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11-20-2002

11.18.02



PATENTS ONLY

102288166

Patents and Trademarks:

PATENTS ONLY

document or copy thereof.

1. Name of Party(ies) conveying an interest:

John Lezdey

Allan M. Wachter

2. Name and address of Party(ies) receiving an interest:

Name: Sonoran Desert Chemicals LLC

Internal Address: _____

Street Address: 4625 East Bay DriveSuite 302City: ClearwaterState: FL Zip: 33764

3. Description of the interest conveyed:



Assignment



Change of Name



Other _____



Security Agreement



Merger

4. Application number(s) or patent number(s). Additional sheet attached? ☐ Yes ☐ No

If this document is being filed together with a new application, the execution date of the application is:

Date

A. Patent Application No.(s)

07/953,234

B. Patent No. (s)

5,376,633

5,532,215

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

Name: John Lezdey

Internal Address: _____

Street Address: 4625 East Bay DriveSuite 302City: ClearwaterState: FL Zip: 33764

6. Number of applications and patents involved:

3

7. Amount of fee enclosed or authorized to be charged:

\$120.00

8. Deposit account number (attach duplicate copy of _____ paying by deposit account):

12-1217

11/19/2002 DBYRNE 00000220 07953334

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(120.00 DP)

9. Date of execution of attached document: 11/11/02

10. I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on:

11/12/02

Date

Signature

John Lezdey

Name of Person Signing

PATENT

REEL: 013362 FRAME: 0715

In the United States Patent and Trademark Office

Assignment

Whereas, John Lezdey of 148 Marcdale Blvd., Indian Rocks Beach, Fl. 33785 and Allan M. Wachter of 9822 South Grandview, Tempe, AZ. are co-inventors of the United States patent application and letters patent which are listed in the attached Schedule A and had agreed to assign said inventions to Sonoran Desert Chemicals Limited Liability Company (hereinafter referred to as Assignee) as evidenced by the attached document assignment marked exhibit 1 and further pursuant to the employment agreements are obliged to execute the assignment, (see Hebbard v American Zinc, Lead and Smelting Co., 734 USPQ 312, CA. and Brown Cork & Seal Co. v Frankkanel, 49 F.S. 611 D.C. Md. 1943).

Whereas, Sonoran Desert Chemicals Limited Liability Company, a Nevada Limited Liability Company is desirous in acquiring said patent and any and all letters patent that may be obtained thereof or thereupon in the United States and any foreign country and extensions thereof.

NOW THEREFORE TO ALL WHOM MAY BE CONCERNED, be it known that for the sum of one dollar (\$1.00) and other good and valuable consideration paid in hand to us by said assignee, the receipt of which is hereby acknowledged we have sold, assigned, and transferred and set over to said assignee, its successors and assigns, the full and exclusive, right, title and interest to said inventions, letters patent and said application for letters patent of the United States and in foreign countries therefore, and in and to any

Schedule A

Patent No. 5,376,633

Patent No. 5,532,215

Application No. 07/953,234



10-2-1992 11:11
JF: A

AGREEMENT

Effective

Date: December 31, 1992

Place: Phoenix, Arizona

Parties: John Lezdey, Esq. ("Lezdey"), Dr. Allan Wachter ("Wachter"), Protease Sciences, Inc., a Nevada corporation, ("Protease") and Sonoran Desert Chemicals Limited Liability Company, a Nevada limited liability company ("Sonoran")

RECITALS

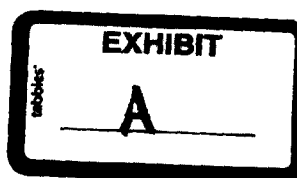
A. Lezdey and Wachter have developed and obtained certain rights and information relating to an anti-inflammatory drug with potential for treatment of certain skin diseases and other medical uses (the "Drug"), including certain patents already issued in the United States, and various patents pending in the United States, Europe, and Asia, as more fully described on Schedules "A" and "B" attached hereto and incorporated herein by this reference (the "Patents").

B. Sonoran currently is indirectly controlled by Wachter and Lezdey through Nathan M. Technologies Limited Partnership ("Nathan") and J.L. Technology Limited Partnership ("J.L.") and their respective corporate general partners, Seth Chemical, Inc. ("Seth Chemical") and J & D Science, Inc. ("J & D Science"), and although Sonoran was not formally recognized as a limited liability company under Nevada state law until on or about January 27, 1993, it was the intent of the parties that the existence and ownership structure of Sonoran be in place as of the Effective Date of this Agreement, with Sonoran essentially existing as a general partnership until it formally became a limited liability company. In executing this Agreement, Lezdey and Wachter are doing so individually and in their capacities as officers of Seth Chemical and J & D Science as the general partners of Nathan and J.L., respectively.

