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As filed with the Securities and Exchange Commission on August 15, 2013

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OPHTHOTECH CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**20-8185347**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

One Penn Plaza, 35th Floor
New York, New York 10119
(212) 845-8200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

David R. Guyer, M.D.
Chief Executive Officer
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One Penn Plaza, 35th Floor
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	**Proposed Maximum Aggregate Offering Price (1)**	**Amount of Registration Fee (2)**
Common Stock, $0.001 par value per share	$85,000,000	$11,594

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Dated August 15, 2013

Shares

COMMON STOCK

Ophthotech Corporation is offering shares of common stock. This is our initial public offering and no public market currently exists for our shares. We anticipate that the initial public offering price of our common stock will be between $ and $ per share.

We have applied to list our common stock on The NASDAQ Global Market under the symbol "OPHT".

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 11.

PRICE $ A SHARE

	Price to Public	Underwriting Discounts and Commissions [1]	Proceeds to Ophthotech
Per Share	$	$	$
Total	$	$	$

(1) The underwriters will receive compensation in addition to underwriting discounts and commissions. See "Underwriters."

We have granted the underwriters an option to purchase up to additional shares of our common stock to cover over-allotments. The underwriters can exercise this option at any time within 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on , 2013.

Morgan Stanley **J.P. Morgan**

Leerink Swann **Stifel**

, 2013

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Neither we nor the underwriters have authorized anyone to provide you with information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give to you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the "Risk Factors" section and our financial statements and the related notes appearing at the end of this prospectus, before making an investment decision.

Our Company Overview

Ophthotech is a biopharmaceutical company specializing in the development of novel therapeutics to treat diseases of the eye. Our most advanced product candidate is Fovista, which we are developing for use in combination with anti-VEGF drugs that represent the current standard of care for the treatment of wet age-related macular degeneration, or wet AMD. We have completed a large Phase 2b clinical trial in which 1.5 mg of Fovista in combination with one of the standard of care drugs, Lucentis, demonstrated statistically significant superiority compared to Lucentis monotherapy based on the primary endpoint of mean change in visual acuity from baseline at 24 weeks, providing a 62% comparative benefit from baseline. Before the end of 2013, we plan to initiate a pivotal Phase 3 clinical program to evaluate the safety and efficacy of Fovista combination therapy for the treatment of newly diagnosed wet AMD patients compared to current standard of care monotherapy. We expect to have initial, top-line data from this Phase 3 clinical program available in 2016. If the results of this Phase 3 clinical program are favorable, we plan to submit applications for marketing approval for Fovista in both the United States and the European Union before the end of 2016.

Wet AMD is a serious disease of the central portion of the retina, known as the macula, which is responsible for detailed central vision and color perception. It is characterized by abnormal new blood vessel formation and growth, referred to as neovascularization, which results in blood vessel leakage, retinal distortion and scar formation. If untreated, the progressive retinal damage results in rapid, irreversible and severe vision loss. Wet AMD is the leading cause of blindness in patients over the age of 55 in the United States and the European Union. In the United States, according to a study on the burden of AMD published in 2006 in the peer reviewed journal *Current Opinion in Ophthalmology*, there are approximately 1,250,000 cases of wet AMD. According to AMD Alliance International, approximately 200,000 new cases of wet AMD arise in the United States each year. The percentage of individuals with wet AMD increases substantially with age, and we expect that the number of cases of wet AMD will increase with growth of the elderly population in the United States.

The current standard of care for wet AMD is monotherapy administration of drugs that target vascular endothelial growth factor, or VEGF, one of several proteins involved in neovascularization. The anti-VEGF market for the treatment of wet AMD consists predominantly of two drugs that are approved for marketing and primarily prescribed for the treatment of wet AMD, Lucentis and Eylea, and off-label use of the cancer therapy Avastin. In 2012, annual worldwide sales of Lucentis and Eylea for all indications totaled approximately $4.8 billion. Avastin was used off-label to treat approximately 60% of Medicare beneficiaries in 2008 who received anti-VEGF therapy for wet AMD. Retinal specialists in the largest markets in the European Union use off-label Avastin to treat approximately 27% of patients with wet AMD.

The use of anti-VEGF drugs has significantly improved visual outcomes for patients with wet AMD who have been treated with these drugs as compared to untreated patients. However, persistent retinal distortion and scar tissue formation limit visual benefit from anti-VEGF monotherapy, and a significant unmet medical need remains. For example, based on results of third-party clinical trials, after one year of treatment with an anti-VEGF drug, approximately 18% to 22% of newly diagnosed wet AMD patients have lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing, and approximately 62% to 75% of newly diagnosed wet AMD patients have not achieved an ability to read an additional 15 or more letters on the standardized chart of vision testing. In addition, in 2013, the peer reviewed journal *Ophthalmology* published the results of an uncontrolled study of patients who had received two years of treatment with an anti-VEGF agent in

clinical trials and then received additional anti-VEGF therapy at physician's discretion for two more years. When assessed at their last evaluation in this study, approximately 46% of such patients had lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing. Moreover, in 2013, *Ophthalmology* published the results of a separate follow-up study of a cohort of these same patients. When assessed approximately three years after completing their participation in the prior study, approximately one-third had poor outcomes, defined as the loss of the ability to read 15 or more letters on a standardized chart of vision testing, according to the study conclusions. In addition, approximately 57% of such patients had lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing, compared to baseline prior to receiving therapy in the original clinical trials, and approximately 37% had visual acuity at the level of legal blindness, defined as visual acuity of 20/200 or worse. The study authors noted that wet AMD patients remain at risk for substantial visual decline.

We believe that the administration of Fovista in combination with anti-VEGF drugs in patients with wet AMD may disrupt abnormal new blood vessels and cause the regression of neovascularization more effectively than anti-VEGF monotherapy. Fovista binds to and inhibits a protein known as platelet derived growth factor, or PDGF, causing the stripping of pericytes, which are cells that cover the outside of newly formed blood vessels. The pericytes support and stabilize newly formed blood vessels and provide a local source of VEGF and other survival signals to endothelial cells located inside the newly formed blood vessels. After the pericytes are stripped from the new blood vessels, the endothelial cells are left unprotected and are highly vulnerable to the effects of anti-VEGF therapy. We believe that Fovista may provide meaningful added benefit in the treatment of wet AMD regardless of the co-administered anti-VEGF drug.

We completed a large, multi-dose Phase 2b clinical trial in newly diagnosed wet AMD patients in 2012 in which a combination of 1.5 mg of Fovista and Lucentis demonstrated statistically significant superiority compared to Lucentis monotherapy based on the primary endpoint of mean change in visual acuity from baseline at 24 weeks. Patients receiving the combination of 1.5 mg of Fovista and Lucentis gained a mean of 10.6 letters from baseline on a standardized chart of vision testing compared to a mean gain of 6.5 letters from baseline for patients receiving Lucentis monotherapy, representing a 62% comparative benefit from baseline. Based on retrospective analyses of commonly evaluated parameters used in wet AMD trials, Fovista combination therapy resulted in improved visual outcome, with more patients experiencing vision gain and fewer patients experiencing vision loss, in a broad range of patient groups in this trial compared to Lucentis monotherapy. We also observed improved visual outcomes in a previously completed, uncontrolled Phase 1 clinical trial of Fovista administered in combination with Lucentis. Before the end of 2013, we plan to initiate our pivotal Phase 3 clinical program consisting of three separate Phase 3 clinical trials evaluating Fovista in combination with anti-VEGF drugs in newly diagnosed wet AMD patients. Our planned Phase 3 clinical program builds on and incorporates significant aspects from the design of our Phase 2b clinical trial, which we believe may reduce the risk that we will have unexpected outcomes in our Phase 3 clinical trials.

We have retained worldwide commercialization rights to Fovista. If Fovista receives marketing approval, we plan to commercialize it in the United States with our own focused, specialty sales force. We believe that retinal specialists in the United States, who perform most of the medical procedures involving diseases of the back of the eye, are sufficiently concentrated that we will be able to effectively promote Fovista to these specialists with a sales and marketing group of fewer than 100 people. We expect to utilize a variety of types of collaboration, distribution and other marketing arrangements with one or more third parties to commercialize Fovista in markets outside the United States.

We are led by a team of experienced pharmaceutical industry executives and recognized experts in retinal disease. Our management team includes our co-founder and Chief Executive Officer, David Guyer, M.D., and our co-founder and President, Samir Patel, M.D. Dr. Guyer and Dr. Patel were co-founders and senior executives of Eyetech Pharmaceuticals, Inc., which was acquired by OSI Pharmaceuticals, Inc. in 2005. While at Eyetech Pharmaceuticals, Dr. Guyer and Dr. Patel were responsible for the clinical development and commercialization of Macugen, the first

anti-VEGF drug approved for the treatment of wet AMD. While at Eyetech Pharmaceuticals, they also were responsible for the preclinical development of Fovista, the rights to which we subsequently acquired from OSI (Eyetech), Inc. pursuant to a divestiture agreement prior to initiation of any clinical development. We believe that our senior management provides us with significant capabilities in the development and commercialization of novel therapies to treat diseases of the eye.

Our Strategy

Our goal is to become a leading biopharmaceutical company focused on developing and commercializing novel therapeutics to treat diseases of the eye, with a particular focus on diseases of the back of the eye. The key elements of our strategy to achieve this goal are:

- *Complete clinical development of and seek marketing approval for Fovista in combination with anti-VEGF drugs for wet AMD.* We plan to initiate a pivotal Phase 3 clinical program for Fovista in combination with anti-VEGF drugs for the treatment of newly diagnosed wet AMD patients before the end of 2013. Based on our estimates regarding patient enrollment, we expect to have initial, top-line data from this Phase 3 clinical program available in 2016. Our Phase 3 clinical trials will continue thereafter in accordance with the protocols for these trials. In May 2013, we entered into a royalty purchase and sale arrangement with Novo A/S for a financing of up to $125 million to fund a substantial portion of our planned Phase 3 clinical program for Fovista in return for the sale to Novo A/S of royalty interests in future worldwide sales of Fovista. We received approximately $42 million of this royalty financing in May 2013.
- *Maximize commercial potential of Fovista.* We have retained worldwide commercialization rights to Fovista. If Fovista receives marketing approval, we plan to commercialize it in the United States with our own focused, specialty sales force. We expect to utilize a variety of types of collaboration, distribution and other marketing arrangements with one or more third parties to commercialize Fovista in markets outside the United States.
- *Explore the use of Fovista in additional patient populations.* We are evaluating other neovascular ophthalmic conditions for which we believe Fovista treatment may be beneficial, including treatment of wet AMD in patients who do not respond adequately to anti-VEGF treatment, treatment of proliferative vitreoretinopathy, a complication associated with retinal detachment, and treatment of the retinal manifestations of von Hippel-Lindau disease, an inherited disease characterized by multiple benign and malignant tumors and cysts in the eye and other organs. If we initiate small, exploratory clinical trials for any such condition in 2014, we expect that initial data from such clinical trials could be available before the end of 2015.
- *Advance the development of other product candidates for the treatment of ophthalmic disease.* We are evaluating further clinical development of our product candidate ARC1905 for the treatment of wet AMD. ARC1905 is a potent and selective inhibitor of complement factor C5, a protein that is associated with inflammation and that we believe is involved in the development of wet AMD. We anticipate that our development plans for ARC1905 will be directed toward a group of patients with wet AMD who have complement mediated inflammation and do not respond adequately to anti-VEGF monotherapy. We acquired rights to ARC1905 under an exclusive license agreement with Archemix Corp. We have conducted all of the preclinical research and clinical development of ARC1905 for the treatment of ophthalmic disease.
- *Opportunistically in-license or acquire products, product candidates and technologies.* We believe that our focus on diseases of the eye and our experienced management team will make us an attractive collaborator or acquirer for companies seeking to out-license or sell rights to products, product candidates or technologies in our area of focus. We generally expect that we will not engage in early stage research and drug discovery and will thus avoid the related costs and risks of these activities.

Potential for Fovista

We intend to seek a label for Fovista for the treatment of patients with wet AMD in combination with any anti-VEGF drug. We believe that Fovista may provide meaningful added benefit in the treatment of wet AMD regardless of the co-administered anti-VEGF drug.

- *Visual Acuity Benefit.* In our Phase 2b clinical trial, we observed a visual benefit in patients treated with the combination of 1.5 mg of Fovista and Lucentis that was evident early in and sustained over the course of treatment. The relative magnitude of visual benefit increased over the study period. We believe that these results suggest that Fovista may provide lasting benefit to patients when used as chronic therapy in combination with Lucentis.
- *Planned Phase 3 Clinical Trials Build Upon and Incorporate Phase 2b Clinical Trial Design.* Two of the three Phase 3 clinical trials included in our planned Phase 3 clinical program will evaluate the safety and efficacy of Fovista when administered in combination with Lucentis. We believe that the following aspects of our two Phase 3 clinical trials of Fovista in combination with Lucentis may reduce the risk that we will have unexpected outcomes in these two clinical trials:
  - We have made no meaningful changes to the inclusion and exclusion criteria in these Phase 3 clinical trials from those we used in our Phase 2b clinical trial.
  - We are not changing the primary endpoint, mean change in visual acuity from baseline, that we used in our Phase 2b clinical trial. However, we will assess mean change in visual acuity from baseline in these Phase 3 clinical trials at 12 months, instead of at 24 weeks as in our Phase 2b clinical trial.
  - We are further improving our ability to detect any statistically significant differences in outcomes between the treatment and control arms of our Phase 3 clinical trials by substantially increasing both the number of patients who will receive 1.5 mg of Fovista in combination with Lucentis and the number of patients who will receive Lucentis monotherapy as compared to our Phase 2b clinical trial.
  - We are using a dose of Fovista that exhibited a favorable safety profile in our Phase 2b clinical trial.

  To support our efforts to seek a broad label for Fovista, we plan to include a third Phase 3 clinical trial to evaluate the safety and efficacy of Fovista when administered in combination with each of Avastin or Eylea compared to Avastin or Eylea monotherapy.
- *Potential to Enhance Efficacy of Current Standard of Care Regardless of Anti-VEGF Drug Administered.* Based on results of third-party clinical trials, after one year of treatment with an anti-VEGF drug, approximately 18% to 22% of newly diagnosed wet AMD patients have lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing, and approximately 62% to 75% of such patients have not achieved an ability to read an additional 15 or more letters on the standardized chart of vision testing. Based on its proposed mechanism of action, we believe that Fovista may provide meaningful added benefit in the treatment of wet AMD regardless of the co-administered anti-VEGF drug.

Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the “Risk Factors” section of this prospectus immediately following this prospectus summary. These risks include the following:

- Clinical trials of Fovista or any of our other product candidates may not be successful. The results of our Phase 2b clinical trial may not be predictive of the results of our Phase 3 clinical program due, in part, to the fact that we have no clinical data on Fovista combination therapy in any clinical trial longer than 24 weeks, that we have no clinical data on the effects of Fovista when used in combination with

Eylea or Avastin and that we plan to conduct our Phase 3 clinical trials at many clinical centers that were not included in our Phase 2b clinical trial.

- We currently depend heavily on the success of Fovista. Our ability to generate product revenues, which may not occur for several years, if ever, will depend substantially on the successful development and commercialization of Fovista in combination with anti-VEGF drugs for the treatment of wet AMD and on our receipt of marketing approval with labeling that does not include significant patient population, administration or use restrictions. We are party to agreements, specifically an acquisition agreement with OSI (Eyetech), Inc., which agreement is now held by OSI Pharmaceuticals, Inc., a subsidiary of Astellas US, LLC, and license agreements with Archemix Corp. and Nektar Therapeutics that impose significant milestone payment obligations on us in connection with our achievement of specific clinical, regulatory and commercial milestones with respect to Fovista.
- If we are unable to obtain required marketing approvals for, commercialize, obtain and maintain patent protection for or gain market acceptance by physicians, patients and third-party payors of Fovista or any of our other product candidates, or experience significant delays in doing so, our business will be materially harmed and our ability to generate revenue will be materially impaired.
- The degree of market acceptance of Fovista or any other product candidate that we develop, if approved for commercial sale, will depend on availability of third-party coverage and adequate reimbursement, particularly by Medicare, given our target market for persons over age 55.
- We hold patents covering the composition of matter of Fovista and patents and pending patent applications covering methods of Fovista's use in combination with certain anti-VEGF drugs for the treatment of wet AMD in the United States and certain other jurisdictions. Our pending patent applications covering methods of Fovista's use in combination with certain anti-VEGF drugs may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Once our patents covering the composition of matter of Fovista in a particular jurisdiction, if any, expire, which is expected to occur in 2017 in the United States and 2018 in Europe and Japan, competitors will be able to offer and sell products containing the same active pharmaceutical ingredient in that jurisdiction so long as these competitors do not infringe any of our other patents covering Fovista or its method of use, do not violate the terms of any marketing or data exclusivity that may be granted to us by regulatory authorities and obtain any necessary marketing approvals from regulatory authorities.
- We have a limited operating history. We currently have no commercial products and we have not received marketing approval for any product candidate.
- We have incurred significant operating losses since inception. As of June 30, 2013, we had a deficit accumulated during the development stage of $144.2 million. We expect to incur significant expenses and increasing operating losses over the next several years and will need substantial additional funding. Our future capital requirements will depend on many factors, including the progress and costs of our planned Phase 3 clinical program for Fovista.
- The expected funding under our royalty purchase arrangement with Novo A/S of approximately $83.3 million is subject to enrollment of specified numbers of patients in our planned Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. We are obligated to pay Novo A/S royalties at low to mid single-digit percentages of worldwide sales of Fovista, with the royalty percentage determined by the amount of funding provided by Novo A/S. If we fail to satisfy our diligence obligations or breach any other of our obligations under the royalty purchase arrangement with Novo A/S and fail to cure the breach within the applicable grace period, Novo A/S could seek to foreclose on the collateral, including Fovista intellectual property, securing our obligations. If Novo A/S successfully does so, we would lose our rights to develop and commercialize Fovista.

Our Corporate Information

We were incorporated under the laws of the State of Delaware on January 5, 2007 under the name Ophthotech Corporation. Our executive offices are located at One Penn Plaza, 35th Floor, New York, New York 10119, and our telephone number is (212) 845-8200. Our website address is www.ophthotech.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

In this prospectus, unless otherwise stated or the context otherwise requires, references to "Ophthotech," "we," "us," "our" and similar references refer to Ophthotech Corporation. The trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

Implications of Being an Emerging Growth Company

As a company with less than $1 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure and other requirements that are applicable to other public companies that are not emerging growth companies. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

THE OFFERING

Common stock offered	shares
Common stock to be outstanding after this offering	shares
Over-allotment option	We have granted the underwriters an option for a period of 30 days to purchase up to additional shares of our common stock to cover over-allotments.
Use of Proceeds	We intend to use the net proceeds from this offering to fund, and obtain initial, top-line data from, our planned Phase 3 clinical program for Fovista in combination with anti-VEGF drugs for the treatment of wet age-related macular degeneration; to fund pre-approval commercialization efforts for Fovista; to fund smaller, exploratory trials of Fovista for the treatment of additional indications and for other patient populations; to fund our other research and development programs; and for working capital and other general corporate purposes. See "Use of Proceeds" for more information.
Risk Factors	You should read the "Risk Factors" section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Proposed NASDAQ Global Market symbol	"OPHT"

The number of shares of our common stock to be outstanding after this offering is based on 8,671,911 shares of our common stock outstanding as of August 15, 2013 and 123,581,161 additional shares of our common stock issuable upon the automatic conversion of all outstanding shares of our preferred stock, including shares of our preferred stock issuable as accrued stock dividends, assuming the closing of this offering occurred on August 15, 2013.

The number of shares of our common stock to be outstanding after this offering excludes:

- 15,475,338 shares of our common stock issuable upon the exercise of stock options outstanding as of August 15, 2013, at a weighted-average exercise price of $ per share;
- 4,361,975 additional shares of our common stock that are available for future issuance as of August 15, 2013 under our amended and restated 2007 stock incentive plan and that will become available for future issuance, as of the closing of this offering, under our 2013 stock incentive plan; and
- 596,784 shares of our common stock issuable upon the exercise of warrants outstanding as of August 15, 2013, at a weighted-average exercise price of $0.93 per share.

Unless otherwise indicated, all information in this prospectus assumes:

- no exercise of the outstanding options or warrants described above;

- no exercise by the underwriters of their option to purchase up to additional shares of our common stock to cover over-allotments;
- the automatic conversion of all outstanding shares of our preferred stock, including shares of preferred stock issuable as accrued stock dividends, into an aggregate of 123,581,161 shares of our common stock upon the closing of this offering, assuming the closing occurred on August 15, 2013;
- the warrants outstanding as of August 15, 2013 to purchase an aggregate of 210,000 shares of our series A preferred stock, at an exercise price of $0.01 per share, instead become exercisable for 240,884 shares of our common stock, after giving effect to an adjustment to account for additional shares issuable as accrued stock dividends, at an exercise price of $0.01 per share, upon the closing of this offering, assuming the closing occurred on August 15, 2013;
- the warrants outstanding as of August 15, 2013 to purchase an aggregate of 355,900 shares of our series B preferred stock, at a weighted-average exercise price of $1.55 per share, instead become exercisable for 355,900 shares of our common stock, at a weighted average exercise price of $1.55 per share, upon the closing of this offering; and
- the restatement of our certificate of incorporation and the amendment and restatement of our bylaws upon the closing of this offering.

SUMMARY FINANCIAL INFORMATION

You should read the following summary financial data together with our financial statements and the related notes appearing at the end of this prospectus and the "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus. We have derived the statements of operations data for the years ended December 31, 2011 and 2012 from our audited financial statements included in this prospectus. We have derived the statements of operations data for the six months ended June 30, 2012, and 2013 and the balance sheet data as of June 30, 2013 from our unaudited financial statements included in this prospectus. The unaudited financial data include, in the opinion of our management, all adjustments, consisting of normal recurring adjustments, that are necessary for a fair statement of our financial position and results of operations for these periods. Our historical results for any prior period are not necessarily indicative of results to be expected in any future period, and our results for any interim period are not necessarily indicative of results to be expected for a full fiscal year.

	Year Ended December 31,		Six Months Ended June 30,	
	2011	2012	2012	2013
			(unaudited)	
	(In thousands, except share and per share data)			
Statement of Operations Data:				
Revenue	$ —	$ —	$ —	$ —
Operating expenses:				
Research and development	13,896	6,792	3,199	6,734
General and administrative	5,738	6,889	3,082	4,980
Total operating expenses	19,634	13,681	6,281	11,714
Loss from operations	(19,634)	(13,681)	(6,281)	(11,714)
Interest expense	—	(507)	(26)	(1,454)
Interest and other income	2	—	—	—
Foreign currency transaction loss	(23)	(8)	(2)	—
Loss on extinguishment of debt	—	—	—	(1,196)
Other loss	(7)	(366)	(269)	(261)
Net loss before income taxes expense	(19,662)	(14,562)	(6,578)	(14,625)
Income tax benefit	1,029	—	—	—
Net loss	(18,633)	(14,562)	(6,578)	(14,625)
Accretion of preferred stock dividends	(6,838)	(7,063)	(3,512)	(3,600)
Net loss attributable to common stockholders	$ (25,471)	$ (21,625)	$ (10,090)	$ (18,225)
Per share information:				
Net loss attributable to common stockholders per share, basic and diluted	$ (3.10)	$ (2.52)	$ (1.19)	$ (2.10)
Weighted-average shares outstanding—basic and diluted	8,227,508	8,569,941	8,510,281	8,671,911
Unaudited basic and diluted pro forma net loss attributable to common stockholders per share		$		$
Unaudited basic and diluted pro forma weighted-average shares outstanding				

Pro forma basic and diluted net loss per common share is calculated using a weighted average common equivalent share number of , which assumes the automatic conversion of all outstanding shares of our preferred stock, including shares of our series C preferred stock that we issued and sold in August 2013 and additional shares of preferred stock that are issuable as accrued stock dividends. See Note 3 to our audited financial statements.

	As of June 30, 2013 (unaudited)		
	Actual	Pro Forma	Pro Forma As Adjusted
Balance Sheet Data:		(In thousands)	
Cash and cash equivalents	$ 39,854	$	$
Total assets	$ 40,150		
Royalty purchase liability	$ 41,667		
Preferred stock	$ 133,905		
Accumulated deficit	$ (144,243)		
Total stockholders' deficit	$ (141,234)		

The unaudited pro forma balance sheet data set forth above give effect to:

- our issuance and sale in August 2013 of an aggregate of 13,333,333 shares of our series C preferred stock at a price per share of $2.50 for an aggregate purchase price of $33,333,333;
- the automatic conversion of all outstanding shares of our preferred stock, including shares of our series C preferred stock that we issued in August 2013 and shares of our preferred stock issuable as accrued stock dividends, into an aggregate of 123,581,161 shares of our common stock upon the closing of this offering, assuming the closing occurred on August 15, 2013; and
- the reclassification of warrant liability to additional paid-in capital as a result of outstanding warrants to purchase 210,000 shares of our series A preferred stock and 355,900 shares of our series B preferred stock instead becoming, in accordance with their terms, warrants to purchase an aggregate of 596,784 shares of our common stock, at a weighted average exercise price of $0.93 per share, upon the closing of this offering, assuming the closing occurred on August 15, 2013.

