UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): September 21, 2009 (September 16, 2009)

Rexahn Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**000-50590**	**11-3516358**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

15245 Shady Grove Road
Suite 455
Rockville, MD 20850
(Address of principal executive offices) (Zip code)

(240) 268-5300
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN THE REPORT

Item 1.01. Entry Into a Material Definitive Agreement.

As previously reported in a Current Report filed with the Securities and Exchange Commission on June 30, 2009, on June 26, 2009, Rexahn Pharmaceuticals, Inc., a Delaware corporation ("Rexahn"), entered into a Research and Exclusive License Option Agreement (the "Research Agreement") and a related Securities Purchase Agreement (the "Purchase Agreement" and together with the Research Agreement, the "Agreements") providing for the development of a compound known as RX-3117, which is a small molecule, new chemical entity or "NCE", nucleoside compound that has an anti-metabolite mechanism of action, and has therapeutic potential in a broad range of cancers including colon, lung and pancreatic cancer. Because of the confidentiality provisions of the Agreements, the identity of the other party to the Agreements (and certain related information) was redacted from the copies of the Agreements filed as exhibits to the Original Form 8-K.

On September 16, 2009, Rexahn entered into Amendment No. 1 to the Purchase Agreement ("Amendment No. 1") and consummated the initial stock purchase transaction contemplated thereby. Rexahn now is able to disclose that the other party to the Agreements is Teva Pharmaceutical Industries Limited, a limited liability company organized under the laws of Israel ("Teva"), and to file copies of the agreements from which the identity of such party (and certain related information) has not been redacted.

On September 21, 2009, pursuant to the Purchase Agreement, as amended, Rexahn sold to Teva 3,102,837 shares of its common stock, par value $0.0001 per share (the "Common Stock"), at a purchase price of $1.128 per share, for total consideration of $3,500,000.

Pursuant to the Purchase Agreement, as amended, Teva has the option to purchase additional shares of Rexahn's Common Stock. If Teva exercises such option, it will acquire additional shares of Common Stock having a value of $750,000 plus such additional amount equal to the amount, if any, then anticipated to be required to complete the development of RX-3117. The price for any such Common Stock purchased by Teva will equal 120% of the closing price of the Common Stock on the last trading day prior to the date of purchase; provided, that if the number of shares subject to purchase by Teva would exceed 7% of the total outstanding Common Stock upon the completion of such purchase, then the aggregate purchase price shall remain the same, but the number of shares subject to purchase will be reduced so as not to exceed such amount.

If after the closing of the second tranche the parties determine that additional funding is required to complete the development of RX-3117, then subject to the agreement of Rexahn and Teva, Teva will provide the additional funding required for such purpose, in consideration for which Rexahn will issue additional shares of its Common Stock. The price for any such Common Stock will equal 100% of the closing price of the Common Stock on the last trading day prior to the date of purchase; provided, that if the number of shares subject to purchase by Teva would exceed 7% of the total outstanding Common Stock upon the completion of the purchase, the aggregate purchase price shall remain the same, but the number of shares subject to purchase will be reduced so as not to exceed such amount.

A copy of the Research Agreement is filed as Exhibit 10.1 to this current report, the contents of which are incorporated herein by reference.

A copy of the Purchase Agreement is filed as Exhibit 10.2 to this current report, the contents of which are incorporated herein by reference.

A copy of Amendment No. 1 is filed as Exhibit 10.3 to this current report, the contents of which are incorporated herein by reference.

A copy of the press release Rexahn issued with respect to the closing of the sale of Common Stock to Teva is furnished with this current report as Exhibit 99.1.

Item 3.02 Unregistered Sales of Equity Securities.

As more fully described in response to Item 1.01 above, on September 21, 2009, pursuant to the Purchase Agreement, as amended, Rexahn sold to Teva 3,102,837 shares of its Common Stock at a purchase price of $1.128 per share, for total consideration of $3,500,000. Such shares of Common Stock were issued, and any additional shares of Common Stock that may be issued to Teva pursuant to the Purchase Agreement as described in response to Item 1.01 above will be issued, pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended, afforded by Section 4(2) thereof as a transaction to an accredited investor not involving a public offering. Teva represented its intention to acquire the common stock for investment only and not with a view to or for sale in connection with any distribution thereof, and an appropriate legend will be affixed to the share certificates issued to Teva.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1*	Research and Exclusive License Option Agreement, dated as of June 26, 2009, by and between Rexahn Pharmaceuticals, Inc. and Teva Pharmaceutical Industries Limited.
10.2	Securities Purchase Agreement, dated as of June 26, 2009, by and between Rexahn Pharmaceuticals, Inc. and Teva Pharmaceutical Industries Limited.
10.3	Amendment No. 1 to Securities Purchase Agreement, dated as of September 16, 2009, by and between Rexahn Pharmaceuticals, Inc. and Teva Pharmaceutical Industries Limited.
99.1	Press release dated September 21, 2009.

* Rexahn Pharmaceuticals, Inc. has applied for confidential treatment of certain provisions of this exhibit with the SEC. The confidential portions of this exhibit are marked by an asterisk and have been omitted and filed separately with the SEC pursuant to Rexahn's request for confidential treatment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

REXAHN PHARMACEUTICALS, INC.
(Registrant)

By: /s/ Chang H. Ahn
Chang H. Ahn
Chairman and Chief Executive Officer

Date: September 21, 2009

EXHIBIT INDEX

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Exhibit 10.1

RESEARCH AND EXCLUSIVE LICENSE OPTION AGREEMENT

THIS AGREEMENT is dated as of June 26, 2009 ("Effective Date") between

Teva Pharmaceutical Industries Limited, a limited liability company incorporated under the laws of Israel, located at 5 Basel Street, Petach Tiqva 49131, Israel ("Teva");

Rexahn Pharmaceuticals, Inc., a company incorporated under the laws of the State of Delaware, United States of America, located at 9620 Medical Center Drive, Rockville, Maryland 20850 ("Rexahn").

Teva and Rexahn may be individually referred to as a "Party" and together as the "Parties".

WHEREAS, Rexahn has developed a certain novel antimetabolite nucleoside compound, known as RX-3117, which may be useful, among other things, in the treatment of cancer ("RX-3117") and is the owner of U.S. Patent 7,405,214B2, issued on July 29, 2008;

WHEREAS, the Parties wish that Rexahn perform an R&D Program (as defined herein), to be funded by Teva as set forth herein, that shall include certain pre-clinical and clinical activities, as more fully described therein and herein;

WHEREAS, the Parties agree that, following the completion of the R&D Program, Teva shall have the exclusive option, but not the obligation, to be granted the License (as defined herein);

WHEREAS, the Parties agree that in the event that Teva shall exercise the aforementioned option to be granted the License, Rexahn shall grant to Teva and Teva shall acquire from Rexahn, the License, subject to and in accordance with the terms and conditions of this Agreement; and

WHEREAS, subject to and in accordance with the terms and conditions set forth in the Securities Purchase Agreement attached hereto as Annex 1 (the "Securities Purchase Agreement"), Teva shall effect certain equity investments in Rexahn.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Definitions and Interpretation**

1.1. The foregoing preamble and Annexes hereto form an integral part of this Agreement.

1.2. In this Agreement the terms below shall bear the respective meanings assigned to them below and other capitalized terms shall bear the respective meanings assigned to them in their parenthetical definition, unless specifically stated otherwise:

1.2.1. "**Affiliate**" shall mean, with respect to any Party, any person, organization or entity directly or indirectly controlling, controlled by or under common control with, such Party. For purposes of this definition only, "control" of another person, organization or entity shall mean the ability, directly or indirectly, to direct the activities of the relevant entity, and shall include, without limitation (i) ownership or direct control of fifty percent (50%) or more of the outstanding voting stock or other ownership interest of the other organization or entity, or (ii) direct or indirect possession, of the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the organization or other entity.

1.2.2. "**Combination Product**" shall mean a product which comprises (i) the Licensed Product, and (ii) at least one other active ingredient, which, if administered independently of the Licensed Product, would have a clinical effect.

1.2.3. "**Confidential Information**" shall have the meaning ascribed to it in Section 15.1.

1.2.4. **[Intentionally Deleted.]**

1.2.5. "**Effective Date**" shall have the meaning ascribed to it at the beginning of this Agreement.

1.2.6. "**Final Response**" shall have the meaning ascribed to it in Section 2.1.10.

1.2.7. "**Final Trial Development Report**" shall have the meaning assigned to such term in Section 2.1.8.

1.2.8. "**First Commercial Sale**" shall mean, with respect to the Licensed Product the first commercial sale to a third party, in exchange for cash or some equivalent to which value can be assigned, after the obtaining of all necessary regulatory and other approvals required in order to commercially sell and market the Licensed Product in the country in which the sale is made, other than the sale of the Licensed Product for experimental, testing, compassionate or promotional purposes.

Notwithstanding anything contained in the foregoing paragraph to the contrary, for the purposes of this definition, the transfer of the Licensed Product by Teva or one of its Affiliates or Sublicensees to another Affiliate of Teva or to a Sublicensee is not a sale, and shall not be taken into account for the purposes of this definition.

1.2.9. "**Further Sublicense**" and "**Further Sublicensee**" shall have the meanings ascribed to them in Section 4.4.

1.2.10. "**Generic Product**" shall mean, on a country-by-country basis, and a Licensed Product by Licensed Product basis, a product independently developed by a third party (i) having the same composition of matter as the Licensed Product or which has a marketing approval as a generic product by the regulatory authorities, (ii) can reasonably be or is reasonably used for the same indication or indications for which the Licensed Product is approved and which could not have been sold or with respect to which a license would have been required to be obtained from Rexahn, if patent or other exclusivity rights covering the Licensed Product would have been in full force and effect, and (iii) that (a) following the First Commercial Sale of such Generic Product the annual Net Sales of the Licensed Product has declined in that year by greater than *** percent (***%) compared to the average annual Net Sales of the Licensed Product during the *** (***) *** preceding the First Commercial Sale of such Generic Product, or (b) within *** *** following the First Commercial Sale of such Generic Product, it attains a market share of more than *** percent (***%) of the relevant market for the Licensed Product, as determined by reference to IMS or a similar source commonly recognized in the industry. However, a product shall not be considered as a Generic Product if Teva or anyone on its behalf was involved in its approval or commercialization.

1.2.11. **"Generic Royalty Payments"** shall have the meaning ascribed to it in Section 6.4.

1.2.12. "**Improvements**" shall mean all know-how, processes and methods embodying RX-3117, or which are utilized in the production or use thereof, owned by Rexahn or licensed to it as of the Effective Date or that shall be developed following the Effective Date in the course of the R&D Program, or otherwise, by or for Rexahn, at any time.

1.2.13. **"Incapacitated Party"** shall have the meaning ascribed to it in Section 28.1.

1.2.14. "**IND"** means an investigational new drug application, as described in 21 C.F.R. Section 312.23, filed for purposes of conducting clinical trials in accordance with the requirements of the United States Food, Drug and Cosmetic Act of 1938, as amended, and the rules and regulations promulgated thereunder, including all supplements and amendments thereto relating to the use of the Licensed Product, ownership of which shall be transferred to Teva by Rexahn upon and subject to issuance of the License Notice.

1.2.15. **"Initial Response"** shall have the meaning ascribed to it in Section 2.1.10.

1.2.16. "**IP Rights**" shall mean all vested, contingent and future intellectual property rights including but not limited to: (i) all inventions, materials, compounds, compositions, substances, methods, processes, techniques, know-how, technology, data, information, discoveries and other results of whatsoever nature, and any patents, copyrights, proprietary intellectual or industrial rights directly or indirectly deriving therefrom, as well as provisionals, patent applications (whether pending or not), and patent disclosures together with all reissuances, continuations, continuations in part, revisions, extensions, and reexaminations thereof; (ii) all trade marks, service marks, copyrights, designs, trade styles, logos, trade dress, and corporate names, including all goodwill associated therewith; (iii) any work of authorship, regardless of copyrightability, all compilations, all copyrights and (iv) all trade secrets, confidential information and proprietary processes.

1.2.17. "**License**" shall have the meaning ascribed to it in Section 2.2.1.

1.2.18. "**License Notice**" shall have the meaning ascribed to it in Section 2.2.2.

1.2.19. "**License Option**" shall have the meaning ascribed to it in Section 2.2.1.

1.2.20. "**Licensed Information**" shall mean IP Rights in and to RX-3117, and its use, production and formulation.

1.2.21. "**Licensed Product(s)**" shall have the meaning ascribed to it in Section 2.2.1.

1.2.22. "**Liens**" shall have the meaning ascribed to it in Section 10.2.1.

1.2.23. "**Milestone**" shall have the meaning ascribed to it in Section 6.1.

1.2.24. "**Milestone Payments**" shall have the meaning ascribed to it in Section 6.1.

1.2.25. "**Net Sales**" shall mean with respect to the Licensed Product, the total amounts received by Teva and/or its Affiliates, Sublicensees or Further Sublicensees in respect of the Licensed Product, as established in a *bona fide* arms-length transaction with an unrelated third party, less the following items (as they apply to the Licensed Product) (collectively, the "Deductions"): (i) quantity and/or cash discounts actually allowed or taken; (ii) customs, duties, sales, withholding and similar taxes, if any, imposed on the Licensed Product (in finished form), to the extent applicable to such sale and included in the invoice in respect of such sale; (iii) amounts actually allowed or credited by reason of rejections, return of goods (including as a result of recalls), any retroactive price reductions or allowances specifically identifiable as relating to the Licensed Product (including those resulting from inventory management or similar agreements with wholesalers); (iv) amounts incurred resulting from government mandated rebate programs (or any agency thereof); (v) third party (a) rebates, (b) freight, postage, shipping and applicable insurance charges, to the extent the same are separately itemized on invoices and actually paid as evidenced by invoices or other appropriate supporting documentation, and (c) chargebacks or similar price concessions related to the sale of the Licensed Product; (vi) reasonable royalties paid to third parties by Teva, its Affiliates or Sub-Licensees in respect of the use of third party's IP Rights which are required to commercialize the Licensed Product; and (vii) the cost of reasonable quantities of samples, provided the quantity of Licensed Product actually utilized for purposes of such samples (to the extent actually borne by Teva and/or its affiliates, Sublicensees or Further Sublicesees) shall not exceed *** percent (***%) of the volume of annual Licensed Product sales during any given year during the term of this Agreement. All of the foregoing shall be calculated in accordance with U.S. GAAP. For the avoidance of doubt, specific Deductions shall only be taken into account once when calculating Net Sales.

Notwithstanding anything contained in the foregoing paragraph to the contrary, for the purposes of this definition, the transfer of the Licensed Product by Teva or one of its Affiliates to another Affiliate of Teva or to a Sublicensee or Further Sublicensee is not a sale; in such cases, Net Sales will be determined based on the total amounts received by Teva and/or its Affiliates, Sublicensees or Further Sublicensees in respect of the Licensed Product first sold by Teva, the Affiliate, Sublicensee or Further Sublicensee to independent third-parties, less the deductions permitted herein.

In addition, Net Sales shall be furthermore adjusted and reduced in the event that the Licensed Product is sold as part of a Combination Product as set forth in Section 6.5.

With respect to sales which are not at *bona fide* arms-length and/or are not in the ordinary course of business, the term "Net Sales" shall mean the total amount that would have been due in an arms-length sale made in the ordinary course of business and according to the then current market conditions for such sale or, in the absence of such current market conditions, according to market conditions for sale of products similar to the Licensed Product.

In the case of pharmacy incentive programs, hospital performance incentive chargebacks, disease management programs, similar programs or discounts on "bundles" of products, all discounts and the like shall be allocated among products on the basis of which such discounts and the like were actually granted or, if such basis cannot be determined, in proportion to the respective list prices of such products or such other reasonable allocation method as the parties shall agree.

If Licensed Products are sold or supplied in a currency other than United States Dollars then the sum of Net Sales shall first be determined in the currency in which such Licensed Product were invoiced and then converted into equivalent United States Dollars at the middle market rate of such foreign currency as quoted in the Financial Times at the close of business of the last business day of the quarter with respect to which the payment is made.

1.2.26. "**Option Period**" shall have the meaning ascribed to it in Section 2.2.1.

1.2.27. "**Patents**" shall mean U.S. Patent 7,405,214B2 and all additional patent applications/patents that may be filed by or for Rexahn covering RX-3117 or any of the Improvements. As of the Effective Date, the Patents include all patents and patent applications listed in Annex 2 attached hereto.

1.2.28. "**Phase I Clinical Trial**" shall mean, as to a particular product for a particular indication, the initial controlled and lawful study in humans of the safety of such product for such indication, which is prospectively designed to generate data to support commencing a Phase II Clinical Trial of such product for such indication.