C. Lezdey and Wachter have agreed to transfer and assign to Sonoran all right, title and interest that they have with respect to the Drug and all related rights to the Drug, including the Patents, although for various reasons the transfer has not been formalized as of the Effective Date hereof.

D. Sonoran desires to develop and market the Drug worldwide by entering into development, marketing and/or distribution agreements with various persons or entities throughout the world, and to continue testing the drug for purposes of developing derivative and related products (the "Related Products"), and for obtaining appropriate approvals from various administrative and regulatory agencies of the United States and other countries.

E. Protease was formed with the intent to focus on the testing of the Drug, to develop Related Products, to provide services with respect to obtaining appropriate administrative and regulatory approval for use of the Drug and the Related Products in the United States and other countries and to assist in marketing the Drug and Related Products throughout the world.



F. Sonoran desires to appoint Protease as its agent for purposes of (1) engaging in continued research and clinical study activities relating to the Drug and the Related Products, (2) continuing to seek administrative and regulatory approval from appropriate agencies of the United States and other countries for the distribution and use of the Drug and Related Products in those countries, and (3) negotiating and entering into licensing, distribution, and other related types of agreements for and on behalf of Sonoran worldwide.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing, and the covenants and agreements hereinafter set forth, Sonoran and Protease hereby agree as follows:

1. **Appointment of Protease as Agent.** Sonoran hereby appoints Protease as its agent, and authorizes Protease to act on behalf and in the name of Sonoran in exercising such powers as are expressly delegated hereunder to Protease and such powers as are reasonably incidental thereto. Protease may exercise its powers and execute its duties hereunder by or through its employees, co-agents or agents.

2. **Obligations of Protease.** The obligations, duties, and authority of Protease pursuant to this Agreement shall include the following:

2.1. The continued conduct of clinical studies and research utilizing the Patents and related technology of Sonoran for the purpose of (i) obtaining administrative and regulatory approval for the marketing and distribution of the Drug from the appropriate authorities of the United States and other countries including, without limitation, the FDA; and (ii) developing, testing, and marketing the Related Products;

2.2. The procurement of licensing, distribution, and/or marketing or related agreements with third parties worldwide relating to the Patents and related technology, the Drug, and the Related Products, subject to the ratification of Sonoran; and

2.3. The collection of all amounts due and owing to Sonoran with respect to agreements procured by Protease on behalf of Sonoran.

3. **Scope of Authority.** In acting under this Agreement, Protease is acting solely as the agent of Sonoran. Protease shall have no authority to engage in any transaction that would effect the sale, transfer, or encumbrance of any of the rights of Sonoran with respect to the Patents, other than the granting of such rights specifically contemplated by this Agreement. All proprietary rights in the Patents, the Drug and the Related Products, and any additional patents or products hereafter obtained or developed shall belong to Sonoran.

4. **Compensation.** As compensation for its services hereunder, Sonoran shall pay to Protease the following amounts:

4.1. An amount equal to all direct costs and expenses reasonably incurred by Protease in providing the services contemplated by this Agreement, including, without limitation, salaries of Protease employees working directly with the clinical studies and research efforts contemplated hereby. The parties shall develop regular procedures for budgeting the expenditures and the payments under this paragraph. Protease shall obtain advance approval from Sonoran for (a) the employment of personnel involved in research and clinical studies; (b) all contracts requiring an expenditure in excess of \$25,000; and (c) all capital expenditures in excess of \$15,000.

4.2. A "finder's fee" equal to 5% of any royalties or similar fees paid to Sonoran with respect to any licensing or distribution agreements procured by Protease on behalf of Sonoran pursuant to this Agreement.

5. Retention of Funds. Notwithstanding anything herein to the contrary, Protease shall have the authority to retain in its possession such funds that may otherwise be due and payable to Sonoran as Protease and Sonoran reasonably deem necessary or appropriate to fund ongoing clinical studies and research in the manner contemplated hereby. To the extent Protease retains any funds that would otherwise be due and payable to Sonoran, until such funds are utilized by Protease or delivered to Sonoran, Protease agrees to retain such funds only in time certificates of deposit or savings accounts in national banking institutions, or in such other accounts or forms of investment as Sonoran shall authorize in writing.

6. Accounting. Within 30 days after the end of each calendar quarter, Protease agrees to provide Sonoran with a detailed accounting of all costs or expenses incurred, and of all amounts received by Protease on behalf of Sonoran, during the previous month with respect to Protease's engagement hereunder. Sonoran shall have the right to inspect the books and records of Protease at all reasonable times, upon written request, to confirm that the information provided in the accounting is accurate.