The pro forma as adjusted balance sheet data give further effect to our issuance and sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the mid-point of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total assets and total stockholders' equity by $ million, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase or decrease of 1.0 million shares in the number of shares of common stock offered by us at the assumed initial public offering price would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total assets and total stockholders' equity by $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. Before investing in our common stock, you should consider carefully the risks described below, together with all of the other information contained in this prospectus, including our financial statements and the related notes appearing at the end of this prospectus. If any of the following risks occur, our business, prospects, operating results and financial condition could suffer materially. In such event, the market price of our common stock could decline, and you might lose all or part of your investment.

Risks Related to Our Financial Position and Need for Additional Capital

We have incurred significant operating losses since our inception. We expect to incur losses for at least the next several years and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. Our net loss was $14.6 million for the six month period ended June 30, 2013, $14.6 million for the year ended December 31, 2012 and $18.6 million for the year ended December 31, 2011. As of June 30, 2013, we had a deficit accumulated during the development stage of $144.2 million. To date, we have not generated any revenues and have financed our operations primarily through private placements of our preferred stock, venture debt borrowings and a royalty purchase arrangement with Novo A/S. We have devoted substantially all of our financial resources and efforts to research and development. We expect to continue to incur significant expenses and increasing operating losses over the next several years. Our net losses may fluctuate significantly from quarter to quarter and year to year.

We anticipate that our expenses will increase substantially as compared to prior periods in connection with the initiation and completion of our pivotal Phase 3 clinical program for our lead product candidate, Fovista, in combination with anti-VEGF drugs for the treatment of wet AMD and our seeking marketing approval for Fovista for this indication in the United States, the European Union and other jurisdictions, and as a result of increased headcount, including management personnel to support our clinical and manufacturing activities, expanded infrastructure, increased legal, compliance, accounting and investor and public relations expenses associated with being a public company and increased insurance premiums, among other factors. We are party to agreements, specifically an acquisition agreement with OSI (Eyetech), Inc., or Eyetech, which agreement is now held by OSI Pharmaceuticals, Inc., or OSI Pharmaceuticals, a subsidiary of Astellas US, LLC, and license agreements with Archemix Corp., or Archemix, and Nektar Therapeutics, or Nektar, that impose significant milestone payment obligations on us in connection with our achievement of specific clinical, regulatory and commercial milestones with respect to Fovista. See “Business—Acquisition and License Agreements” for more information.

Our expenses also will increase if and as we:

- pursue the development of Fovista for additional indications or for use in broader patient populations or, if it is approved, seek to broaden the label for Fovista;
- pursue the clinical development of our product candidate ARC1905 for the treatment of wet AMD;
- in-license or acquire the rights to other products, product candidates or technologies for the treatment of ophthalmic diseases;
- seek marketing approval for any product candidates that successfully complete clinical trials;
- establish sales, marketing, distribution and outsourced manufacturing capabilities if we receive, or expect to receive, marketing approval for Fovista;

- maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, quality control and scientific personnel; and
- add operational, financial and management information systems and personnel, including personnel to support our clinical, manufacturing and planned future commercialization efforts.

If we are required by the U.S. Food and Drug Administration, or FDA, or the European Medicines Agency, or EMA, to perform clinical trials or studies in addition to those we currently expect to conduct, or if there are any delays in completing the planned clinical trials of Fovista or the development of any of our other product candidates, our expenses could increase.

Our ability to become and remain profitable depends on our ability to generate revenue. We do not expect to generate significant revenue unless and until we obtain marketing approval for, and commercialize, Fovista, which we do not expect will occur before 2017, if ever. This will require us to be successful in a range of challenging activities, including:

- initiating and obtaining favorable results from our planned Phase 3 clinical program for Fovista;
- subject to obtaining favorable results from our planned Phase 3 clinical program, applying for and obtaining marketing approval for Fovista;
- establishing sales, marketing and distribution capabilities to effectively market and sell Fovista in the United States with our own specialty sales force targeting retinal specialists;
- establishing collaboration, distribution or other marketing arrangements with third parties to commercialize Fovista in markets outside the United States;
- protecting our rights to our intellectual property portfolio related to Fovista; and
- ensuring the manufacture of commercial quantities of Fovista.

We may never succeed in these activities and, even if we do, may never generate revenues that are significant enough to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

Our short operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

We are an early-stage company. We were incorporated and commenced active operations in 2007. Our operations to date have been limited to organizing and staffing our company, acquiring rights to product candidates, business planning, raising capital and developing Fovista and our other product candidates. We have not yet demonstrated our ability to successfully complete a large-scale, pivotal clinical trial, obtain marketing approval, manufacture at commercial scale, or arrange for a third party to do so on our behalf, or conduct sales, marketing and distribution activities necessary for successful product commercialization. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition from a company with a product development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

We will need substantial additional funding. If we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.

We expect our expenses to increase substantially as compared to prior periods in connection with our ongoing activities, particularly as we continue the development of and seek marketing approval for Fovista and, possibly, other product candidates. Our expenses will increase if we suffer any delays in our Phase 3 clinical program for Fovista, including delays in receipt of regulatory clearance to begin our Phase 3 clinical trials or delays in enrollment of patients. If we obtain marketing approval for Fovista or any other product candidate that we develop, we expect to incur significant commercialization expenses related to product sales, marketing, distribution and manufacturing. Furthermore, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company, hiring additional personnel and expanding our facilities. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts.

We expect that the net proceeds from this offering, together with our existing cash and cash equivalents as of June 30, 2013, the $33.3 million in proceeds from our sale of series C preferred stock in August 2013 and expected future funding of $83.3 million under our royalty purchase arrangement with Novo A/S, will enable us to fund our operating expenses and capital expenditure requirements through . We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. This estimate assumes, among other things, that we receive the full financing amount available under our royalty purchase arrangement with Novo A/S on a timely basis. The royalty agreement with Novo A/S provides that we will use the remaining proceeds we received and future proceeds, if any, under the royalty agreement primarily to support clinical development and regulatory activities for Fovista and for certain other permitted purposes. We estimate that we will incur total costs, including clinical development related employee expenses and external research and development expenses, of approximately $175 million to obtain initial, top-line data from our Phase 3 clinical program for Fovista. We expect this data to be available in 2016. We expect that additional funds of approximately $50 million will be required for general corporate purposes and working capital during the period from completion of this offering until we obtain initial, top-line data from our Phase 3 clinical program. Our Phase 3 clinical program for Fovista is expected to continue through at least 2017, and substantial expenditures to complete the Phase 3 clinical program will be required after the receipt of initial, top-line data. At this time, we cannot reasonably estimate the remaining costs necessary to complete the Phase 3 clinical program for Fovista, complete process development and manufacturing scale-up associated with Fovista and seek marketing approval after we obtain initial, top-line data, or the nature, timing or costs of the efforts necessary to complete the development of any other product candidate.

Our future capital requirements will depend on many factors, including:

- the progress, costs and results of our planned Phase 3 clinical program for Fovista;
- the costs and timing of process development and manufacturing scale-up activities associated with Fovista;
- the costs, timing and outcome of regulatory review of Fovista;
- the costs of commercialization activities for Fovista if we receive, or expect to receive, marketing approval, including the costs and timing of establishing product sales, marketing, distribution and outsourced manufacturing capabilities;
- subject to receipt of marketing approval, revenue received from commercial sales of Fovista, after milestone payments and royalties;

- the costs of developing Fovista for additional indications or for use in broader patient populations;
- our ability to establish collaborations on favorable terms, if at all;
- the scope, progress, results and costs of product development of ARC1905 and any other product candidates that we may develop;
- the extent to which we in-license or acquire rights to other products, product candidates or technologies; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against intellectual property-related claims.

Our commercial revenues, if any, will be derived from sales of Fovista or any other products that we successfully develop, none of which do we expect to be commercially available for several years, if at all. In addition, if approved, Fovista or any other product candidate that we develop or any product that we in-license may not achieve commercial success. Accordingly, we will need to obtain substantial additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans.

If we fail to enroll patients in our planned Phase 3 clinical trials of Fovista as planned or fail to comply with our obligations in our royalty purchase arrangement with Novo A/S, we could lose access to funds that are important to our business, which may force us to delay or terminate the development of Fovista. In addition, a default under the royalty purchase arrangement with Novo A/S would permit Novo A/S to foreclose on the Fovista intellectual property.

In May 2013, we entered into a royalty purchase and sale arrangement with Novo A/S for a financing of up to $125 million in return for the sale to Novo A/S of royalty interests in worldwide sales of Fovista. We received approximately $42 million of this royalty financing in May 2013. We are obligated to pay Novo A/S royalties at low to mid single-digit percentages of worldwide sales of Fovista, with the royalty percentage determined by the amount of funding provided by Novo A/S.

We are subject to diligence and other obligations under our royalty purchase arrangement with Novo A/S. If we fail to enroll the specified numbers of patients in our Phase 3 clinical trials of Fovista and satisfy additional closing conditions under the royalty purchase arrangement or fail to satisfy our other obligations, Novo A/S will have no further obligation to pay additional funds to us under the royalty purchase arrangement. We would then need to raise substantial additional funding through public or private equity offerings, debt financings, corporate collaboration and licensing arrangements or other financing alternatives. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay or terminate our research and development programs, including for Fovista, or any future commercialization efforts.

In addition, our obligations under our royalty purchase arrangement with Novo A/S are secured by collateral, which includes certain intellectual property rights, including all of our intellectual property rights relating to Fovista and regulatory approvals, if any, of Fovista. If we fail to satisfy our diligence obligations or breach any other of our obligations under the royalty purchase arrangement with Novo A/S and fail to cure the breach within any applicable grace period, Novo A/S could declare an event of default. In such event, Novo A/S could seek to foreclose on the collateral securing our obligations. If Novo A/S successfully does so, we would lose our rights to develop and commercialize Fovista.

Our obligations under our royalty purchase arrangement with Novo A/S and the pledge of our intellectual property rights in and regulatory approvals, if any, of Fovista as collateral under such arrangement may limit our ability to obtain debt financing.

Raising additional capital may cause dilution to our stockholders, including purchasers of common stock in this offering, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. The expected funding pursuant to our royalty purchase arrangement with Novo A/S is subject to enrollment of specified numbers of patients in our Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. We do not have any other committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Our pledge of assets, including intellectual property rights, as collateral to secure our obligations under our royalty purchase arrangement with Novo A/S may limit our ability to obtain debt financing.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, products or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Risks Related to Product Development and Commercialization

We depend heavily on the success of our lead product candidate, Fovista, which we are developing in combination with anti-VEGF drugs for the treatment of patients with wet AMD. If we are unable to complete our Phase 3 clinical program and obtain marketing approvals for Fovista, or thereafter we fail to commercialize Fovista or experience significant delays in doing so, our business will be materially harmed.

We have invested a significant portion of our efforts and financial resources in the development of Fovista in combination with anti-VEGF drugs for the treatment of patients with wet AMD. There remains a significant risk that we will fail to successfully develop Fovista. The results of our Phase 2b clinical trial may not be predictive of the results of our Phase 3 clinical program due, in part, to the fact that we have no clinical data on Fovista combination therapy in any clinical trial longer than 24 weeks, that we have no clinical data on the effects of Fovista when used in combination with Eylea or Avastin and that we plan to conduct our Phase 3 clinical trials at many clinical centers that were not included in our Phase 2b clinical trial.

We do not expect to have initial, top-line data from our Phase 3 clinical program for Fovista available until 2016. The timing of the availability of such top-line data and the completion of our Phase 3 clinical program is dependent, in part, on our ability to locate and enroll a sufficient number of eligible patients in our Phase 3 clinical program on a timely basis. If we obtain statistically significant, positive results from our Phase 3 clinical program, we do not expect to submit applications for marketing approval for Fovista until the end of 2016. Our Phase 3 clinical trials will continue after such submissions in accordance with the protocols for these trials. We cannot accurately predict when or if Fovista will prove effective or safe in humans or will receive marketing approval. We do not know precisely the timing of clinical trials or marketing approvals for other product candidates.

Our ability to generate product revenues, which we do not expect will occur before 2017, if ever, will depend heavily on our obtaining marketing approval for and commercializing Fovista. The success of Fovista will depend on several factors, including the following:

- obtaining favorable results from clinical trials;

- making arrangements with third-party manufacturers and receiving regulatory approval of our manufacturing processes and our third-party manufacturers' facilities from applicable regulatory authorities;
- receipt of marketing approvals from applicable regulatory authorities for the use of Fovista in combination with anti-VEGF drugs for the treatment of wet AMD, particularly which anti-VEGF drugs are included in any such approval;
- launching commercial sales of Fovista, if and when approved, whether alone or in collaboration with others;
- acceptance of Fovista, if and when approved, by patients, the medical community and third-party payors;
- continued, widespread use of anti-VEGF therapies in the treatment of wet AMD in combination with which Fovista will be used;
- effectively competing with other therapies, including the existing standard of care;
- maintaining a continued acceptable safety profile of Fovista following approval;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity; and
- protecting our rights in our intellectual property portfolio.

Successful development of Fovista for additional indications, if any, or for use in broader patient populations and our ability, if it is approved, to broaden the label for Fovista will depend on similar factors.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize Fovista in combination with anti-VEGF drugs for the treatment of wet AMD or for any additional indication, which would materially harm our business.

If clinical trials of Fovista or any other product candidate that we develop fail to demonstrate safety and efficacy to the satisfaction of the FDA or similar regulatory authorities outside the United States or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of Fovista or any other product candidate.

Before obtaining approval from regulatory authorities for the sale of any product candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

Our Phase 2b clinical trial evaluated a combination of Fovista and Lucentis. In this trial, patients treated with a combination of 0.3 mg of Fovista and Lucentis did not achieve statistically significant superiority compared to Lucentis monotherapy based on the pre-specified primary endpoint of mean change in visual acuity from baseline at the 24 week timepoint. Although a combination of 1.5 mg of Fovista and Lucentis demonstrated statistically significant superiority in this trial compared to Lucentis monotherapy based on the pre-specified primary endpoint of mean change in visual acuity from baseline at the 24 week timepoint, we may nonetheless fail to achieve success in our planned Phase 3 clinical program involving a combination of 1.5 mg of Fovista and Lucentis for a variety of potential reasons.

- The primary endpoint of mean change in visual acuity in our Phase 2b clinical trial was measured 24 weeks after the first dose of Fovista. The primary endpoint of mean change in visual acuity in our

planned Phase 3 clinical program will be measured 12 months after the first dose of Fovista. We have no clinical data on Fovista combination therapy in any clinical trial longer than 24 weeks. If the positive results we observed at 24 weeks in our Phase 2b clinical trial are not observed at 12 months, we likely will not receive marketing approval for Fovista.

- Retrospective subgroup analyses that we performed on the results of our Phase 2b clinical trial may not be predictive of the results of our Phase 3 clinical program. Although we believe that the retrospective analyses further support the results from our primary endpoint and our proposed mechanism of action, retrospective analyses performed after unblinding trial results can result in the introduction of bias and are given less weight by regulatory authorities than pre-specified analyses.
- We plan to conduct our Phase 3 clinical trials at many clinical centers that were not included in our Phase 2b clinical trial. The introduction of new centers, and the resulting involvement of new treating physicians, can introduce additional variability into the conduct of the trials in accordance with their protocols and may result in greater variability of patient outcomes, which could adversely affect our ability to detect statistically significant differences between patients treated with 1.5 mg of Fovista in combination with an anti-VEGF drug and anti-VEGF drug monotherapy.
- Our planned Phase 3 clinical program involves two Phase 3 clinical trials testing a combination of 1.5 mg of Fovista and Lucentis for the treatment of wet AMD and one trial testing a combination of 1.5 mg of Fovista with each of Eylea or Avastin for the treatment of wet AMD. We have no clinical efficacy data on the effects of Fovista when used in combination with Eylea or Avastin for the treatment of patients with wet AMD. Avastin is not approved for such use.

Fovista in combination with Lucentis was generally well tolerated in our Phase 1 and Phase 2b clinical trials. However, the results of these clinical trials may not be predictive of the results of our Phase 3 clinical program for Fovista due, in part, to the fact that we have no clinical safety data on patient exposure to Fovista in combination with any anti-VEGF drug for longer than 24 weeks and that we have no clinical safety data on the effects of Fovista when used in combination with Eylea or Avastin.

In general, the FDA and similar regulatory authorities outside the United States require two adequate and well controlled clinical trials demonstrating effectiveness for marketing approval. If a combination of 1.5 mg of Fovista and Lucentis fails to achieve superiority over Lucentis monotherapy with statistical significance on the primary endpoint of mean change in visual acuity from baseline at 12 months in both of our Phase 3 clinical trials evaluating the safety and efficacy of this combination, we likely will not receive marketing approval for Fovista even if the combination of 1.5 mg of Fovista with Eylea or Avastin achieves superiority over Eylea or Avastin monotherapy with statistical significance on the primary endpoint in one of our Phase 3 clinical trials. There are a variety of other possible outcomes of our Phase 3 clinical trials. As described below, positive outcomes in one or more of our Phase 3 clinical trials may not be sufficient for the FDA or similar regulatory authorities outside the United States to grant marketing approval for Fovista.

- If a combination of 1.5 mg of Fovista and Lucentis achieves superiority over Lucentis monotherapy with statistical significance on the primary endpoint in only one of our Phase 3 clinical trials and the combination of 1.5 mg of Fovista with Eylea or Avastin does not achieve superiority over Eylea or Avastin monotherapy with statistical significance on the primary endpoint in our other Phase 3 clinical trials, we likely will not receive marketing approval for Fovista.
- If a combination of 1.5 mg of Fovista and Lucentis achieves superiority over Lucentis monotherapy with statistical significance on the primary endpoint in only one of our Phase 3 clinical trials and the combination of 1.5 mg of Fovista with Eylea or Avastin achieves superiority over Eylea or Avastin monotherapy with statistical significance on the primary endpoint in our other Phase 3 clinical trials, the FDA or similar regulatory authorities outside the United States may nonetheless not grant marketing approval for Fovista.
- Even if a combination of 1.5 mg of Fovista in combination with an anti-VEGF drug achieves superiority over an anti-VEGF drug monotherapy with statistical significance on the primary endpoint

in two or all three of our Phase 3 clinical trials, the FDA or similar regulatory authorities outside the United States may nonetheless not grant marketing approval for Fovista if such regulatory authorities do not believe that the benefits offered by Fovista in combination with an anti-VEGF drug are clinically meaningful or that such benefits outweigh the observed or potential risks.

In the United States, Eylea and Avastin are two of the most widely used anti-VEGF drugs for the treatment of wet AMD. If a combination of 1.5 mg of Fovista with Eylea or Avastin does not achieve superiority over Eylea or Avastin monotherapy with statistical significance on the primary endpoint of mean change in visual acuity from baseline at 12 months in our Phase 3 clinical program, our ability to successfully commercialize Fovista in combination with any anti-VEGF drug could be harmed materially. In addition, any failure of Fovista in combination with Eylea or Avastin to achieve superiority over Eylea or Avastin monotherapy with statistical significance on the primary endpoint could cause the FDA or similar regulatory authorities outside the United States to require additional clinical trials or other research before granting marketing approval of Fovista for use in combination with any anti-VEGF drug, including Lucentis, for the treatment of patients with wet AMD.

The protocols for our proposed Phase 3 clinical trials and other supporting information are subject to review by the FDA and regulatory authorities outside the United States. The FDA or other regulatory authorities may request additional information, require us to conduct additional non-clinical studies or require us to modify our proposed Phase 3 clinical program, including its endpoints, patient enrollment criteria or selection of anti-VEGF drugs, to receive clearance to initiate such program or to continue such program once initiated. Such modifications may result in our incurring increased expense or in a delay in the enrollment or completion of such program. The FDA is not obligated to comment on our protocols within any specified time period or at all or to affirmatively clear or approve our Phase 3 clinical program. We have submitted the protocols for our proposed Phase 3 clinical trials to the FDA and intend to initiate our Phase 3 clinical program in the United States without waiting for any such comments, clearance or approval. We may not receive clearance from other regulatory authorities to initiate our proposed Phase 3 clinical program on a timely basis, if at all.

If we are required to conduct additional clinical trials or other testing of Fovista or any other product candidate that we develop beyond those that we contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements; or
- have the product removed from the market after obtaining marketing approval.

If we experience any of a number of possible unforeseen events in connection with our clinical trials, potential marketing approval or commercialization of our product candidates could be delayed or prevented.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates, including:

- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;

- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- we may decide, or regulators or institutional review boards may require us, to suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate; and
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates, such as the anti-VEGF drugs we need to use in combination with Fovista, may become insufficient or inadequate.

Our product development costs will also increase if we experience delays in testing or marketing approvals. We do not know whether any clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for Fovista or any other product candidate that we develop if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. In addition, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as Fovista, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' product candidates.

Patient enrollment is affected by other factors including:

- severity of the disease under investigation;
- eligibility criteria for the study in question;
- perceived risks and benefits of the product candidate under study;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- proximity and availability of clinical trial sites for prospective patients.

Additional financing under our royalty purchase arrangement with Novo A/S is contingent upon enrolling specified numbers of patients in our Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. Novo A/S will not be required to provide the additional royalty financing unless we enroll the specified numbers of patients. In addition, our inability to locate and enroll a sufficient number of patients for our clinical trials would result in significant delays in our clinical trials, could require us to abandon one or more clinical trials altogether and could delay or prevent our receipt of necessary regulatory approvals. Enrollment delays in our clinical trials also may result in increased development costs for our product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

If serious adverse or unacceptable side effects are identified during the development of Fovista or any other product candidate that we develop, we may need to abandon or limit our development of Fovista or any other product candidate.

If Fovista or any other of our product candidates are associated with serious adverse events or undesirable side effects in clinical trials or have characteristics that are unexpected, we may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Fovista in combination with Lucentis was generally well tolerated in our Phase 1 clinical trial and our Phase 2b clinical trial. In our Phase 1 clinical trial, none of the patients experienced any dose limiting toxicities at any of the dose levels tested, we did not observe any evidence of drug related adverse events, and adverse events were primarily ocular adverse events in the study eye which were related to the injection procedure. No patients discontinued from this trial due to an adverse event. We did not observe any meaningful clinical immunologic reactions to Fovista in our Phase 1 clinical trial.

In our Phase 2b clinical trial, we did not observe any significant imbalances among treatment groups in the incidence of ocular adverse events or systemic adverse events, including cardiovascular events or stroke. In our Phase 2b clinical trial, we did not observe any cases of infection inside the eye, or endophthalmitis. We observed one case of severe intraocular inflammation among the patients treated with 0.3 mg of Fovista in combination with Lucentis and no such cases among the patients treated with 1.5 mg of Fovista in combination with Lucentis. There was one serious adverse event in the study eye in each of these treatment groups, although the serious adverse event was different between the treatment groups. Most of the common ocular adverse events were related to the intravitreal preparation and injection procedure and were not drug related. The most common ocular adverse events among patients treated with 0.3 mg or 1.5 mg of Fovista in combination with Lucentis were conjunctival hemorrhage, punctate keratitis, eye pain and conjunctival hyperemia. The most common systemic serious adverse events in the study among patients treated with 0.3 mg or 1.5 mg of Fovista in combination with Lucentis were respiratory disorders, gastrointestinal disorders, cardiac disorders, infections, and neoplasms.

We have no clinical safety data or patient exposure to Fovista in combination with Lucentis for longer than 24 weeks, and we have no clinical safety data on the effects of Fovista when used in combination with Eylea or Avastin. Many compounds that initially showed promise in clinical or earlier stage testing have later been found to cause side effects that prevented further development of the compound. Our planned Phase 3 clinical program for Fovista involves the administration of Fovista in combination with anti-VEGF drugs, and the safety results of our trials are dependent, in part, on the safety and tolerability of the co-administered anti-VEGF drug. Avastin is not approved for the treatment of wet AMD, and according to third-party clinical studies, may be associated with a greater risk of serious adverse events or undesirable side effects than Lucentis.

Even if Fovista or any other product candidate that we develop receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success and the market opportunity for Fovista may be smaller than we estimate.