1.2.29. "**Phase II Clinical Trial**" shall mean, as to a particular product for a particular indication, the initial controlled and lawful study in humans of the safety, dose ranging and efficacy of such product for such indication, which is prospectively designed to generate data to support commencing a Phase III Clinical Trial of such product for such indication.

1.2.30. "**Phase III Clinical Trial**" shall mean, as to a particular product for a particular indication, the large scale human clinical trials conducted in humans of the safety and efficacy of such product for such indication, which is prospectively designed to demonstrate statistically whether such product is safe and effective for use in such indication in order to file an application for regulatory approval with respect to such product for such indication.

1.2.31. "**Pre-Clinical Activities**" shall mean those activities required to be undertaken in order to file an IND application with the United States Food and Drug Administration ("FDA") or an equivalent application to a similar foreign regulatory agency in another jurisdiction, which may include, inter alia, managing animal studies, as well as toxicology studies. Pre-Clinical Activities shall not include testing, experimentation or other use in human patients.

1.2.32. **"Primary EU Markets"** shall mean the United Kingdom, Germany, France, Italy and Spain.

1.2.33. "**R&D Budget**" shall have the meaning ascribed to it in Section 2.1.4.

1.2.34. "**R&D Committee**" shall have the meaning ascribed to it in Section 3.1.

1.2.35. "**R&D Program**" shall have the meaning ascribed to it in Section 2.1.1.

1.2.36. "**Rexahn IP**" shall mean all the IP Rights in and to RX-3117 and the Improvements through the date of provision of the License Notice by Teva to Rexahn, and the Patents.

1.2.37. "**Royalty Payments**" shall have the meaning ascribed to it in Section 6.3.

1.2.38. "**Royalty Term**" shall mean in relation to the Licensed Product on a country by country basis the period commencing upon the First Commercial Sale of the Licensed Product in the relevant country and expiring on the later of: (i) *** (***) years after that date, or (ii) the expiry of a Valid Patent Claim covering the main active ingredients of the Licensed Product.

1.2.39. "**RX-3117**" shall mean the compound as described by claim 4 of U.S. Patent No. 7,405,214B2.

1.2.40. "**Sales Milestone**" shall have the meaning ascribed to it in Section 6.2.

1.2.41. **"Sales Milestone Payments"** shall have the meaning ascribed to it in Section 6.2.

1.2.42. "**Sublicense**" shall mean any right granted, license given, or agreement entered into, by Teva and/or its Affiliates and/or Sublicensees to or with any other person or entity (whether or not such grant of rights, license given or agreement entered into is described as a sublicense or otherwise), permitting any use of the Licensed Information (or any part thereof) or any right to research, develop, make, have made, register, import, manufacture, use, sell, offer for sale, produce, sublicense, commercialize and/or distribute the Licensed Product for any indication; and the term "**Sublicensee**" shall be construed accordingly.

1.2.43. "**Teva IP**" shall have the meaning ascribed to it in Section 8.3.

1.2.44. "**Valid Patent Claim**" shall mean a claim of an issued and unexpired patent which has not been revoked and held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid or unenforceable through reexamination, reissue, disclaimer or otherwise.

1.3. In this Agreement, words importing the singular shall include the plural and *vice-versa* and words importing any gender shall include all other genders and references to persons shall include partnerships, corporations and unincorporated associations.

1.4. The words "including" and "includes" mean including, without limiting the generality of any description preceding such terms.

1.5. In the event of any discrepancy between the terms of this Agreement and any of the Annexes hereto, the terms of this Agreement shall prevail.

1.6. Section, paragraph and annex headings shall not affect the interpretation of this Agreement.

2. **The R&D Program**

2.1. The R&D Program – Pre-Clinical Activities

2.1.1. Rexahn shall carry out a development program covering the Pre-Clinical Activities, which program shall include all of the Pre-Clinical Requirements (as such term is defined in the Securities Purchase Agreement) and be in accordance with the general outline of activities and time schedule agreed between the Parties prior to the Initial Closing under the Securities Purchase Agreement (the "R&D Program"). The R&D Program shall be supplemented by more detailed programs per each stage of development and shall be updated from time to time during the performance of such R&D Program by the R&D Committee (as such term is defined in Section 3.1 below). The R&D Program and each such update thereto shall form a part of this Agreement and shall be appended to the signature copies for the sake of good order.

2.1.2. For the avoidance of doubt, any amendment to the R&D Program involving a change to the R&D Budget of the lower of at least (i) US$*** (*** US dollars), in the aggregate, or (ii) *** percent (***%) of the R&D Budget for the applicable year shall require the prior written approval of the R&D Committee.

2.1.3. Rexahn shall begin performing the R&D Program immediately following the Initial Closing under the Securities Purchase Agreement.

2.1.4. Rexahn hereby reconfirms its agreement to utilize that portion of Teva's investments under the Securities Purchase Agreement that is intended to cover the R&D Budget solely for the purpose of carrying out the R&D Program (directly and through contractors) strictly in accordance with the budget (including updates) to be proposed by Rexahn and approved in writing by Teva (the "R&D Budget"). Each update of the R&D Budget shall form a part of this Agreement and shall be appended to the signature copies for the sake of good order.

2.1.5. Rexahn shall keep separate records of the expenses which it incurs in undertaking the R&D Program and shall provide Teva and the R&D Committee with detailed reports of Rexahn's expenditures not less often than on a calendar quarter basis.

2.1.6. For the avoidance of doubt, (i) any in-licensing of third party technology by Rexahn for the purposes of the performance of the R&D Program and/or (ii) any use of third party technology by Rexahn for the purposes of the performance of the R&D Program, shall require the prior written agreement of Teva.

2.1.7. At the end of each calendar quarter during the course of the R&D Program, Rexahn shall provide Teva with periodic progress reports regarding the progress of the R&D Program, in a form and containing the substance to be agreed in advance by the R&D Committee.

***** Confidential Treatment Requested**

2.1.8. Not later than thirty days (30) after the completion of each of the Pre-Clinical Activities, unless otherwise agreed by the R&D Committee in writing, Rexahn shall provide Teva with a report summarizing said Pre-Clinical Activities in the context of the R&D Program, and the results of same, in a form and containing the substance to be agreed by the R&D Committee (each a "Final Trial Development Report").

2.1.9. Teva's representative(s) on the R&D Committee may, from time to time, request updates regarding the progress of the R&D Program, in addition to the periodic progress reports, and Rexahn shall provide any additional update that Teva's representative(s) on the R&D Committee may reasonably request.

2.1.10. After receipt by Teva of each Final Trial Development Report, if Teva wishes to receive further information from Rexahn it shall so advise Rexahn by written notice specifying the additional information requested (the "First Notice"). Teva agrees to deliver any such First Notice to Rexahn no later than thirty (30) days after Teva's receipt of the relevant Final Trial Development Report. Rexahn will provide such additional information within a reasonable time, but not later than thirty (30) days following receipt of the First Notice (the "Initial Response"). If following receipt of the Initial Response Teva wishes to receive further information from Rexahn, it shall so advise Rexahn by written notice specifying such additional information requested (the "Second Notice"). Teva agrees to deliver any such Second Notice to Rexahn no later than thirty (30) days after Teva's receipt of the Initial Response. Rexahn will provide such additional information within a reasonable time but not later than thirty (30) days following receipt of the Second Notice (the "Final Response"). If the Initial Response, together with the Final Response provide the full and complete information reasonably requested by Teva, then following submission of the Final Response Rexahn shall not be required to provide any additional information to Teva in connection with the Final Trial Development Report.

2.1.11. Rexahn shall perform its obligations under the R&D Program in accordance with all applicable laws, rules and regulations, and shall procure the receipt of all approvals and consents necessary for the performance of its obligations under the R&D Program.

2.1.12. Rexahn shall not be entitled to subcontract its obligations to perform any Material Task (as term is defined below) under the R&D Program to any third party without the prior written approval of Teva, which approval shall not be unreasonably withheld or delayed. For the purposes of this Section 2.1.12 a "Material Task" shall mean any task in respect of which the subcontract expenses equal or exceed the lower of (i) US$100,000 (one-hundred thousand US dollars), in the aggregate, or (ii) ten percent (10%) of the R&D Budget for the applicable year(s) in which the relevant obligations are performed by a subcontractor. Without derogating from the preceding sentence, if Rexahn wishes to subcontract a Material Task or any part thereof, Rexahn shall notify the R&D Committee and Teva in writing, and Teva shall have the right of first option, at its sole discretion (but shall not be obligated), to perform such tasks as Rexahn's subcontractor, at a cost mutually agreed upon by Teva and Rexahn. The performance of any part of the R&D Program by any subcontractor shall not relieve Rexahn of or reduce its obligations under this Agreement.

2.2. Teva's Option

2.2.1. From the Effective Date until forty-five (45) days following the issuance of the IND for RX-3117 (the "Option Period"), Teva shall have the exclusive right, but not the obligation (the "License Option"), exercisable at any time during the Option Period, to receive the sole and exclusive, royalty-bearing, worldwide license herein to use the Licensed Information to research, develop, make, have made, register, import, manufacture, use, sell, offer for sale, produce, commercialize and distribute products embodying, based on or using the Licensed Information for all indications (collectively the "Licensed Product"), and to sublicense any such activities (the "License").

2.2.2. If Teva elects to take the License, it shall provide written notice of its decision to Rexahn prior to the expiration of the Option Period (the "License Notice"), and as of the date of the provision of the License Notice, the grant of the License to Teva shall become effective.

2.2.3. Prior to the expiration of the Option Period, Teva's representatives shall have the right (at Teva's sole expense) to visit Rexahn's facilities for the purposes of conducting due diligence or audits in relation to Rexahn and the Rexahn IP and deciding whether or not to take the License, upon providing Rexahn with reasonable notice of such visits or audits.

2.2.4. Prior to the expiration of the Option Period, Rexahn shall not discuss or negotiate or enter into any transaction with any third party regarding the Licensed Information without the prior written approval of Teva.

2.2.5. If Teva does not serve the License Notice upon Rexahn within the Option Period, then this Agreement shall automatically expire at the end of the Option Period without any further actions by either Party. In this event, other than the obligations set forth in Section 15 (Confidentiality), Section 11 (Term and Termination) and such other obligations intended to survive termination or expiry of this Agreement pursuant to Section 11.10, the Parties shall not be obligated in any manner towards each other with respect to the subject matter of this Agreement.

3. **Research and Development Committee**

3.1. The Parties will establish and maintain a Research and Development Committee (the "R&D Committee") throughout the R&D Program. The R&D Committee shall have the authority to approve, update and monitor the R&D Program and the R&D Budget and any material deviation therefrom, and generally monitor performance thereunder. The R&D Committee shall make decisions on issues that arise in respect of the R&D Program and its performance and shall establish and periodically review all draft protocols and draft reports, draft expert reports, draft summaries and final versions of same, and the commercial objectives and activities set forth as part of the R&D Program. The R&D Committee shall be comprised of four members, having one vote each, of which two shall be appointed by each Party, including one co-chairperson appointed by each party. The R&D Committee shall meet (either in person by video conference or by telephone) periodically (but in any event no less than quarterly) during the course of the R&D Program.

3.2. At each R&D Committee meeting, at least one member appointed by each Party present in person or by telephone shall constitute a quorum. Each Party shall have equal voting power, whether represented by one or two committee members, on all matters before the R&D Committee.

3.3. If during the course of the R&D Program the members of the R&D Committee cannot agree on an issue under the scope of its authority within fourteen (14) days of the issue arising, then the members shall refer the issue to the VP of Innovative Ventures of Teva and the CEO of Rexahn for resolution. If no such resolution is achieved within fourteen (14) days, then Teva shall have the determining vote.

4. **License Grant**

4.1. Subject only to Teva serving the License Notice on Rexahn in accordance with Section 2.2.2, Rexahn hereby grants Teva the License.

4.2. If Teva informs Rexahn that any additional IP Rights or knowhow either owned by or licensed to Rexahn which does not constitute part of the Rexahn IP and which is reasonably required to be licensed to Teva in order for Teva to commercialize any Licensed Product(s), then, subject to any third party restrictions, the relevant portion of the same shall be deemed as licensed to Teva on a non-exclusive basis, and shall otherwise be treated as the Licensed Information covered by the License hereunder, *mutatis mutandis*.

4.3. From the Effective Date and until the expiration of the Option Period, Rexahn shall not, without Teva's prior written consent, enter into any agreement, arrangement or commitment according to which a third party is granted any rights with respect to any portion of the Licensed Information or the Licensed Product. Furthermore, from the Effective Date and until the expiration of the Option Period, Rexahn shall not without Teva's prior written consent enter into any agreement, arrangement or commitment that would derogate from or conflict with the rights granted to Teva pursuant to Section 4.2.

4.4. Teva shall have the right to grant (whole or partial) Sublicenses to third parties (and such third parties shall be entitled to grant further Sublicenses (each, a "Further Sublicense" and the term "Further Sublicensee" shall be construed accordingly) under the License), on terms and conditions consistent with the terms of this Agreement and Teva shall be entitled to determine the commercial terms of any such Sublicense, provided that with respect to each Sublicense Teva notifies Rexahn upon signature thereof, and provides Rexahn with the name of the Sublicensee and the scope and territory of the Sublicense. The grant of any Sublicenses and Further Sublicenses shall not relieve the Parties of or reduce their obligations to each other under this Agreement. The term of any Sublicense shall be limited to the term of the License and will terminate upon the expiration or the termination of the License for any reason whatsoever, provided, however, that for each Sublicensee, upon termination of the License with Teva, if the Sublicensee is not then in breach of its Sublicensee agreement, and provided that such Sublicensee has substantially similar financial and marketing capabilities as Teva, Rexahn shall be obligated, at the joint request of the Sublicensee and Teva to enter into a new license agreement with such Sublicensee on substantially the same terms as this Agreement (with Teva having no obligations or liabilities thereunder). Teva shall provide Rexahn with an executed copy of each Sublicense agreement (including any Further Sublicense agreements – to the extent available to Teva) provided that Teva may redact information or parts of any such agreement that is not material to Rexahn or that is subject to obligations of confidentiality, within thirty (30) days of execution of the relevant Sublicense Agreement, and shall require any Sublicensee to do the same. None of the provisions of this Section 4.4 shall be construed to limit Teva's obligation to share the financial terms of any Sublicense agreement as may be reasonably necessary for Rexahn to verify from time to time the accuracy of amounts payable by Teva to Rexahn hereunder.

4.5. Without limiting the foregoing or any of Teva's obligations under this Agreement relating to the grant of Sublicenses or Further Sublicenses, Teva shall be entitled to subcontract the conduct or performance of any activity concerning the Licensed Product to a third party, and such subcontract shall not be considered to be de facto a grant of a sublicense.

4.6. Throughout the term of this License, Rexahn will not directly, or indirectly (through licensees or otherwise), distribute, promote, market or sell any product that embodies RX-3117 or any derivative thereof. Further, from the Effective Date, until the *** year anniversary of the Initial Closing under the Securities Purchase Agreement, Rexahn agrees not to directly or indirectly license any third party to research, develop, make, register, import, manufacture, use, sell, offer for sale, produce, sublicense, distribute or otherwise commercialize an anti-metabolite product (an "Anti-metabolite License").

***** Confidential Treatment Requested**

4.7. If at any time after the foregoing *** (***) year period Rexahn desires to directly or indirectly grant an Anti-metabolite License, then Rexahn shall comply with the provisions of this Section 4.7. Rexahn shall first notify Teva in writing of Rexahn's intention to grant an Anti-metabolite License, which notice shall specify with particularity the anti-metabolite product to be licensed. If within twenty-one (21) days of its receipt of such notice Teva informs Rexahn by a further notice that it wishes to negotiate the terms of an Anti-metabolite License in and to such anti-metabolite product, then Teva shall have the exclusive right, for a period of *** (***) days after issuance of its further notice to Rexahn, to negotiate the terms of such Anti-metabolite License with Rexahn. During such *** (***) day period the parties shall negotiate in good faith and Rexahn shall not provide any information concerning such anti-metabolite product to, or engage in any discussions concerning the anti-metabolite product with any third party. If at the conclusion of the *** (***) day period Teva and Rexahn are unable to agree on the material terms of an Anti-metabolite License, then Rexahn may negotiate and enter into an Anti-metabolite License with a third party for the particular anti-metabolite product specified in Rexahn's notice to Teva; provided, however, that the value in the aggregate of any Anti-metabolite License entered into between Rexahn and a third party shall be equal to at least 110% of the aggregate value of the best offer made by Teva during the *** (***) day negotiating period; and further provided, that if Rexahn shall not have entered into an Anti-metabolite License with a third party relating to such anti-metabolite product within *** (***) days of the expiration of the foregoing *** (***) day negotiating period, then Rexahn shall first comply again with the provisions of this Section 4.7 before negotiating with or entering into an Anti-metabolite License with a third party for such anti-metabolite product.