7. Termination Period. The authority granted to Protease hereunder shall remain in full force and effect from the date of this Agreement until revoked by Sonoran upon 30 days written notice. Notwithstanding the foregoing, if Protease becomes insolvent, applies for bankruptcy, is adjudicated bankrupt, or takes advantage of any law for the benefit of debtors or of Protease's creditors, or if a receiver is appointed for Protease or any of the property of Protease, Sonoran may immediately terminate this Agreement upon written notice to Protease. Protease may terminate this Agreement upon 30 days written notice to Sonoran. The termination of this Agreement by either party shall be without prejudice to the accrued rights of Protease or Sonoran. Upon the termination of this Agreement by either party, neither party shall be relieved from the obligation of discharging the debts or obligations to the other party incurred during the effective term of this Agreement.

8. Indemnification of Sonoran. Protease agrees to indemnify Sonoran, or any affiliate or subsidiary of Sonoran, from all claims, demands, suits, penalties or actions, and from all attendant losses, costs and expenses for any claims against, or losses or liability of, Sonoran,

or any affiliate or subsidiary of Sonoran, for any cause arising out of or resulting from default in the performance or the negligent performance of any obligations of Protease under this Agreement.

9. Notices. All notices under this Agreement shall be in writing and shall be considered to have been given when delivered personally, when received, if sent by regular mail, or within seventy-two hours after being deposited in the mail, if sent by certified or registered mail, return receipt requested, to such addresses that may be specified in writing to all parties hereto.

10. Governing Law. This Agreement is made and is intended to be performed in the State of Arizona and it shall in all respects be governed by and construed in accordance with the laws of that state, irrespective of its choice of law provisions.

11. Entire Contract. This Agreement sets forth the entire agreement of the parties and supersedes any and all previous or contemporaneous, oral or written agreements, communications and negotiations regarding the transactions contemplated hereby.

12. Further Instruments. The parties hereto agree to make, execute, and deliver any additional documents necessary to carry out this Agreement.

13. Modification or Waiver. No modification of this Agreement shall be deemed effective unless in writing and signed by the parties hereto. No waiver shall be effective unless in writing and executed by the party against whom enforcement of the waiver is sought. This Agreement may be amended by written instrument signed by the parties hereto.

14. Headings. The headings in this Agreement have been inserted for convenience only and shall not affect the meaning or interpretation of any provision in this Agreement.

15. Severability. If for any reason any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, unenforceable, illegal, or inoperable, its invalidity shall not affect the validity and effect of the other provisions hereof.

16. Attorneys' Fees. If any litigation arises in connection with this Agreement, any prevailing party to such litigation shall be reimbursed by the other party or parties for all costs and expenses of such litigation, including reasonable attorneys' fees to be fixed by the court, and the amount of such costs and expenses shall be added to the amount of such judgment.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement this 28th day of December 1993, effective as of the date first above written.

John Lezdey
John Lezdey, Individually and as President of J & D. Science, Inc., as General Partner of J.L. Technology Limited Partnership

Allan Wachter
Allan Wachter, Individually and as President of Seth Chemical, Inc., as General Partner of Nathan M. Technologies Limited Partnership

Sonoran Desert Chemicals
Limited Liability Company,
a Nevada limited liability company

By Nathan M. Technologies Limited Partnership,
a Nevada limited partnership
Member

By Seth Chemical, Inc.,
a Nevada corporation
General Partner

By Allan Wachter
Allan Wachter, President

By J.L. Technology Limited Partnership,
a Nevada limited partnership
Member

By J & D Science, Inc.,
a Nevada corporation
General Partner

By John Lezdey
John Lezdey, President

Protease Sciences, Inc.,
a Nevada corporation

By John Lezdey
John Lezdey, President

SCHEDULE A

<u>Patent Number</u>	<u>Issue Date</u>
5,092,316	March 3, 1992
5,114,917	May 19, 1992
4,916,117	April 10, 1990
5,008,242	April 16, 1991
5,217,951	June 8, 1993
5,120,917	March 2, 1993
5,215,965	June 1, 1993
5,134,119	July 28, 1992
5,166,134	November 24, 1992

SCHEDULE B

<u>Application Serial No.</u>	<u>Filing Date</u>
08/092,000	July 15, 1993
08/018,829	February 10, 1993
08/122,204	September 15, 1993
08/151,990	November 15, 1993

EMPLOYMENT AGREEMENT

**EFFECTIVE
DATE:**

January 27, 1993

EMPLOYER: SONORAN DESERT CHEMICALS LIMITED LIABILITY COMPANY,
a limited liability company organized under the laws of Nevada
6537 Ruby Red Circle
Las Vegas, Nevada 89108
(hereinafter called "Company")

EMPLOYEE: ALLAN M. WACHTER
9822 South Grandview
Tempe, Arizona 85284
(hereinafter called "Employee")

RECITALS:

A. Company is engaged in the biotechnology business, including the development of certain patented anti-inflammatory drugs with potential for treatment of skin diseases and other medical uses.