If any of our product candidates receive marketing approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current treatments for wet AMD, including Lucentis, Eylea and low cost, off-label use of Avastin, are well established in the medical community, and doctors may continue to rely on these treatments without Fovista. If Fovista does not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of Fovista or any other product candidate that we develop, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments, including the existing standard of care;

- any restrictions on the use of our products in combination with other medications, such as a Fovista label requiring a waiting period after the intravitreal injection of the anti-VEGF drug and prior to the intravitreal injection of Fovista;
- any restrictions on the use of our products to a subgroup of patients, such as by excluding from the Fovista label patients with pure occult subtype wet AMD;
- restrictions in the label on the use of Fovista with a particular anti-VEGF drug;
- any changes in the dosing regimen of, or the means of administering or delivering, an anti-VEGF drug with which Fovista will be used;
- our ability to offer our products at competitive prices, particularly in light of the additional cost of Fovista together with an anti-VEGF drug;
- availability of third-party coverage and adequate reimbursement, particularly by Medicare given our target market for persons over age 55;
- willingness of the target patient population to try new therapies and of physicians to prescribe these therapies, particularly in light of the existing available standard of care;
- prevalence and severity of any side effects;
- whether alternatives are more convenient or easier to administer; and
- strength of our marketing and distribution support.

In addition, the potential market opportunity for Fovista is difficult to estimate precisely. If Fovista receives marketing approval for the treatment of wet AMD, it will be used solely in combination with an anti-VEGF drug. The market opportunity for Fovista will be dependent upon the continued use of anti-VEGF drugs in the treatment of wet AMD and the market share of such anti-VEGF drugs for which Fovista is approved as a combination therapy. In addition, because physicians, patients and third-party payors may be sensitive to the addition of the cost of Fovista to the cost of treatment with anti-VEGF drugs, we may experience downward pressure on the price we can charge for Fovista.

Our planned Phase 3 clinical program excludes from enrollment wet AMD patients with pure occult choroidal neovascularization. Based on enrollment of wet AMD patients in third-party clinical trials, the pure occult subtype accounts for approximately 40% of the cases of subfoveal wet AMD. If Fovista receives marketing approval for the treatment of wet AMD and the approved label excludes patients with pure occult lesions, the potential market opportunity for Fovista will be limited to the extent that physicians do not prescribe Fovista for such patients.

Our planned Phase 3 clinical program provides for a 30-minute delay in the injection of Fovista after the anti-VEGF drug to minimize the risk in our clinical trials of an unacceptable increase in intraocular pressure as a result of the amount of the two agents injected. If Fovista receives marketing approval for the treatment of wet AMD and the approved label requires such a waiting period, the potential market opportunity for Fovista may be limited to the extent that physicians and patients find such a waiting period unacceptable.

Our estimates of the potential market opportunity for Fovista include several key assumptions based on our industry knowledge, industry publications, third-party research reports and other surveys. While we believe that our internal assumptions are reasonable, no independent source has verified such assumptions. If any of these assumptions proves to be inaccurate, then the actual market for Fovista could be smaller than our estimates of our potential market opportunity. If the actual market for Fovista is smaller than we expect, our product revenue may be limited and it may be more difficult for us to achieve or maintain profitability.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.

The development and commercialization of new drug products is highly competitive. We face competition with respect to Fovista from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of product candidates for the treatment of wet AMD or other disease indications for which we may develop Fovista. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. We also will face similar competition with respect to any other products or product candidates that we may seek to develop or commercialize in the future for the treatment of wet AMD or other diseases.

The current standard of care for wet AMD is monotherapy administration of anti-VEGF drugs, principally Avastin, Lucentis and Eylea. We are developing Fovista for administration in combination with these anti-VEGF drugs. These drugs are well established therapies and are widely accepted by physicians, patients and third-party payors. When used for the treatment of wet AMD, Avastin is inexpensive. Physicians, patients and third-party payors may not accept the addition of Fovista to their current treatment regimens for a variety of potential reasons, including:

- if they do not wish to incur the additional cost of Fovista;
- if they perceive an additional injection to administer Fovista as undesirable;
- if they perceive the addition of Fovista to be of limited benefit to patients; or
- if they wish to treat with anti-VEGF drugs as monotherapy first and add Fovista only if and when resistance to continued anti-VEGF therapy limits further enhancement of visual outcome with anti-VEGF monotherapy.

There are also a number of products in preclinical research and clinical development by third parties to treat wet AMD, including product candidates that inhibit the function of PDGF, the molecule whose function Fovista also inhibits, product candidates that inhibit the function of both VEGF and PDGF that could obviate the separate use of an anti-PDGF agent, such as Fovista, and anti-VEGF gene therapy products that may substantially reduce the number and frequency of intravitreal injections when treating wet AMD. These companies include pharmaceutical companies, biotechnology companies, and specialty pharmaceutical and generic drug companies of various sizes, such as Regeneron Pharmaceuticals, Inc., Allergan, Inc., Xcovery Vision LLC, Neurotech Pharmaceuticals, Inc., Avalanche Biotechnologies, Inc. and Somalogic, Inc. See “Business—Competition” for more information.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient to use or are less expensive than Fovista or other products that we may develop. The commercial opportunity for Fovista also could be reduced or eliminated if our competitors develop and commercialize products that reduce or eliminate the use of anti-VEGF drugs for the treatment of patients with wet AMD. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

In addition, our ability to compete may be affected in many cases by insurers or other third-party payors, particularly Medicare, seeking to encourage the use of less expensive or more convenient products. We expect that if Fovista is approved, the cost of treatment of wet AMD with a combination of Fovista with an anti-VEGF drug will be significantly higher than the cost of treatment of wet AMD with Avastin, Lucentis or Eylea monotherapy. Insurers and other third-party payors may encourage the use of anti-VEGF drugs as monotherapy and discourage the use of Fovista in combination with these drugs. This could limit sales of Fovista.

Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We have no experience manufacturing Fovista or ARC1905 at commercial scale. As a result, delays in regulatory approval of Fovista or ARC1905 may occur. Also, manufacturing issues may arise that could cause delays or increase costs.

We have no experience manufacturing the chemically synthesized aptamers comprising the active pharmaceutical ingredients of Fovista or ARC1905 at commercial scale. We currently rely on a single third-party manufacturer to supply us with Fovista drug substance on a purchase order basis. In order to obtain regulatory approval for Fovista, this third-party manufacturer will be required to consistently produce the active pharmaceutical ingredient used in Fovista in commercial quantities and of specified quality on a repeated basis and document its ability to do so. This is referred to as process validation. If this third-party manufacturer is unable to satisfy this requirement, our business will be materially and adversely affected.

Our third-party manufacturer has made only a limited number of lots of Fovista to date and has not made any commercial lots. The manufacturing processes for Fovista have never been tested at commercial scale, and the process validation requirement has not yet been satisfied. These manufacturing processes and our third-party manufacturer's facility will be subject to inspection and approval by the FDA before we can commence the manufacture and sale of Fovista. Our third-party manufacturer has never been inspected by the FDA and has not been through the FDA approval process for a commercial product. If our third-party manufacturer is unable to pass such inspection and otherwise satisfactorily complete the FDA approval regimen, our business will be materially and adversely affected.

The standards of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use, which establishes basic guidelines and standards for drug development in the United States, the European Union, Japan and other countries, do not apply to oligonucleotides, including aptamers. As a result, there is no established generally accepted manufacturing or quality standard for the production of Fovista or ARC1905. Even though the FDA has reviewed the quality standards for Fovista to be used in our planned Phase 3 clinical program, the FDA has the ability to modify these standards at any time and foreign regulatory agencies may impose differing quality standards and quality control on the manufacture of Fovista. The lack of uniform manufacturing and quality standards among regulatory agencies may delay regulatory approval of Fovista and ARC1905.

Also, as we or any manufacturer we engage scales up manufacturing of any approved product, we may encounter unexpected issues relating to the manufacturing process or the quality, purity and stability of the product, and we may be required to refine or alter our manufacturing processes to address these issues. Resolving these issues could result in significant delays and may result in significantly increased costs. If we experience significant delays or other obstacles in producing any approved product for commercial scale, our ability to market and sell any approved products may be adversely affected and our business could suffer.

If we are unable to establish sales, marketing and distribution capabilities or enter into sales, marketing and distribution agreements with third parties, we may not be successful in commercializing Fovista or any other product candidate that we develop if and when Fovista or any other product candidate is approved.

We do not have a sales, marketing or distribution infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for any approved product,

we must either develop a sales, marketing and distribution organization or outsource those functions to third parties. If Fovista receives marketing approval, we plan to commercialize it in the United States with our own focused, specialty sales force targeting retinal specialists. In addition, we expect to utilize a variety of types of collaboration, distribution and other marketing arrangements with third parties to commercialize Fovista in markets outside the United States.

There are risks involved with establishing our own sales, marketing and distribution capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing and distribution capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our products on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or persuade adequate numbers of physicians to prescribe our products;
- the lack of complementary products to be offered by our sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our product revenues and our profitability, if any, are likely to be lower than if we were to market, sell and distribute ourselves any products that we develop. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute our product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Even if we are able to commercialize Fovista or any other product candidate that we develop, the product may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm our business.

The regulations that govern marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain marketing approval.

Our ability to commercialize Fovista or any other product candidate successfully also will depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and

third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A major trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors, particularly Medicare, have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that coverage and reimbursement will be available for Fovista or any other product that we commercialize, and, even if these are available, the level of reimbursement may not be satisfactory.

Reimbursement may affect the demand for, or the price of, any product candidate for which we obtain marketing approval. Obtaining and maintaining adequate reimbursement for our products may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician and because, in the case of Fovista, our drug will be administered in combination with other drugs that may carry high prices. In addition, physicians, patients and third-party payors may be sensitive to the addition of the cost of Fovista to the cost of treatment with anti-VEGF drugs. We may be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies, including in the case of Fovista, relative to monotherapy with anti-VEGF drugs. If coverage and adequate reimbursement are not available or reimbursement is available only to limited levels, we may not be able to successfully commercialize Fovista or any other product candidate for which we obtain marketing approval.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

Our strategy of obtaining rights to product candidates and approved products for the treatment of a range of ophthalmic diseases through in-licenses and acquisitions may not be successful.

We may expand our product pipeline through opportunistically in-licensing or acquiring the rights to other products, product candidates or technologies for the treatment of ophthalmic diseases. Because we expect generally that we will not engage in early stage research and drug discovery, the future growth of our business will depend in significant part on our ability to in-license or acquire the rights to approved products, additional product candidates or technologies. However, we may be unable to in-license or acquire the rights to any such products, product candidates or technologies from third parties. The in-licensing and acquisition of pharmaceutical products is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire products, product candidates or technologies that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to in-license or acquire the rights to the relevant product, product candidate or technology on terms that would allow us to make an appropriate return on our investment. Furthermore, we may be unable to

identify suitable products, product candidates or technologies within our area of focus. If we are unable to successfully obtain rights to suitable products, product candidates or technologies, our business, financial condition and prospects for growth could suffer.

Product liability lawsuits against us could divert our resources, cause us to incur substantial liabilities and limit commercialization of any products that we may develop or in-license.

We face an inherent risk of product liability exposure related to the testing of Fovista and any other product candidate that we develop in human clinical trials and will face an even greater risk if we commercially sell any products that we develop or in-license. Because our planned Phase 3 clinical program for Fovista involves the administration of Fovista in combination with anti-VEGF drugs, including off-label use by intravitreal injection of Avastin provided by us, we also face an inherent risk of product liability exposure related to the testing of such anti-VEGF drugs. If we cannot successfully defend ourselves against claims that our product candidates, co-administered anti-VEGF drugs or our products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop or in-license;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced time and attention of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop or in-license.

We currently hold $10.0 million in product liability insurance coverage in the aggregate, with a per incident limit of $10.0 million, which may not be adequate to cover all liabilities that we may incur. We will need to increase our insurance coverage when and if we begin commercializing Fovista or any other product candidate that receives marketing approval. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks Related to Our Dependence on Third Parties

We may enter into collaborations with third parties for the development or commercialization of Fovista and our other product candidates. If those collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

If Fovista receives marketing approval, we plan to commercialize it in the United States with our own focused, specialty sales force targeting retinal specialists. In addition, we expect to utilize a variety of types of collaboration, distribution and other marketing arrangements with third parties to commercialize Fovista in markets outside the United States. We also may seek third-party collaborators for development and commercialization of other product candidates. Our likely collaborators for any sales, marketing, distribution, development, licensing or broader collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. We are not currently party to any such arrangement. However, if we do enter into any such arrangements with any third parties in the future, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities and efforts to successfully perform the functions assigned to them in these arrangements.

Collaborations involving our product candidates would pose numerous risks to us, including the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations and may not perform their obligations as expected;
- collaborators may deemphasize or not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus, product and product candidate priorities or available funding;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- we could grant exclusive rights to our collaborators, which would prevent us from collaborating with others;
- disagreements or disputes with collaborators, including disagreements or disputes over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of products or product candidates, might lead to additional responsibilities for us with respect to product candidates or might result in litigation or arbitration, any of which would divert management attention and resources, be time-consuming and be expensive;
- collaborators with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;
- collaborators may not properly maintain or defend our intellectual property rights, may infringe the intellectual property rights of third parties, may misappropriate our trade secrets or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation and potential liability; and
- collaborations may be terminated for the convenience of the collaborator, our breach of the terms of the collaboration or other reasons and, if terminated, we may need to raise additional capital to pursue further development or commercialization of the applicable product candidates.

If a collaborator of ours were to be involved in a business combination, the foregoing risks would be heightened, and the business combination may divert attention or resources or create competing priorities. The collaborator may delay or terminate our product development or commercialization program. If one of our collaborators terminates its agreement with us, we could find it more difficult to attract new collaborators and the perception of our company in the business and financial communities could be adversely affected.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all.

If we are not able to establish collaborations, we may have to alter our development and commercialization plans.

The potential commercialization of Fovista and the development and potential commercialization of other product candidates will require substantial additional cash to fund expenses. For some of our product candidates, we may decide to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates. For example, we intend to seek to commercialize Fovista through a variety of types of collaboration arrangements outside the United States.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. We may also be restricted under future license agreements from entering into agreements on certain terms with potential collaborators. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

We rely on third parties in conducting our clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

We have relied on third-party clinical research organizations, or CROs, in conducting our completed Phase 2b clinical trial of Fovista and our completed Phase 1/2a clinical trial of ARC1905. We expect to continue to rely on third parties, such as CROs, clinical data management organizations, medical institutions and clinical investigators, in conducting our clinical trials for Fovista, including the clinical trials in our Phase 3 clinical program, and expect to rely on these third parties to conduct clinical trials of any other product candidate that we develop. We or these third parties may terminate their engagements with us at any time for a variety of reasons, including a failure to perform by the third parties. If we need to enter into alternative arrangements, that would delay our product development activities.

Our reliance on these third parties for clinical development activities reduces our control over these activities but does not relieve us of our responsibilities. For example, we remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as Good Clinical Practices, or GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors.

We also rely on other third parties to store and distribute drug supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential product revenue.

We contract with third parties for the manufacture of Fovista for clinical trials and expect to continue to do so in connection with the commercialization of Fovista and for clinical trials and commercialization of any other product candidates that we develop. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not currently own or operate manufacturing facilities for the production of clinical or commercial quantities of Fovista and have limited personnel with manufacturing experience. We currently rely on and expect to continue to rely on third-party contract manufacturers to manufacture clinical and commercial supplies of Fovista, preclinical and clinical supplies of other product candidates we may develop and commercial supplies of products if and when approved for marketing by applicable regulatory authorities. Our current and anticipated future dependence upon others for the manufacture of Fovista and any other product candidate or product that we develop may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis. In addition, any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval.

We currently rely exclusively on one third-party manufacturer to supply us with Fovista drug substance on a purchase order basis. We also rely on another third-party manufacturer to conduct fill-finish services on a purchase order basis. We do not currently have any contractual commitments for commercial supply of bulk drug substance for Fovista or for fill-finish services. We also do not currently have arrangements in place for redundant supply or a second source for bulk drug substance for Fovista or for fill-finish services. The prices at which we are able to obtain supplies of Fovista drug substance and fill-finish services may vary substantially over time and adversely affect our financial results. Furthermore, we currently rely on sole-source suppliers of certain raw materials and other specialized components of production used in the manufacture and fill-finish of Fovista.

We currently rely exclusively on Nektar to supply us with a proprietary polyethylene glycol, or PEG, reagent under a supply agreement with Nektar. PEG reagent is a chemical we use to modify the chemically synthesized aptamer in Fovista. The PEG reagent made by Nektar is proprietary to Nektar and, to our knowledge, is not currently available from any other third party.

If our third-party manufacturer for Fovista drug substance fails to fulfill our purchase orders, if Nektar breaches its obligations to us under our supply agreement or if either of these manufacturers should become unavailable to us for any reason, we believe that there are a limited number of potential replacement manufacturers, and we likely would incur added costs and delays in identifying or qualifying such replacements. We could also incur additional costs and delays in identifying or qualifying a replacement manufacturer for fill-finish services if our existing third-party manufacturer should become unavailable for any reason. We may be unable to establish any agreements with such replacement manufacturers or to do so on acceptable terms.

Under the supply agreement with Nektar, we must purchase our entire requirements for PEG reagent exclusively from Nektar at an agreed price. In the event Nektar breaches its supply obligations as specified in the agreement, Nektar has agreed to enable a third-party manufacturer, if one is available, to supply us with PEG reagent until Nektar demonstrates that Nektar has the ability to supply all of our requirements for PEG reagent. The agreement of Nektar to enable a third-party manufacturer may be difficult to enforce in the context of a breach by Nektar of its supply obligations. We may not be able to reach an agreement with any third-party manufacturer to take on the supply of PEG reagent under such circumstances because, to our knowledge, no third party currently manufactures the PEG reagent we currently use in making the Fovista drug substance. Furthermore, the third party’s right to supply us with PEG reagent would be subject to termination at any time

once Nektar demonstrates that Nektar has the ability to supply all of our requirements for PEG reagent, which may limit the interest of potential third-party manufacturers in undertaking such an engagement. In addition, the process of transferring any necessary technology or process to a third-party manufacturer would entail significant delay in or disruption to the supply of PEG reagent and, as a result, a significant delay in or disruption to the manufacture of Fovista. Furthermore, the FDA or other regulatory authorities might require additional studies to demonstrate equivalence between the Fovista drug substance made using the Nektar PEG reagent and the Fovista drug substance made using any replacement PEG reagent we propose to use or between the Nektar PEG reagent itself and any replacement PEG reagent we propose to use to make Fovista. We ultimately may be unable to demonstrate such equivalence.

Reliance on third-party manufacturers entails additional risks, including:

- Fovista and any other product that we develop may compete with other product candidates and products for access to a limited number of suitable manufacturing facilities that operate under current good manufacturing practices, or cGMP, regulations;
- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products and harm our business and results of operations.

We depend on licenses and sublicenses for development and commercialization rights to our products, product candidates and technologies. Termination of these rights or the failure to comply with obligations under these or other agreements under which we obtain such rights could materially harm our business and prevent us from developing or commercializing our products and product candidates.

We are party to various agreements, including an acquisition agreement with OSI Pharmaceuticals and license agreements with Archemix and Nektar that we depend on for rights to Fovista and other product candidates and technology. These agreements impose, and we may enter into additional licensing arrangements or other agreements with third parties that may impose, diligence, development and commercialization timelines, milestone payment, royalty, insurance and other obligations on us. Under our acquisition agreement with OSI Pharmaceuticals and our licensing agreement with Nektar, we are obligated to pay royalties on net product sales of Fovista or other product candidates or related technologies to the extent they are covered by the agreement. Under our license agreements with Archemix and Nektar, we would not be able to avoid our payment obligations even if we believed a licensed patent right was invalid or unenforceable because the license agreements provide that our licenses to all licensed patent rights would terminate if we challenge the validity or enforceability of any licensed patent right.

We also have diligence and development obligations under our acquisition agreement with OSI Pharmaceuticals and our license agreements with Archemix and Nektar. Generally, these diligence obligations require us to use commercially reasonable efforts to develop, seek regulatory approval for and commercialize our products in the United States, the European Union and, in some cases, certain other specified countries. If we fail to comply with our obligations under current or future acquisition, license and funding agreements, or otherwise

breach an acquisition or license agreement, our counterparties may have the right to terminate these agreements, in which event we might not have the rights or the financial resources to develop, manufacture or market any product that is covered by these agreements. Our counterparties also may have the right to convert an exclusive license to non-exclusive in the territory in which we failed to satisfy our diligence obligations, which could materially adversely affect the value of the product candidate being developed under any such agreement. Termination of these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms, seek alternative sources of financing or cause us to lose our rights under these agreements, including our rights to Fovista and other important intellectual property or technology. Any of the foregoing could prevent us from commercializing Fovista or our other product candidates, which could have a material adverse effect on our operating results and overall financial condition.

In addition to the generally applicable diligence obligations set forth above, we have specific obligations with respect to the licensing and funding agreements described below:

- Under the terms of the agreement with OSI Pharmaceuticals under which we acquired certain rights to develop and commercialize Fovista, if we fail to meet our diligence obligations, OSI Pharmaceuticals may terminate the agreement as to such countries with respect to which such failure has occurred, and upon such termination we will be obligated to grant, assign and transfer to OSI Pharmaceuticals specified rights and licenses related to our anti-PDGF aptamer technology and other related assets, and if we are manufacturing such anti-PDGF products at the time of such termination, may be obligated to provide transitional supply to OSI Pharmaceuticals of covered anti-PDGF products, for such countries.
- Under the terms of the amended license, manufacturing and supply agreement with Nektar, pursuant to which we obtained, among other licenses, an exclusive, worldwide license to make, develop, use, import, offer for sale and sell certain products that incorporate a specified PEG reagent linked with the active ingredient in Fovista, if we fail to use commercially reasonable efforts to achieve the first commercial sale of Fovista in the United States or one of a specified group of other countries by December 31, 2017, which date Nektar and we may agree in good faith to extend in specified circumstances, Nektar may either terminate our license or convert our license for such country to a non-exclusive license. In addition, if we fail to use commercially reasonable efforts to develop Fovista and file and seek approval of NDAs on a schedule permitting us to make first commercial sales of Fovista in specified countries by December 31, 2017, do not make such first commercial sales of Fovista by such date, or thereafter fail to use commercially reasonable efforts to continue to commercialize and market Fovista in such countries, we will be in material breach of the agreement and Nektar will have the right to terminate the agreement.
- Under the amended and restated agreement with Archemix relating to anti-C5 aptamers, if we fail to complete a Phase 2 clinical trial of ARC1905 or another anti-C5 product for AMD by December 31, 2014, Archemix may terminate our corresponding license or convert our corresponding license to a non-exclusive license, subject to certain obligations on the part of Archemix to negotiate an extension to such deadline in good faith.

In addition to the above risks, certain of our intellectual property rights are sublicenses under intellectual property owned by third parties, in some cases through multiple tiers. The actions of our licensors may therefore affect our rights to use our sublicensed intellectual property, even if we are in compliance with all of the obligations under our license agreements. For example, the licenses from Archemix include sublicenses to us of rights to specified technology, which we refer to as the SELEX technology, licensed by University License Equity Holdings, Inc. to Gilead Sciences, Inc., or Gilead, and sublicensed by Gilead to Archemix, as well as other technology owned by Gilead and licensed to Archemix. In addition, the licenses we have obtained from Nektar include sublicenses of certain rights. Should our licensors or any of the upstream licensors fail to comply with their obligations under the agreements pursuant to which they obtain the rights that are sublicensed to us, or should such agreements be terminated or amended, our ability to develop and commercialize Fovista, ARC1905 and other product candidates may be materially harmed. While the applicable agreements may contain contractual provisions that would in many instances protect our rights as a sublicensee in these circumstances,

these provisions may not be enforceable and may not protect our rights in all instances. Further, we do not have the right to control the prosecution, maintenance and enforcement of all of our licensed and sublicensed intellectual property, and even when we do have such rights, we may require the cooperation of our licensors and upstream licensors, which may not be forthcoming. Our business could be adversely affected if we are unable to prosecute, maintain and enforce our licensed and sublicensed intellectual property effectively.

Risks Related to Our Intellectual Property

The patent prosecution process is expensive and time-consuming, is highly uncertain and involves complex legal and factual questions. Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our proprietary technology and products. We seek to protect our proprietary position by filing in the United States and in certain foreign jurisdictions patent applications related to our novel technologies and product candidates that are important to our business.