5. **Development and Commercialization of the Licensed Product**

5.1. Subject to Teva serving the License Notice on Rexahn pursuant to Section 2.2.2, Teva undertakes at its own expense to make such commercially reasonable efforts to develop and commercialize the Licensed Product as are consistent with the commercial efforts which Teva ordinarily takes to develop and commercialize products of similar potential and at similar stages of development, taking into account the cost effectiveness of efforts or resources, the competitiveness of alternative compounds or products that are expected to be in the marketplace, the patent and other proprietary position of the Licensed Product, the profitability of the Licensed Product and alternative compounds or products and other relevant commercial factors.

5.2. Subject to Section 5.1, Teva shall have responsibility for undertaking clinical development of the Licensed Product and preparing, submitting, seeking approval of, maintaining and updating marketing approval applications, marketing approvals and other regulatory approvals and applications for regulatory approvals in respect of the Licensed Product. Teva will solely own, apply for and be the holder or owner of record for all applications and approvals relating to the Licensed Product. Without limiting the generality of the immediately preceding sentence, Rexahn shall transfer and assign to Teva all regulatory filings, approvals and applications relating to the Licensed Product, including all INDs granted by the FDA, and all related documentation and information. Subject to Section 5.5, Teva will be solely responsible for commercializing the Licensed Product during the term of this Agreement, including, without limitation, manufacture, marketing, promotion, patient assistance programs, medical education, price negotiation and setting, reimbursement negotiation, customer relations, sales, order processing, invoicing and collection, preparation of sales records and reports, warehousing, inventory management, logistics and distribution (including, without limitation, the handling of returns, market withdrawals, field corrections and recalls).

5.3. Teva shall provide Rexahn with a written report summarizing the progress, status, and results of the material activities described in Section 5.2 for the preceding six (6) month period, on a semi-annual basis with respect to the Licensed Product. Each such report shall be prepared in a manner consistent with reports issued by Teva in the ordinary course of business. In addition, no more than once each calendar year, Rexahn may request a meeting with Teva to discuss such report(s) on a date and at a location as shall be mutually agreed by the parties hereto.

5.4. For the avoidance of doubt, nothing contained in this Agreement shall be construed as a warranty by Teva that any efforts to be made by Teva pursuant to this Agreement, including without limitation any development or any commercialization to be carried out by Teva pursuant to this Agreement, will actually achieve their aims or any other results or succeed, and Teva makes no warranties whatsoever as to any results to be achieved in consequence of the carrying out of any such development, commercialization, efforts or activities. Furthermore, Teva makes no representation to the effect that the commercialization of the Licensed Product will succeed, or that Teva will be able to sell a particular quantity of the Licensed Product.

5.5. If Rexahn has the necessary capabilities and infrastructure to adequately co-promote the Licensed Product in ***, the determination of which shall be made by the mutual agreement of Rexahn and Teva (or if Rexahn and Teva cannot come to a mutual agreement, then the parties shall select a mutually agreeable third party to make such determination, which determination shall be binding on the parties) following the written request of Rexahn, then within sixty (60) days of such determination, the Parties shall in good faith negotiate the grant to Rexahn of such limited co-promotion rights for ***. The grant of such rights shall, however, also be subject to the Parties mutually agreeing upon the fee and royalty structure as well as pricing for the Licensed Product payable to Teva by Rexahn.

6. **Milestones, Royalty Payments, Generic Royalty Payments and Sublicense Fees**

6.1. In consideration for the grant of the License upon the issuance by Teva of the License Notice, Teva shall make the following payments (the "Milestone Payments") to Rexahn upon achievement of the relevant milestones (each, a "Milestone"):

6.1.1. upon the first indication of the Licensed Product reaching any of the following Milestones:

(a) Upon the later of (i) receipt of the IND for the Licensed Product and (ii) the issuance by Teva of the License Notice — a payment of $*** (*** US dollars);

(b) Upon the first actual delivery/administration of the Licensed Product to the first patient participating in the Phase I Clinical Trials in respect of the Licensed Product — a payment of $*** (*** US dollars);

(c) Upon the first actual delivery/administration of the Licensed Product to the first patient participating in the Phase II Clinical Trials in respect of the Licensed Product — a payment of $*** (*** US dollars);

(d) Upon the first actual delivery/administration of the Licensed Product to the first patient participating in the Phase III Clinical Trials in respect of the Licensed Product — a payment of $*** (*** US dollars);

(e) Upon the FDA granting approval of the New Drug Application for the Licensed Product — $*** (*** US dollars);

(f) Upon marketing approval being granted by the EMEA for the Licensed Product — a payment of $*** (*** US dollars);

(g) Upon the relevant regulatory authorities in Japan granting marketing approval for the Licensed Product — a payment of $*** (*** US dollars);

(h) Upon the First Commercial Sale of the Licensed Product in the United States, following the receipt of marketing approval by the FDA — a payment of $*** (*** US dollars);

(i) Upon the First Commercial Sale of the Licensed Product in a Primary EU Market, following the receipt of marketing approval by the European Medicines Agency (the "EMEA") — a payment of $*** (*** US dollars);

(j) Upon the First Commercial Sale of the Licensed Product in a second Primary EU Market, following the receipt of marketing approval by the EMEA – a payment of $*** (*** US dollars); and

(k) Upon the First Commercial Sale of the Licensed Product in Japan, following the receipt of marketing approval by the relevant governmental authorities — a payment of $*** (*** US dollars).

6.1.2. with respect to the Licensed Product for a second agreed-upon indication reaching the following Milestones:

(a) Upon the first actual delivery/administration of the Licensed Product to the first patient participating in the Phase II Clinical Trials in respect of the Licensed Product — a payment of $*** (***US dollars); provided, however, no milestone payment shall be due if a Phase II Clinical Trial is not undertaken and instead development proceeds directly to Phase III Clinical Trials;

(b) Upon the first actual delivery/administration of the Licensed Product to the first patient participating in the Phase III Clinical Trials in respect of the Licensed Product — a payment of $*** (*** US dollars);

(c) Upon the FDA granting approval of the New Drug Application for the Licensed Product — a payment of $*** (*** US dollars);

(d) Upon marketing approval being granted by the EMEA for the Licensed Product — a payment of $*** (*** US dollars);

(e) Upon the relevant regulatory authorities in Japan granting marketing approval for the Licensed Product — a payment of $*** (*** US dollars);

(f) Upon the First Commercial Sale of the Licensed Product in the United States, following the receipt of marketing approval by the FDA — a payment of $*** (*** US dollars);

(g) Upon the First Commercial Sale of the Licensed Product in a Primary EU Market, following the receipt of marketing approval by the EMEA — a payment of $*** (*** US dollars);

(h) Upon the First Commercial Sale of the Licensed Product in a second Primary EU Market, following the receipt of marketing approval by the EMEA — a payment of $*** (*** US dollars); and

(i) Upon the First Commercial Sale of the Licensed Product in Japan, following the receipt of marketing approval by the relevant governmental authorities — a payment of $*** (*** US dollars).

6.1.3. with respect to the Licensed Product for a third and each subsequent agreed-upon indication thereafter reaching the following Milestones:

(a) Upon the first actual delivery/administration of the Licensed Product to the first patient participating in the Phase II Clinical Trials in respect of the Licensed Product — a payment of $*** (***US dollars); provided, however, no milestone payment shall be due if a Phase II Clinical Trial is not undertaken and instead development proceeds directly to Phase III Clinical Trials;

(b) Upon the first actual delivery/administration of the Licensed Product to the first patient participating in the Phase III Clinical Trials in respect of the Licensed Product — a payment of $*** (*** US dollars);

(c) Upon the FDA granting approval of the New Drug Application for the Licensed Product — a payment of $*** (*** US dollars);

(d) Upon marketing approval being granted by the EMEA for the Licensed Product — a payment of $*** (*** US dollars);

(e) Upon the relevant regulatory authorities in Japan granting marketing approval for the Licensed Product — a payment of $*** (*** US dollars);

(f) Upon the First Commercial Sale of the Licensed Product in the United States, following the receipt of marketing approval by the FDA — a payment of $*** (*** US dollars);

(g) Upon the First Commercial Sale of the Licensed Product in a Primary EU Market, following the receipt of marketing approval by the EMEA — a payment of $*** (*** US dollars);

(h) Upon the First Commercial Sale of the Licensed Product in a second Primary EU Market, following the receipt of marketing approval by the EMEA — a payment of $*** (*** US dollars); and

(i) Upon the First Commercial Sale of the Licensed Product in Japan, following the receipt of marketing approval by the relevant governmental authorities — a payment of $*** (*** US dollars);

6.2. In addition, in consideration for the grant of the License, Teva shall make the following payments (the "Sales Milestone Payments") to Rexahn upon the first achievement of the relevant sales milestones by the Licensed Product (each, a "Sales Milestone"):

(a) the first time that Net Sales of the Licensed Product in a calendar year exceed $*** (***US dollars) — a payment of $*** (*** US dollars);

(b) the first time that Net Sales of the Licensed Product in a calendar year exceed $*** (*** US dollars) — a payment of $*** (*** US dollars); and

(c) the first time that Net Sales of the Licensed Product in a calendar year exceed $*** (*** US dollars) — a payment of $*** (*** US dollars).

For the avoidance of doubt, each of the Sales Milestone Payments set out in Section 6.2 (a) to (c) above shall be made once only for the Licensed Product (regardless how many approved indications) and with respect to the first calendar year in which the sales of the Licensed Product reach the Sales Milestones, which could be the same calendar year if sales of the Licensed Product satisfy more than one sales milestone in the same calendar year.

6.3. In addition, in consideration for the grant of the License, Teva shall, throughout the Royalty Term, pay to Rexahn royalties at the following rates on annual Net Sales, during each calendar year in respect of the Licensed Product (the "Royalty Payments"), as specified in this Section 6.3 below:

(a) ***% (*** percent) of the portion of annual Net Sales of the Licensed Product up to $*** (*** US dollars);

(b) ***% (*** percent) of the portion of annual Net Sales of the Licensed Product exceeding $*** (*** US dollars) and up to $*** (*** US dollars); and

(c) ***% (*** percent) of the portion of annual Net Sales of the Licensed Product exceeding $*** (*** US Dollars).

6.4. During the Royalty Term from such time as a Generic Product is commercialized and distributed by a third party unrelated to Teva in any particular country, Teva shall pay Rexahn as of such date and for as long as any Generic Product is so sold in such country, reduced Royalties for Licensed Products sold in such country at rates equal to one-half of those set out in Section 6.3 on Net Sales of the Licensed Product in such country ("Generic Royalty Payments"). The reductions in royalty rate set out in this Section 6.4 shall be applied equally to each of the sub-section levels of royalty payments.

6.5. Notwithstanding the foregoing, in the event that the Licensed Product is sold in the form of a Combination Product, then the proportion of such Combination Product to be attributed to Net Sales that are subject to the Royalty Payments or Generic Royalty Payments (the "Relevant Proportion") shall be calculated as provided below, on a country-by-country basis:

6.5.1. Provided that both active ingredients of the Combination Product are sold on a stand-alone basis in the relevant country at the time in question, the Relevant Proportion shall be as follows: A/(A+B), where A is the net sale price of the RX-3117 based component of the Licensed Product sold separately in such country, and B is the net sale price of the other component sold separately in such country.

6.5.2. For example: if the Licensed Product is sold on a stand-alone basis for $5 and the additional component of the Combination Product is sold on a stand-alone basis for $10, then the Relevant Proportion of such Combination Product shall be one third (1/3).

6.5.3. In the event that the components of the Combination Product are not each sold on a stand-alone basis in the relevant country at the time in question, the fraction above shall be calculated using the reasonably estimated commercial value of each component. Any such estimates shall be determined using criteria to be mutually agreed upon by the Parties applicable to the country in question.

6.5.4. For the purposes of determining Royalty Payments or Generic Royalty Payments on a Combination Product, Net Sales shall be determined by multiplying the actual Net Sales of such Combination Product by the Relevant Proportion, and Teva shall make Royalty Payments or Generic Royalty Payments to Rexahn accordingly (for example – with respect to the said demonstrated numbers the Royalty Payments or Generic Royalty Payments shall be applied only to one-third (1/3) of the Net Sales of the Combination Product).

6.6. In addition to any other payments Teva is required to make to Rexahn, during the Royalty Term, Teva will pay Rexahn fifteen percent (15%) (or ten percent (10%) if the sublicensing takes place after Phase II Clinical Trials) of any non-royalty payments, including, without limitation, up-front fees and milestone payments, it and its Affiliates receive from a Sublicensee and Further Sublicensee (as the case may be), except for the following: (i) gross receipts for commercial sales of the Licensed Product that are subject to royalty payments to Rexahn (ii) amounts received from a Sublicensee solely to finance research and development activities to be performed by or on behalf of Teva in connection with such Sublicense (as evidenced by itemized invoices, receipts or other supporting documentation); (iii) payments for the license or sublicense of any IP Rights other than Licensed Information; (iv) payments received in reimbursement for patent expenses incurred at any time after the date of the grant of the sublicense; (v) payments received in reimbursement for bona fide marketing expenses incurred at any time after the date of the grant of the Sublicense (as evidenced by itemized invoices, receipts or other supporting documentation); or (vi) equity investments in Teva or its Affiliates at current market rates. Any non-royalty payment received by Teva in the form of non-cash compensation shall be valued at fair market value, and Rexahn's share of such non-royalty payment may be paid by Teva either in cash or in the same form of non-cash compensation which Teva received (at Teva's sole discretion).

6.7. Following the expiry of the Royalty Term for the Licensed Product in a particular country, Teva shall have a fully paid up license to continue to exploit the License without having to make Royalty Payments or Generic Royalty Payments or pay Sublicense Fees with respect to the Licensed Product in such country.

7. **Payment Terms and Reporting in Respect of the License**

7.1. Upon the achievement of the first Milestone pursuant to Section 6.1.1(h), (i) and/or (k) and for the duration of the Royalty Term, Teva shall submit to Rexahn, no later than sixty (60) days after the end of each calendar quarter, quarterly reports setting out all amounts owing to Rexahn in respect of the calendar quarter to which the report refers with respect to the Licensed Product, including: (i) the Net Sales made by Teva and its Affiliates, Sublicensees and Further Sublicensees, including a breakdown of Net Sales according to country and currency of sales, (ii) amounts deducted as royalties to third parties pursuant to Section 1.2.25(vi), (iii) total Milestone Payments, Royalty Payments, Generic Royalty Payments and Sublicense Fees due to Rexahn in respect of such calendar quarter or, if no such payments are due to Rexahn in respect of such calendar quarter, a statement that no payments are due; (iv) any calculations made in relation to Combination Products and the Generic Royalty Payments; and (v) all non-royalty payments owing to Rexahn pursuant to Section 6.6, and any calculations made in respect thereof. Each such report shall be signed by the relevant financial executive of the relevant division of Teva.

7.2. The Parties agree that all information which Teva provides to Rexahn pursuant to Section 7.1 shall be treated as Confidential Information for the purposes of Section 15.

7.3. All amounts payable by Teva to Rexahn pursuant to Section 6 shall be paid to Rexahn (i) in respect of Royalty Payments and Generic Royalty Payments, on a quarterly basis, and no later than *** (***) days after the end of each calendar quarter, commencing with the first calendar quarter in which Net Sales are made, (ii) in respect of Milestone Payments, within *** (***) days following the achievement of the applicable Milestone, and (iii) in respect of Sublicense Fees, within *** (***) days following the receipt by Teva of the relevant sums from any Sublicensees.

7.4. Each payment due to Rexahn pursuant to Section 6 shall be paid by Teva by wire transfer of immediately available funds to an account or accounts designated by Rexahn in writing.

7.5. Teva shall maintain and shall cause its Affiliates to maintain, complete and accurate records of the Licensed Product sold under this Agreement, and any amounts payable to Rexahn in relation to such Licensed Product, which records shall contain sufficient information and detail to reasonably permit Rexahn to confirm the accuracy of any payments made to Rexahn.

