBS) AND INFECTIONS		Salix Pharmaceuticals, Ltd
119557-12920	Patent Cooperation Treaty	PCT/US2012/063380	METHODS FOR TREATING IRRITABLE BOWEL SYNDROME (IBS) AND INFECTIONS		Salix Pharmaceuticals, Ltd
119557-13001	United States of America	61/559686	METHODS FOR TREATING IRRITABLE BOWEL SYNDROME (IBS)		Salix Pharmaceuticals, Ltd
119557-13002	United States of America	61/560133	METHODS AND COMPOSITIONS FOR TREATING IRRITABLE BOWEL SYNDROME (IBS)		Salix Pharmaceuticals, Ltd
119557-13003	United States of America	61/560267	METHODS AND COMPOSITIONS FOR TREATING IRRITABLE BOWEL SYNDROME (IBS)		Salix Pharmaceuticals, Ltd
119557-13005	United States of America	61/560788	METHODS AND COMPOSITIONS FOR TREATING IBS		Salix Pharmaceuticals, Ltd
119557-13401	United States of America	13/371238	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-13402	United States of America	13/434766	FORMS OF RIFAXIMIN AND USES THEREOF	8227482	Salix Pharmaceuticals, Ltd
119557-13403	United States of America	13/530386	FORMS OF RIFAXIMIN AND USES THEREOF	8507517	Salix Pharmaceuticals, Ltd
119557-13404	United States of America	13/949684	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-13420	Patent Cooperation Treaty	PCT/US2012/024746	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
119557-13603	United States of America	13/832440	COMPOSITIONS AND METHODS FOR TREATMENT OF IRRITABLE BOWEL SYNDROME WITH 5-AMINOSALICYLATE		Salix Pharmaceuticals, Ltd
119557-13620	Patent Cooperation Treaty	PCT/US2013/031848	COMPOSITIONS AND METHODS FOR TREATMENT OF IRRITABLE BOWEL SYNDROME WITH 5-AMINOSALICYLATE		Salix Pharmaceuticals, Ltd
119557-14020	Patent Cooperation Treaty	PCT/US2013/059415	METHODS OF ADMINISTERING RIFAXIMIN WITHOUT PRODUCING ANTIBIOTIC RESISTANCE		Salix Pharmaceuticals, Ltd
119557-14120	Patent Cooperation Treaty	PCT/US2013/059590	METHODS OF IMPROVING LONG-TERM SURVIVAL AND REDUCING		Salix Pharmaceuticals, Ltd

Case Number	Country Name	App Number	App Title	Pat Number	Owner Name
			HOSPITALIZATION READMISSION RATES FOR SUBJECTS FROM HEPATIC ENCEPHALOPATHY		
119557-14220	Patent Cooperation Treaty	PCT/US2013/059589	METHODS OF ADMINISTERING RIFAXIMIN FOR WEIGHT LOSS AND TREATMENT OF OBESITY		Salix Pharmaceuticals, Ltd
119557-14702	United States of America	13/788401	METHOD OF STABLY TREATING INCONTINENCE USING A BULKING AGENT		Salix Pharmaceuticals, Ltd
119557-14703	United States of America	14/058836	METHOD OF STABLY TREATING INCONTINENCE USING A BULKING AGENT		Salix Pharmaceuticals, Ltd
119557-14720	Patent Cooperation Treaty	PCT/US2013/029542	METHOD OF STABLY TREATING INCONTINENCE USING A BULKING AGENT		Salix Pharmaceuticals, Ltd
119557-22201	United States of America	13/587537	FORMS OF RIFAXIMIN AND USES THEREOF	8569326	Salix Pharmaceuticals, Ltd
119557-22202	United States of America	14/062333	FORMS OF RIFAXIMIN AND USES THEREOF		Salix Pharmaceuticals, Ltd
	United States of America	13/152,804	FORMS OF RIFAXIMIN AND USES THEREOF	8,513,275	Salix Pharmaceuticals, Ltd.