The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. In addition, we may not pursue or obtain patent protection in all major markets. Moreover, in some circumstances, we do not have the right to control the preparation, filing or prosecution of patent applications, or to maintain the patents, covering technology that we license from third parties. In some circumstances, our licensors have the right to enforce the licensed patents without our involvement or consent, or to decide not to enforce or to allow us to enforce the licensed patents. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. If any such licensors fail to maintain such patents, or lose rights to those patents, the rights that we have licensed may be reduced or eliminated and our right to develop and commercialize any of our products that are the subject of such licensed rights could be adversely affected.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, the laws of foreign jurisdictions may not protect our rights to the same extent as the laws of the United States. For example, European patent law restricts the patentability of methods of treatment of the human body more than United States law does. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions. Moreover, the United States Patent and Trademark Office might require that the term of a patent issuing from a pending patent application be disclaimed and limited to the term of another patent that is commonly owned or names a common inventor. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

Our pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. In particular, during prosecution of any patent application, the issuance of any patents based on the application may depend upon our ability to generate additional preclinical or clinical data that support the patentability of our proposed claims. We may not be able to generate sufficient additional data on a timely basis, or at all. Moreover, changes in either the patent laws or interpretation of the patent laws in the United States or other countries may diminish the value of our patents or narrow the scope of our patent protection.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art, may affect patent litigation and switch the U.S. patent system from a "first-to-invent" system to a "first-to-file" system. Under a first-to-file system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to the patent on an invention regardless of whether another inventor had made the invention earlier. The U.S. Patent and Trademark Office recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first-to-file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

Moreover, we may be subject to a third-party preissuance submission of prior art to the U.S. Patent and Trademark Office, or become involved in opposition, derivation, reexamination, *inter partes* review, post-grant review, interference proceedings or other patent office proceedings or litigation, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

If we are unable to obtain and maintain patent protection for our technology and products during the period of their commercialization, or if the scope of the patent protection is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be adversely affected.

The last to expire of the U.S. patent rights covering the composition of matter of Fovista is expected to expire in 2017. Such expiration date is not long after the date by which we expect Fovista to be commercialized in the United States if we obtain marketing approval and may even be prior to such date. We own an issued U.S. patent covering a method of treating wet AMD with Fovista in combination with Avastin or Lucentis, which is expected to expire in 2024. The Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process occurring after the issuance of a patent. We may be able to obtain a patent term extension for one of these U.S. patents. However, we may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or restoration or the term of any such extension is less than we request, any period during which we have the right to exclusively market our product will be shorter than we would otherwise expect, and our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially.

The European patent rights covering the composition of matter of Fovista are expected to expire in 2018. Such expiration date is shortly after the date by which we expect Fovista to be commercialized in Europe, and may even be prior to such date. We own a granted European patent covering a combination of Fovista and Lucentis or Avastin for use in a method for treating wet AMD. This European patent is expected to expire in 2024.

We also have filed in the United States and Europe patent applications covering a method of treating wet AMD in patients with Fovista in combination with Eylea. These patent applications are in the early stages of prosecution and may not result in patents being issued which protect the use of Fovista in combination with Eylea or effectively prevent others from commercializing competitive technologies and products. If a patent is granted following prosecution of any such application, that patent would be expected to expire in 2030.

Method-of-treatment patents are more difficult to enforce than composition-of-matter patents because of the risk of off-label sale or use of a drug for the subject method. The FDA does not prohibit physicians from prescribing an approved product for uses that are not described in the product's labeling. Although use of a product directed by off-label prescriptions may infringe our method-of-treatment patents, the practice is common across medical specialties, particularly in the United States, and such infringement is difficult to detect, prevent or prosecute. Off-label sales of other products having the same active pharmaceutical ingredient as Fovista or any of our other product candidates would limit our ability to generate revenue from the sale of Fovista or such other product candidates, if approved for commercial sale. In addition, European patent law generally makes the enforcement of patents that cover methods of treatment of the human body difficult. Further, once the composition-of-matter patents relating to Fovista or any other product candidate in a particular jurisdiction, if any, expire, competitors will be able to make, offer and sell products containing the same active pharmaceutical ingredient as Fovista in that jurisdiction so long as these competitors do not infringe any other of our patents covering Fovista's method of use, do not violate the terms of any marketing or data exclusivity that may be granted to us by regulatory authorities and obtain any necessary marketing approvals from applicable regulatory authorities. In such circumstances, we also may not be able to detect, prevent or prosecute off-label use of such competitors' products containing the same active pharmaceutical ingredient as Fovista in combination with any anti-VEGF drug, even if such use infringes any of our method-of-treatment patents.

The U.S. patent rights covering ARC1905 as a composition of matter are expected to expire in 2025. Such expiration date may be prior to the date by which we would be able to commercialize ARC1905 in the United States if we seek and obtain marketing approval. The U.S. patent rights covering methods of treating certain complement protein mediated disorders with ARC1905 are expected to expire in 2026. As a result, if we obtain marketing approval for ARC1905, we may not be able to exclude competitors from commercializing products similar or identical to ours if such competitors do not use our claimed methods of treatment. Depending on potential delays in the regulatory review process for ARC1905, we may be able to obtain a patent term extension for one of these patents in the United States, but we can provide no assurances that such an extension will be obtained.

Our issued patents may not be sufficient to provide us with a competitive advantage. For example, competitors may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner. Even if our owned or licensed patent applications issue as patents, they may not issue with a scope broad enough to provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. We could also fail to take the required actions and pay the necessary governmental fees to maintain our patents.

The issuance of a patent is not conclusive as to its inventorship, ownership, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. For example, if we receive marketing approval for our product candidates, other pharmaceutical companies may seek approval of generic versions of our products with the FDA or regulatory authorities in other jurisdictions. We may then be required to initiate proceedings against such companies in an attempt to prevent them from launching such generic versions. The risk of being involved in such proceedings is likely to increase if our products are commercially successful. In any such proceedings, the inventorship, ownership, scope, validity and enforceability of our patents may be challenged. These and other challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to prevent others from using or commercializing similar or identical technology and products, launching generic versions of our products, or limit the duration of the patent protection of our technology and products. The launch of a generic version of one of our products in particular would be likely to

result in an immediate and substantial reduction in the demand for our product, which could have a material adverse effect on our business. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors may infringe or otherwise violate our patents, trademarks, copyrights or other intellectual property. To counter infringement or other violations, we may be required to file claims, which can be expensive and time consuming. Any such claims could provoke these parties to assert counterclaims against us, including claims alleging that we infringe their patents or other intellectual property rights. In addition, in a patent infringement proceeding, a court may decide that one or more of the patents we assert is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to prevent the other party from using the technology at issue on the grounds that our patents do not cover the technology. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In such a case, we could ultimately be forced to cease use of such marks. In any intellectual property litigation, even if we are successful, any award of monetary damages or other remedy we receive may not be commercially valuable. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Third parties may initiate legal proceedings alleging that we are infringing or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability and the ability of our collaborators to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing or otherwise violating the intellectual property and other proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products and technology, including interference, derivation, re-examination, post-grant review, opposition or similar proceedings before the U.S. Patent and Trademark Office or its foreign counterparts. The risks of being involved in such litigation and proceedings may also increase as our product candidates near commercialization and as we gain the greater visibility associated with being a public company. Third parties may assert infringement claims against us based on existing or future intellectual property rights. We may not be aware of all such intellectual property rights potentially relating to our product candidates and their uses. Thus, we do not know with certainty that Fovista or any other product candidate, or our commercialization thereof, does not and will not infringe or otherwise violate any third party's intellectual property.

If we are found to infringe or otherwise violate a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us and could require us to make substantial licensing and royalty payments. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent or other intellectual property right. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or

trade secrets of third parties could expose us to similar liabilities and have a similar negative impact on our business.

We may be subject to claims by third parties asserting that we or our employees have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact conceives or develops intellectual property that we regard as our own. Moreover, because we acquired rights to Fovista from Eyetech, Archemix and Nektar, we must rely on these parties' practices, and those of their predecessors, with regard to the assignment of intellectual property therein. Our and their assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel.

Intellectual property litigation could cause us to spend substantial resources and could distract our personnel from their normal responsibilities.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patents for some of our technology and products, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have executed such agreements with each party that may have or have had access to our trade secrets. Moreover, because we acquired certain rights to Fovista from Eyetech, Archemix and Nektar, we must rely on these parties' practices, and those of their predecessors, with regard to the protection of Fovista-related trade secrets before we acquired them. Any party with whom we or they have executed a non-disclosure and confidentiality agreement may breach that

agreement and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Our proprietary information may also be obtained by third parties by other means, such as breaches of our physical or computer security systems.

Detecting the disclosure or misappropriation of a trade secret and enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

Risks Related to Regulatory Approval and Other Legal Compliance Matters

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize Fovista or any other product candidate that we develop, and our ability to generate revenue will be materially impaired.

Our product candidates, including Fovista, and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries.

Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate. We have not received approval to market Fovista or any other product candidate from regulatory authorities in any jurisdiction. We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs to assist us in this process. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. The FDA or other regulatory authorities may determine that Fovista or any other product candidate that we develop is not effective, is only moderately effective or has undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use. The FDA or other regulatory authority may limit the approval of Fovista to use with only specified anti-VEGF drugs rather than with all anti-VEGF drugs. Such limitation could limit sales of Fovista.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

Marketing approval of novel product candidates such as Fovista and ARC1905 manufactured using novel manufacturing processes can be more expensive and take longer than for other, more well-known or extensively studied pharmaceutical or biopharmaceutical products, due to regulatory agencies' lack of experience with them.

We believe that the FDA has only granted marketing approval for one aptamer product to date. This lack of experience may lengthen the regulatory review process, require us to conduct additional studies or clinical trials, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of these product candidates or lead to significant post-approval limitations or restrictions.

If we experience delays in obtaining approval or if we fail to obtain approval of Fovista or any other product candidate that we develop, the commercial prospects for such product candidate may be harmed and our ability to generate revenues will be materially impaired.

A fast track designation or grant of priority review status by the FDA may not actually lead to a faster development or regulatory review or approval process.

We may be eligible for fast track designation or priority review status for Fovista or other of our product candidates. If a drug is intended for the treatment of a serious or life-threatening disease or condition and the drug demonstrates the potential to address unmet medical needs for this disease or condition, the drug sponsor may apply for FDA fast track designation. If a drug offers major advances in treatment, the drug sponsor may apply for FDA priority review status. The FDA has broad discretion whether or not to grant fast track designation or priority review status, so even if we believe a particular product candidate is eligible for such designation or status, the FDA could decide not to grant it. Even if we do receive fast track designation or priority review status, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

Failure to obtain marketing approval in international jurisdictions would prevent our product candidates from being marketed abroad.

In order to market and sell Fovista and any other product candidate that we develop in the European Union and many other jurisdictions, we or our third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or these third parties may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

Any product candidate, including Fovista, for which we obtain marketing approval could be subject to post-marketing restrictions or withdrawal from the market and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

Any product candidate, including Fovista, for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to manufacturing, quality control, quality assurance, complaints and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or may be subject to significant conditions of approval.

The FDA may also impose requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product, including the adoption and implementation of risk evaluation and mitigation strategies. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling and regulatory requirements. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use and if we do not restrict the marketing of our products only to their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the Federal Food, Drug, and Cosmetic Act relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer protection laws.

In addition, later discovery of previously unknown adverse events or other problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions and warnings in the labeling and marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance with European Union requirements regarding safety monitoring or pharmacovigilance can also result in significant financial penalties. Similarly, failure to comply with the European Union's requirements regarding the protection of personal information can lead to significant penalties and sanctions.

Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates, including Fovista, for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid;

- the federal False Claims Act imposes criminal and civil penalties, including civil whistleblower or *qui tam* actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal transparency requirements under the Health Care Reform Law and analogous state laws require manufacturers of drugs, devices, biologics and medical supplies to report information related to payments and other transfers of value to physicians and teaching hospitals and physician ownership and investment interests; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and affect the prices we may obtain.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of Fovista or any other product candidate that we develop, restrict or regulate post-approval activities and affect our ability to generate revenue from, sell profitably or commercialize any product candidates, including Fovista, for which we obtain marketing approval or products that we may develop or in-license. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or MMA, changed the way Medicare covers and pays for pharmaceutical products and could decrease the coverage and price that we receive for any approved products. While the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private payors.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively PPACA. Among the provisions of PPACA of importance to our potential products are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

In addition, other legislative changes have been proposed and adopted since PPACA was enacted. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, starting in 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, or in-licensed products, if any, may be.

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

The pricing of prescription pharmaceuticals is also subject to governmental control outside of the United States. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we

may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially.

If we or our third-party manufacturers fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We and our third-party manufacturers are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. From time to time and in the future, our operations may involve the use of hazardous and flammable materials, including chemicals and biological materials, and produce hazardous waste products. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Further, with respect to the operations of our third-party contract manufacturers, it is possible that if they fail to operate in compliance with applicable environmental, health and safety laws and regulations or properly dispose of wastes associated with our products, we could be held liable for any resulting damages, suffer reputational harm or experience a disruption in the manufacture and supply of our product candidates or products.

Risks Related to Employee Matters and Managing Growth

Our future success depends on our ability to retain our chief executive officer and other key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on David R. Guyer, M.D., our Chief Executive Officer, Samir Patel, M.D., our President, and Bruce Peacock, our Chief Financial and Business Officer, who also serves as our principal financial officer, as well as the other principal members of our management, scientific and clinical teams. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain marketing approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms, if at all, given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also

experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We expect to expand our development, regulatory and sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of clinical development, regulatory affairs and sales, marketing and distribution. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to manage effectively the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

Risks Related to Our Common Stock and This Offering

After this offering, our executive officers, directors and principal stockholders will maintain the ability to control all matters submitted to stockholders for approval.

Upon the closing of this offering, our executive officers, directors and stockholders who owned more than 5% of our outstanding common stock before this offering will, in the aggregate, beneficially own shares representing approximately % of our capital stock. As a result, if these stockholders were to choose to act together, they would be able to control all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would control the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders may desire.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our certificate of incorporation and our by-laws that will become effective upon the closing of this offering may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that only one of three classes of directors is elected each year;
- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from the board of directors;

- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a "poison pill" that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
- require the approval of the holders of at least 75% of the votes that all our stockholders would be entitled to cast to amend or repeal certain provisions of our certificate of incorporation or by-laws.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

If you purchase shares of common stock in this offering, you will suffer immediate dilution of your investment.

The initial public offering price of our common stock will be substantially higher than the net tangible book value per share of our common stock. Therefore, if you purchase shares of our common stock in this offering, you will pay a price per share that substantially exceeds our net tangible book value per share after this offering. To the extent outstanding options or warrants are exercised, you will incur further dilution. Based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of $ per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering and the assumed initial public offering price. In addition, purchasers of common stock in this offering will have contributed approximately % of the aggregate price paid by all purchasers of our stock but will own only approximately % of our common stock outstanding after this offering.

An active trading market for our common stock may not develop.

Prior to this offering, there has been no public market for our common stock. The initial public offering price for our common stock will be determined through negotiations with the underwriters. Although we have applied to list our common stock on The NASDAQ Global Market, an active trading market for our shares may never develop or be sustained following this offering. If an active market for our common stock does not develop, it may be difficult for you to sell shares you purchase in this offering without depressing the market price for the shares or at all.

The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock in this offering.

Our stock price may be volatile. The stock market in general and the market for smaller pharmaceutical and biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your common stock at or above the initial public offering price. The market price for our common stock may be influenced by many factors, including:

- the success of competitive products or technologies;
- results of clinical trials of Fovista and any other product candidate that we develop;

- results of clinical trials of product candidates of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our product candidates or clinical development programs;
- the results of our efforts to in-license or acquire the rights to other products, product candidates and technologies for the treatment of ophthalmic diseases, the costs of commercializing any such products and the costs of development of any such product candidates or technologies;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other factors described in this “Risk Factors” section.

In the past, following periods of volatility in the market price of a company’s securities, securities class-action litigation has often been instituted against that company. We also may face securities class-action litigation if we cannot obtain regulatory approvals for or if we otherwise fail to commercialize Fovista. Such litigation, if instituted against us, could cause us to incur substantial costs to defend such claims and divert management’s attention and resources, which could seriously harm our business.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our common stock to decline and delay the development of our product candidates. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

A significant portion of our total outstanding shares are eligible to be sold into the market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

While a significant portion of our total outstanding shares are restricted from immediate resale, they may be sold into the market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have outstanding shares of common stock based on the number of shares outstanding as of , 2013. This includes the shares that we are selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates. Of the remaining shares, shares are restricted securities under Rule 144 under

the Securities Act and are subject to 180-day lock-up agreements but will be able to be sold after the offering as described in the "Shares Eligible for Future Sale" section of this prospectus, subject to volume, notice and manner of sale restrictions in the case of our affiliates. Moreover, after this offering, holders of an aggregate of shares of our common stock will have rights, subject to specified conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders, subject to waiver or expiration of the applicable lock-up agreements. We also intend to register all shares of common stock that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume, notice and manner of sale limitations applicable to affiliates and the lock-up agreements described in the "Underwriters" section of this prospectus.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting burdens in this prospectus. In particular, in this prospectus we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, the JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to delay such adoption of new or revised accounting standards, and, as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for public companies that are not emerging growth companies. As a result of such election, our financial statements may not be comparable to the financial statements of other public companies.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an "emerging growth company," we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The NASDAQ Global Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors. We currently estimate that we will incur incremental annual costs, including costs for additional personnel, of approximately $2.0 million associated with operating as a public company, although it is possible that our actual incremental annual costs will be higher than we currently estimate.

For as long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies as described in the preceding risk factor. We may remain an emerging growth company until the end of the fiscal year in which the fifth anniversary of this offering occurs, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any June 30 before that time or if we have annual gross revenues of $1 billion or more in any fiscal year, we would cease to be an emerging growth company as of December 31 of the applicable year. We also would cease to be an emerging growth company if we issue more than $1 billion of non-convertible debt over a three-year period.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will be required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe, or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We have never declared or paid cash dividends on our common stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this prospectus, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, are forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this prospectus include, among other things, statements about:

- the timing, costs, conduct and outcome of our clinical trials of Fovista in combination with anti-VEGF drugs for the treatment of wet age-related macular degeneration, including statements regarding the timing of initiation of, availability of, and costs to obtain, initial top-line results from, and completion of such trials and the timing of regulatory filings;
- the timing of and our ability to obtain marketing approval of Fovista and our other product candidates, and the ability of Fovista and our other product candidates to meet existing or future regulatory standards;
- the potential receipt of revenues from future sales of Fovista;
- our plans to pursue research and development of other product candidates;
- the potential advantages of Fovista;
- the rate and degree of market acceptance and clinical utility of Fovista;
- our estimates regarding the potential market opportunity for Fovista;
- our sales, marketing and distribution capabilities and strategy;
- our ability to establish and maintain arrangements for the manufacture of Fovista and our other product candidates;
- our ability to in-license or acquire approved products, additional product candidates or technologies;
- our intellectual property position;
- our expectations related to the use of proceeds from this offering;
- our estimates regarding expenses, future revenues, capital requirements and needs for additional financing;
- the impact of government laws and regulations; and
- our competitive position.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this prospectus, particularly in the “Risk Factors” section, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement of which this prospectus is a part completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained in this prospectus are made as of the date of this prospectus, and we do not assume any obligation to update any forward-looking statements except as required by applicable law.

USE OF PROCEEDS

We estimate that the net proceeds from our issuance and sale of shares of our common stock in this offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise in full their over-allotment option, we estimate that the net proceeds from this offering will be approximately $ million.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions.

As of June 30, 2013, we had cash and cash equivalents of approximately $39.9 million. In August 2013, we received $33.3 million in additional proceeds from the sale of 13,333,333 shares of our series C preferred stock. We also have aggregate expected funding under our royalty purchase arrangement with Novo A/S of approximately $83.3 million, subject to enrollment of specified numbers of patients in our Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. We currently estimate that we will use the net proceeds from this offering, together with our cash and cash equivalents as of June 30, 2013, the proceeds from our sale of shares of series C preferred stock in August 2013 and the expected funding under our royalty purchase arrangement, as follows:

- approximately $ million to fund, and obtain initial, top-line data from, our planned Phase 3 clinical program for Fovista in combination with anti-VEGF drugs for the treatment of wet AMD and to fund pre-approval commercialization efforts for Fovista;
- approximately $ million for smaller exploratory trials of Fovista for the treatment of additional indications and for other patient populations;
- approximately $ million to pursue the clinical development of ARC1905 for the treatment of AMD; and
- the remainder for working capital and other general corporate purposes, which may include the acquisition or licensing of other products or technologies.

This expected use of the net proceeds from this offering and our existing cash and cash equivalents as of June 30, 2013, the proceeds from our sale of shares of series C preferred stock in August 2013 and the expected funding under our royalty purchase arrangement represents our intentions based upon our current plans and business conditions. The amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our development and commercialization efforts, the status of and results from clinical trials, as well as any collaborations that we may enter into with third parties for our product candidates, and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering. We have no current agreements, commitments or understandings for any material acquisitions or licenses of any products, businesses or technologies.

Based on our planned use of the net proceeds from this offering and our existing cash and cash equivalents and expected funding under our royalty purchase agreement described above, we estimate that such funds will be sufficient to enable us to obtain initial top-line data from our Phase 3 clinical program for Fovista and to complete a small exploratory clinical trial of ARC1905 in patients with wet AMD who do not respond adequately to treatment with anti-VEGF monotherapy and are defined as anti-VEGF resistant on the basis of complement mediated inflammation. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. This estimate assumes, among other things, that we receive the full financing amount available under our royalty purchase arrangement with Novo A/S on a

timely basis. The royalty agreement with Novo A/S provides that we will use the remaining proceeds we received and future proceeds, if any, under the royalty agreement primarily to support clinical development and regulatory activities for Fovista and for certain other permitted purposes. We do not anticipate that the net proceeds from this offering and our existing cash and cash equivalents and expected funding under our royalty purchase arrangement will be sufficient to allow us to fund the commercial launch of Fovista.

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments and U.S. government securities.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. We do not intend to pay cash dividends in respect of our common stock in the foreseeable future.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2013:

- on an actual basis;
- on a pro forma basis to give effect to:
  - our issuance and sale in August 2013 of an aggregate of 13,333,333 shares of our series C preferred stock at a price per share of $2.50 for an aggregate purchase price of $33,333,333;
  - the automatic conversion of all outstanding shares of our preferred stock, including shares of our series C preferred stock that we issued in August 2013 and shares of our preferred stock issuable as accrued stock dividends, into an aggregate of 123,581,161 shares of our common stock upon the closing of this offering, assuming the closing occurred on August 15, 2013; and
  - the reclassification of warrant liability to additional paid-in capital as a result of outstanding warrants to purchase 210,000 shares of our series A preferred stock and 355,900 shares of our series B preferred stock instead becoming, in accordance with their terms, warrants to purchase an aggregate of 596,784 shares of our common stock, at a weighted average exercise price of $0.93 per share, upon the closing of this offering, assuming the closing occurred on August 15, 2013; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with “Selected Financial Data,” our financial statements and the related notes appearing at the end of this prospectus and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of this prospectus.

	As of June 30, 2013 (unaudited)		
	Actual	Pro Forma	Pro Forma As Adjusted
	(In thousands)		
Cash and cash equivalents	$ 39,854	$	$
Total liabilities	$ 47,480		
Preferred stock, $0.001 par value per share:			
Series A – $0.001 par value, 73,094,000 shares authorized, 51,790,000 shares issued and outstanding	71,525		
Series A-1 – $0.001 par value, 18,480,000 shares authorized, 6,000,000 issued and outstanding	8,698		
Series B – $0.001 par value, 42,391,600 shares authorized, 30,000,000 issued and outstanding	36,646		
Series B-1 – $0.001 par value, 700,000 shares authorized, 500,000 issued and outstanding	572		
Series C - $0.001 par value, 28,000,000 shares authorized, 6,666,667 issued and outstanding	16,463		
Stockholders' deficit:			
Junior Series A Preferred Stock – $0.001 par value, 3,000,000 shares authorized, 3,000,000 shares issued and outstanding	3,000		
Common stock – $0.001 par value, 187,918,509 shares authorized, 8,671,911 shares issued and outstanding	9		
Additional paid-in capital	—		
Deficit accumulated during the development stage	$(144,243)		
Total stockholders' deficit	$(141,234)		
Total capitalization	$ 40,150	$	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions.

The table above does not include:

- 12,690,338 shares of our common stock issuable upon the exercise of stock options outstanding as of June 30, 2013, at a weighted-average exercise price of $0.85 per share;
- 46,975 additional shares of our common stock available for future issuance as of June 30, 2013 under our amended and restated 2007 stock incentive plan;
- 4,361,975 additional shares of our common stock that are available for future issuance as of August 15, 2013 under our amended and restated 2007 stock incentive plan and that will become available for future issuance, as of the closing of this offering, under our 2013 stock incentive plan; and
- 595,726 shares of our common stock issuable upon the exercise of warrants outstanding as of June 30, 2013, at a weighted-average exercise price of $0.93 per share.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted immediately to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering.