7.6. Teva shall retain and shall cause its Affiliates to retain such records relating to each calendar year during the Royalty Term for at least seven (7) years after the conclusion of that calendar year, during which time Rexahn shall have the right, at its expense to cause an independent certified public accountant (which accountant may not be compensated on a full or partial contingency basis) to inspect such records during normal business hours for the sole purpose of verifying any payments delivered under this Agreement. Such accountant shall not disclose to Rexahn any information other than information relating to the accuracy of reports and payments delivered under this Agreement. In the event that any audit performed pursuant to Section 7.6 reveals an underpayment in excess of five percent (5%) in any calendar year, and if such underpayment is proven to the satisfaction of a mutually agreed external auditor (it being agreed that absent such mutual agreement as to the identity of the auditor within thirty (30) days of a Party's written notice to the other Party that it wishes to have such external auditor appointed, the external auditor shall be one of the 'big four' accounting firms who has not served as the auditor of either party hereto for the five (5) year period prior to the period being audited), then Teva shall bear the full cost of Rexahn's audit. Rexahn may exercise its right of audit under this Section 7 only once every year and only with reasonable prior notice to Teva, and the relevant Affiliate and subject to prior coordination. Any such audit shall be made during Teva's or the relevant Affiliate's normal business hours and shall not unreasonably interfere with the business of Teva or the relevant Affiliate, and shall be completed within a reasonable timeframe. Teva shall transfer to Rexahn any payment due pursuant to such auditor's audit within twenty (20) days of either (i) receipt of the results of Rexahn's audit if not disputed by Teva, or (ii) receipt of the final determination of the independent auditor jointly selected by Teva and Rexahn to resolve the dispute. Such payment shall bear interest at a rate per annum equal to the "prime rate" published in the Wall Street Journal from time to time (the "Prime Rate") from the date such payment should have been properly paid.

8. **Intellectual Property Rights**

8.1. The Parties agree that Rexahn owns all the proprietary rights, title and interest in and to the Rexahn IP, and that such right, title and interest shall remain with and be vested in Rexahn.

8.2. If during the subsistence of this Agreement any subsidiary of Rexahn or any company with which Rexahn merges (if such shall exist) shall generate or own any IP Rights that if generated or owned by Rexahn would have been considered part of the Licensed Information, then Rexahn shall immediately notify Teva of such IP and shall act immediately to ensure that such IP shall be licensed to Rexahn (or directly to Teva) so that such IP becomes part of the Licensed Information, at no additional cost to Teva.

8.3. All IP relating to the Licensed Product which is developed by or on behalf of Teva (including by Rexahn) on or after the date on which Teva serves the License Notice shall be exclusively owned by Teva, and Teva shall have all right, title and interest thereto (the "Teva IP").

8.4. Each Party agrees to sign, execute and deliver all documents and papers that may be required, and perform such other acts as may be reasonably required in order to ensure the assignment to Rexahn of the Rexahn IP and the assignment to Teva of the Teva IP and any registration of the License with the relevant authorities anywhere in the world.

9. **Prosecution and Protection of Intellectual Property**

Patent Filing

9.1. During the performance of the R&D Program, Rexahn shall be obligated in accordance with the instructions of the R&D Committee and utilizing for such purpose Teva or patent counsel acceptable to Teva, at Rexahn's expense (as part of the mutually approved R&D Budget), to file, record, prosecute, and maintain all Patents on a worldwide basis. Rexahn shall continuously and at its own cost provide Teva with reasonable information relating to the prosecution of such IP Rights, and the maintenance and other proceedings relating thereto including, without limitation, by providing copies of substantive communications, notices, actions, search reports and third party observations submitted to or received from the relevant patent authorities.

9.2. Notwithstanding Section 9.1, if Teva serves a License Notice on Rexahn, then from the date on which the License Notice is served and for the rest of the term of this Agreement, subject to Section 9.3, Teva shall have the right to file, record, prosecute and maintain all Patents claiming RX-3117 on a worldwide basis using its own or Rexahn's counsel (as selected by Teva, in its sole discretion). Teva shall continuously and at its own expense provide Rexahn with reasonable information relating to the prosecution of such IP Rights, and the maintenance and other proceedings relating thereto including, without limitation, by providing copies of substantive communications, notices, actions, search reports and third party observations submitted to or received from the relevant patent authorities. Further, to the extent a Patent claiming RX-3117 contains claims that include any compounds other than RX-3117 (such other claims are referred to as the "Broad Claims"), then in such case, in addition to the foregoing, Teva shall provide Rexahn with full prior comment and participation rights with respect to the prosecution and maintenance of the IP Rights in such other Broad Claims. Teva shall use its commercially reasonable efforts to prosecute the full breadth of the Broad Claims.

9.3. If Teva notifies Rexahn in writing that it does not desire to file, record, prosecute or maintain a Patent in any country then subject to Teva's consent, which consent shall not be unreasonably withheld, Rexahn shall have the right to assume the responsibility for the prosecution and maintenance of such patent application and Patent in such country.

9.4. Nothing contained in this Agreement shall be deemed to be a warranty by either of the Parties that they can or will be able to obtain patents or patent applications based upon the Licensed Information.

Patent Enforcement

9.5. In the event that either Party becomes aware of any product that is made, used, or sold or any action that it believes infringes or misappropriates the Licensed Information applicable to the Licensed Product anywhere in the world, such Party will promptly advise the other of all the relevant facts and circumstances known to such first-mentioned Party in connection with such infringement or misappropriation.

9.6. Teva shall have the first right, but not the obligation, to bring an action against any third party suspected of infringement or misappropriation of the same, and to control the defense of any counterclaim or declaratory judgment action alleging invalidity or non-infringement (or other action) relating thereto. If Teva elects to bring such action against a third party, Rexahn will cooperate fully with Teva at Teva's expense in connection with such proceedings including the joining of Rexahn as a party to such action as may be required by the law of the particular jurisdiction in which proceedings are brought. Any recovery obtained as a result of such action, minus the costs and expenses incurred as a result of such action, shall be treated as if they were Net Sales for the purpose of calculating payments due to Rexahn hereunder.

If Teva does not exercise its right as described in this Section 9.6, then, subject to Teva's prior written approval, Rexahn shall be entitled to exercise such right at its own cost and expense and any recovery in such action shall be retained by Rexahn in full, subject to the other terms of this Agreement.

9.7. Each Party shall execute all necessary and proper documents, take such actions as are reasonably required of it and as are necessary to allow the other Party to bring the proceedings referred to in this Section 9, and shall otherwise cooperate in the conduct of such actions (including, without limitation, consenting to being named as a party thereto). If a Party brings proceedings as described in this Section 9 it shall keep the other Party reasonably informed as to the status of such action.

Patent Infringement

9.8. If Teva serves the License Notice and following the date of service either Teva or Rexahn, or both of them, are sued by a third party alleging that the commercialization of the Licensed Product infringes any IP Rights of such third party the Party who is sued shall immediately give the other Party written notice of same.

9.9. If proceedings as described in Section 9.8 are brought against Teva or Rexahn or both of them, Teva shall have the right to defend such action on behalf of both Parties and any expenses or costs incurred by Teva in connection with such action(s), and any costs or amounts awarded to the counterparties in such action(s) shall, subject to the other terms of this Agreement, be fully borne by Teva and any recovery in such action shall be retained by Teva in full.

9.10. If Teva does not exercise its right to defend proceedings as described in Section 9.8 in a particular jurisdiction pursuant to Section 9.9 within sixty (60) days from the date the relevant suit becomes known to Teva, then, subject to Teva's prior written approval, Rexahn shall be entitled to defend such claim at its own cost and expense in such jurisdiction and any recovery in such action shall be retained by Rexahn in full, subject to the other terms of this Agreement.

General

9.11. The Parties agree to provide each other with reasonable cooperation in the defense of any claims brought against the other Party in connection with the substance of this Agreement and shall join any such litigation as a party if required by law. The Parties agree to execute all documents reasonably necessary for the relevant Party to defend such action and shall provide documents and help with making contact with witnesses that are or were their employees, consultants or otherwise connected to them, whose assistance or testimony is necessary in the reasonable judgment of the lawyers with conduct of the proceedings.

9.12. In no event shall either Party enter into any settlement, consent order, consent judgment or any voluntary disposition of such action that would adversely affect the rights of the other without the prior written consent of such other Party, which consent shall not be unreasonably withheld or delayed.

10. **Representations and Warranties**

10.1. Each Party hereby represents and warrants to the other Party that:

10.1.1. it has the full power and authority to enter into this Agreement and to perform its obligations hereunder, and all corporate approvals required have been obtained;

10.1.2. entering this Agreement shall not constitute a breach of any agreement, contract, understanding and/or obligation, including such Party's documents of incorporation which it is currently bound by, and as long as this Agreement is in effect and without derogating from the rights to terminate the Agreement pursuant to Section 11 below, such Party shall not undertake any obligations which conflict with its obligations under this Agreement;

10.1.3. it is a corporation duly organized, validly existing under the laws of the jurisdiction of its organization and it has all necessary corporate power and authority to carry on its business as currently conducted or proposed to be conducted;

10.1.4. in carrying out its obligations and responsibilities pursuant to this Agreement it shall obtain or procure all necessary approvals and consents and shall comply with all applicable laws and regulations, licenses, permits, approvals and procedures;

10.1.5. it reaffirms as if fully stated herein, all of its representations and warranties set forth in the Securities Purchase Agreement.

10.2. In addition, Rexahn hereby represents and warrants that:

10.2.1. it is and shall remain during the term of this Agreement the sole and exclusive owner of all rights in and to the Rexahn IP and all right, title and interest therein and thereto vest in Rexahn; provided, however, in the event of any sale of Rexahn's entire business to a "Successor", the provisions of this Agreement shall be binding upon and inure to the benefit of such "Successor" pursuant to Section 19.4 hereof. All parts of the Licensed Information are and shall remain during the subsistence of this Agreement free and clear of any, pledge, security, interest, encumbrance, prior assignment, option, warrant, right to possession, claim, right or restriction of any kind or nature whatsoever, charge or other lien whether arising by contract, agreement or by operation of law or order of a court ("Liens").

10.2.2. to the best of its knowledge the performance of Rexahn's obligations under this Agreement and the grant of the License to Teva hereunder do not and will not infringe any third party IP Rights;

10.2.3. it has the right and authority to grant the License Option and the License;

10.2.4. it has no knowledge of any legal suit or proceeding by any third party against Rexahn contesting the ownership or validity of the Licensed Information or any part thereof or contesting the License that may be granted hereunder (including as it relates to the commercialization of the Licensed Product) as infringing any third party IP Rights;

10.2.5. it shall not, during the term of this Agreement, perform any work or other activities on or in connection with RX-3117, except in accordance with the R&D Program;

10.2.6. it has the necessary experience and expertise to manage and/or perform the R&D Program internally and through external sources;

10.2.7. it has not transferred and shall not during the term of this Agreement transfer any material embodiment of the Licensed Information to any third party whatsoever, including without limitation, pursuant to the terms of a material transfer agreement without Teva's prior written approval; and

10.2.8. it repeats and restates as if set forth in full herein all of its representations and warranties under Section 3.14 of the Securities Purchase Agreement.

10.3. Without derogating from any of the remedies available to either Party hereunder or under applicable law, if either Party shall become aware of the inaccuracy of any of the above representations and warranties, such Party shall immediately notify the other Party of such in writing.

10.4. Except as otherwise expressly provided in this Agreement, no Party makes any warranty with respect to any technology, patents, goods, services, rights or other subject matter of this Agreement and each Party hereby disclaims warranties of merchantability and fitness for a particular purpose with respect to any and all of the foregoing. Without derogating from the generality of the foregoing, nothing contained in this Agreement is a warranty or representation by Rexahn or Teva that any efforts to be exerted by Rexahn or Teva in connection with this Agreement including without limitation any development activities to be performed by them under this Agreement will achieve their aims or succeed, and the Parties make no warranties whatsoever as to any results to be achieved in consequence of the carrying out of any such efforts or activities.

11. Term and Termination

11.1. This Agreement shall continue in full force and effect until terminated in accordance with the terms hereof.

11.2. This Agreement shall automatically terminate upon (i) the expiration of the Option Period if Teva does not exercise the License Option within such Option Period or (ii) termination of the Securities Purchase Agreement in accordance with the provisions of Section 6.14 thereof.

11.3. If Teva in its sole discretion, after considering scientific, regulatory, technical, competitive and such other factors it considers relevant, determines to terminate this Agreement, then Teva shall promptly provide Rexahn with notice in writing of such determination. Promptly following the receipt of such notice from Teva, the Parties shall meet and discuss Teva's intention to terminate this Agreement. If following such discussion, but in any event not later than thirty (30) days from and after the foregoing notice from Teva, Teva still wishes to terminate, then Teva may terminate this Agreement without penalty or further discussion.

11.4. Upon termination of this Agreement pursuant to Section 11.2, the termination of this Agreement by Teva pursuant to Section 11.3 or by Rexahn pursuant to Section 11.5 and in the event that Teva has previously exercised the License Option:

11.4.1. the License granted to Teva by Rexahn shall be terminated;

11.4.2. Teva, its Sublicensees and Further Sublicensees shall cease all use of the Licensed Information and the Licensed Product including the commercialization of the Licensed Product, subject to Section 4.4;

11.4.3. Subject to Section 11.7, Teva shall promptly transfer to Rexahn all documents, instruments, records and data relevant to the development or commercialization of the Licensed Product generated, developed or disclosed to it during the term of this Agreement and in the framework of the R&D Program, in its possession, that are solely and directly related to the Licensed Product, and shall be allowed to retain one copy for archival purposes;

11.4.4. Teva shall provide Rexahn with a report summarizing its development activities and the results up to termination; and

11.4.5. Teva shall be deemed without any further action to have granted to Rexahn a non-exclusive, perpetual, royalty-free worldwide license (including the right to grant sublicenses), under Teva's interest in any Teva IP that is solely and directly related to the Licensed Product to develop, have developed, make, have made, use, have used, offer for sale, sell, have sold, import and have imported any and all Licensed Product.

11.5. Without derogating from any other remedies that either Party hereto may have under the terms of this Agreement, the Securities Purchase Agreement or at law, each Party hereto shall have the right to terminate this Agreement forthwith upon the occurrence of any of the following:

11.5.1. the other Party commits a material breach of this Agreement and fails to remedy that breach within forty-five (45) days after being requested to do so by the non-breaching Party; or

11.5.2. upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by the other Party; provided, however, in the case of any involuntary bankruptcy, reorganization, liquidation, receivership or assignment proceeding such right to terminate shall only become effective if such other Party consents to the involuntary proceeding or such proceeding is not dismissed within ninety (90) days after the filing thereof.

Notwithstanding the immediately preceding provision of this Section 11.5.2, all rights and licenses granted pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of Title 11, U.S. Code (the "Bankruptcy Code") licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that Teva and Rexahn shall retain and may fully exercise all of their respective rights, remedies and elections under the Bankruptcy Code. The Parties further agree that, in the event of the commencement of a bankruptcy or reorganization case by or against a Party under the Bankruptcy Code, the other Party shall be entitled to all applicable rights under Section 365 (including Section 365(n)) of the Bankruptcy Code. Upon rejection of this Agreement by a Party or a trustee in bankruptcy for such Party, pursuant to Section 365(n), the other Party may elect (i) to treat this Agreement as terminated by such rejection or (ii) to retain its rights (including any right to enforce any exclusivity provision of this Agreement) to intellectual property (including any embodiment of such intellectual property) under this Agreement and under any agreement supplementary to this Agreement for the duration of this Agreement and any period for which this Agreement could have been extended by such other Party, subject, however, to the continued payment of all amounts owing under this Agreement, all of which amounts shall be deemed to be royalties for purposes of Section 365(n) of the Bankruptcy Code. Upon written request to the trustee in bankruptcy or bankrupt Party, the trustee or Party, as applicable, shall (i) provide to the other Party any IP Rights held by the trustee or the bankrupt Party and shall provide to the other Party a complete duplicate of (or complete access to, as appropriate) any such IP and (ii) not interfere with the rights of the other Party to such IP as provided in this Agreement or any agreement supplementary to this Agreement, including any right to obtain such IP (or such embodiment or duplicates thereof) from a third party.

11.6. Subject to Section 11.4, upon termination of this Agreement for any other reason, each Party shall immediately return to the other Party all materials, reports, updates, documentation, written instructions, notes, memoranda, discs or records or other documentation or physical matter of whatsoever nature or description provided by the other Party, except in the event that such material is owned by such Party pursuant to the terms of this Agreement, and provided that each Party shall be allowed to retain one copy for archival purposes.

11.7. If following termination of this Agreement, Rexahn shall grant to a third party a license or allow a third party to use or shall otherwise commercialize or sell any of the results or data generated during the course of the R&D Program or any other development results achieved by Teva or any Teva IP, and Rexahn shall receive consideration in respect of such license, then Rexahn shall pay to Teva an amount equal to (i) the full amount of the expenses incurred by Teva in arriving at such results, data or Teva IP and (ii) all payments to Rexahn under this Agreement; provided that amounts paid by Teva under the Securities Purchase Agreement shall not be reimbursable expenses for purposes of this Section 11.7, and Rexahn shall also undertake to pay all payment obligations to third parties which Teva would have been obligated to pay if the License had not been terminated. Rexahn shall pay to Teva amounts, if any, payable under this Section 11.7, within sixty (60) days of receipt of the relevant consideration. Such payments shall bear interest at a rate per annum equal to the Prime Rate from the date such amounts were originally paid by Teva.