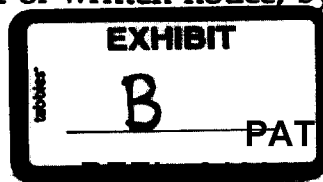
B. Employee has been employed by Company as one of its Managers, as well as Chief Executive Officer, Vice President and Secretary, since formation of the Company.

C. Company and Employee desire to have their rights, obligations and duties specified herein.

AGREEMENT:

For and in consideration of the mutual covenants herein contained, and for good and valuable consideration, the parties hereby agree:

1. **Term and Termination.** Employment of Employee by Company shall be terminable at will, effective upon receipt of written notice, by either Company or Employee.



FRAME: 0724

2. **General Duties.** Employee is employed in the position of Chief Executive Officer, Vice President, Secretary and Manager, as those positions are defined in the Operating Agreement of the Company. Employee's other duties shall be such as Company may from time to time reasonably direct. Company reserves the right to assign Employee to such different or additional duties as it deems necessary or advisable. Employee agrees to render workmanlike services in a professional manner during his term of employment, and to apply himself diligently in connection with the business of the Company as he may be directed to perform.

3. **Compensation.** For the services to be rendered by Employee hereunder, Company agrees:

A. **Basic Salary.** Employee shall receive a salary of \$200,000 per annum, net of such withholdings as Employee requests or as are required by applicable law, rule or regulation.

B. **Discretionary Bonus.** Near the end of each calendar year Company shall review Employee's performance and, in Company's sole discretion, award Employee such bonus, if any, as Company deems appropriate.

4. **Limitations on Authority of Employee.** The power and authority of Employee to act for and on behalf of the Company is strictly limited to the terms of this Agreement as it may be amended from time to time. Nothing herein contained shall be construed to grant to Employee, by implication or otherwise, any rights, powers, authority or privilege that is not specifically set forth in this Agreement.

5. **Unauthorized Acts of Employee.** Employee shall indemnify Company for all costs resulting from unauthorized acts by Employee.

6. **Notice.** Any notices to be sent hereunder shall be sent by certified U.S. mail, return receipt requested, addressed to the parties at the addresses set forth on the first page of this Agreement. Either party may change such address by giving the other party hereto written notice thereof. The addresses shown above shall be controlling until otherwise superseded by such written notice.

7. **No Assignment.** This Agreement and the rights, interests and benefits hereunder shall not be assigned, transferred, pledged or hypothecated in any way by Employee or any successor in interest without the prior written consent of Company.

8. **Waiver.** No failure or delay by any party hereto in exercising any right, power or privilege hereunder and no course of dealing between or among any of the parties shall operate as a waiver of any such right, power or privilege, except as this Agreement may provide otherwise. No waiver of any default or right on any one occasion shall constitute a waiver of any subsequent default of the same or other right on a subsequent occasion. No single or partial exercise of any right, power or privilege shall preclude the further or full exercise thereof.

9. **Remedies.** Except as this Agreement expressly states otherwise, any remedy provided in this Agreement shall be in addition to, and not in limitation of any rights and remedies available at law or in equity. In the event of a dispute between the parties to this Agreement, the prevailing party shall be entitled to

recovery of expenses, including attorney fees, in addition to damages and costs otherwise allowable at law.

10. **Binding Effect.** All agreements made and entered into in connection with this transaction shall be binding upon and inure to the benefit of the parties hereto, their personal representatives, heirs, successors and assigns.

11. **Entire Agreement.** This Agreement merges all previous negotiations between the parties hereto and constitutes the entire agreement and understanding between the parties with respect to the subject matter of this Agreement. No alteration, modification or change of this Agreement shall be valid except by an amendment in writing executed by the parties hereto.

12. **Governing Law.** This Agreement shall be construed in accordance with and be governed for all purposes by the laws of the State of Arizona. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to time, duration, geographical scope, activity or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. The parties agree that venue for any legal action is at the principal office of Company.

13. **Terms.** When used in this Agreement, the plural includes the singular, the singular the plural, and words of one gender include all genders, except where the context requires otherwise.