Our historical net book value as of June 30, 2013, was $(141.2) million, or $(16.29) per share of our common stock. Historical net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of our common stock outstanding.

Our pro forma net tangible book value as of June 30, 2013, was $ million, or $ per share of our common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the pro forma number of shares of our common stock outstanding after giving effect to our issuance and sale in August 2013 of an aggregate of 13,333,333 shares of our series C preferred stock, and the automatic conversion of all outstanding shares of our preferred stock, including shares of our series C preferred stock that we issued in August 2013 and shares of our preferred stock issuable as accrued stock dividends, into an aggregate of 123,581,161 shares of our common stock upon the closing of this offering, assuming the closing occurred on August 15, 2013 and the reclassification of warrant liability to additional paid-in capital as a result of outstanding warrants to purchase 210,000 shares of our series A preferred stock and 355,900 shares of our series B preferred stock instead becoming, in accordance with their terms, warrants to purchase 596,784 shares of our common stock upon the closing of this offering, assuming the closing of this offering occurred on August 15, 2013.

After giving effect to our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of June 30, 2013 would have been $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value per share of $ to existing stockholders and immediate dilution of $ in pro forma net tangible book value per share to new investors purchasing common stock in this offering. Dilution per share to new investors is determined by subtracting pro forma net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of June 30, 2013	$ (16.29)	
Increase per share attributable to the conversion of outstanding preferred stock		
Pro forma net tangible book value per share as of June 30, 2013		
Increase in net tangible book value per share attributable to new investors		
Pro forma net tangible book value per share after this offering		
Dilution per share to new investors		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma net tangible book value by approximately $, or our pro forma net tangible book value per share by approximately $, and dilution per share to new investors by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares or if any additional shares are issued in connection with outstanding options or warrants, you will experience further dilution.

The following table summarizes, on a pro forma basis as of June 30, 2013, the total number of shares purchased from us, the total consideration paid, or to be paid, and the average price per share paid, or to be paid, by existing stockholders and by new investors in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. As the table shows, new investors purchasing shares in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100%		100%	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $ million and increase (decrease) the percentage of total consideration paid by new investors by approximately %, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same.

The table above is based on actual shares of our common stock outstanding as of June 30, 2013 and after giving effect to our issuance and sale in August 2013 of an aggregate of 13,333,333 shares of our series C preferred stock and the automatic conversion of all outstanding shares of our preferred stock, including shares of our series C preferred stock that we issued in August 2013 and shares of our preferred stock issuable as accrued stock dividends, into an aggregate of 123,581,161 shares of our common stock upon the closing of this offering, assuming the closing occurred on August 15, 2013.

The table above does not include:

- 12,690,338 shares of our common stock issuable upon the exercise of stock options outstanding as of June 30, 2013, at a weighted-average exercise price of $0.85 per share;
- 46,975 additional shares of our common stock available for future issuance as of June 30, 2013 under our amended and restated 2007 stock incentive plan;
- 4,361,975 additional shares of our common stock that are available for future issuance as of August 15, 2013 under our amended and restated 2007 stock incentive plan and that will become available for future issuance, as of the closing of this offering, under our 2013 stock incentive plan; and
- 595,726 shares of our common stock issuable upon the exercise of warrants outstanding as of June 30, 2013, at a weighted-average exercise price of $0.93 per share.

If the underwriters exercise in full their option to purchase additional shares, the following will occur:

- the percentage of shares of our common stock held by existing stockholders will decrease to approximately % of the total number of shares of our common stock outstanding after this offering; and
- the number of shares of our common stock held by new investors will increase to , or approximately % of the total number of shares of our common stock outstanding after this offering.

SELECTED FINANCIAL DATA

You should read the following selected financial data together with our financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus. We have derived the statements of operations data for the years ended December 31, 2011 and 2012 and the balance sheet data as of December 31, 2011 and 2012 from our audited financial statements included in this prospectus, which have been audited by Ernst & Young LLP, an independent registered accounting firm. We have derived the statements of operations data for the six months ended June 30, 2012 and 2013 and the balance sheet data as of June 30, 2013 from our unaudited financial statements included in this prospectus. The unaudited financial data include, in the opinion of our management, all adjustments, consisting of normal recurring adjustments, that are necessary for a fair statement of our financial position and results of operations for these periods. Our historical results for any prior period are not necessarily indicative of results to be expected in any future period, and our results for any interim period are not necessarily indicative of results to be expected for a full fiscal year.

	Year Ended December 31,		Six Months Ended June 30,	
	2011	2012	2012	2013
			(unaudited)	
	(In thousands, except share and per share data)			
Statement of Operations Data:				
Revenue	$ —	$ —	$ —	$ —
Operating expenses:				
Research and development	13,896	6,792	3,199	6,734
General and administrative	5,738	6,889	3,082	4,980
Total operating expenses	19,634	13,681	6,281	11,714
Loss from operations	(19,634)	(13,681)	(6,281)	(11,714)
Interest expense	—	(507)	(26)	(1,454)
Interest and other income	2	—	—	—
Foreign currency transaction loss	(23)	(8)	(2)	—
Loss on extinguishment of debt	—	—	—	(1,196)
Other loss	(7)	(366)	(269)	(261)
Net loss before income taxes expense	(19,662)	(14,562)	(6,578)	(14,625)
Income tax benefit dividends	1,029	—	—	—
Net loss	(18,633)	(14,562)	(6,578)	(14,625)
Accretion of preferred stock	(6,838)	(7,063)	(3,512)	(3,600)
Net loss attributable to common stockholders	$ (25,471)	$ (21,625)	$ (10,090)	$ (18,225)
Per share information:				
Net loss attributable to common stockholders per share, basic and diluted	$ (3.10)	$ (2.52)	$ (1.19)	$ (2.10)
Weighted-average shares outstanding—basic and diluted	8,227,508	8,569,941	8,510,281	8,671,911
Unaudited basic and diluted pro forma net loss attributable to common stockholders per share		$		$
Unaudited basic and diluted pro forma weighted-average shares outstanding				

Pro forma basic and diluted net loss per common share is calculated using a weighted average common equivalent share number of , which assumes the automatic conversion of all outstanding shares of our preferred stock, including shares of our series C preferred stock that we issued and sold in August 2013 and additional shares of preferred stock that are issuable as accrued stock dividends.

	As of December 31,		As of June 30, 2013 (unaudited)
	2011	2012	
	(In thousands)		
Balance sheet data:			
Cash and cash equivalents	$ 6,396	$ 4,305	$ 39,854
Total assets	$ 7,728	$ 4,879	$ 40,150
Royalty purchase liability	$ —	$ —	$ 41,667
Preferred stock	$ 106,876	$ 113,940	$ 133,905
Accumulated deficit	$ (105,495)	$ (126,479)	$ (144,243)
Total stockholders' deficit	$ (102,486)	$ (123,470)	$ (141,234)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, which includes forward looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this prospectus, our actual results could differ materially from the results described, in or implied, by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a biopharmaceutical company specializing in the development of novel therapeutics to treat diseases of the eye. Our most advanced product candidate is Fovista, which we are developing for use in combination with anti-VEGF drugs that represent the current standard of care for the treatment of wet age-related macular degeneration, or wet AMD. We have completed one Phase 1 and one Phase 2b clinical trial of Fovista in combination with the anti-VEGF drug Lucentis. Before the end of 2013, we plan to initiate a pivotal Phase 3 clinical program consisting of three separate Phase 3 clinical trials evaluating Fovista in combination with anti-VEGF drugs in newly diagnosed wet AMD patients compared to anti-VEGF drug monotherapy. Based on our estimates regarding patient enrollment, we expect to have initial, top line data from this Phase 3 clinical program available in 2016. If the results of this Phase 3 clinical program are favorable, we plan to submit applications for marketing approval for Fovista in both the United States and the European Union before the end of 2016. We also are evaluating the conduct of small, exploratory clinical trials to assess the potential therapeutic benefit of Fovista in other ophthalmic conditions and further clinical development of our product candidate ARC1905 for the treatment of wet AMD.

We were incorporated and commenced active operations in the first quarter of 2007. Our operations to date have been limited to organizing and staffing our company, acquiring rights to product candidates, business planning, raising capital and developing Fovista and our other product candidates. We acquired our rights to Fovista from (OSI) Eyetech, Inc., or Eyetech, in July 2007. The acquisition included an assignment of license rights and obligations under an agreement with Archemix Corp. We have licensed rights to our product candidate ARC1905 from Archemix Corp. To date, we have not generated any revenues and have financed our operations primarily through private placements of our preferred stock, venture debt borrowings and a royalty purchase arrangement with Novo A/S that we entered into in May 2013. As of June 30, 2013, we had a deficit accumulated during the development stage of $144.2 million. Our net loss was $14.6 million for the six month period ended June 30, 2013, $14.6 million for the year ended December 31, 2012, and $18.6 million for the year ended December 31, 2011. Our ability to become and remain profitable depends on our ability to generate revenue. We do not expect to generate significant revenue unless, and until, we obtain marketing approval for, and commercialize, Fovista.

We have received aggregate proceeds of $98.5 million through June 30, 2013 from the sale of our preferred stock. In August 2013, we received $33.3 million in additional proceeds from the sale of 13,333,333 shares of our series C preferred stock. During 2012 and 2013, we borrowed an aggregate of $13.0 million under a venture debt facility, which we subsequently repaid in full in May 2013 with a portion of the proceeds from our royalty purchase arrangement with Novo A/S. Our royalty purchase arrangement with Novo A/S provides for financing of up to $125 million in the aggregate in return for the sale to Novo A/S of royalty interests in worldwide sales of Fovista. We received approximately $42 million of this royalty financing in May 2013. Our receipt of additional amounts is subject to our enrollment of specified numbers of patients in our Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. From inception through June 30, 2013, we had incurred approximately $81.6 million of total research and development expenses and approximately $32.3 million of total general and administrative expenses.

We expect our expenses to increase substantially as compared to prior periods in connection with our ongoing activities, particularly as we continue the development of and seek marketing approval for Fovista and, possibly, other product candidates. In addition, if we obtain marketing approval for Fovista or any other product candidate that we develop, we expect to incur significant commercialization expenses related to product sales, marketing, distribution and manufacturing. Furthermore, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company, hiring additional personnel and expanding our facilities. We expect that these costs will include significant legal, accounting, investor relations and other expenses that we did not incur as a private company. Moreover, additional rules and regulations applicable to public companies will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We currently estimate that we will incur incremental annual costs, including costs for additional personnel, of approximately $2.0 million associated with operating as a public company, although it is possible that our actual incremental costs will be higher than we currently estimate. The increased costs will increase our net loss. We will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts.

Financial Operations Overview

Revenue

To date, we have not generated any revenues. Our ability to generate product revenues, which we do not expect will occur before 2017, at the earliest, will depend heavily on our obtaining marketing approval for and commercializing Fovista.

Research and Development Expenses

Research and development expenses consist of costs associated with the development and clinical testing of Fovista and our other product candidates. Our research and development expenses consist of:

- employee-related expenses, including salaries, benefits, travel and share-based compensation expense; and
- external research and development expenses incurred under arrangements with third parties, such as contract research organizations, or CROs, and other vendors, contract manufacturing organizations and consultants.

We expense research and development costs to operations as incurred. We account for non-refundable advance payments for goods and services that will be used in future research and development activities as expenses when the service has been performed or when the goods have been received, rather than when the payment is made.

To date, the large majority of our research and development work has been related to Fovista, ARC1905 and a product candidate, volociximab, that we were previously developing for the treatment of wet AMD. We licensed rights to volociximab in January 2008 and then terminated the license agreement in May 2012 to focus on the development of Fovista. We anticipate that our research and development expenses will increase substantially as compared to prior periods in connection with initiating and conducting our pivotal Phase 3 clinical program for Fovista and seeking marketing approval for Fovista.

We do not currently utilize a formal time allocation system to capture expenses on a project-by-project basis because we record expenses by functional department. Accordingly, we do not allocate expenses to individual projects or product candidates, although we do allocate some portion of our research and development expenses by functional area and by compound, as shown below.

The following table summarizes our research and development expenses for the years ended December 31, 2011 and 2012 and for the six months ended June 30, 2012 and 2013:

	Year Ended December 31,		Six Months Ended June 30,	
	2011	2012	2012	2013
Fovista	$ 9,864,001	$ 3,619,077	$ 1,676,005	$ 4,854,020
ARC1905	547,118	35,518	32,998	6,735
Volociximab	456,994	23,294	15,150	6,396
Personnel related	2,813,021	2,749,315	1,389,804	1,636,480
Share-based compensation	120,444	343,016	75,662	230,943
Other	94,239	21,955	9,250	—
	$ 13,895,817	$ 6,792,175	$ 3,198,869	$ 6,734,574

We recorded research and development expenses from inception to June 30, 2013 of approximately $29.2 million related to Fovista, approximately $11.1 million related to ARC1905 and approximately $5.6 million related to volociximab.

We estimate that we will incur total costs, including clinical development related employee expenses and external research and development expenses, of approximately $175 million to obtain initial, top-line data from our Phase 3 clinical program for Fovista. We expect this data to be available in 2016. We expect that additional funds of approximately $50 million will be required for general corporate purposes and working capital during the period from completion of this offering until we obtain initial, top-line data from our Phase 3 clinical program. Our Phase 3 clinical program for Fovista is expected to continue through at least 2017, and substantial expenditures to complete the Phase 3 clinical program will be required after the receipt of initial, top-line data. At this time, we cannot reasonably estimate the remaining costs necessary to complete the Phase 3 clinical program for Fovista, complete process development and manufacturing scale-up associated with Fovista and seek marketing approval after we obtain initial, top-line data, or the nature, timing or costs of the efforts necessary to complete the development of any other product candidate.

The successful development of our product candidates is highly uncertain. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- the scope, rate of progress and expense of our research and development activities;
- the potential benefits of our product candidates over other therapies;
- our ability to market, commercialize and achieve market acceptance for any of our product candidates;
- clinical trial results;
- the terms and timing of regulatory approvals; and
- the expense of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights.

A change in the outcome of any of these variables with respect to the development of Fovista or any other product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if regulatory authorities were to require us to conduct clinical trials beyond those which we currently anticipate will be required for the completion of clinical development of Fovista or any other product candidate or if we experience significant delays in enrollment in any clinical trials, we could be required to expend significant additional financial resources and time on the completion of the clinical development.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for personnel, including share-based compensation expense, in our executive, finance and business development functions. Other general and administrative expenses include facility costs and professional fees for legal, patent, consulting and accounting services.

We anticipate that our general and administrative expenses will increase in future periods to support increases in our research and development and commercialization activities and as a result of increased headcount, including management personnel to support our clinical and manufacturing activities, expanded infrastructure, increased legal, compliance, accounting and investor and public relations expenses associated with being a public company and increased insurance premiums, among other factors.

Change in Fair Value of Warrant Liability

We have issued warrants for the purchase of our series A preferred stock and series B preferred stock that we believe are financial instruments that may require a transfer of assets because of the redemption features of the underlying preferred stock. Therefore, we have classified these warrants as liabilities that we re-measure to fair value at each balance sheet date, and we record the changes in the fair value of the warrant liability as other loss. Upon consummation of this offering, the underlying preferred stock will be converted to common stock, the preferred stock warrants will instead become exercisable for common stock and the fair value of the warrant liability at that time will be reclassified to additional paid-in capital.

Interest Income

Our cash and cash equivalents are invested primarily in money market accounts, which generate a small amount of interest income. We expect to continue that investment philosophy as we obtain more financing proceeds.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities in our financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to accrued expenses and share-based compensation described in greater detail below. We base our estimates on our limited historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in more detail in the notes to our financial statements appearing at the end of this prospectus. However, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our financial condition and results of operations.

Accrued Research and Development Expenses

As part of the process of preparing our financial statements, we are required to estimate our accrued expenses. This process involves reviewing quotations and contracts, identifying services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and

circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary. The significant estimates in our accrued research and development expenses are related to fees paid to CROs and other vendors in connection with research and development activities for which we have not yet been invoiced.

We base our expenses related to CROs on our estimates of the services received and efforts expended pursuant to quotes and contracts with CROs that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the research and development expense. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepayment expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and could result in us reporting amounts that are too high or too low in any particular period. There have been no material changes in estimates for the periods presented.

Royalty Purchase Liability

The proceeds from the first financing tranche under our royalty arrangement with Novo A/S have been recorded as a liability on our balance sheet in accordance with Accounting Standards Codification, or ASC, Topic 730. Because there is a significant related party relationship between us and Novo A/S, we are treating our obligation to make royalty payments under the royalty arrangement as an implicit obligation to repay the funds advanced by Novo A/S, and thus have recorded the proceeds as a liability on our balance sheet. As we make royalty payments to Novo A/S in accordance with the royalty arrangement, we will reduce the liability balance. At the time that such royalty payments become probable and estimable, and if such amounts exceed the liability balance, we will impute interest accordingly on a prospective basis based on such estimates, which would result in a corresponding increase in the liability balance.

Income Taxes

As of December 31, 2012, we had approximately $84.2 million of federal net operating loss carry-forwards. We also had federal and state research and development tax credit carry-forwards of approximately $2.3 million available to offset future taxable income. Due to our history of losses and lack of other positive evidence, we have determined that it is more likely than not that our deferred tax assets will not be realized, and therefore, the deferred tax assets are fully offset by a valuation allowance at December 31, 2011 and 2012. These federal and state net operating loss and federal and state credit carry-forwards will begin to expire at various dates beginning in 2027, if not utilized. Utilization of the net operating losses and general business tax credits carryforwards may be subject to a substantial limitation under Sections 382 and 383 of the Internal Revenue Code of 1986 as amended, which we refer to as the Code, due to changes in ownership of our company that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating losses and general business tax credits carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of “5-percent Shareholders” (as defined in the Code) in the stock of a corporation by more than 50 percentage points over a three-year period. We determined we have experienced an ownership change upon closing of our initial Series A tranche in August 2007. We have not completed a study to determine the impact of this ownership change on our NOL carry-forwards under Section 382 of the Code. If we experience a Section 382 ownership change in connection with this offering or as a result of future changes in our stock ownership, some of which changes are outside our control, the tax benefits related to the NOL carry forwards may be further limited or lost.

Preferred Stock

We accrete annually for stock and cash dividends that accrue on our preferred stock.

Share-Based Compensation

We account for all share-based compensation payments issued to employees, directors, and non-employees using an option pricing model for estimating fair value. Accordingly, share-based compensation expense is measured based on the estimated fair value of the awards on the date of grant, net of forfeitures. We recognize compensation expense for the portion of the award that is ultimately expected to vest over the period during which the recipient renders the required services to us using the straight-line single option method. In accordance with authoritative guidance, we remeasure the fair value of non-employee share-based awards as the awards vest, and recognize the resulting value, if any, as expense during the period the related services are rendered.

Significant Factors, Assumptions and Methodologies Used in Determining Fair Value

We apply the fair value recognition provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation-Stock Compensation*, which we refer to as ASC 718. Determining the amount of share-based compensation to be recorded requires us to develop estimates of the fair value of stock options as of their grant date. We recognize share-based compensation expense ratably over the requisite service period, which in most cases is the vesting period of the award. Calculating the fair value of share-based awards requires that we make highly subjective assumptions.

We use the Black-Scholes option pricing model to value our stock option awards. Use of this valuation methodology requires that we make assumptions as to the volatility of our common stock, the expected term of our stock options, the risk free interest rate for a period that approximates the expected term of our stock options and our expected dividend yield. Because we are a privately-held company with a limited operating history, we utilize data from a representative group of companies to estimate expected stock price volatility. We selected companies from the biopharmaceutical industry with similar characteristics to us, including those in the early stage of product development and with a therapeutic focus.

We use the simplified method as prescribed by the Securities and Exchange Commission Staff Accounting Bulletin No. 107, *Share-Based Payment*, to calculate the expected term of stock option grants to employees as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term of stock options granted to employees. We utilize a dividend yield of zero based on the fact that we have never paid cash dividends and have no current intention to pay cash dividends. The risk-free interest rate used for each grant is based on the U.S. Treasury yield curve in effect at the time of grant for instruments with a similar expected life. The weighted-average assumptions used to estimate the fair value of stock options using the Black-Scholes option pricing model were as follows for the years ended December 31, 2012 and 2011 and for the six months ended June 30, 2013 and 2012:

	Year Ended December 31,		Six Months Ended June 30,	
	2011	2012	2012	2013
Weighted-average exercise price of options granted	$ 0.28	$ 0.53	$ 0.28	$ 1.79
Expected volatility	78.9%	80.08%	81.1%	82.1%
Risk-free interest rate	1.72%-2.38%	0.94%-1.77%	1.16%-1.59%	0.89%-2.48%
Expected life of options (years)	6.69	6.63	6.31	6.05
Expected annual dividend per share	$ 0.00	$ 0.00	$ 0.00	$ 0.00

We are also required to estimate forfeitures at the time of grant, and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. We use historical data to estimate pre-vesting option forfeitures and record share-based compensation expense only for those awards that are expected to vest. To the extent that actual forfeitures differ from our estimates, the difference is recorded as a cumulative adjustment in the period the estimates were revised. Through June 30, 2013, actual forfeitures have not been material.

Share-based compensation expense associated with stock options granted to employees and non-employees was $0.2 million for the year ended December 31, 2011, $0.6 million for the year ended December 31, 2012 and $0.5 million for the six months ended June 30, 2013. As of June 30, 2013, we had $6.6 million of total unrecognized share-based compensation expense, which we expect to recognize over a weighted-average remaining vesting period of approximately 3.5 years. While our share-based compensation for stock options granted to employees and non-employees to date has not been material to our financial results, in future periods, our share-based compensation expense is expected to increase as a result of recognizing our existing unrecognized share-based compensation for awards that will vest and as we issue additional share-based awards to attract and retain our employees.

For the years ended December 31, 2011 and 2012 and for the six months ended June 30, 2012 and 2013, we allocated share-based compensation as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2011	2012	2012	2013
Research and development	$ 159,207	$ 411,477	$ 86,048	$ 300,320
General and administrative	89,008	228,157	47,432	160,044
Total	$ 248,215	$ 639,634	$ 133,480	$ 460,364

Fair Market Value Estimates

We are required to estimate the fair market value of the common stock underlying our share-based awards when performing the fair value calculations with the Black-Scholes option-pricing model. The fair market value of the common stock underlying our share-based awards was determined on each grant date by our board of directors, with input from management. All options to purchase shares of our common stock are intended to be granted with an exercise price per share no less than the fair market value per share of our common stock underlying those options on the date of grant, based on the information known to us on the date of grant. In the absence of a public trading market for our common stock, on each grant date, we develop an estimate of the fair market value of our common stock in order to determine an exercise price for the option grants. We determined the fair market value of our common stock using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants, or AICPA, *Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation*, or the AICPA Practice Guide. In addition, we considered various objective and subjective factors, along with input from management and contemporaneous valuations, to determine the fair market value of our common stock, including:

- external market conditions affecting the biotechnology industry;
- trends within the biotechnology industry;
- the prices at which we sold shares of preferred stock;
- the superior rights and preferences of the preferred stock relative to our common stock at the time of each grant;
- our results of operations and financial position;
- the status of our research and development efforts;
- our stage of development and business strategy;
- the lack of an active public market for our capital stock; and
- the likelihood of achieving a liquidity event, such as an initial public offering, or IPO, or sale of our company in light of prevailing market conditions.

The per share estimated fair market value of common stock in the table below represents the determination by our board of directors of the fair market value of our common stock as of the date of grant, taking into consideration the various objective and subjective factors described above, including the conclusions, if

applicable, of contemporaneous valuations of our common stock as discussed below. We computed the per share weighted average estimated fair value for stock option grants based on the Black-Scholes option pricing model. The following table sets forth information about our stock option grants since January 1, 2011 on a monthly basis for each month during which we granted stock options:

Month of Grant	Number of shares underlying option grants	Exercise price per option	Per share estimated fair market value of common stock	Per share weighted average estimated fair value of options
February 2011	22,500	$ 0.28	$ 0.28	$ 0.23
May 2011	1,063,000	$ 0.28	$ 0.28	$ 0.20
February 2012	97,500	$ 0.28	$ 0.28	$ 0.23
April 2012	1,125,000	$ 0.28	$ 0.28	$ 0.19
December 2012	255,000	$ 1.70	$ 1.70	$ 1.29
April 2013	3,982,258	$ 1.70	$ 1.70	$ 1.18
May 2013	780,933	$ 2.24	$ 2.24	$ 1.54
July 2013	2,584,000	$ 2.24	$ 2.24	$ 1.59
August 2013	201,000			

In determining the exercise prices of the options set forth in the table above granted since January 1, 2011, our board of directors considered the most recent valuations of our common stock, which were prepared as of June 30, 2010, December 31, 2011, November 30, 2012, May 29, 2013 and August 15, 2013, and based its determination in part on the analyses summarized below.