11.8. At the request of either Party, the other Party shall execute and deliver such assignments and licenses and other documents as may be necessary to fully vest in the requesting Party all right, title and interest to which it is entitled pursuant to this Section 11.

11.9. Upon termination of this Agreement for any reason each Party shall be entitled to collect any debt then owed to it by the other Party.

11.10. Save as otherwise provided in this Agreement, any provision that by its nature is intended to survive termination or expiry shall survive the termination or expiry of this Agreement.

12. **Indemnification**

12.1. Teva shall indemnify, defend, and hold harmless each of Rexahn and its directors, officers, employees, and agents and their respective successors, heirs and assigns (the "Rexahn Indemnitees"), from and against any liability, damage, loss, or expense (including reasonable attorney's fees and expenses) incurred by or imposed upon any of the Rexahn Indemnitees in connection with any claims, suits, actions, demands or judgments of third parties ("Claims") arising pursuant to a breach of a representation or warranty of Teva under this Agreement and/or concerning the negligent acts or omissions to act by Teva, or any of its Affiliates or Sublicensees or Further Sublicensees, except in cases where, and to the extent that, such Claims result from the breach of this Agreement, negligence or willful misconduct by or on the part of any of the Rexahn Indemnitees and/or any misrepresentation by Rexahn under this Agreement or under the Securities Purchase Agreement.

12.2. Teva's undertakings under Section 12.1 above shall be subject to: (a) receipt of prompt written notice of any Claim by the Rexahn Indemnitee (provided, however, that the failure to give such notice shall not affect Teva's indemnification undertakings provided hereunder except to the extent Teva shall have been actually prejudiced as a result of such failure), (b) the cooperation of the Rexahn Indemnitee(s) regarding the response to and the defense of any such Claim, and (c) Teva's right, by written notice to the Rexahn Indemnitees, to assume the defense of the Claim or represent the interests of the Rexahn Indemnitees in respect of such Claim, that shall include the right to select and direct legal counsel and other consultants to appear in proceedings on behalf of the Rexahn Indemnitees and to propose, accept or reject offers of settlement, all at its sole cost; provided however, that, unless such settlement involves solely monetary damages and includes an unconditional release of Rexahn, no such settlement shall be made without the written consent of the Rexahn Indemnitees, such consent not to be unreasonably withheld or delayed. Nothing herein shall prevent the Rexahn Indemnitees from retaining their own counsel and participating in their own defense at their own cost and expense.

12.3. Rexahn shall indemnify, defend, and hold harmless each of Teva and its directors, officers, employees, and agents and their respective successors, heirs and assigns (the "Teva Indemnitees"), from and against any liability, damage, loss, or expense (including reasonable attorney's fees and expenses) incurred by or imposed upon any of the Teva Indemnitees in connection with any Claims arising pursuant to a breach of a representation or warranty of Rexahn under this Agreement and/or concerning negligent acts or omissions to act by Rexahn Indemnitees or their subcontractors in the activities of Rexahn under this Agreement, except in cases where, and to the extent that, such Claims result from the breach of this Agreement, negligence or willful misconduct by or on the part of any of the Teva Indemnitees and/or any misrepresentation by Teva under this Agreement.

12.4. Rexahn's undertakings under Section 12.3 shall be subject to: (a) receipt of prompt written notice of any Claim by the Teva Indemnitee (provided, however, that the failure to give such notice shall not affect Rexahn's indemnification undertakings provided hereunder except to the extent Rexahn shall have been actually prejudiced as a result of such failure), (b) the cooperation of the Teva Indemnitee(s) regarding the response to and the defense of any such Claim, and (c) Rexahn's right, by written notice to the Teva Indemnitees, to assume the defense of the Claim or represent the interests of the Teva Indemnitees in respect of such Claim, that shall include the right to select and direct legal counsel and other consultants to appear in proceedings on behalf of the Teva Indemnitees and to propose, accept or reject offers of settlement, all at its sole cost; provided however, that unless such settlement involves solely monetary damages and includes an unconditional release of Teva, no such settlement shall be made without the written consent of the Teva Indemnitees, such consent not to be unreasonably withheld or delayed. Nothing herein shall prevent the Teva Indemnitees from retaining their own counsel and participating in their own defense at their own cost and expense.

13. **Insurance**

Each Party shall maintain, for the term of this Agreement and thereafter, insurance sufficient to cover its obligations under this Agreement and under law as it customarily maintains for similar activities in the regular course of its business. Teva may fulfill its obligation under this Section 13 to obtain insurance by the maintenance of appropriate self insurance regardless of the nature or title thereof.

14. **Limitation of Liability**

EXCEPT IN THE CASE OF A WILLFUL OR FRAUDULENT MISREPRESENTATION UNDER THIS AGREEMENT OR THE SECURITIES PURCHASE AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER OR ANY OF ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS OR GOODWILL) SUFFERED OR INCURRED BY SUCH OTHER PARTY OR ITS AFFILIATES, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE OR TORT, OR OTHERWISE, ARISING OUT OF THIS AGREEMENT.

15. **Confidentiality**

15.1. Other than as expressly set forth herein, Teva and Rexahn undertake to treat and to maintain and to ensure that their Representatives (as defined below) shall treat and maintain, in strict confidence and secrecy, any confidential or proprietary information or data disclosed by either Party under this Agreement, whether provided in written, oral, graphic, visual, electronic or other form, including without limitation non-public information relating to the Licensed Information, existing or proposed research, development efforts, new inventions, sources of materials, cost, pricing and other financial information and patent information (the "Confidential Information") and shall keep in confidence the existence and contents of this Agreement, shall not disclose, publish, or disseminate in any manner, any Confidential Information including, without limitation, any aspect thereof which may have been disclosed prior to the signature hereof to a third party other than those of its Representatives with a need to know the same for the purpose of performing its obligations under this Agreement (the "Purpose"). In addition, each Party agrees to treat and maintain (and to ensure that its Representatives treat and maintain) in strict confidence and secrecy and to prevent any unauthorized use, disclosure, publication, or dissemination of the Confidential Information, except for the Purpose. Each Party agrees to be responsible for any use or disclosure of Confidential Information of any of its said Representatives.

15.2. Each Party shall:

15.2.1. safeguard and keep secret all Confidential Information, and will not directly or indirectly disclose to any third party the Confidential Information without written permission of the other.

15.2.2. in performing its duties and obligations hereunder, use at least the same degree of care as it does with respect to its own confidential information of like importance but, in any event, at least reasonable care.

15.3. The undertakings and obligations under Sections 15.1 and 15.2 shall not apply to any part of the Confidential Information which:

15.3.1. was known to the recipient of the Confidential Information (the "Recipient") prior to disclosure by the disclosing Party the ("Discloser");

15.3.2. was generally available to the public prior to disclosure to the Recipient;

15.3.3. is disclosed to Recipient by a third party who is not bound by any confidentiality obligation, having a legal right to make such disclosure;

15.3.4. has become through no act or failure to act on the part of the Recipient public information or generally available to the public;

15.3.5. was independently developed by the Recipient without reference to or reliance upon the Confidential Information;

15.3.6. is required to be disclosed by the Recipient by law, by court order, or governmental regulation (including securities laws and/or exchange regulations), provided that the Recipient gives the Discloser reasonable notice prior to any such disclosure and cooperates (at the Discloser's expense) with the Discloser to assist the Discloser in obtaining a protective order or other suitable protection from disclosure (if available) with respect to such Confidential Information.

Notwithstanding the foregoing, in the event that either Party is required to disclose Confidential Information pursuant to securities laws, then, prior to such disclosure, the text of such disclosure shall be provided to the other Party hereto for its comment and review, and only text that has been prior agreed between the Parties shall be disclosed.

15.4. Teva and Rexahn acknowledge that their respective Confidential Information is of special and unique significance to each of them and that any unauthorized disclosure or use of the Confidential Information could cause irreparable harm and significant injury to the Discloser that may be difficult to ascertain. Accordingly, any breach of this Agreement may entitle the aggrieved Party in addition to any other right or remedy that it may have available to it by law or in equity, to remedies of injunction, performance and other relief, including recourse in a court of law.

15.5. Each Party agrees to inform the other Party of any breach or threatened breach of the provisions hereof by its Representatives.

15.6. The provisions relating to confidentiality in this Section 15 shall remain in effect during the term of this Agreement and for a period of seven (7) years after its termination.

15.7. Rexahn shall make its best efforts to ensure that Rexahn's Affiliates comply with the provisions of this Section 15.

15.8. Notwithstanding the foregoing, each Party may disclose the terms of this Agreement (i) to the extent required (in the reasonable opinion of such Party's legal counsel) to comply with applicable laws and subject to the provisions of Section 16.1; and (ii) pursuant to appropriate non-disclosure arrangements (w) to Sublicensees; (x) to financial and legal advisors; (y) as reasonably necessary in conjunction with any debt or equity financing of that Party; or (z) in conjunction with a merger, acquisition, consolidation, share exchange, or other similar transaction involving a Party, provided however that prior to any disclosure, the disclosing Party shall consult with the non-disclosing Party, and the non-disclosing Party shall have the right to delete business sensitive issues.

15.9. For the purposes of this Section 15 "Representatives" shall mean employees, officers, agents, subcontractors, consultants, and/or any other person or entity acting on either Party's behalf, individually or collectively and which shall be exposed to Confidential Information.

16. **Publication / Non-Disclosure**

16.1. Neither Party shall issue any press release, make any public statement or advertise any information pertaining to this Agreement, the Securities Purchase Agreement, or to the collaboration hereunder, without the prior written approval of the other, except as required by applicable law. Without derogating from the foregoing, disclosure required under applicable law and regulations, including disclosures pursuant to Form 8-K and other filings with the Securities and Exchange Commission ("SEC") or other governmental bodies, or disclosures necessary to comply with laws or regulations for appropriate market disclosure, shall not be subject to the written consent of the other Party, however (i) the disclosing Party shall give the other sufficient notice, as far as practicable under law, of such required disclosure as to enable the non-disclosing Party time to object to such disclosure and shall reasonably strive to implement any comments provided by the non-disclosing Party; and (ii) Rexahn and Teva (as the case may be) shall seek to redact any confidential information (including, without limitation, disclosure of Teva's identity, prior to the Initial Closing under the Securities Purchase Agreement) set forth in such filings, and each Party shall provide a draft of the redacted version of this Agreement (or such other document being redacted) to the other Party no less than four business days prior to the filing with the SEC, other governmental authority or securities exchange and give reasonable consideration to the other Party's comments regarding any proposed redaction. Teva (i) expressly acknowledges that Rexahn may need or desire to announce publicly results in its research and development programs, product development pipelines and commercialization, including in discussion with potential investors, and (ii) agrees that it shall take the above into account and not unreasonably withhold, condition or delay its consent to any such request by Rexahn.

16.2. Rexahn shall not submit for written or oral publication any manuscript, abstract or the like relating to the Licensed Product without the prior written consent of Teva. If Rexahn desires to submit such publication, it shall first deliver to Teva, for Teva's prior written consent, the proposed publication or an outline of the oral disclosure at least sixty (60) days prior to planned submission or presentation.

16.3. Rexahn shall use its commercially reasonable efforts to ensure that Rexahn's Affiliates comply with the provisions of this Section 16.

17. **Independent Contractors**

17.1. It is expressly agreed that the Parties shall be independent contractors and that the relationship between the Parties shall not constitute a partnership, joint venture or agency. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior consent of such other Party.

17.2. Rexahn agrees that its employees, officers, agents, subcontractors, consultants, and/or any other person or entity acting on Rexahn's behalf, individually or collectively, shall be the sole responsibility of Rexahn and shall not be considered at any time as Teva employees and shall not have any claims against Teva whatsoever. Teva agrees that its employees, officers, agents, subcontractors, consultants, and/or any other person or entity acting on Teva's behalf, individually or collectively, shall be the sole responsibility of Teva and shall not be considered at any time as Rexahn employees and shall not have any claims against Rexahn whatsoever.

18. **Miscellaneous Payment and Tax Provisions**

18.1. All amounts required to be paid pursuant to this Agreement are final and inclusive of all taxes and/or duties, of whatsoever nature.

18.2. If applicable laws require that taxes be withheld from any amounts due to Rexahn under this Agreement, Teva shall (a) deduct these taxes from the remittable amount, (b) pay the taxes to the proper taxing authority, and (c) deliver to Rexahn a statement including the amount of tax withheld and justification therefore, and such other information as may be necessary for tax credit purposes. For the avoidance of doubt, any amounts due to Rexahn under this Agreement shall be reduced by any withholding or similar taxes applicable to such payment, such that the actual maximum payment by Teva shall not exceed the amounts or the rates provided in this Agreement.

18.3. Subject to providing Rexahn fifteen (15) days notice and an explanation in reasonable detail of the basis for the calculations, Teva shall be entitled to set-off from any amounts due to Rexahn under this Agreement, any amounts not exceeding the amounts of any damage caused to Teva as a result of Rexahn's breach under this Agreement.

19. **Assignment and Subcontracting**

19.1. Teva is permitted to assign its rights and obligations under this Agreement to its Affiliates and such assignment may be made by Teva at its sole discretion either in respect of the entire Agreement or with respect to the rights and obligations related to any part of this Agreement, provided that Teva shall remain liable for the performance of all of its obligations under this Agreement.

19.2. Rexahn shall not, without the prior written consent of Teva, assign, charge, mortgage, subcontract or transfer in any other manner all or any of its rights or obligations under this Agreement. Any assignment not in accordance with this Agreement shall be null and void.

19.3. Teva shall be entitled to perform any and all of its obligations arising under the terms of this Agreement and to exploit any and all of its rights arising under the terms of this Agreement either directly or through its Affiliates, provided that Teva remains liable for the performance of all of its obligations under this Agreement.

19.4. Except as otherwise expressly provided herein, the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. "Successors" shall mean any successor to a party by way of (i) sale of all or substantially all of the assets of a party, (ii) stock sale or share exchange, or (iii) merger or similar reorganization transaction.

20. **Amendments**

No amendment of this Agreement shall be valid unless it is in writing and signed by, or on behalf of, each of the Parties.

21. **Severance**

Should any part or provision of this Agreement be held unenforceable or in conflict with the applicable laws or regulations of any applicable jurisdiction, the invalid or unenforceable part or provision shall, provided that it does not go the essence of this Agreement, be replaced with a revision which accomplishes, to the extent possible, the original commercial purpose of such part or provision in a valid and enforceable manner, and the balance of this Agreement shall remain in full force and effect and binding upon the Parties.

22. **Entire Agreement**

This Agreement and its annexes constitute the entire agreement between the Parties with respect to its subject matter and supersede all prior agreements, arrangements, dealings or writings between the Parties, whether oral or written.

23. **Waiver**

No waiver of a breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

24. **Further Assurances**

Each Party agrees to execute, acknowledge and deliver such further documents and instruments and do any other acts, from time to time, as may be reasonably necessary, to effectuate the purposes of this Agreement.

25. **Third Parties**

None of the provisions of this Agreement is intended to benefit, nor shall any provisions of this Agreement be enforceable by, any person who is not a party to this Agreement.

26. **Notices**

Any notice, declaration or other communication required or authorized to be given by any Party under this Agreement to the other Party shall be in writing and shall be personally delivered, sent by facsimile transmission (with a copy by ordinary mail in either case) or dispatched by courier addressed to the other Party at the address stated below or such other address as shall be specified by the Parties by notice in accordance with the provisions of this Section 26. Any notice shall operate and be deemed to have been served, if personally delivered, sent by fax or by courier on the next following business day.

Teva's and Rexahn's addresses for the purposes of this Agreement shall be as follows:

If to Teva:

Teva Pharmaceutical Industries Ltd.
Innovative Ventures
Attention: Dr. Aharon Schwartz
16 Basel Street, Petah Tiqva 49131, Israel
Telephone: 972-3-9267277
Facsimile: 972-3-9267581

With a copy (that will not constitute notice) to:
Teva Pharmaceutical Industries Ltd.
Attention: General Counsel, Legal Department
5 Basel Street, Petah Tiqva 49131, Israel
Telephone: 972-3-926-7297
Facsimile: 972-3-926-7429

If to Rexahn:

Rexahn Pharmaceuticals, Inc.
15245 Shady Grove Road, Suite 455
Rockville, Maryland 20850
Attention: Rick Soni

Attention: Tae Heum Jeong
Telephone: 240-268-5300 x310
Facsimile: 240-268-5310

With a copy (that will not constitute notice) to:
Venable LLP
750 E. Pratt Street
Suite 900
Baltimore, MD 21202
Attention: Michael J. Baader, Esq
Telephone: 410-244-7708
Facsimile: 410-244-7742

27. **Governing Law and Jurisdiction**

This Agreement shall be governed by the laws of the State of New York. All actions, suits or proceedings arising out of or relating to this Agreement shall be heard and determined in any New York State or federal court sitting in the City of New York, County of New York, and the Parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waive any defense of an inconvenient forum to the maintenance of any such action or proceeding. Each Party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each Party hereby waives all rights to a trial by jury.