14. **Time is of the Essence** of this Agreement and each party hereby agrees to perform each and every obligation hereunder in a prompt and timely manner.

IN WITNESS WHEREOF, Company has caused this Agreement to be executed in its corporate name by its company officer hereunder duly authorized, and Employee has hereunder set his hand on December 28, 1993, to be effective as of the day and year first above written.

COMPANY:

SONORAN DESERT CHEMICALS, L.L.C.

By


John Lezdey
President

EMPLOYEE:


ALLAN M. WACHTER

ASSIGNMENT

WHEREAS we, JOHN LEZDEY of 976 Kingston Drive, Cherry Hill, New Jersey 08034 and ALLAN M. WACHTER of 9822 South Grandview, Tempe, Arizona 85284 (hereinafter referred to as ASSIGNORS), are co-inventors and owners of the United States Letters Patent which are listed in the attached Schedule A and are the co-inventors and owners of certain inventions for which applications for United States Letters Patent have been filed which are listed in the attached Schedule B, and

WHEREAS, SONORAN DESERT CHEMICALS LIMITED LIABILITY COMPANY, a Nevada limited liability company (hereinafter ASSIGNEE), is desirous of acquiring the said patents, inventions and applications and any and all Letters Patent that may be obtained thereof or thereupon in the United States and in any foreign countries, and all reissues and extensions thereof;

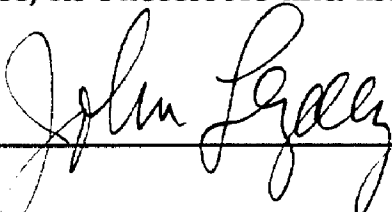
NOW, THEREFORE, TO ALL WHOM IT MAY CONCERN, be it known that for and in consideration of the sum of One Dollar (\$1.00), and other good and valuable considerations, to us in hand paid by the said assignee, the receipt of which is hereby acknowledged, we have sold, assigned, transferred and set over unto the said ASSIGNEE, its successors, and assigns, the full and exclusive right, title and interest in and to the said inventions, Letters Patent and said applications for Letters Patent of the United States and in foreign countries therefore, and in and to any Division, Continuations and Continuation-in-part thereof and in and to any and all United States and foreign Letters Patent and reissues and extensions thereof that may be issued for the said inventions to have and to hold for its own use and behoof of its successors and assigns as fully and entirely as the same might be enjoyed by us if this sale and assignment had not been made; and



HEREBY AUTHORIZE and request the Commissioner of Patents and Trademarks to issue the said Letters Patent and any reissues and extensions thereof to the said assignee as assigns of the entire right, title and interest in and to the said inventions and said applications and Letters Patent issued therefore or thereupon; and

HEREBY AGREE to execute all instruments and documents within our power which may be necessary for the carrying out of this assignment in full; and to execute any divisional, continuing or continuation-in-part application or applications which may be necessary or proper to obtain full protection on the inventions hereby assigned; and to execute any and all supplemental oaths and preliminary statements should the same be proper and necessary in the prosecution of the aforesaid applications; and

HEREBY FURTHER ASSIGN unto the said assignee, its successors, and assigns, the whole right, title and interest in and to the inventions disclosed in the said Letters Patent and applications throughout all countries foreign to the United States, and do hereby ratify any acts of the said assignee, its successors and assigns in applying for patents therefore in its own name in countries where such procedure is proper and do agree to execute applications for said invention in the several countries where it is necessary that the same be executed by the inventors, and to execute assignments of such applications and the patents to be obtained therefore to the said assignee, its successors and assigns.



John Lezdey

December 28, 1993



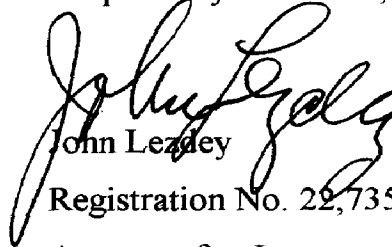
Allan M. Wachter

December 28, 1993

Assignment recorded at Reel 6823 Frame 0113 assigns "the full and exclusive, right, title and interest in and to said inventions, Letters Patent and said applications for Letters Patent of the United States and in any foreign countries therefore, and in any Division, Continuations, and Continuations-in-Part thereof..."

As further evidenced by the attached agreement marked Exhibit A and the employment agreement marked Exhibit B Allan M. Wachter is obligated by operation of law to assign the patent application and the Letters Patent to Sonoran Desert Chemicals LLC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Lezley", is written over the printed name.

John Lezley

Registration No. 22,735

Attorney for Inventors and Sonoran
Desert Chemicals LLC