The intrinsic value of all outstanding vested and unvested options of $ million is based on a per share price of $, the midpoint of the price range set forth on the cover page of this prospectus, shares of common stock issuable upon the exercise of options outstanding as of June 30, 2013 and a weighted average exercise price of $ per share.

Valuations

Our valuations utilized the probability-weighted expected return method, or PWERM, to allocate the enterprise value to the common stock. Under this method, the per share fair market value of the common stock is estimated based upon the probability-weighted present value of expected future equity values for our common stock, under various possible future liquidity event scenarios, in light of the rights and preferences of each class of stock, discounted for a lack of marketability. The future liquidity event scenarios were primarily: (1) IPO; (2) a strategic merger or sale of our company; (3) a sale of our company at a value below the cumulative liquidation preference of the preferred stockholders; or (4) a dissolution of the company. The timing of the future liquidity event scenarios is determined based primarily on input from our board of directors and management. The future values of our common stock in the IPO scenarios and the strategic merger or sale scenarios were estimated by application of the market approach based on certain key assumptions, including the following:

- for the June 30, 2010 valuation, our expected pre-money IPO valuation to the investors on their invested capital;
- for the December 31, 2011, November 30, 2012, May 29, 2013 and August 15, 2013 valuations, recently completed IPOs of similar stage biotechnology companies;
- estimated third-party trade sale values based on a range of returns to the investors on their invested capital; and
- expected dates for a future exit or liquidity event based on key events and company timelines.

A discount for marketability was applied to reach the final valuation of the common stock because, as we are a private company, there are impediments to liquidity, including lack of publicly available information and

the lack of a trading market. Our determination of the discount included factors such as our proximity to an IPO, reduced funding risk and our progress made on our clinical development program. The discount for marketability decreases as we move closer to marketability of common shares through an event, such as an IPO, and as the risk lowers for our company as milestones are achieved. For our June 30, 2010 valuation, we utilized a discount for marketability of 40%. We lowered this discount for marketability to 30% for our December 31, 2011 valuation, 26% for our November 30, 2012 valuation, 25% for our May 29, 2013 and % for our August 15, 2013 valuation. Our discount for marketability decreased over time due to the receipt of positive results from our clinical trials and to reflect an increased likelihood of a possible IPO.

Stock option grants from February 2011 to April 2012

Our board of directors granted stock options on February 3, 2011, May 11, 2011, February 8, 2012 and April 9, 2012, in each case with an exercise price of $0.28 per share.

The specific facts and circumstances considered by our board of directors for the June 30, 2010 valuation included the sale and issuance of 15,000,000 share of series B preferred stock in December 2009 to existing series A investors and two new investors at a price of $1.00 per share. As part of the PWERM analysis, the exit events considered included an IPO scenario, three separate strategic merger or sale scenarios at premiums to the cumulative liquidation preference of the preferred stockholders, a scenario for sale at a price below the liquidation preference and a scenario presuming dissolution of the company. Given poor overall public market conditions at that time, a probability weighting of 1.0% was used for the IPO scenario, a total of 49.0% was used for the strategic merger or sale scenarios, 20.0% was used for the sale at a price below liquidation preference and 30.0% was used for dissolution. The probability weightings assigned to the respective exit scenarios were primarily based on consideration of our stage of clinical development, industry clinical success rates, our expected near-term and long-term funding requirements, and an assessment of the current financing and biotechnology industry environments at the time of the valuation. The resulting value of $0.28 per share continued to represent our board of director's determination of the estimated fair market value of our common stock at February 3, 2011 and May 11, 2011.

The specific facts and circumstances considered by our board of directors for the December 31, 2011 valuation included the full enrollment of our Phase 2b clinical trial of Fovista. As part of the PWERM analysis, the exit events considered included four separate strategic merger or sale scenarios at premiums to the cumulative liquidation preference of the preferred stockholders, a technology sale and a scenario assuming dissolution of the company. Given poor overall public market conditions at that time, the IPO scenario was not used. A total of 50.0% was used for the strategic merger or sale scenarios, 20.0% was used for the technology sale scenario and 30.0% was used for dissolution. The probability weightings assigned to the respective exit scenarios were primarily based on consideration of our stage of clinical development, industry clinical success rates, our expected near-term and long-term funding requirements and an assessment of the current financing and biotechnology industry environments at the time of the valuation. The resulting value of $0.28 per share continued to represent our board of director's determination of the estimated fair market value of our common stock as of February 8, 2012 and April 9, 2012.

Our board of directors determined that no significant events, including changes in clinical development or other circumstances, had occurred between June 30, 2010 and April 9, 2012 that would indicate there was a change in the fair market value of our common stock during that period.

Stock option grants in December 2012 and April 2013

Our board of directors granted stock options on December 30, 2012 and April 26, 2013, in each case with an exercise price of $1.70 per share.

The specific facts and circumstances considered by our board of directors for the November 30, 2012 valuation included the results from our completed Phase 2b clinical trial of Fovista. As part of the PWERM

analysis, the exit events considered included two separate IPO scenarios, four separate strategic merger or sale scenarios at premiums to the cumulative liquidation preference of the preferred stockholders and a scenario presuming dissolution of the company. Given improving overall public market conditions, a probability weighting of 15.0% was used for the IPO scenario, a total of 65.0% was used for the strategic merger or sale scenarios, and 20.0% was used for dissolution. The probability weightings assigned to the respective exit scenarios were primarily based on consideration of our stage of clinical development, industry clinical success rates, our expected near-term and long-term funding requirements and an assessment of the current financing and biotechnology industry environments at the time of the valuation. The resulting value of $1.70 per share continued to represent our board of director's determination of the estimated fair market value of our common stock as of December 31, 2012 and April 26, 2013.

Our board of directors determined that no significant events, including changes in clinical development or other circumstances, had occurred between November 30, 2012 and April 26, 2013 that would indicate there was a change in the fair market value of our common stock during that period.

Stock option grants from May 2013 to July 2013

Our board of directors granted stock options on May 29, 2012, July 2, 2013, July 9, 2013, July 11, 2013 and July 15, 2013, in each case with an exercise price of $2.24 per share.

The specific facts and circumstances considered by our board of directors for the May 29, 2013 valuation included the sale and issuance of 6,666,667 share of series C preferred stock in May 2013 to existing preferred stock investors at a price of $2.50 per share. In addition, in May 2013, we entered into a royalty purchase and sale agreement, or the royalty agreement, with Novo A/S. Pursuant to the royalty agreement we may obtain royalty financing in three tranches in an amount of up to $125,000,000 in return for the sale to Novo A/S of aggregate royalties at low to mid single-digit percentages of worldwide sales of Fovista, with the royalty percentage determined by the amount of funding provided by Novo A/S. The first tranche of the royalty financing, in which Novo A/S purchased a low single-digit royalty interest and paid us $41,666,666, closed concurrently with our entry into the royalty agreement. As part of the PWERM analysis, the exit events considered included two separate IPO scenarios, four separate strategic merger or sale scenarios at premiums to the cumulative liquidation preference of the preferred stockholders and a scenario presuming dissolution of the company. Given improving overall public market conditions, a probability weighting of 65.0% was used for the IPO scenario, a total of 20.0% was used for the strategic merger or sale scenarios, and 15.0% was used for dissolution. The probability weightings assigned to the respective exit scenarios were primarily based on consideration of our stage of clinical development, industry clinical success rates, our expected near-term and long-term funding requirements and an assessment of the current financing and biotechnology industry environments at the time of the valuation. The resulting value of $2.24 per share continued to represent our board of director's determination of the estimated fair market value of our common stock for the options granted on May 29, 2013, July 2, 2013, July 9, 2013, July 11, 2013 and July 15, 2013.

Our board of directors determined that no significant events, including changes in clinical development or other circumstances, had occurred between May 29, 2013 and July 15, 2013 that would indicate there was a change in the fair market value of our common stock during that period.

Stock Option grants in August 2013

Our board of directors granted options to purchase 201,000 shares of common stock on August 15, 2013.

There is inherent uncertainty in our forecasts and projections and, if we had made different assumptions and estimates than those described previously, the amount of our share-based compensation expense, net loss, and net loss per share amounts could have been materially different.

Basic and Diluted Net Loss Per Share of Common Stock

We compute basic net loss per share of common stock by dividing net loss applicable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding the dilutive

effects of preferred stock and stock options. We compute diluted net loss per share of common stock by dividing the net loss applicable to common stockholders by the sum of the weighted-average number of shares of common stock outstanding during the period plus the potential dilutive effects of preferred stock and stock options outstanding during the period calculated in accordance with the treasury stock method, but such items are excluded if their effect is anti-dilutive. Because the impact of these items is anti-dilutive during periods of net loss, there was no difference between our basic and diluted net loss per share of common stock for the years ended December 31, 2011 and 2012, and for the six months ended June 30, 2012 and 2013.

JOBS Act

As an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012, we can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are electing to delay our adoption of such new or revised accounting standards. As a result of this election, our financial statements may not be comparable to the financial statements of other public companies.

Results of Operations

Comparison of Six Month Periods Ended June 30, 2012 and 2013

Revenue

We did not recognize any revenue for the six months ended June 30, 2012 or for the six months ended June 30, 2013.

Research and Development Expenses

Our research and development expenses were $6.7 million for the six month period ended June 30, 2013, an increase of $3.5 million compared to $3.2 million for the six month period ended June 30, 2012. The increase was primarily due to an increase in manufacturing activity for Fovista in 2013 as we continued to develop manufacturing operations to support our planned Phase 3 clinical program.

General and Administrative Expenses

Our general and administrative expenses for the six month period ended June 30, 2013 were $5.0 million, an increase of $1.9 million compared to $3.1 million for the six month period ended June 30, 2012. The increase was primarily due to an increase in intellectual property related expenses and personnel recruitment fees.

Interest Expense

Interest expense for the six month period ended June 30, 2012 was $26,000 compared to $1.5 million for the six month period ended June 30, 2013. The amounts in both 2012 and 2013 were related to interest associated with our venture debt facility that we entered into in June 2012 and paid off in May 2013. The related interest expense for the six month period ended June 30, 2013 included a payment of $820,000 that was required upon the earlier of the maturity date or the date of repayment of the venture debt facility.

Loss on Extinguishment of Debt

In May 2013, we repaid the outstanding balance on our venture debt facility. The associated $1.2 million loss on extinguishment of debt represents the related prepayment penalties and an expense for deferred costs and unamortized debt discount, in each case, related to the venture debt facility.

Comparison of Years Ended December 31, 2011 and 2012

Revenue

We did not recognize any revenue for the year ended December 31, 2011 or for the year ended December 31, 2012.

Research and Development

Our research and development expenses were $6.8 million for the year ended December 31, 2012, a decrease of $7.1 million compared to research and development expenses of $13.9 million for the year ended December 31, 2011. The decrease was primarily due to a reduction in clinical expenses related to the Phase 2b clinical trial for Fovista which had activity for the full year in 2011 and concluded in the second quarter of 2012. Clinical expenses also decreased in 2012 for ARC1905 and volociximab as compared to 2011. ARC1905 completed clinical activity in 2012, and we terminated the volociximab program in May 2012 to focus on the development of Fovista. These decreases were offset in part by an increase in manufacturing activity for Fovista in 2012 as we began to develop manufacturing operations to support our planned Phase 3 clinical program.

General and Administrative Expenses

Our general and administrative expenses were $6.9 million for the year ended December 31, 2012, an increase of $1.2 million compared to general and administrative expenses of $5.7 million for the year ended December 31, 2011. The increase was primarily due to increased legal and professional fees related to corporate development and financing activities.

Interest Expense

Interest expense was $0.5 million for the year ended December 31, 2012, compared to interest expense of $0 for the year ended December 31, 2011. The increase was due to interest associated with our venture debt facility.

Other Loss

Other loss was $0.4 million for the year ended December 31, 2012 compared to $0 for the year ended December 31, 2011. The $0.4 million increase was due to the change in fair value of the preferred stock warrants.

Liquidity and Capital Resources

Sources of Liquidity

To date, we have not generated any revenues. We have financed our operations to date primarily through private placements of our preferred stock, venture debt borrowings and a royalty purchase arrangement with Novo A/S that we entered into in May 2013. Our royalty purchase arrangement, which is described in more detail below, provides for financing of up to $125 million in the aggregate in return for the sale to Novo A/S of royalty interests in worldwide sales of Fovista. We received $41,666,667 million of this royalty financing in May 2013. Our receipt of additional amounts is subject to enrollment of specified numbers of patients in our planned Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. In May 2013, we issued and sold an aggregate of 6,666,667 shares of our series C preferred stock at a price per share of $2.50, for an aggregate purchase price of $16,666,667. In August 2013, we issued and sold an aggregate of 13,333,333 additional shares of our series C preferred stock to the same purchasers at a price per share of $2.50, for an aggregate purchase price of $33,333,333.

Cash Flows

As of June 30, 2013, we had cash and cash equivalents totaling $39.9 million and no short term or long term debt. We primarily invest our cash and cash equivalents in U.S. Treasury money market funds.

The following table shows a summary of our cash flows for the years ended December 31, 2011 and 2012 and the six months ended June 30, 2012 and 2013:

	Years Ended December 31,		Six Months Ended June 30,	
	2011	2012	2012	2013
			(unaudited)	
	(In thousands)			
Net cash (used in) provided by				
Operating activities	$ (19,123)	$ (13,104)	$ (5,604)	$ (10,434)
Investing activities	3,396	—	—	—
Financing activities	14,994	11,013	7,338	45,984
Net increase (decrease) in cash and cash equivalents	$ (733)	$ (2,091)	$ 1,734	$ 35,550

Cash Flows from Operating Activities

Net cash used in operating activities in all periods resulted primarily from our net losses adjusted for non-cash charges and changes in the components of working capital. The decrease in net cash used in 2012 compared to 2011 was primarily related to decreased spending in research and development due to a reduction in clinical expenses related to our Phase 2b clinical trial for Fovista, which concluded in the second quarter of 2012. The increase in net cash used in the six months ended June 30, 2013 compared to the six months ended June 30, 2012 primarily related to increased spending on manufacturing activity for Fovista, partially offset by the elimination of spending on our Phase 2b clinical trial for Fovista. We expect cash used in operating activities to continue to increase substantially compared to prior periods and for the foreseeable future as we continue the development of and seek marketing approval for Fovista and, possibly, other product candidates. Before the end of 2013, we plan to initiate a pivotal Phase 3 clinical program for Fovista that will consist of three separate clinical trials. We expect to have initial top-line data from these Phase 3 clinical trials available in 2016.

Cash Flows from Investing Activities

Net cash provided by investing activities for the year ended December 31, 2011 was $3.4 million and consisted of proceeds from the maturity of marketable securities partially offset by purchases of fixed assets. Net cash provided by investing activities was $0 for the year ended December 31, 2012 and $0 for each of the six month periods ended June 30, 2012 and June 30, 2013.

Cash Flows from Financing Activities

Net cash provided by financing activities was $15.0 million for the year ended December 31, 2011 and $11.0 million for the year ended December 31, 2012. Net cash provided by financing activities for the year ended December 31, 2011 consisted primarily of proceeds from the issuance of our series B preferred stock. Net cash provided by financing activities for the year ended December 31, 2012 consisted primarily of borrowings under our venture debt facility. Net cash provided by financing activities for the six months ended June 30, 2012 was $7.4 million, consisting of borrowings under our venture debt facility. Net cash provided by financing activities for the six months ended June 30, 2013 was $46.0 million, consisting of a subsequent borrowing under our venture debt facility, proceeds from our royalty purchase agreement with Novo A/S and proceeds received upon the closing of our series C financing, partially offset by the complete repayment of all outstanding principal, interest and fees under our venture debt facility.

Funding Requirements

Fovista is still in clinical development. We expect our expenses to increase substantially as compared to prior periods in connection with our ongoing activities, particularly as we continue the development of and seek marketing approval for Fovista and, possibly, other product candidates. In addition, if we obtain marketing approval for Fovista or any other product candidate that we develop, we expect to incur significant commercialization expenses related to product sales, marketing, distribution and manufacturing. Furthermore, upon the closing of this offering we expect to incur additional costs associated with operating as a public company, hiring additional personnel and expanding our facilities.

Our expenses also will increase if and as we:

- pursue the development of Fovista for additional indications or for use in broader patient populations or, if it is approved, seek to broaden the label for Fovista;
- pursue the clinical development of ARC1905 for the treatment of wet AMD;
- in-license or acquire the rights to other products, product candidates or technologies for the treatment of ophthalmic diseases;
- seek marketing approval for any product candidates that successfully complete clinical trials;
- establish sales, marketing, distribution and outsourced manufacturing capabilities, if we receive, or expect to receive, marketing approval for Fovista;
- maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, quality control and scientific personnel; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts.

We expect that the net proceeds from this offering, together with our existing cash and cash equivalents as of June 30, 2013, the $33.3 million in proceeds from our sale of shares of series C preferred stock in August 2013 and expected future funding of $83.3 million under our royalty purchase arrangement with Novo A/S, will enable us to fund our operating expenses and capital expenditure requirements through . Based on our planned use of the net proceeds from this offering and our existing cash and cash equivalents and expected funding under our royalty purchase arrangement with Novo A/S, we estimate that such funds will be sufficient to enable us to obtain initial, top-line data from our planned Phase 3 clinical program for Fovista. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. This estimate assumes, among other things, that we receive the full financing amount available under our royalty purchase arrangement with Novo A/S on a timely basis. The royalty agreement with Novo A/S provides that we will use the remaining proceeds we received and future proceeds, if any, under the royalty agreement primarily to support clinical development and regulatory activities for Fovista and for certain other permitted purposes. We estimate that we will incur total costs, including clinical development related employee expenses and external research and development expenses, of approximately $175 million to obtain initial, top-line data from our Phase 3 clinical program for Fovista. We expect this data to be available in 2016. We expect that additional funds of approximately $50 million will be required for general corporate purposes and working capital during the period from completion of this offering until we obtain initial, top-line data from our Phase 3 clinical program. Our Phase 3 clinical program for Fovista is expected to continue through at least 2017, and substantial expenditures to complete the Phase 3 clinical program will be required after the receipt of initial, top-line data. At this time, we cannot reasonably estimate the remaining costs necessary to complete the Phase 3 clinical program for Fovista, complete process development and manufacturing scale-up associated with Fovista and seek marketing approval after we obtain initial, top-line data, or the nature, timing or costs of the efforts necessary to complete the development of any other product candidate.

Our future capital requirements will depend on many factors, including:

- the progress, costs and results of our planned Phase 3 clinical program for Fovista;

- the costs and timing of process development and manufacturing scale-up activities associated with Fovista;
- the costs, timing and outcome of regulatory review of Fovista;
- the costs of commercialization activities for Fovista if we receive, or expect to receive, marketing approval, including the costs and timing of establishing product sales, marketing, distribution and outsourced manufacturing capabilities;
- subject to receipt of marketing approval, net revenue received from commercial sales of Fovista, after milestone payments and royalties;
- the costs of developing Fovista for additional indications or for use in broader patient populations;
- our ability to establish collaborations on favorable terms, if at all;
- the scope, progress, results and costs of product development of ARC1905 and other product candidates;
- the extent to which we in-license or acquire rights to other products, product candidates or technologies; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending intellectual property-related claims.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. The expected funding pursuant to our royalty purchase arrangement with Novo A/S is subject to enrollment of specified numbers of patients in our Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Our pledge of assets, including intellectual property rights, as collateral to secure our obligations under our royalty purchase arrangement with Novo A/S may limit our ability to obtain debt financing. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Royalty Financing

In May 2013, we entered into a royalty purchase and sale agreement, or the royalty agreement, with Novo A/S, pursuant to which we may obtain royalty financing in three tranches in an amount of up to $125,000,000 in return for the sale to Novo A/S of aggregate royalties at low to mid single-digit percentages of worldwide sales of Fovista, with the royalty percentage determined by the amount of funding provided by Novo A/S. The first tranche of the royalty financing, in which Novo A/S purchased a low single-digit royalty interest and paid us $41,666,666, closed concurrently with our entry into the royalty agreement. Under the royalty agreement, Novo A/S agreed to purchase from us, and we agreed to sell to Novo A/S, two additional low single-digit royalty interests on worldwide sales of Fovista, in each case, for a purchase price of $41,666,666, or $83,333,332 in the aggregate for both additional tranches. Following the purchase of all royalty interests under the royalty agreement, Novo A/S will have a right to receive royalties on worldwide sales of Fovista at a mid single-digit percentage. The closing of each of the two subsequent financing tranches is subject to the enrollment of a specified number of patients in our Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations.

Under specified circumstances, including terminations, suspensions or delays of our planned Phase 3 clinical trials for Fovista, the failure of certain closing conditions to be satisfied, transactions involving a change of control of

us in which the acquiring party does not meet certain specifications, or delays in receiving applicable antitrust approvals, Novo A/S has the option to cancel the subsequent purchase and sale of the additional royalty interests. We also have the option to cancel the subsequent purchase and sale of the additional royalty interests in specified circumstances, including terminations, suspensions or delays in our planned Phase 3 clinical trials for Fovista, any change of control of us, the completion of equity financings meeting specified thresholds or delays in receiving applicable antitrust approvals.

The royalty payment period begins on the commercial launch of Fovista and ends, on a country-by-country basis, on the latest to occur of the twelfth anniversary of the commercial launch of Fovista, the expiration of certain patent rights covering Fovista, and the expiration of regulatory exclusivity for Fovista, in each applicable country. Royalty payments will be payable quarterly in arrears during the royalty period. Our obligations under our agreement with Novo A/S may also apply to certain other anti-PDGF products we may develop.

We used a portion of the proceeds that we initially received under the royalty agreement to repay in full an aggregate of $14.4 million of outstanding principal, interest and fees under our venture debt facility. The royalty agreement provides that we will use the remaining proceeds we received, and future proceeds, if any, from the sale of royalty interests under the royalty agreement, primarily to support clinical development and regulatory activities for Fovista and, to the extent applicable, other specified products we may develop pursuant to the terms of the royalty agreement, and for general corporate expenses.

The royalty agreement requires the establishment by us and Novo A/S of a joint oversight committee in relation to the development of Fovista in the event that Novo A/S does not continue to have a representative on our board of directors. The royalty agreement also contains customary representations and warranties, as well as certain covenants relating to the operation of our business, including covenants requiring us to use commercially reasonable efforts to continue our development of Fovista, to file, prosecute and maintain certain patent rights and, in our reasonable judgment, to pursue claims of infringement of our intellectual property rights. The royalty agreement also places certain restrictions on our business, including restrictions on our ability to grant security interests in our intellectual property to third parties, to sell, transfer or out-license intellectual property, or to grant others rights to receive royalties on sales of Fovista and certain other products. We are required to reimburse Novo A/S for specified legal and other expenses and to provide Novo A/S with certain continuing information rights. We have agreed to indemnify Novo A/S and its representatives with respect to certain matters, including with respect to any third-party infringement or product liability claims relating to our products. Our obligations under the royalty agreement are secured by a lien on certain of our intellectual property and other rights related to Fovista and other anti-PDGF products we may develop.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of June 30, 2013:

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Leases[1]	$ 29,948	$ 29,948	$ —	$ —	$ —
Total[2]	$ 29,948	$ 29,948	$ —	$ —	$ —

(1) Operating lease obligations reflect our obligation to make payments in connection with leases for our office space.

(2) This table does not include (a) any milestone payments which may become payable to third parties under license agreements as the timing and likelihood of such payments are not known with certainty, (b) any royalty payments to third parties as the amounts, timing and likelihood of such payments are not known, (c) contracts that are entered into in the ordinary course of business which are not material in the aggregate in any period presented above and (d) the royalty purchase liability of $41.7 million due to the fact that the royalty payment period is not known.