28. **Force Majeure**

28.1. If either Party is prevented from fulfilling its obligations under this Agreement by reason of any supervening event beyond its control (including but not limited to war, national emergency, flood, earthquake, strike or lockout) the party unable to fulfill its obligations (the "Incapacitated Party") it shall immediately give notice of this to the other Party and shall do everything reasonably within its power to resume full performance of its obligations as soon as possible.

28.2. Subject to compliance with the requirements of Section 28.1 the Incapacitated Party shall not be deemed to be in breach of its obligations under this Agreement during the period of incapacity in the circumstances referred to in Section 28.1 and the other Party shall continue to perform its obligations under this Agreement save only in so far as they are dependent on the prior performance by the Incapacitated Party of obligations which it cannot perform during the period of incapacity.

29. **Interpretation**

Both Parties have had the opportunity to have this Agreement reviewed by an attorney; therefore, neither this Agreement nor any provision hereof shall be construed against the drafter of this Agreement.

30. **Counterparts**

This Agreement may be executed in any number of counterparts (including counterparts transmitted by fax), each of which shall be deemed to be an original, but all of which taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed by its duly authorized representatives:

TEVA PHARMACEUTICAL INDUSTRIES LIMITED	REXAHN PHARMACEUTICALS, INC.
signature: /s/ Aharon Schwartz, Ph.D. *name:* Aharon Schwartz, Ph.D. *designation:* Vice President, Innovative Ventures signature: /s/ Josh Levine name: Josh Levine *designation:* Senior Director, Innovative Ventures **Date: June 26, 2009**	*signature:* */s/ Chang H. Ahn* *name:* *Chang H. Ahn* *designation:* *Chairman & Chief Executive Officer* **Date: June 26, 2009**

Signature page to Research and Exclusive License Option Agreement

***** Confidential Treatment Requested**

Annex 1

The Securities Purchase Agreement

[Filed as Exhibit 10.2 to this Current Report on Form 8-K]

***** Confidential Treatment Requested**

Annex 2

The Patents

***** Confidential Treatment Requested**

Exhibit 10.2

SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (this "Agreement") is made and entered into as of June 26, 2009 (the "Effective Date"), by and between Rexahn Pharmaceuticals, Inc., a corporation organized and existing under the laws of Delaware (the "Company"), and Teva Pharmaceutical Industries Limited, a limited liability company organized and existing under the laws of Israel (the "Purchaser").

Recitals

The Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(2) under the Securities Act of 1933, as amended (the "1933 Act").

The Purchaser wishes to purchase, and the Company wishes to sell and issue to the Purchaser, upon the terms and subject to the conditions stated in this Agreement, shares of the Company's common stock, par value $0.0001 per share (the " Common Stock"), as further set forth herein.

Contemporaneous with the execution and delivery of this Agreement, the parties hereto are executing a Research and Exclusive License Option Agreement (the "RELO Agreement") pursuant to which the Company shall use the funds provided by Purchaser's purchase of Common Stock hereunder to perform a research and development program, as further described in Section 2.3.

Agreement

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchaser agree as follows:

1 . DEFINITIONS. In addition to those terms defined above and elsewhere in this Agreement, for the purposes of this Agreement, the following terms shall have the meanings herein set forth:

1.1 "1934 Act" means the Securities Exchange Act of, 1934, as amended.

1.2 "Additional Per Share Purchase Price" means the per share purchase price payable by the Purchaser for the Additional Shares in accordance with this Agreement, which shall be equal to 120% of the closing price of the Common Stock on the primary Trading Market on which the Common Stock is then trading as reported by Bloomberg L.P. for the last trading day preceding the Second Closing Date (or if the Common Stock is not then trading on an Eligible Market, the price per share of the Common Stock shall be determined by the Board of Directors of the Company in its reasonable determination, subject to the agreement of the Purchaser in it sole and absolute discretion).

1.3 "Additional Shares" means a number of shares of Common Stock equal to the lesser of (i) the quotient of the Additional Aggregate Purchase Price divided by the Additional Per Share Purchase Price and (ii) the number of shares of Common Stock that when added to the Initial Shares would equal 7% of the outstanding Common Stock upon the effectiveness of the Second Closing.

1.4 "Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, such Person, as such terms are used in and construed under Rule 144 under the 1933 Act.

1.5 "Business Day" means any calendar day, except that if an activity to be performed or an event to occur falls on a Friday, Saturday, Sunday or a day which is recognized as a national holiday in the place of performance of an applicable activity or occurrence of an applicable event, then the activity may be performed or the event may occur on the next day that is not a Friday, Saturday, Sunday or nationally recognized holiday.

1.6 "Eligible Market" means any of the New York Stock Exchange, the NYSE Amex, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or the Over-the-Counter Bulletin Board.

1.7 "Initial Closing" means the closing of the purchase and sale of the Initial Shares pursuant to Section 2.1.

1.8 "Initial Aggregate Purchase Price" means $3,500,000.

1.9 "Initial Per Share Purchase Price" means the per share purchase price payable by the Purchaser for the Initial Shares in accordance with this Agreement, which shall be equal to 120% of the closing price of the Common Stock on the primary Trading Market on which the Common Stock is then trading as reported by Bloomberg L.P. for the last trading day preceding the Initial Closing Date.

1.10 "Initial Shares" means a number of shares of Common Stock equal to the lesser of (i) the quotient of the Initial Aggregate Purchase Price divided by the Initial Per Share Purchase Price and (ii) the number of shares of Common Stock that would equal 7% of the outstanding Common Stock upon the effectiveness of the Initial Closing.

1.11 "IP Rights" means all vested, contingent and future intellectual property rights including, but not limited to: (i) all inventions, compounds, compositions, substances, methods, processes, techniques, know-how, technology, data, information, discoveries and other results of whatsoever nature, and any patents, copyrights, proprietary intellectual or industrial rights directly or indirectly deriving therefrom, as well as provisionals, patent applications (whether pending or not), and patent disclosures together with all reissuances, continuations, continuations in part, revisions, extensions, and reexaminations thereof; (ii) all trademarks, service marks, copyrights, designs, trade styles, logos, trade dress and corporate names, including all goodwill associated therewith; (iii) any work of authorship, regardless of copyrightability, all compilations, all copyrights; and (iv) all trade secrets, confidential information and proprietary processes.

1.12 "Lien" means any lien, charge, claim, security interest, encumbrance, right of first refusal or other restriction.

1.13 "Material Adverse Effect" means a material adverse effect on (i) the condition (financial or otherwise), business, assets or results of operations of the Company, (ii) the Company's ability to perform any of its obligations under the terms of the Transaction Documents in any material respect, or (iii) the rights and remedies of the Purchaser under the Transaction Documents.

1.14 "Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

1.15 "R&D Program" has the meaning set forth in the RELO Agreement.

1.16 "RX-3117" means the compound described by claim 4 of U.S. Patent No. 7,405,214B2.

1.17 "SEC" means the U.S. Securities and Exchange Commission.

1.18 "Shares" means the Initial Shares, the Additional Shares and any shares of Common Stock issued pursuant to Section 5.7 hereof, collectively.

1.19 "Subsidiaries" means any Person in which the Company, directly or indirectly, owns capital stock or holds an equity or similar interest.

1.20 "Trading Market" means the NYSE Amex or any other Eligible Market, or any other national securities exchange, market or trading or quotation facility on which the Common Stock is then listed or quoted.

1.21 "Transaction Documents" means this Agreement, the RELO Agreement and any other agreement entered into, now or in the future, by the Company or the Purchaser in connection with this Agreement or any of the other Transaction Documents.

1.22 List of Additional Definitions. The following is a list of additional terms used in this Agreement and a reference to the Section hereof in which such term is defined:

Term	Section
Additional Aggregate Purchase Price	2.2(f)(i)
Agreement	Preamble
Common Stock	Recitals
Company	Preamble
Effective Date	Preamble
Initial Closing Date	2.1(b)
Pre-Clinical Development Requirements	2.1(d)(i)(E)
Purchaser	Preamble
R&D Budget	2.1(d)(i)(E)
Registrable Securities	5.6(a)
RELO Agreement	Recitals
Reports	3.10
Second Closing	2.2(c)
Second Closing Date	2.2(c)
Second Closing Notice	2.2(b)
Updated R&D Budget	2.2(a)
1933 Act	Recitals

2. PURCHASE AND SALE OF SHARES.

2.1 Initial Closing.

(a) Purchase of the Initial Shares. Subject to the terms and conditions of this Agreement and on the basis of the representations and warranties made herein, at the Initial Closing the Company hereby agrees to sell and issue to the Purchaser, and the Purchaser hereby agrees to purchase from the Company, the Initial Shares for an aggregate purchase price equal to the Initial Aggregate Purchase Price.

(b) Time and Place of Initial Closing. The Initial Closing and delivery of all items to be delivered hereunder at the Initial Closing shall take place at the offices of Loeb & Loeb LLP, 345 Park Avenue, New York, New York 10154, or at such other place as may be mutually agreed upon between the parties hereto, on the third Business Day following the date on which each of the conditions to the obligations of the parties to consummate the Initial Closing contemplated hereby have been satisfied or waived by the party entitled to the benefit thereof (such date, the "Initial Closing Date").

(c) Initial Closing Deliveries.

(i) At the Initial Closing, the Company shall deliver or cause to be delivered to the Purchaser the following:

(A) a stock certificate, free and clear of all restrictive legends (except as expressly provided in Section 5.1(a)), evidencing the Initial Shares, registered in the name of the Purchaser;

(B) a copy of the RELO Agreement executed on behalf of the Company;

(C) a compliance certificate, in form and substance reasonably satisfactory to the Purchaser, certifying the accuracy of the Company's representations and warranties in the Transaction Documents as of the Initial Closing Date; and

(D) any other documents reasonably requested by the Purchaser or its counsel in connection with the Initial Closing, including, without limitation, certified copies of the Company's certificate of incorporation, certificates of good standing and customary officers' and secretary's certificates.

(ii) At the Initial Closing, the Purchaser shall deliver or cause to be delivered to the Company the following:

(A) the Initial Aggregate Purchase Price of $3,500,000 by wire transfer of immediately available funds to the account of the Company;

(B) a copy of the RELO Agreement executed on behalf of the Purchaser;

(C) a compliance certificate, in form and substance reasonably satisfactory to the Company, certifying the accuracy of the Purchaser's representations and warranties in the Transaction Documents as of the Initial Closing Date; and

(D) any other documents reasonably requested by the Company or its counsel in connection with the Initial Closing, including, without limitation, customary officers' and secretary's certificates.

(d) Conditions to Initial Closing.

(i) Conditions Precedent to the Obligations of the Purchaser. The obligation of the Purchaser to acquire the Initial Shares at the Initial Closing is subject to the satisfaction or waiver by the Purchaser, at or before the Initial Closing, of each of the following conditions:

(A) Representations and Warranties. The representations and warranties of the Company contained in the Transaction Documents shall be true and correct in all material respects as of the date when made and as of the Initial Closing Date as though made on and as of such date;

(B) Performance. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Initial Closing;

(C) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents;

(D) No Material Adverse Effect. Since the date of execution of this Agreement, no event or series of events shall have occurred that would reasonably be expected to have or result in a Material Adverse Effect;

(E) Pre-Clinical Development Requirements; R&D Program; R&D Budget. The Purchaser and the Company shall have agreed upon (1) a set of requirements to apply to the pre-clinical development of RX-3117 (the "Pre-Clinical Development Requirements"); (2) the R&D Program; and (3) a budget (the "R&D Budget") to govern the expenditure of the $1,250,000 of the Initial Aggregate Purchase Price to be allocated to the R&D Program as provided in Section 2.3(a);

(F) Purchaser Validation Study. The Purchaser in its sole discretion shall be satisfied with the results of its ongoing validation study relating to RX-3117, which determination shall be made by the Purchaser no later than 60 days after completion of such validation study and in any event, no later than September 30, 2009; and

(G) NYSE Amex Approval. The NYSE Amex shall have approved the Initial Shares for listing on the NYSE Amex.

(ii) Conditions Precedent to the Obligations of the Company. The obligation of the Company to sell the Initial Shares at the Initial Closing is subject to the satisfaction or waiver by the Company, at or before the Closing, of each of the following conditions:

(A) Representations and Warranties. The representations and warranties of the Purchaser contained in the Transaction Documents shall be true and correct in all material respects as of the date when made and as of the Initial Closing Date as though made on and as of such date;

(B) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents;

(C) Pre-Clinical Development Requirements; R&D Budget. The Purchaser and the Company shall have agreed upon (1) the Pre-Clinical Development Requirements and (2) the R&D Budget; and

(D) NYSE Amex Approval. The NYSE Amex shall have approved the Initial Shares for listing on the NYSE Amex.

2.2 Second Closing.

(a) No sooner than 60 days prior to the scheduled exhaustion (pursuant to the R&D Budget) of the $1,250,000 of the Initial Aggregate Purchase Price allocated to the R&D Program, or at such other time as may be mutually agreed upon by the Company and the Purchaser, the Company shall deliver to the Purchaser an updated R&D Budget (the "Updated R&D Budget"), which Updated R&D Budget, together with an expenditure schedule and payment mechanism for the remaining funding of the R&D Program, shall be subject to the written approval of the Purchaser.

(b) No later than 60 days following receipt by the Purchaser of the Updated R&D Budget, the Purchaser shall deliver to the Company a written notice (the "Second Closing Notice") stating whether the Purchaser elects to proceed to the Second Closing (as defined below), which determination shall be made by the Purchaser in its sole discretion. If the Purchaser does not elect to proceed to the Second Closing, then the parties hereto shall have no further rights or obligations under this Section 2 or under Section 5.7 hereof.

(c) If the Purchaser elects to proceed to the Second Closing, within 15 days following the receipt of the Second Closing Notice a closing shall be held at the offices of Loeb & Loeb LLP, 345 Park Avenue, New York, New York 10154, or at such other place as may be mutually agreed upon between the parties hereto, on such date and time as shall be mutually agreed upon between the parties hereto (the "Second Closing" and the date of the Second Closing, the "Second Closing Date").

(d) It shall be a condition to the obligation of the Company and the Purchaser to consummate the Second Closing that the NYSE Amex shall have approved the Additional Shares for listing on the NYSE Amex.

(e) It shall be a condition to the obligation of the Purchaser to consummate the Second Closing that the Company shall have complied in all respects with its obligations in respect of the R&D Program including, without limitation, the R&D Budget.

(f) At the Second Closing the following transactions shall take place, all of which shall be deemed to have occurred simultaneously:

(i) The Company shall sell and issue to the Purchaser, and the Purchaser shall purchase from the Company, the Additional Shares for an aggregate purchase price equal to the amount required to complete funding of the R&D Program (the "Additional Aggregate Purchase Price") pursuant to the Updated R&D Budget.

(ii) The Purchaser shall transfer to the Company the Additional Aggregate Purchase Price by wire transfer of immediately available funds to the account of the Company.

(iii) If Additional Shares are being issued, the Company shall deliver to the Purchaser a stock certificate, free and clear of all restrictive legends (except as expressly provided in Section 5.1(a)), evidencing the Additional Shares, registered in the name of the Purchaser.

(iv) The Company shall provide the Purchaser with updated schedules to this Agreement, complete and accurate as of the Second Closing.

(v) The Company shall provide the Purchaser with a compliance certificate, in form and substance reasonably satisfactory to the Purchaser, certifying the accuracy of the Company's representations and warranties in the Transaction Documents as of the Second Closing Date; and any other documents reasonably requested by the Purchaser or its counsel in connection with the Second Closing.

(vi) The Purchaser shall provide the Company with a compliance certificate, in form and substance reasonably satisfactory to the Company, certifying the accuracy of the Purchaser's representations and warranties in the Transaction Documents as of the Second Closing Date; and any other documents reasonably requested by the Company or its counsel in connection with the Second Closing.

2.3 Use of Proceeds. The Company will use the net proceeds of the issuance and sale of Shares as follows:

(a) $1,250,000 of the Initial Aggregate Purchase Price to fund the R&D Program; provided that the Company shall conduct the R&D Program strictly in accordance with the R&D Budget; and provided, further, that the R&D Program and the R&D Budget and each update to the R&D Program and the R&D Budget shall form a part of this Agreement and constitute an amendment hereto;

(b) $2,250,000 of the Initial Aggregate Purchase Price for general working capital and other corporate purposes; and

(c) the Additional Aggregate Purchase Price strictly in accordance with the terms of the Updated R&D Budget, including, without limitation, the expenditure schedule and payment mechanism included therewith.

3 . REPRESENTATIONS AND WARRANTIES OF THE COMPANY . The Company hereby represents and warrants to the Purchaser as follows:

3.1 Subsidiaries. The Company has no direct or indirect Subsidiaries.

3 . 2 Organization and Good Standing. The Company is a corporation validly existing and in good standing under the laws of the State of Delaware, with all requisite power and authority to carry on its business as presently conducted and own and use its properties and assets. The Company is authorized to conduct business as a foreign corporation and is in good standing in each jurisdiction where the conduct of its business or the ownership of its property requires such qualification, except where the failure to be so qualified and in good standing would not, individually or in the aggregate, reasonably be expected to have or result in a Material Adverse Effect.

3 . 3 Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereunder and thereunder have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company in connection therewith. Each Transaction Document to which the Company is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered by the Company in accordance with the terms hereof, will constitute the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

3 . 4 No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of the Company's certificate of incorporation, bylaws or other organizational or charter documents, (b) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company debt or otherwise) or other understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (c) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (assuming the accuracy of the Purchaser's representations and warranties and compliance by the Purchaser with its respective covenants as set forth in this Agreement), including federal and state securities laws and regulations and the rules and regulations of any self-regulatory organization to which the Company or its securities are subject, or by which any property or asset of the Company is bound or affected; except in the case of each of clauses (b) and (c), such as would not, individually or in the aggregate, reasonably be expected to have or result in a Material Adverse Effect.

3 . 5 Issuance of the Shares. The Shares have been duly authorized and when issued in accordance with the terms of this Agreement will be validly issued, fully paid, nonassessable and free and clear of all Liens and charges (other than any Liens or charges arising solely from any action of the Purchaser or its Affiliates) and shall not be subject to preemptive or similar rights. Assuming the validity of the Purchaser's representations and warranties contained in Section 4, the offer, issuance and sale of the Shares to the Purchaser pursuant to this Agreement is exempt from registration requirements of the 1933 Act.

3 . 6 Capitalization. The aggregate number of shares and type of all authorized, issued and outstanding capital stock, options and other securities of the Company (whether or not presently convertible into or exercisable or exchangeable for shares of capital stock of the Company) is set forth in Schedule 3.6. All of the Company's outstanding shares of capital stock are duly authorized, validly issued, fully paid and nonassessable and have been issued in compliance with all applicable securities laws. Except as set forth in Schedule 3.6 and except for customary adjustments as a result of stock dividends, stock splits, combinations of shares, reorganizations, recapitalizations, reclassifications or other similar events, there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders), and the issuance and sale of the Shares will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under such securities.

3.7 Absence of Litigation. Except as set forth in Schedule 3.7, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any of the Company's officers or directors in their capacities as such and any of the Company's properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) which (a) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Shares or (b) could, if there were an unfavorable decision, individually or in the aggregate, have or result in a Material Adverse Effect. Except as set forth in Schedule 3.7, no judgment, injunction, writ, award, decree or order has been issued by any court or other governmental authority against the Company.

3.8 Labor Relations. No material labor dispute exists or, to the knowledge of the Company, is imminent or threatened, with respect to any of the employees of the Company.

3.9 Reporting Company. The Company is a publicly held company subject to reporting obligations pursuant to Section 13 of the 1934 Act and has a class of common equity registered pursuant to Section 12(b) of the 1934 Act.

3.10 Information Concerning Company. The Company's Form 10-K for the year ended December 31, 2008 as filed with the SEC, together with all reports thereafter filed by the Company with the SEC pursuant to the 1934 Act (collectively, the "Reports") as of their respective dates complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC threreunder. Since the date of the financial statements included in the Reports, and except as disclosed in the Reports or modified by any information provided to the Purchaser by the Company in connection with the transactions contemplated by the Transaction Documents or in the Schedules hereto, there has not been a Material Adverse Effect. The Reports do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances when made.

3.11 Compliance. The Company (a) is not in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company under), nor has the Company received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (b) is not in violation of any order of any court, arbitrator or governmental body, and (c) is not, nor has it been in the past in violation of any statute, rule or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not, individually or in the aggregate, reasonably be expected to have or result in a Material Adverse Effect.

3.12 Transactions with Affiliates and Employees. Except as set forth in Schedule 3.12, none of the officers or directors of the Company, nor any of the employees of the Company is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

3.13 Title to Assets. The Company has valid title to or leasehold rights for all real property that is material to the business of the Company and good and marketable title in all personal property owned by it that is material to the business of the Company, in each case free and clear of all Liens, except for Liens disclosed in Schedule 3.13 or as do not, individually or in the aggregate, materially interfere with the use made and proposed to be made of such property by the Company. Any real property and facilities held under lease by the Company are held by it under valid, subsisting and enforceable leases of which the Company is in compliance, except as would not, individually or in the aggregate, reasonably be expected to have or result in a Material Adverse Effect.

3.14 Intellectual Property. The Company has made available to the Purchaser copies of all of its written records relating to (a) applications for or registrations of any patents, trademarks, service marks, trade names, copyrights (including mask works) and Internet domain names owned by the Company; (b) material common law trade marks, service marks, trade names and corporate names owned by the Company; and (c) licenses of IP Rights granted to the Company, a complete list of which is set forth on section I of Schedule 3.14. The Company has used commercially reasonable efforts to protect its interests in any IP Rights used to conduct its business as presently conducted and for the performance of the R&D Program. Except as set forth in section II of Schedule 3.14, (x) to the best knowledge of the Company, based on its consultation with its patent counsel, the Company owns and possesses all right, title and interest in and to, or possesses the valid right to use (without the making of any payment to others (other than license or maintenance fees as specified in Schedule 3.14) or the obligation to grant rights to others in exchange) the IP Rights necessary to enable the Company to carry out the R&D Program and to conduct the business of the Company as presently conducted, free and clear of all liens, pledges, charges or security interests of any kind or nature and none of the IP Rights are likely to be held invalid or unenforceable, and (y) the Company has not received any written notices of infringement or misappropriation from any Person with respect to the IP Rights of the Company. Except as set forth in section III of Schedule 3.14, the Company has not granted any rights or licenses of any kind to any Person in the IP Rights of the Company. To the best knowledge of the Company, based on its consultation with its patent counsel, the use of the IP Rights of the Company used to conduct its business as presently conducted and for the performance of the R&D Program do not infringe and will not infringe any IP Rights of any Person. To the best of the Company's knowledge, based on consultation with its patent counsel, there is no unauthorized use, infringement or misappropriation of the IP Rights of the Company by any third party. Except as set forth in section III of Schedule 3.14, to the best knowledge of the Company, based on consultation with its patent counsel, all licenses of the Company, as listed therein, (1) are valid and binding and in full force and effect and represent the entire agreement between the respective licensor and licensee with respect to the subject matter of such license; and (2) will, immediately following the Initial Closing, continue to be valid and binding and in full force and effect on terms identical in all material respects to those currently in effect; the consummation of the transactions contemplated by this Agreement will not constitute a material breach or default under such license or otherwise so as to give the licensor or any other Person a right to terminate such license. The Company has not (A) received any notice of termination or cancellation under such license, (B) received any notice of breach or default under such license, which breach has not been cured, or (C) granted to any other third party any rights, adverse or otherwise, under such license that would constitute a material breach of such license. To the best knowledge of the Company, the Company is not in material breach or default thereof, and no event has occurred that, with notice or lapse of time, would constitute such a material breach or default or permit termination, modification or acceleration under such license, other than the lapse of time which results in expiration of the term of such license.

3.15 Company Employees. Neither the Company, nor to the best knowledge of the Company, any of its respective employees, officers, directors, agents or consultants is (i) subject to confidentiality restrictions in favor of any third Person the breach of which could subject the Company to any liability, or (ii) obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with their duties to the Company or that would conflict with the Company's business as presently proposed to be conducted. Each employee and officer of and consultant to the Company has executed a proprietary information and inventions agreement (a standard form of which has been provided to Purchaser). The Company does not use or rely on any IP Rights made or developed by any current or former employee or officer of or consultant to the Company prior to his or her employment or relationship with the Company, which has not been assigned or licensed to the Company.

3.16 Registration Rights. Except as described in Schedule 3.16 the Company has not granted or agreed to grant to any Person any rights (including "piggy-back" registration rights) to have any securities of the Company registered with the SEC or any other governmental authority that have not been satisfied or waived.

3.17 Disclosure. To the Company's knowledge, all disclosure provided to the Purchaser regarding the Company, its business financial condition and the transactions contemplated hereby, including the Schedules to this Agreement, furnished by or on behalf of the Company, are true and correct in all material respects and do not contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER. The Purchaser hereby represents and warrants to the Company as follows:

4.1 Organization; Authorization; Enforcement. The Purchaser is an entity duly organized, validly existing and in good standing under the laws of Israel. The Purchaser has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder. The execution, delivery and performance by the Purchaser of the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of the Purchaser. Each Transaction Document to which the Purchaser is a party has been (or upon delivery will have been) duly executed by the Purchaser and, when delivered by the Purchaser in accordance with terms hereof, will constitute the valid and legally binding obligations of the Purchaser, enforceable against it in accordance with its terms.

4 . 2 No Conflicts. The execution, delivery and performance of the Transaction Documents by the Purchaser and the consummation by the Purchaser of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of the Purchaser's certificate of incorporation, bylaws or other organizational or charter documents or (b) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Purchaser is subject (assuming the accuracy of the Company's representations and warranties and compliance by the Company with its respective covenants as set forth in this Agreement) or by which any property or asset of the Purchaser is bound or affected; except in the case of clause (b), such as would not, individually or in the aggregate, reasonably be expected to have or result in a material adverse effect on the Purchaser.

4 . 3 Absence of Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Purchaser, threatened against or affecting the Purchaser, any of the Purchaser's officers or directors in their capacities as such and any of the Purchaser's properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) which adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents.

4.4 The Purchaser's Status. At the time the Purchaser was offered the Shares, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the 1933 Act. The Purchaser is not a broker-dealer, or required to be registered as a broker-dealer, under Section 15 of the 1934 Act.

4 . 5 Experience of the Purchaser. The Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares, and has so evaluated the merits and risks of such investment, and the Purchaser has had available such information with respect to the Company as the Purchaser deems necessary or appropriate to make such evaluation and an informed investment decision with respect thereto. The Purchaser is able to bear the economic risk of an investment in the Shares and, at the present time, is able to afford a complete loss of such investment.

4 . 6 General Solicitation. The Purchaser is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

4.7 No Public Sale or Distribution; Investment Intent. The Purchaser is acquiring the Shares in the ordinary course of business for its own account for investment purposes only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, and the Purchaser does not have a present intention nor a present arrangement to effect any distribution of the Shares to or through any Person or entity; provided, however, that by making the representations herein, the Purchaser is not agreeing to hold any of the Shares for any minimum or other specific term and reserves the right to dispose of the Shares at any time in accordance with or pursuant to an effective registration statement or an exemption under the 1933 Act.

5. COVENANTS AND AGREEMENTS.

5.1 Transfer Restrictions.

(a) Until such time as the resale of the Shares may be registered under the 1933 Act or such time as the Shares may be transferred pursuant to the provisions of Rule 144 under the 1933 Act, to the extent applicable, each certificate or other document evidencing any of the Shares shall be endorsed with the legend set forth below, and the Purchaser covenants that, except to the extent such restrictions are waived by the Company, the Purchaser shall not transfer the Shares represented by any such certificate (other than to its Affiliates) without complying with the restrictions on transfer described in the legends endorsed on such certificate:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES OR BLUE SKY LAWS. THE COMPANY MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT ANY PROPOSED OFFER, SALE, TRANSFER OR OTHER DISPOSITION IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

(b) Certificates evidencing the Shares shall not be required to contain the legend set forth in Section 5.1(a) or any other legend if such Shares are eligible for sale under Rule 144 under the 1933 Act or if such legend is not required under applicable requirements of the 1933 Act (including judicial interpretations and pronouncements issued by the Staff of the SEC). Following such time as a legend is no longer required for the Shares, the Company will, no later than ten Business Days following the delivery by the Purchaser to the Company of a legended certificate representing the Shares, deliver or cause to be delivered to the Purchaser a certificate representing the Shares that is free from all restrictive and other legends.

5.2 Listing of Shares. The Company shall (a) in the time and manner required by the Trading Market, prepare and file with the Trading Market an additional shares listing application covering all of the Shares issued or issuable under the Transaction Documents, (b) take all steps necessary to cause such Shares to be approved for listing on the Trading Market as soon as possible thereafter, (c) provide to the Purchasers evidence of such listing, and (d) maintain the listing of such Shares on the Trading Market.

5.3 Reports and Filing. Upon execution of this Agreement, the Company shall fully cooperate with the Purchaser in preparing, drafting and filing the reports the Purchaser must file with the relevant government authorities, agencies, offices and other institutions in connection with the acquisition of foreign securities by the Purchaser; provided that the Purchaser shall be solely responsible for all costs associated with the preparation and filing of such reports. The Purchaser shall fully cooperate with the Company in preparing, drafting and filing any reports and documents pursuant to the relevant securities laws and regulations; provided that the Company shall be solely responsible for all costs associated with the preparation and filing of such reports and documents.

5 . 4 General Indemnity. The Company shall indemnify and hold harmless the Purchaser and its directors, officers, Affiliates, agents, successors and assigns from an against any and all losses, liabilities, deficiencies, costs, damages and expenses (including, without limitation, reasonable attorneys' fees, charges and disbursements) incurred by the Purchaser as a result of any inaccuracy in or breach of the representations, warranties or covenants made by the Company herein. The Purchaser shall indemnify and hold harmless the Company and its directors, officers, Affiliates, agents, successors and assigns from and against any and all losses, liabilities, deficiencies, costs, damages and expenses (including, without limitation, reasonable attorneys' fees, charges and disbursements) incurred by the Company as a result of any inaccuracy in or breach of the representations, warranties or covenants made by the Purchaser herein.

5 . 5 Compliance with Laws. So long as the Purchaser beneficially owns any of the Shares, the Company will use reasonable efforts to comply with all applicable laws, rules, regulations, orders and decrees of all governmental authorities, except to the extent non-compliance (in one instance or in the aggregate) would not have a Material Adverse Effect.

5.6 Registration Rights. The Company hereby grants the following registration rights to the Purchaser:

(a) Subject to the limitation in Section 5.6(e), if at any time after the Initial Closing the Company proposes to register any of its shares of Common Stock under the 1933 Act for sale to the public, whether for its own account or for the account of others (except with respect to registration statements on Form S-4, S-8 or another form not available for registering the Shares for sale, but expressly including registration statements on Form S-3), the Company will promptly give written notice thereof to the Purchaser. If within 20 days after receipt of such notice, the Purchaser requests the inclusion of some or all of the Shares owned by it in such registration (the "Registrable Securities"), the Company will use commercially reasonable efforts to effect the registration under the 1933 Act of the offer and sale of all such Registrable Securities. In the event that any registration pursuant to this Section 5.6 shall be, in whole or in part, an underwritten public offering of Common Stock, the number of shares of Registrable Securities to be included in such an underwriting may be reduced by the managing underwriter if and to the extent that the Company and the underwriter shall reasonably be of the opinion that such inclusion would adversely affect the marketing of the securities to be sold by the Company therein; provided, however, that the Company shall notify the Purchaser in writing of any such reduction. Notwithstanding the foregoing provisions, or Section 5.6(d), below, the Company may withdraw or delay or suffer a delay of any registration statement referred to in this Section 5.6 without thereby incurring any liability to the Purchaser due to such withdrawal or delay.

(b) If and whenever the Company is required by the provisions of Section 5.6(a) to effect the registration of any Registrable Securities under the 1933 Act, the Company will, as expeditiously as possible:

(i) subject to the timelines provided in this Agreement, prepare and file with the SEC a registration statement required by Section 5.6(a), with respect to the Registrable Securities and use its best efforts to cause such registration statement to become and remain effective for the period of the distribution contemplated thereby (determined as herein provided), and promptly provide to the Purchaser copies of all filings and SEC letters of comment and notify the Purchaser within one Business Day of (A) notice that the SEC has no comments or no further comments on the registration statement, and (B) the declaration of effectiveness of the registration statement;

(ii) furnish to the Purchaser, at the Company's expense, such number of copies of the registration statement and the prospectus included therein (including each preliminary prospectus) as such persons reasonably may request in order to facilitate the public sale or their disposition of the securities covered by such registration statement;

(iii) use its commercially reasonable efforts to register or qualify the Registrable Securities covered by such registration statement under the securities or "blue sky" laws of such jurisdictions as the Purchaser shall request in writing; provided, however, that the Company shall not for any such purpose be required to qualify generally to transact business as a foreign corporation in any jurisdiction where it is not so qualified or to consent to general service of process in any such jurisdiction or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject;

(iv) if applicable, list the Registrable Securities covered by such registration statement with principal Trading Market on which the Common Stock is then listed;

(v) promptly notify the Purchaser when a prospectus relating thereto is required to be delivered under the 1933 Act, of the happening of any event of which the Company has knowledge as a result of which the prospectus contained in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing; and

(vi) provided same would not be in violation of the provision of Regulation FD under the 1934 Act, make available for inspection by the Purchaser, and any attorney, accountant or other agent retained by the Purchaser or underwriter, all publicly available, non-confidential financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors and employees to supply all publicly available, non-confidential information reasonably requested by the seller, attorney, accountant or agent in connection with such registration statement.