Under various agreements, we will be required to pay royalties and make milestone payments. These agreements include the following:

- Under our acquisition agreement with OSI (Eyetech), Inc., or Eyetech, which agreement is now held by OSI Pharmaceuticals, Inc., or OSI Pharmaceuticals, a subsidiary of Astellas US, LLC, for rights to particular anti-PDGF aptamers, including Fovista, we are obligated to pay to OSI Pharmaceuticals one-time payments of $12,000,000 in the aggregate upon marketing approval in the United States and the European Union of a covered anti-PDGF product. We also are obligated to pay to OSI Pharmaceuticals a royalty at a low single-digit percentage of net sales of any covered anti-PDGF product we successfully commercialize.
- Under a license agreement with Archemix Corp., or Archemix, with respect to pharmaceutical products comprised of or derived from any anti-PDGF aptamer, we are obligated to make payments to Archemix of up to an aggregate of $16,500,000 if we achieve specified clinical and regulatory milestones with respect to Fovista, including a payment of $2,500,000 that will be triggered by the initiation of our planned Phase 3 clinical program for Fovista, up to an aggregate of $3,000,000 if we achieve specified commercial milestones with respect to Fovista and, for each other anti-PDGF aptamer product that we may develop under the agreement, up to an aggregate of $18,750,000 if we achieve specified clinical and regulatory milestones and up to an aggregate of $3,000,000 if we achieve specified commercial milestones. No royalties are payable to Archemix under this license agreement. From inception through June 30, 2013, we have made $2,250,000 in payments resulting from this agreement.
- Under a license agreement with Archemix with respect to pharmaceutical products comprised of or derived from anti-C5 aptamers, for each anti-C5 aptamer product that we may develop under the agreement, including ARC1905, we are obligated to make payments to Archemix of up to an aggregate of $57,500,000 if we achieve specified development, clinical and regulatory milestones and, as to all anti-C5 products under the agreement collectively, up to an aggregate of $22,500,000 if we achieve specified commercial milestones. We are also obligated to pay Archemix a double-digit percentage of specified non-royalty payments we may receive from any sublicensee of our rights under this license agreement. No royalties are payable to Archemix under this license agreement. From inception through June 30, 2013, we have made $2,000,000 in payments resulting from this agreement.
- Under a license, manufacturing and supply agreement with Nektar Therapeutics, or Nektar, for specified pegylation reagents used to manufacture Fovista, we are obligated to pay Nektar up to an aggregate of $5,500,000 in additional payments if we achieve specified clinical and regulatory milestones, including a payment of $1,000,000 that will be triggered by the initiation of our planned Phase 3 clinical program for Fovista and an additional payment of $3,000,000 if we achieve a specified commercial milestone. We are obligated to pay Nektar tiered royalties at low to mid single-digit percentages of net sales of any licensed product we successfully commercialize, with the royalty percentage determined by our level of licensed product sales, the extent of patent coverage for the licensed product and whether we have granted a third-party commercialization rights to the licensed product. We have agreed to pay Nektar a low double-digit percentage of any upfront payment we receive in connection with granting any third-party commercialization rights to a licensed product less certain milestone events the company has previously paid, and a higher double-digit percentage of other specified amounts, such as milestone payments, we receive in connection with any such commercialization agreement, subject to agreed minimum and maximum amounts. From inception through June 30, 2013, we have made $750,000 in payments resulting from this agreement.
- Under our royalty agreement with Novo A/S with respect to Fovista, we are obligated to pay Novo A/S a low to mid single-digit percentage royalty based on worldwide sales of Fovista, with the royalty percentage determined by the amount of funding provided by Novo A/S. See “—Royalty Financing” above for further information about our royalty agreement with Novo A/S.

We also have employment agreements with certain employees which require the funding of a specific level of payments, if certain events, such as a change in control or termination without cause, occur.

In addition, in the course of normal business operations, we have agreements with contract service providers to assist in the performance of our research and development and manufacturing activities. We can elect to discontinue the work under these agreements at any time. We could also enter into additional collaborative research, contract research, manufacturing, and supplier agreements in the future, which may require upfront payments and even long-term commitments of cash.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under Securities and Exchange Commission rules.

Quantitative and Qualitative Disclosures About Market Risks

We are exposed to market risk related to changes in interest rates. We had cash and cash equivalents of $4.3 million as of December 31, 2012 and $39.9 million as of June 30, 2013, consisting of cash and money market funds. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments are in short-term securities. Our available for sale securities are subject to interest rate risk and will fall in value if market interest rates increase. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our portfolio.

We contract with CROs and contract manufacturers globally. We may be subject to fluctuations in foreign currency rates in connection with certain of these agreements. Transactions denominated in currencies other than the U.S. dollar are recorded based on exchange rates at the time such transactions arise. As of June 30, 2013 and December 31, 2012 and 2011, substantially all of our total liabilities were denominated in the U.S. dollar.

BUSINESS

Overview

We are a biopharmaceutical company specializing in the development of novel therapeutics to treat diseases of the eye. Our most advanced product candidate is Fovista, which we are developing for use in combination with anti-VEGF drugs that represent the current standard of care for the treatment of wet age-related macular degeneration, or wet AMD. We have completed a large Phase 2b clinical trial in which 1.5 mg of Fovista in combination with one of the standard of care drugs, Lucentis, demonstrated statistically significant superiority compared to Lucentis monotherapy based on the primary endpoint of mean change in visual acuity from baseline at 24 weeks, providing a 62% comparative benefit from baseline. Before the end of 2013, we plan to initiate a pivotal Phase 3 clinical program to evaluate the safety and efficacy of Fovista combination therapy for the treatment of newly diagnosed wet AMD patients compared to current standard of care monotherapy. We expect to have initial, top-line data from this Phase 3 clinical program available in 2016. If the results of this Phase 3 clinical program are favorable, we plan to submit applications for marketing approval for Fovista in both the United States and the European Union before the end of 2016.

Wet AMD is a serious disease of the central portion of the retina, known as the macula, which is responsible for detailed central vision and color perception. It is characterized by abnormal new blood vessel formation and growth, referred to as neovascularization, which results in blood vessel leakage, retinal distortion and scar formation. Wet AMD is the leading cause of blindness in patients over the age of 55 in the United States and the European Union. The current standard of care for wet AMD is monotherapy administration of drugs that target vascular endothelial growth factor, or VEGF, one of several proteins involved in neovascularization. The anti-VEGF market for the treatment of wet AMD consists predominantly of two drugs that are approved for marketing and primarily prescribed for the treatment of wet AMD, Lucentis and Eylea, and off-label use of the cancer therapy Avastin. In 2012, annual worldwide sales of Lucentis and Eylea for all indications totaled approximately $4.8 billion. This sales number does not include Avastin, which is commonly used off-label to treat wet AMD in the United States and, to a lesser extent, in the European Union.

The use of anti-VEGF drugs has significantly improved visual outcomes for patients with wet AMD who have been treated with these drugs as compared to untreated patients. However, persistent retinal distortion and scar tissue formation limit visual benefit from anti-VEGF monotherapy, and a significant unmet medical need remains. We believe that the administration of Fovista in combination with anti-VEGF drugs in patients with wet AMD may disrupt abnormal new blood vessels and cause regression of neovascularization more effectively than anti-VEGF monotherapy. Fovista binds to and inhibits a protein known as platelet derived growth factor, or PDGF, causing the stripping of pericytes, which are cells that cover the outside of newly formed blood vessels. After the pericytes are stripped from the new blood vessels, endothelial cells located inside the newly formed blood vessels are left unprotected and are highly vulnerable to the effects of anti-VEGF therapy. We believe that Fovista may provide meaningful added benefit in the treatment of wet AMD regardless of the co-administered anti-VEGF drug.

We completed a large, multi-dose Phase 2b clinical trial in newly diagnosed wet AMD patients in 2012 in which a combination of 1.5 mg of Fovista and Lucentis demonstrated statistically significant superiority compared to Lucentis monotherapy based on the primary endpoint of mean change in visual acuity from baseline at 24 weeks. Patients receiving the combination of 1.5 mg of Fovista and Lucentis gained a mean of 10.6 letters from baseline on a standardized chart of vision testing compared to a mean gain of 6.5 letters from baseline for patients receiving Lucentis monotherapy, representing a 62% comparative benefit from baseline. Based on retrospective analyses of commonly evaluated parameters used in wet AMD trials, Fovista combination therapy resulted in improved visual outcome, with more patients experiencing vision gain and fewer patients experiencing vision loss, in a broad range of patient groups in this trial compared to Lucentis monotherapy. Before the end of 2013, we plan to initiate our pivotal Phase 3 clinical program consisting of three separate Phase 3 clinical trials evaluating Fovista in combination with anti-VEGF drugs in newly diagnosed wet AMD patients. Our planned Phase 3 clinical program builds on and incorporates significant aspects from the design of our Phase 2b clinical trial, which we believe may reduce the risk that we will have unexpected outcomes in our Phase

3 clinical trials. Two of the planned Phase 3 trials will test the combination of Fovista and Lucentis. The third planned Phase 3 trial will test a combination of Fovista with each of Eylea or Avastin. We have retained worldwide commercialization rights to Fovista.

We are led by a team of experienced pharmaceutical industry executives and recognized experts in retinal disease. Our management team includes our co-founder and Chief Executive Officer, David Guyer, M.D., and our co-founder and President, Samir Patel, M.D. Dr. Guyer and Dr. Patel were co-founders and senior executives of Eyetech Pharmaceuticals, Inc., which was acquired by OSI Pharmaceuticals, Inc. in 2005. While at Eyetech Pharmaceuticals, Dr. Guyer and Dr. Patel were responsible for the clinical development and commercialization of Macugen, the first anti-VEGF drug approved for the treatment of wet AMD. While at Eyetech Pharmaceuticals, they also were responsible for the preclinical development of Fovista, the rights to which we subsequently acquired from OSI (Eyetech), Inc. pursuant to a divestiture agreement prior to initiation of any clinical development. We believe that our senior management provides us with significant capabilities in the development and commercialization of novel therapies to treat diseases of the eye.

Our Strategy

Our goal is to become a leading biopharmaceutical company focused on developing and commercializing novel therapeutics to treat diseases of the eye, with a particular focus on diseases of the back of the eye. The key elements of our strategy to achieve this goal are:

- *Complete clinical development of and seek marketing approval for Fovista in combination with anti-VEGF drugs for wet AMD.* We are devoting a significant portion of our resources and business efforts to completing independently the clinical development of Fovista in combination with anti-VEGF drugs for wet AMD. We plan to initiate a pivotal Phase 3 clinical program for Fovista in combination with anti-VEGF drugs for the treatment of newly diagnosed wet AMD patients before the end of 2013. Based on our estimates regarding patient enrollment, we expect to have initial, top-line data from this Phase 3 clinical program available in 2016. If the results of this Phase 3 clinical program are favorable, we plan to submit applications for marketing approval for Fovista in both the United States and the European Union before the end of 2016. Our Phase 3 clinical trials will continue after such submissions in accordance with the protocols for these trials. In May 2013, we entered into a royalty purchase and sale arrangement with Novo A/S for a financing of up to $125 million to fund a substantial portion of our planned Phase 3 clinical program for Fovista in return for the sale to Novo A/S of royalty interests in future worldwide sales of Fovista. We received approximately $42 million of this royalty financing in May 2013. Our receipt of additional amounts is subject to our enrollment of specified numbers of patients in our Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. We are obligated to pay Novo A/S royalties at low to mid single-digit percentages of worldwide sales of Fovista, with the royalty percentage determined by the amount of funding provided by Novo A/S.
- *Maximize commercial potential of Fovista.* We have retained worldwide commercialization rights to Fovista. If Fovista receives marketing approval, we plan to commercialize it in the United States with our own focused, specialty sales force. We believe that retinal specialists in the United States, who perform most of the medical procedures involving diseases of the back of the eye, are sufficiently concentrated that we will be able to effectively promote Fovista to these specialists with a sales and marketing group of fewer than 100 persons. We expect to utilize a variety of types of collaboration, distribution and other marketing arrangements with one or more third parties to commercialize Fovista in markets outside the United States.
- *Explore the use of Fovista in additional patient populations.* We are evaluating other neovascular ophthalmic conditions for which we believe Fovista treatment may be beneficial. For example, we are considering conducting small, exploratory clinical trials to assess the potential therapeutic benefit of Fovista in indications that may include the treatment of wet AMD in patients who do not respond

adequately to anti-VEGF treatment, treatment of proliferative vitreoretinopathy, a complication associated with retinal detachment, and treatment of the retinal manifestations of von Hippel-Lindau disease, an inherited disease characterized by multiple benign and malignant tumors and cysts in the eye and other organs. If we initiate any of these clinical trials in 2014, we expect that initial data from such trials could be available before the end of 2015.

- *Advance the development of other product candidates for the treatment of ophthalmic disease.* We are evaluating further clinical development of our product candidate ARC1905 for the treatment of wet AMD. ARC1905 is a potent and selective inhibitor of complement factor C5, a protein that is associated with inflammation and that we believe is involved in the development of AMD. We anticipate that our development plans for ARC1905 will be directed toward a group of patients with wet AMD who have complement mediated inflammation and do not respond adequately to anti-VEGF monotherapy. We acquired rights to ARC1905 under an exclusive license agreement with Archemix Corp. We have conducted all of the preclinical research and clinical development of ARC1905 for the treatment of ophthalmic disease.
- *Opportunistically in-license or acquire products, product candidates and technologies.* We plan to expand our product pipeline through opportunistically in-licensing or acquiring the rights to complementary products, other product candidates and technologies for the treatment of a range of ophthalmic diseases, principally diseases of the back of the eye. We believe that our focus on diseases of the eye and our experienced management team will make us an attractive collaborator or acquirer for companies seeking to out-license or sell rights to products, product candidates or technologies in our area of focus. We generally expect that we will not engage in early stage research and drug discovery and will thus avoid the related costs and risks of these activities.

Potential for Fovista

In our completed Phase 2b clinical trial, the combination of 1.5 mg of Fovista and Lucentis demonstrated statistically significant superiority compared to Lucentis monotherapy based on the primary endpoint of mean change in visual acuity from baseline at 24 weeks, providing a 62% comparative benefit from baseline. We believe that by building on and incorporating significant aspects from the design of our Phase 2b clinical trial into our Phase 3 clinical program, we may reduce the risk that we will have unexpected outcomes in our Phase 3 clinical trials. We intend to seek a label for Fovista for the treatment of patients with wet AMD in combination with all anti-VEGF drugs. We believe that Fovista may provide meaningful added benefit in the treatment of wet AMD regardless of the co-administered anti-VEGF drug.

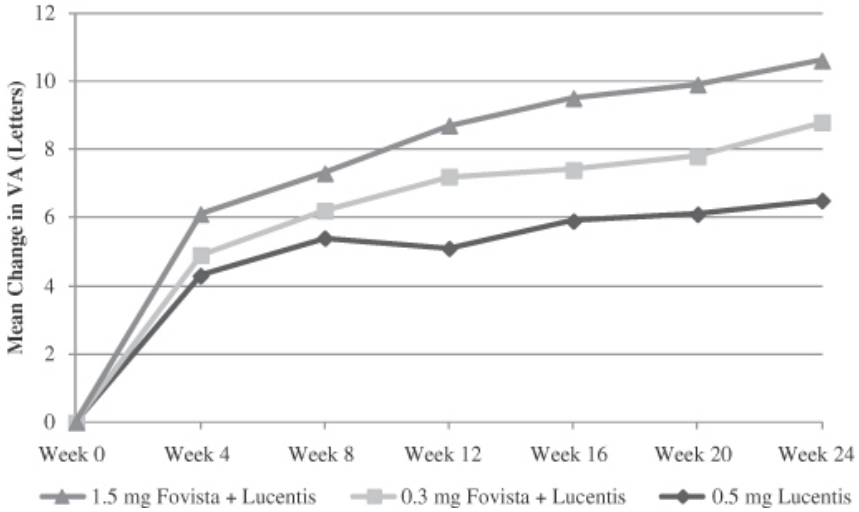
Visual Acuity Benefit

We completed a large, multicenter, randomized, double-masked, controlled Phase 2b clinical trial in 2012 in which the combination of 1.5 mg of Fovista and the anti-VEGF drug Lucentis achieved statistically significant superiority compared to Lucentis monotherapy based on the primary endpoint of mean change in visual acuity from baseline at 24 weeks. In this trial, patients treated with the combination of 0.3 mg of Fovista and Lucentis showed improvements in visual acuity compared to Lucentis monotherapy, but the combination of 0.3 mg and Lucentis did not achieve statistically significant superiority compared to Lucentis monotherapy based on the primary endpoint of mean change in visual acuity from baseline at 24 weeks.

We observed a visual benefit in patients treated with the combination of 1.5 mg of Fovista and Lucentis early in and sustained over the course of treatment. The relative magnitude of visual benefit increased over the study period. We believe that these results suggest that Fovista may provide lasting benefit to patients when used as chronic therapy in combination with Lucentis. In addition, we believe that the relative visual benefit of the combination of 1.5 mg of Fovista and Lucentis compared to the relative visual benefit of the combination of 0.3 mg of Fovista and Lucentis at all timepoints exhibits a dose-response curve in which the response to treatment increases with higher drug concentrations of Fovista.

As described in more detail below under "—Clinical Development of Fovista—Completed Phase 2b Clinical Trial," the following graph sets forth the mean change in visual acuity from baseline for each treatment group in our Phase 2b clinical trial over the course of the trial:

Mean Change in Visual Acuity (VA) from Baseline Over Time



In our Phase 2b clinical trial, we observed differences on the secondary endpoint of mean change in visual acuity from baseline at 12 weeks favoring the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy. In addition, we observed differences in other visual outcome secondary endpoints favoring the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy. Further, we performed multiple retrospective subgroup analyses of the data from our Phase 2b clinical trial. In these retrospective analyses, we observed differences in visual outcomes from baseline favoring the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy regardless of the baseline size of neovascularization or the baseline vision of the patient. We believe that these results suggest that the benefits of treatment with 1.5 mg of Fovista in combination with Lucentis as compared to Lucentis monotherapy may be applicable to a broad segment of patients with wet AMD.

Planned Phase 3 Clinical Trials Build Upon and Incorporate Phase 2b Clinical Trial Design

Before the end of 2013, we plan to initiate a pivotal Phase 3 clinical program to evaluate the safety and efficacy of Fovista when administered in combination with anti-VEGF drugs for the treatment of wet AMD. The primary efficacy endpoint in each of our Phase 3 clinical trials will be mean change in visual acuity from baseline, which will be assessed at 12 months after first treatment.

Two of the three Phase 3 clinical trials included in our Phase 3 clinical program will evaluate the efficacy and safety of Fovista when administered in combination with Lucentis and build upon and incorporate significant aspects from the design of our Phase 2b clinical trial. We believe that the following aspects of our two Phase 3 clinical trials of Fovista in combination with Lucentis may reduce the risk that we will have unexpected outcomes in these two trials:

- We have made no meaningful changes to the inclusion and exclusion criteria in these Phase 3 clinical trials from those we used in our Phase 2b clinical trial. We expect that this will result in the enrollment of a patient population similar to the patient population enrolled in our Phase 2b clinical trial.

- We are not changing the pre-specified primary endpoint, mean change in visual acuity from baseline, that we used in our Phase 2b clinical trial. However, we will assess mean change in visual acuity from baseline in these Phase 3 clinical trials at 12 months, instead of at 24 weeks as in our Phase 2b clinical trial. In our Phase 2b clinical trial, the relative magnitude of visual benefit seen with the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy increased over the study period. If we observe a similar pattern of visual benefit in our Phase 3 clinical program, we believe that chronic administration of 1.5 mg of Fovista with Lucentis may be indicated.
- Our Phase 2b clinical trial was well powered to detect a statistically significant difference in mean change in visual acuity between patients treated with 1.5 mg of Fovista in combination with Lucentis and patients treated with Lucentis monotherapy. We are further improving our ability to detect any statistically significant differences in pre-specified efficacy outcomes between the treatment and control arms of our Phase 3 clinical trials by substantially increasing both the number of patients who will receive 1.5 mg of Fovista in combination with Lucentis and the number of patients who will receive Lucentis monotherapy as compared to our Phase 2b clinical trial.
- We are using a dose of Fovista that exhibited a favorable safety profile in our Phase 2b clinical trial. We are using the same standard of care anti-VEGF drug, Lucentis, in combination with Fovista and as the monotherapy control in these Phase 3 clinical trials as we used in our Phase 2b clinical trial.

Potential to Enhance Efficacy of Current Standard of Care Regardless of Anti-VEGF Drug Administered

We intend to seek a label for Fovista for the treatment of patients with wet AMD in combination with all anti-VEGF drugs. As a result of the use of anti-VEGF drugs, the condition of many patients suffering with wet AMD improves significantly. However, in a substantial portion of cases the condition of the patient deteriorates. For example, based on results of third-party clinical trials, after one year of treatment with an anti-VEGF drug, approximately 18% to 22% of newly diagnosed wet AMD patients have lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing, and approximately 62% to 75% of such patients have not achieved an ability to read an additional 15 or more letters on the standardized chart of vision testing post-treatment. In addition, in 2013, the peer reviewed journal *Ophthalmology* published the results of an uncontrolled study of patients who had received two years of treatment with an anti-VEGF agent in clinical trials and then received additional anti-VEGF therapy at physician's discretion for two more years. When assessed at their last evaluation in this study, approximately 46% of such patients had lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing.

Moreover, in 2013, *Ophthalmology* published the results of a separate follow-up study of a cohort of these same patients. When assessed approximately three years after completing their participation in the prior study, approximately one-third had poor outcomes, defined as the loss of the ability to read 15 or more letters on a standardized chart of vision testing, according to the study conclusions. In addition, approximately 57% of such patients had lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing, compared to baseline prior to receiving therapy in the original clinical trials, and approximately 37% had visual acuity at the level of legal blindness, defined as visual acuity of 20/200 or worse. The study authors noted that wet AMD patients remain at risk for substantial visual decline. We believe that Fovista may provide meaningful added benefit in the treatment of wet AMD regardless of the co-administered anti-VEGF drug.

The anti-VEGF market for the treatment of wet AMD consists of Lucentis, Eylea and Avastin. Two of the three Phase 3 clinical trials included in our Phase 3 clinical program will evaluate the efficacy and safety of Fovista when administered in combination with Lucentis. To support our efforts to seek a broad label for Fovista, we plan to include a third clinical trial to evaluate the safety and efficacy of Fovista when administered in combination with each of Avastin or Eylea compared to Avastin or Eylea monotherapy.

Age-Related Macular Degeneration

Eye disease can be caused by many factors and can affect both the front and back of the eye. In its most extreme cases, eye disease can result in blindness. In the developed world, the major diseases that result in blindness are those affecting the retina, including AMD and diabetic retinopathy, and glaucoma. These diseases deny patients of their sight and, as a result, their ability to live independently and perform daily activities. Any improvement in vision, or even a slowing of the rate of vision loss, has a tremendous impact on the quality of life of patients with impaired vision.

AMD is a leading cause of vision loss in people over the age of 50 in the western world. There are two forms of AMD, dry AMD and wet AMD. According to AMD Alliance International, approximately 10 million people in the United States suffer from some form of AMD. According to a study on the burden of AMD published in 2006 in the peer reviewed journal *Current Opinion in Ophthalmology*, approximately 1,250,000 people in the United States suffer from wet AMD. In addition, AMD Alliance International reports that approximately 200,000 new cases of wet AMD arise each year in the United States. Based on U.S. Census Bureau data, we estimate that over the next two decades in the United States the number of people aged 55 or older is expected to increase by approximately 36% and the number of people aged 65 and older is expected to increase by approximately 69%. We expect that this increase in the number of elderly people will result in a significant increase in the number of cases of both dry and wet AMD in the United States.

AMD is a major public health problem that has a devastating effect on patients and a significant adverse impact on the economy. AMD distorts the acute central vision necessary for daily activities such as reading, face recognition, watching television and driving and can lead to loss of central vision and blindness. According to a 2010 study sponsored by AMD Alliance International, the annual direct healthcare system costs of visual impairment worldwide due to AMD was estimated at approximately $255 billion. According to the same study, wet AMD patients suffer a reduced quality of life and experience difficulty performing daily activities, social isolation, higher than normal rates of clinical depression, twice the risk of premature death as those who are not visually impaired, increased risk of falls and related hip fractures and premature admission to nursing homes. Wet AMD represents approximately 10% of all cases of AMD, but is responsible for 90% of the severe vision loss associated with the disease.

According to a study on the burden of AMD published in 2006 in *Current Opinion in Ophthalmology*, an average patient with AMD experiences a decrease in his or her quality of life equivalent to that of patients suffering from other diseases often perceived as more severe. For example, moderate age-related macular degeneration, defined as vision of 20/50 to 20/100 in the better-seeing eye, causes a 40% decrease in the average patient's quality of life, similar to that associated with severe cardiac angina or renal dialysis. Normal visual acuity is commonly referred to as 20/20 vision, and a person with 20/50 vision can read letters on an eye chart from 20 feet away as well as a person with normal vision can read the chart from 50 feet away.

Wet AMD

Wet AMD is preceded by dry AMD. Dry AMD is characterized by the development of yellow-white deposits under the retina, known as drusen, along with variable thinning and dysfunction of retinal tissue, but without any abnormal new blood vessel growth. There is no treatment approved by the U.S. Food and Drug Administration, or FDA, for dry AMD. In a subset of patients, dry AMD converts to wet AMD when new and abnormal blood vessels invade the retina. These abnormal new blood vessels originate beneath the retina, in a layer called the choroid, and invade into the overlying retinal layers. This abnormal new blood vessel growth is generally referred to as pathological angiogenesis and, in the context of wet AMD, is called choroidal neovascularization. The choroidal neovascularization and adjacent and contiguous areas of blood and tissue alterations are referred to as a lesion.