(c) In connection with each registration described in this Section 5.6, the Purchaser will furnish to the Company in writing such information and representation letters with respect to itself and the proposed distribution by it as reasonably shall be necessary in order to assure compliance with federal and applicable state securities laws.

(d) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 5.6 prior to the effectiveness of such registration whether or not the Purchaser has elected to include Registrable Securities in such registration. The Company shall pay all expenses necessary to comply with this Section 5.6, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel and independent public accountants for the Company, fees and expenses (including reasonable counsel fees) incurred in connection with complying with state securities or "blue sky" laws, fees of the Financial Industry Regulatory Authority, transfer taxes, fees of transfer agents and registrars, costs of insurance and fees of one counsel for the Purchaser. The Company shall pay all indemnities, discounts, selling commissions and stock transfer taxes (if any) applicable to the sale of the Shares by the Purchaser, including fees and expenses of legal counsel to the Purchaser.

(e) Notwithstanding any provision hereof to the contrary, the Purchaser shall not be entitled to exercise its registration rights pursuant to this Section 5.6 until either (i) the Second Closing has been consummated or (ii) the Purchaser has irrevocably notified the Company that it does not intend to proceed to the Second Closing as provided in Section 2.2(b).

5.7 Amendments to R&D Budget. In the event of any agreed upon amendment to the R&D Budget or the Updated R&D Budget (including, without limitation, pursuant to Section 3.3 of the RELO Agreement) pursuant to which the payment or expenditure of any additional amounts not otherwise provided for hereunder or under the RELO Agreement is required, then in such case any such amounts shall be paid or expended by Purchaser, in exchange for which the Company shall issue to the Purchaser such number of shares of the Common Stock as shall be equal in value (calculated based on the closing price of the Common Stock on the primary Trading Market, as reported by Bloomberg L.P. for the last trading day preceding the date of the amounts paid or expended by the Purchaser (or if the Common Stock is not then trading on an Eligible Market, the price per share of the Common Stock shall be determined by the Board of Directors of the Company in its reasonable determination, subject to the agreement of the Purchaser in it sole and absolute discretion)) to any such amounts actually paid or expended by Purchaser hereunder; provided that in no event shall the Company be obligated to issue any Common Stock to the Purchaser if such issuance would result in the Purchaser then holding greater than 7% of the outstanding shares of Common Stock in the aggregate; and provided further, that it shall be a condition to the obligation of the Company to issue additional shares of Common Stock to the Purchaser pursuant to this Section 5.7 that the NYSE Amex shall have approved such additional shares for listing on the NYSE Amex.

6. MISCELLANEOUS.

6.1 Entire Agreement. The Transaction Documents, together with the Exhibits and Schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.2 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section 6.2 prior to 5:30 p.m. (New York City time) on a Business Day, (b) the Business Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Agreement later than 5:30 p.m. (New York City time) on any date, (c) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:
Rexahn Pharmaceuticals, Inc.
15245 Shady Grove Road, Suite 455
Rockville, MD 20850
Attn: Tae Heum Jeong
Fax No.: (240) 268-5310

With a copy to:
Chadbourne & Parke LLP
1200 New Hampshire Avenue, N.W.
Washington, DC 20036
Attn: Hwan Kim, Esq.
Fax No.: (202) 974-6790

If to the Purchasers:
Teva Pharmaceutical Industries Limited
Innovative Ventures
16 Basel Street, Petah Tiqva 49131, Israel
Attn: Dr. Aharon Schwartz
Fax No.: 972-3-9267581

With a copy to:
Teva Pharmaceutical Industries Ltd.
5 Basel Street, Petah Tiqva 49131, Israel
Attention: General Counsel, Legal Department
Fax No.: 972-3-926-7429

; or such other address as may be designated in writing hereafter, in the same manner, by such Person.

6.3 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed by both of the parties hereto. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

6.4 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

6.5 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. "Successors" shall mean any successor to a party by way of (a) sale of all or substantially all of such party's assets, (b) stock sale or share exchange or (c) merger or similar reorganization transaction.

6.6 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except that each party able to be indemnified pursuant to Section 5.4 is an intended third party beneficiary.

6.7 GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT, OR THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. THE COMPANY AND THE PURCHASER HEREBY WAIVE ALL RIGHTS TO A TRIAL BY JURY.

6.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

6.9 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provisions shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

6.10 Replacement of Shares. If any certificate or instrument evidencing any Shares is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Shares.

6.11 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.12 Adjustments in Share Numbers and Prices. In the event of any stock split, subdivision, dividend or distribution payable in shares of Common Stock (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly shares of Common Stock), combination or other similar recapitalization or event occurring after the date hereof, each reference in any Transaction Document to a number of shares or a price per share shall be amended to appropriately account for such event.

6.13 Expenses. Except as otherwise specified herein, each of the parties hereto shall bear its own costs and expenses incurred in connection with the execution of this Agreement and the consummation of the transactions contemplated hereby, including without limitation the costs of its own legal counsel, accountants, financial advisors and consultants.

6.14 Termination. Notwithstanding any provision hereof to the contrary, this Agreement shall terminate and be of no further force and effect if (i) the Initial Closing has not occurred on or prior to 60 days following Purchaser's completion of the validation study relating to RX-3117 referred to in Section 2.1(d)(i)(F) hereof, but in no event later than October 6, 2009; or (ii) prior to the occurrence of the Initial Closing, the Purchaser notifies the Company in writing that it is not satisfied with the results of its ongoing validation study relating to RX-3117 referred to in Section 2.1(d)(i)(F) hereof or is otherwise not prepared to authorize the Company to proceed with pre-clinical development.

6 . 1 5 Survival. Except as otherwise provided in this Agreement, any provision that by its nature is intended to survive termination or expiration shall survive the termination or expiration of this Agreement.

6.16 Publication / Non-Disclosure.

(a) Neither party shall issue any press release, make any public statement or advertise any information pertaining to this Agreement or the RELO Agreement or the transactions contemplated thereunder, without the prior written approval of the other, except as required by applicable law. Without derogating from the foregoing, disclosure required under applicable law and regulations, including disclosures pursuant to Form 8-K and other filings with the SEC or other governmental bodies, or disclosures necessary to comply with laws or regulations for appropriate market disclosure, shall not be subject to the written consent of the other party, however (i) the disclosing party shall give the other sufficient notice, as far as practicable under law, of such required disclosure as to enable the non-disclosing party time to object to such disclosure and shall reasonably strive to implement any comments provided by the non-disclosing party; and (ii) the Company and the Purchaser (as the case may be) shall seek to redact any confidential information (including, without limitation, disclosure of the Purchaser's identity, prior to the Initial Closing) set forth in such filings, and each party shall provide a draft of the redacted version of this Agreement (or such other document being redacted) to the other party no less than four Business Days prior to the filing with the SEC, other governmental authority or securities exchange and give reasonable consideration to the other party's comments regarding any proposed redaction. The Purchaser (i) expressly acknowledges that the Company may need or desire to announce publicly results in its research and development programs, product development pipelines and commercialization, including in discussion with potential investors, and (ii) agrees that it shall take the above into account and not unreasonably withhold, condition or delay its consent to any such request by the Company.

(b) The Company shall use its commercially reasonable efforts to ensure that its Affiliates comply with the provisions of this Section 6.16.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

The Company

REXAHN PHARMACEUTICALS, INC.

By: /s/ Chang H. Ahn
Name: Chang H. Ahn
Title: Chairman & CEO

The Purchaser

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By: /s/ Josh Levine
Name: Josh Levine
Title: Senior Director, Innovative Ventures

By: /s/ Aharon Schwartz, Ph.D.
Name: Aharon Schwartz
Title: Vice President, Innovative Ventures

[Signature page to Securities Purchase Agreement]

Exhibit 10.3

AMENDMENT NO. 1 TO SECURITIES PURCHASE AGREEMENT

This Amendment No. 1 to Securities Purchase Agreement, dated as of September 16, 2009 (this "Amendment"), is made by and between Rexahn Pharmaceuticals, Inc., a corporation organized and existing under the laws of Delaware (the "Company"), and Teva Pharmaceutical Industries Limited, a limited liability company organized and existing under the laws of Israel (the "Purchaser"). Any capitalized term not defined herein shall have the meaning for such term specified in the Securities Purchase Agreement (as defined below).

WHEREAS, the Company and the Purchaser entered into a Securities Purchase Agreement, dated as of June 26, 2009 (the "Securities Purchase Agreement"); and

WHEREAS, the Purchaser and the Company wish to amend the Securities Purchase Agreement to restructure the consideration payable by the Purchaser at the Initial Closing and the Second Closing and to revise the anticipated timing of the Initial Closing, as set forth herein.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchaser agree as follows:

1. Section 1.8 of the Securities Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"1.8 Initial Aggregate Purchase Price" means $3,500,000."

2. Section 2.1(c)(ii)(A) of the Securities Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(A) the Initial Aggregate Purchase Price of $3,500,000 by wire transfer of immediately available funds to the account of the Company;"

3. Section 2.1(d)(i)(E) of the Securities Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(E) Pre-Clinical Development Requirements; R&D Program; R&D Budget. The Purchaser and the Company shall have agreed upon (1) a set of requirements to apply to the pre-clinical development of RX-3117 (the "Pre-Clinical Development Requirements"); (2) the R&D Program; and (3) a budget (the "R&D Budget") to govern the expenditure of the $3,500,000 of the Initial Aggregate Purchase Price to be allocated to the R&D Program as provided in Section 2.3(a);"

4. Section 2.2(a) of the Securities Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(a) No sooner than 60 days prior to the scheduled exhaustion (pursuant to the R&D Budget) of the $2,000,000 of the Initial Aggregate Purchase Price allocated to the R&D Program, or at such other time as may be mutually agreed upon by the Company and the Purchaser, the Company shall deliver to the Purchaser an updated R&D Budget (the "Updated R&D Budget"), which Updated R&D Budget, together with an expenditure schedule and payment mechanism for the remaining funding of the R&D Program, shall be subject to the written approval of the Purchaser."

5. Section 2.2(f)(i) of the Securities Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(i) The Company shall sell and issue to the Purchaser, and the Purchaser shall purchase from the Company, the Additional Shares for an aggregate purchase price equal to (a) $750,000, plus (b) the additional amount (if any) required to complete funding of the R&D Program pursuant to the Updated R&D Budget (together, the "Additional Aggregate Purchase Price")."

6. Sections 2.3(a) and 2.3(b) of the Securities Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(a) $2,000,000 of the Initial Aggregate Purchase Price to fund the R&D Program; provided, that the Company shall conduct the R&D Program strictly in accordance with the R&D Budget; and provided, further, that the R&D Program and **the** R&D Budget and each update to R&D Program and the R&D Budget shall form a part of this Agreement and constitute an amendment hereto;

(b) $1,500,000 of the Initial Aggregate Purchase Price for general working capital and other corporate purposes; and"

7. Section 2.3(c) of the Securities Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(c) $750,000 of the Additional Aggregate Purchase Price for general working capital and other corporate purposes, and the balance of the Additional Aggregate Purchase Price (if any) strictly in accordance with the terms of the Updated R&D Budget, including, without limitation, the expenditure schedule and payment mechanism included therewith."

8. Satisfaction of Conditions to Initial Closing. Upon execution of this Amendment by the Company and the Purchaser, the conditions to the respective obligations of the parties to effectuate the Initial Closing set forth in Section 2.1(d)(i) of the Securities Purchase Agreement shall be deemed satisfied or waived by the party entitled to the benefit thereof. The Initial Closing shall occur no later than September 30, 2009.

9. No Modification. Except as specifically amended hereby, the Securities Purchase Agreement shall continue in full force and effect unmodified and the parties hereby reaffirm the same.

10. Governing Law. This Amendment shall be governed by, construed and enforced in accordance with the internal laws of the State of New York, without regard to principles of conflict of laws.

11. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original and all of which shall be deemed to be one and the same instrument, with the same effect as if the signatures thereto and hereto were upon the same instrument. A facsimile or electronic transmittal (e.g. pdf) signature shall be deemed to be an original signature for purposes of this Amendment.

12. Amendment. The terms and conditions of this Amendment or the Securities Purchase Agreement may not be amended or waived, except with the prior written consent of each party hereto.

[**Remainder of page intentionally left blank; signature page to follow**]

IN WITNESS WHEREOF, the parties, intending to be legally bound, executed this Amendment as of the date first above written.

The Company

REXAHN PHARMACEUTICALS, INC.

By: /s/ Rick Soni
Name: Rick Soni
Title: President & COO

The Purchaser

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

By: /s/ Aharon Schwartz
Name: Aharon Schwartz, Ph.D.
Title: Vice President Innovative Ventures

By: /s/ Josh Levine
Name: Josh Levine
Title: Senior Director Innovative Ventures

Exhibit 99.1

CONTACTS:

Jeffrey Goldberger / Yemi Rose
KCSA Strategic Communications
212-896-1249 / 212-896-1233
jgoldberger@kcsa.com / yrose@kcsa.com

Constantine Theodoropulos
Base Pair Communications
617-401-3116
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Rexahn Pharmaceuticals and Teva Pharmaceutical Industries Close on a License Agreement

Rockville, Md, Sept. 21, 2009 - - Rexahn Pharmaceuticals, Inc. (NYSE Amex: RNN), a clinical stage pharmaceutical company commercializing potential best in class oncology and central nervous system (CNS) therapeutics, today announced that it has closed on its previously announced licensing and stock purchase agreements with Teva Pharmaceutical Industries Limited (NASDAQ:TEVA), a top 20 pharmaceutical company, for the development of its novel anti-cancer compound, RX-3117. RX-3117 is a small molecule, new chemical entity (NCE), nucleoside compound that has an anti-metabolite mechanism of action, and has therapeutic potential in a broad range of cancers including colon, lung and pancreatic cancer.

The companies reached an agreement with respect to the commercialization and development of RX-3117, under which on September 21, 2009 Teva purchased 3,102,837 shares of Rexahn's common stock for $3.5 million. Rexahn will be eligible to receive additional development, regulatory and sales milestone payments. In addition, Rexahn will be eligible to receive royalties on net sales worldwide. Under the terms of the deal, Teva may also make an additional equity investment in Rexahn within the next 12 months.

About RX-3117
RX-3117 is a small molecule, new chemical entity (NCE), nucleoside compound that inhibits DNA methyltransferase, a cyclin-dependent kinase, and DNA synthesis. Potential indications of RX-3117 are solid tumors including colon, lung and pancreatic cancers. RX-3117 has demonstrated its ability to overcome cancer drug resistance in cancer cells, in particular, gemcitabine-resistance in the human lung cancer cell. The US patent issued for RX-3117 claims composition of matter, synthesis, and methods (2008).

About Rexahn Pharmaceuticals, Inc.
Rexahn Pharmaceuticals is a clinical stage pharmaceutical company dedicated to commercializing first in class and market leading therapeutics for cancer, disorders of the CNS, sexual dysfunction and other unmet medical needs. Rexahn currently has three drug candidates in Phase II clinical trials – Archexin™, Serdaxin™, and Zoraxel™ – all potential best in class therapeutics, and a robust pipeline of preclinical compounds to treat multiple cancers and CNS disorders. Rexahn also has key R&D programs in cancer nano-medicines and multi-target aimed ligands drug discovery technologies. For more information, please visit www.rexahn.com

Safe Harbor
This press release contains forward-looking statements. Rexahn's actual results may differ materially from anticipated results, and expectations expressed in these forward-looking statements, as a result of certain risks and uncertainties, including Rexahn's lack of profitability, and the need for additional capital to operate its business to develop its product candidates; the risk that Rexahn's development efforts relating to its product candidates may not be successful; the possibility of being unable to obtain regulatory approval of Rexahn's product candidates; the risk that the results of clinical trials may not be completed on time or support Rexahn's claims; demand for and market acceptance of Rexahn's drug candidates; Rexahn's reliance on third party researchers and manufacturers to develop its product candidates; Rexahn's ability to develop and obtain protection of its intellectual property; and other risk factors set forth from time to time in our filings with the Securities and Exchange Commission. Rexahn assumes no obligation to update these forward-looking statements.

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