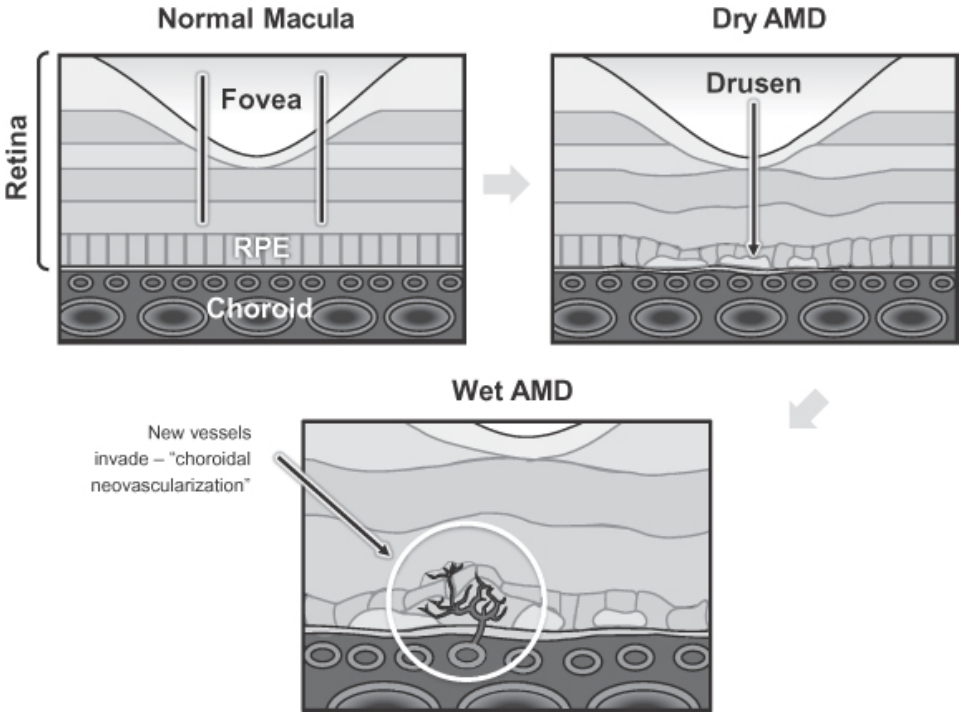
Abnormal new blood vessels tend to be fragile and often bleed and leak fluid into the macula, the central most portion of the retina responsible for detailed central vision and color perception. Untreated, blood vessel growth and associated leakage typically lead to retinal distortion, scarring, irreversible destruction of the macula and loss of

vision. This visual loss occurs rapidly with a progressive course. Approximately 90% of wet AMD cases involve subfoveal choroidal neovascularization, which is blood vessel growth directly under the central portion of the macula, known as the fovea. Our Phase 3 clinical program will enroll patients with subfoveal wet AMD.

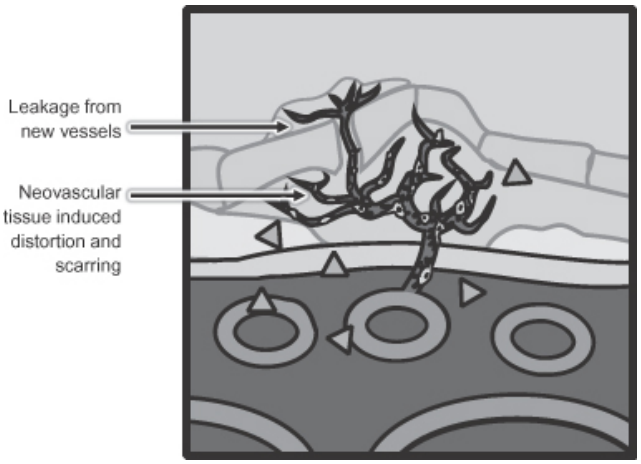
Wet AMD traditionally has been divided into subtypes based on the pattern of the abnormal new blood vessels using the diagnostic imaging technique fluorescein angiography or cross sectional location of the abnormal new blood vessels using the diagnostic imaging technique optical coherence tomography, or OCT. These subtypes form a continuous spectrum of pathological neovascularization based on whether the abnormal new blood vessels are well defined and delineated as determined by fluorescein angiography or whether they have invaded the retinal pigment epithelium, or RPE, layer of the retina from underneath and are located above the RPE as determined by OCT.

The term “pure classic” applies if 100% of the patient’s abnormal new blood vessels are well defined or located above the RPE. The terms “predominantly classic” and “minimally classic” are sometimes used to indicate some classic component of the disease, such as when only a portion of the patient’s abnormal new blood vessels are well defined or located above the RPE. The term “pure occult” applies if none of the patient’s abnormal new blood vessels are well defined or located above the RPE. Based on enrollment of untreated wet AMD patients in third-party clinical trials, the pure occult subtype accounts for approximately 40% of the cases of subfoveal wet AMD in the wet AMD patient population. Some occult choroidal neovascularization is present in predominantly classic and minimally classic choroidal neovascularization. For example, in minimally classic choroidal neovascularization up to 99% of the blood vessels may be characterized as occult, thus only 1% different from 100% or pure occult.

The following diagrams show cross-sections of the back of a normal eye and the progression to and major mechanisms of visual loss in wet AMD:



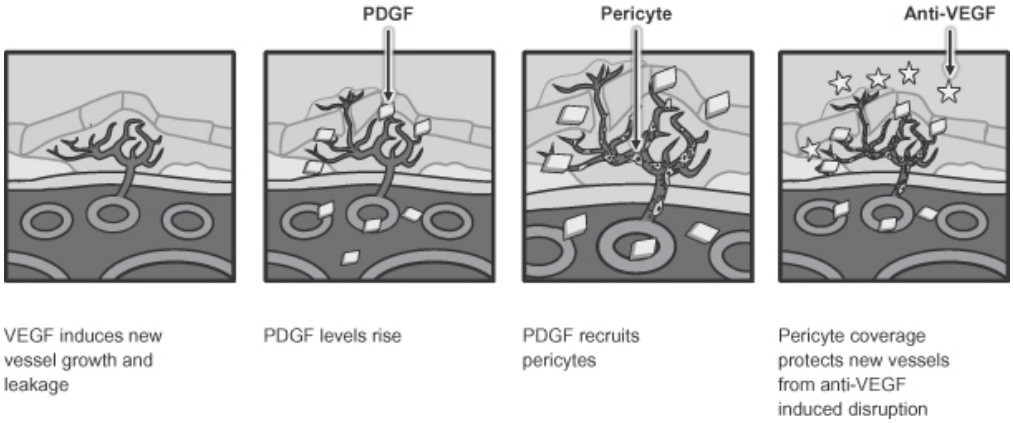
Visual Loss in Wet AMD



Abnormal new blood vessels are predominantly made up of two cell types, endothelial cells and pericytes. The endothelial cells line the inside of abnormal new blood vessels. Pericytes then intimately cover the outside of these blood vessels. Early in the process of abnormal new blood vessel formation, VEGF binds to a receptor on endothelial cells and causes endothelial cells to proliferate. The proliferating endothelial cells form new blood vessels. VEGF provides survival signals to endothelial cells. VEGF also is one of the most potent inducers of blood vessel permeability, which causes the new blood vessels to leak.

PDGF binds to a receptor on pericytes. The binding of PDGF provides an important cell survival signal to pericytes. PDGF also recruits pericytes to the abnormal new blood vessel, where they mature and cover the endothelial cells. Pericytes locally supply the endothelial cells with growth and survival factors, including VEGF, and play a major role in endothelial cell survival. Pericytes also physically support and stabilize the abnormal new blood vessels.

The following diagrams show cross-sections of the back of an eye and the chemical and cellular processes associated with the progression to wet AMD:



Currently Available Therapies for Wet AMD

The current standard of care for wet AMD is administration by intravitreal injection of anti-VEGF drugs as monotherapy. The FDA has approved the anti-VEGF drugs Lucentis (ranibizumab), Eylea (aflibercept) and Macugen (pegaptanib sodium) for the treatment of wet AMD. The FDA also has approved photodynamic therapy with Visudyne (PDT) as a treatment of patients with wet AMD. In addition, although approved by the FDA as a cancer therapy, the anti-VEGF drug Avastin (bevacizumab) is used off-label to treat wet AMD. Lucentis is an antibody fragment derived from the same full length antibody from which Avastin was derived.

Lucentis and Eylea are used primarily to treat wet AMD, although they also are approved for the treatment of other diseases of eye. In 2012, annual worldwide sales of Lucentis and Eylea for all indications totaled approximately $4.8 billion. This sales number does not include Avastin, which is commonly used off-label to treat wet AMD in the United States and, to a lesser extent, in the European Union. According to a paper published in 2011 in the peer reviewed journal *American Journal of Ophthalmology*, Avastin was used off-label to treat approximately 60% of Medicare beneficiaries in 2008 who received anti-VEGF therapy for wet AMD. In addition, according to information published in November 2012 by BioTrends Research Group, retinal specialists in the largest markets in the European Union use off-label Avastin to treat approximately 27% of patients with wet AMD.

Lucentis is marketed in the United States by F. Hoffmann-La Roche Ltd. Lucentis is marketed outside the United States by Novartis AG, except in Asia where it is marketed by Santen Pharmaceuticals Co., Ltd. Eylea is marketed in the United States by Regeneron Pharmaceuticals, Inc. and outside the United States by Bayer AG. Avastin is approved as a cancer therapy and is marketed solely for such use. Avastin is available through compounding pharmacies for off-label use to treat wet AMD at a significantly lower price per dose than either Lucentis or Eylea.

The availability of anti-VEGF drugs has significantly improved visual outcomes for patients with wet AMD who have been treated with anti-VEGF drugs as compared to untreated patients. A retrospective study published in 2012 in the peer reviewed journal *JAMA Ophthalmology* confirmed that the prevalence of both legal blindness and moderate visual impairment in patients two years after being diagnosed with wet AMD have decreased substantially following the introduction of anti-VEGF therapy. Nonetheless, the condition of many patients with wet AMD treated with anti-VEGF drugs does not improve significantly and in a substantial portion of cases deteriorates.

Anti-VEGF drugs prevent VEGF from binding to its natural receptor on endothelial cells in the abnormal new blood vessels, thereby inhibiting further abnormal new blood vessel growth and leakage associated with wet AMD. There is widespread agreement in the scientific community that the majority of the therapeutic benefit of anti-VEGF drugs is due to reducing or eliminating leakage. However, anti-VEGF therapy may be limited in its ability to induce disruption and regression of neovascularization. Clinical trial results suggest that altering the dose or regimen of the anti-VEGF drugs does not enhance visual outcome.

Based on the results of third-party clinical trials, after one year of treatment with an anti-VEGF drug:

- approximately 18% to 22% of newly diagnosed wet AMD patients have lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing, in many cases further diminishing the patients' quality of life;
- approximately 62% to 75% of newly diagnosed patients have not achieved an ability to read an additional 15 or more letters on the standardized chart of vision testing and have not experienced a marked improvement in their ability to enjoy the daily activities made difficult by wet AMD; and
- a majority of patients have not achieved final visual acuity of 20/40 or better, which is necessary to obtain a driver's license in many states.

In addition, in 2013, *Ophthalmology* published the results of an uncontrolled study of patients who had received two years of treatment with an anti-VEGF agent in clinical trials and then received additional anti-

VEGF therapy at physician's discretion for two more years. When assessed at their last evaluation in this study, approximately 46% of such patients had lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing. Moreover, in 2013, *Ophthalmology* published the results of a separate follow-up study of a cohort of these same patients. When assessed approximately three years after completing their participation in the prior study, approximately one-third had poor outcomes, defined as the loss of the ability to read 15 or more letters on a standardized chart of vision testing, according to the study conclusions. In addition, approximately 57% of such patients had lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing, compared to baseline prior to receiving therapy in the original clinical trials, and approximately 37% had visual acuity at the level of legal blindness, defined as visual acuity of 20/200 or worse. The study authors noted that wet AMD patients remain at risk for substantial visual decline.

We believe that the presence of pericytes and their local production of VEGF and other factors protect endothelial cells from the effects of anti-VEGF drugs. Other possible sources of anti-VEGF resistance include inflammation and increased levels of other growth factors and proteins not targeted by anti-VEGF drugs that are involved in the complex orchestration of neovascular proliferation.

Fovista

We are developing Fovista to be administered in combination with anti-VEGF drugs for the treatment of wet AMD. Fovista is designed to target PDGF and in combination with anti-VEGF drugs disrupt abnormal new blood vessels in wet AMD. We believe Fovista prevents PDGF from binding to its natural receptor on pericytes, thus causing pericytes to be stripped from newly formed abnormal blood vessels. We believe that the endothelial cells are left unprotected and are then highly vulnerable to the effects of anti-VEGF drugs. Because of the ability of Fovista to induce pericyte stripping from newly formed blood vessels, we believe that the administration of Fovista in combination with anti-VEGF drugs may inhibit abnormal new blood vessel growth associated with wet AMD more effectively than anti-VEGF drugs alone. In addition, we believe that the administration of Fovista in combination with anti-VEGF drugs may enhance neovascular regression.

VEGF and PDGF are growth factors that share some structural similarities. The VEGF family consists of multiple members, called VEGF-A, VEGF-B, VEGF-C, VEGF-D and PlGF. The PDGF family also consists of multiple members, called PDGF-AA, PDGF-AB, PDGF-BB, PDGF-CC and PDGF-DD.

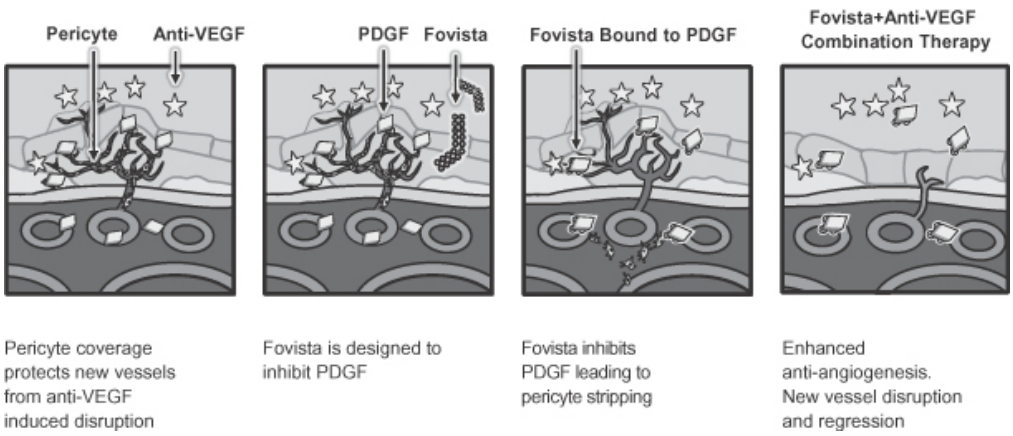
Lucentis, Avastin and Eylea all target VEGF-A, which we generally refer to in this prospectus simply as VEGF. Fovista targets PDGF-BB, which we generally refer to in this prospectus simply as PDGF. The biological effects of VEGF-A and PDGF-BB are mediated by binding to receptors on the cell surface. Once VEGF-A and PDGF-BB bind to their respective receptors, a variety of signals are generated inside the cell, which alters the cell's behavior. The specific receptors for VEGF-A are called VEGFR-1 and VEGFR-2. The specific receptors for PDGF-BB are called PDGFR-a and PDGF-b.

The anti-VEGF drugs Lucentis, Eylea and Avastin exert their biologic effect by binding to VEGF-A, which blocks its interaction with the endothelial cell surface receptor VEGFR-2. This results in inhibition of endothelial cell proliferation, survival and vascular permeability. Fovista exerts its biologic effect by binding to PDGF-BB, which blocks its interaction to the pericyte cell surface receptor PDGF-b. This results in stripping or death of the pericytes by interrupting the cell survival signals. PDGF-BB has been shown in multiple independent studies to be critical for pericyte survival and proliferation. Similarly, VEGF-A is critical for endothelial cell survival and proliferation.

We have measured Fovista's inhibition of PDGF-BB binding to both its receptors, PDGFR-a and PDGF-b, by widely accepted scientific methods. In *in vitro* assays, Fovista strongly inhibits PDGF-BB binding to its receptor with potency equal to an antibody that directly blocks the PDGFR-a and PDGF-b receptors. In preclinical models, we observed the marked stripping of pericytes from abnormally proliferating blood vessels in animals treated with Fovista. The combination of Fovista and anti-VEGF treatment in animal models of

neovascularization disrupted and regressed abnormal new blood vessels to a greater degree than treatment with anti-VEGF monotherapy. Based on these preclinical results and our understanding of the mechanisms of action of anti-VEGF drugs and Fovista, we believe that Fovista has the potential to provide meaningful added benefit in the treatment of wet AMD regardless of the co-administered anti-VEGF drug.

The following diagram shows what we believe is the mechanism of action of Fovista.



The anti-PDGF ingredient in Fovista is a chemically synthesized aptamer. An aptamer is a single strand of nucleic acid that adopts a three-dimensional structure and binds with high specificity and affinity to a particular extracellular target, such as PDGF, in a manner similar to a monoclonal antibody. Aptamers have the following key attributes:

- aptamers are synthetically derived, making production predictable and reproducible; and
- aptamers are chemically stable and do not generate an immune response that could limit efficacy.

Fovista is a pegylated aptamer, which means that polyethylene glycol is linked to the strand of nucleic acid. This pegylation increases the half-life of Fovista, which in turn increases the time that Fovista actively targets PDGF.

Fovista is administered by intravitreal injection after a separate intravitreal injection of an anti-VEGF drug. Before a physician administers the intravitreal injections of the anti-VEGF drug and Fovista, the patient receives topical numbing drops or injection of a numbing agent. In addition, physicians typically rinse the ocular surface with an antiseptic solution. By injecting the medication into the vitreous, the physician delivers Fovista in close vicinity to the active disease site with minimal potential for exposure to non-ocular tissues. Many other therapies used to treat serious retinal disorders, including Lucentis, Eylea and Avastin, also are administered by intravitreal injection.

Clinical Development of Fovista

We have completed one Phase 1 clinical trial and one Phase 2b clinical trial of Fovista in combination with Lucentis for the treatment of wet AMD. Before the end of 2013, we plan to initiate a pivotal Phase 3 clinical program for Fovista that will consist of three separate Phase 3 clinical trials designed to evaluate the safety and efficacy of Fovista in combination with anti-VEGF drugs compared to anti-VEGF monotherapy for the treatment of newly diagnosed wet AMD patients. Two of these three planned Phase 3 clinical trials will evaluate Fovista in combination with Lucentis. The third Phase 3 clinical trial will evaluate Fovista in combination with each of Eylea or Avastin. All three of these Phase 3 clinical trials will incorporate significant aspects from the design of our completed Phase 2b clinical trial. Based on our estimates regarding patient enrollment, we expect to have initial, top-line data from this

Phase 3 clinical program available in 2016. If the results of this Phase 3 clinical program are favorable, we plan to submit applications for marketing approval for Fovista in both the United States and the European Union before the end of 2016.

Completed Phase 1 Clinical Trial

In 2009, we completed a multicenter, uncontrolled, open label, ascending dose Phase 1 clinical trial evaluating the safety and tolerability of Fovista administered in combination with Lucentis for the treatment of subfoveal wet AMD. We conducted our Phase 1 clinical trial in 23 patients at 11 centers in the United States. Fovista was generally well tolerated in this trial.

Patients enrolled in our Phase 1 clinical trial were 50 years of age and older and newly diagnosed with subfoveal choroidal neovascularization secondary to AMD with some classic component as documented by fluorescein angiography. Although treating physicians typically do not use subtype categorization as a diagnostic tool for choosing among pharmacological agents for treating wet AMD, we used the subtype classification so as to include in our trial only wet AMD patients with at least some well-defined abnormal new blood vessels. Since we could image and measure the well-defined blood vessels, we believed that we would be able to assess the response of those blood vessels to treatment with Fovista in combination with Lucentis. If we noted regression of abnormal new blood vessels or a disruption or change in the density of abnormal new blood vessels, we believed it would support our proposed mechanism of action of Fovista.

We enrolled patients with a range of baseline visual acuity. Visual acuity is measured as the number of letters, arranged in lines, that the patient can read on the Early Treatment Diabetic Retinopathy Study, or ETDRS, eye chart. Each line on the ETDRS eye chart has five letters. This is a well-established standardized chart of vision testing used in these types of trials. Normal visual acuity is commonly referred to as 20/20 vision. To qualify for enrollment in our Phase 1 clinical trial, the visual acuity in the patient's study eye had to be between 20/63 and 20/200. We enrolled patients with a wide range of lesion sizes and with a variety of other lesion characteristics.

We excluded patients from our Phase 1 clinical trial if they met any of the following key exclusion criteria:

- prior treatment for AMD in the study eye, other than oral supplements or vitamins and minerals;
- any intravitreal treatment in the study eye prior to the baseline visit, regardless of indication;
- intraocular surgery or thermal laser within three months of trial entry or any prior thermal laser in the macular region, regardless of indication;
- subfoveal scar or subfoveal atrophy; or
- diabetes mellitus.

Fovista in combination with Lucentis was generally well tolerated in our Phase 1 clinical trial. None of the patients experienced any dose limiting toxicities at any of the dose levels tested. We did not observe any evidence of drug related adverse events. Adverse events were primarily ocular adverse events in the study eye which were related to the injection procedure. There were no adverse events related to Fovista or Lucentis, and no patients discontinued from the trial due to an adverse event. We did not observe any meaningful clinical immunologic reactions to Fovista.

Our Phase 1 clinical trial had a small sample size and a short follow up period. It was not designed to compare Fovista combination therapy to another therapy. However, we noted improvements in visual acuity and anatomical changes in the newly formed blood vessels of the eye that suggested the Fovista combination therapy was enhancing the visual outcome compared to results previously seen with anti-VEGF monotherapy.

Completed Phase 2b Clinical Trial

In 2012, we completed a multicenter, randomized, double-masked, controlled Phase 2b clinical trial evaluating the safety and efficacy of Fovista administered in combination with Lucentis for the treatment of patients newly diagnosed with subfoveal wet AMD. We conducted this trial in 449 patients at approximately 69 centers in North America, South America, Europe and Israel.

The primary objective of this trial was to evaluate the effect of two different doses of Fovista when administered in combination with Lucentis compared to Lucentis monotherapy. The primary efficacy endpoint of this trial was mean change in visual acuity from baseline at 24 weeks for Fovista and Lucentis combination therapy compared to Lucentis monotherapy. Prior to enrollment in the trial, we measured each patient's visual acuity to establish a baseline. Following assessment at baseline, visual acuity was measured at each subsequent four-week timepoint. We had diagnostic imaging techniques of fluorescein angiography and OCT performed and assessed by an independent reading center at baseline and at week 24.

Secondary efficacy endpoints for this trial included the following:

- mean change in visual acuity in ETDRS letters from baseline at 12 weeks;
- proportion of patients in each treatment group gaining 15 or more ETDRS letters from baseline at 12 weeks;
- proportion of patients in each treatment group gaining 15 or more ETDRS letters from baseline at 24 weeks; and
- mean change in area of choroidal neovascularization from baseline at 24 weeks.

We randomly assigned patients in this trial to one of three treatment groups. Patients were treated and assessed once every four weeks for 24 weeks. Treatment for the three groups in the trial were as follows:

- In the first group, 149 patients received intravitreal injections of 0.3 mg of Fovista following intravitreal injections of 0.5 mg of Lucentis.
- In the second group, 152 patients received intravitreal injections of 1.5 mg of Fovista following intravitreal injections of 0.5 mg of Lucentis.
- In the third group, which served as the control arm of the trial, 148 patients received sham injections of Fovista following intravitreal injections of 0.5 mg of Lucentis.

To reduce potential bias, the protocol for our Phase 2b clinical trial provided for a double-masked design so that neither the patient nor the investigational staff involved with assessing the vision of the patient knew to which group each patient belonged. The sham injection included all steps involved in the intravitreal treatment injections with the exception that patients in the control group had an empty syringe pressed against their eye walls without a needle. This procedure mimicked an intravitreal injection and helped to maintain proper masking.

We made no meaningful changes to the inclusion and exclusion criteria in our Phase 2b clinical trial from those we used in our Phase 1 clinical trial. As in our Phase 1 clinical trial, we did not enroll patients with pure occult choroidal neovascularization because it would be difficult to adequately observe and measure the changes in the choroidal neovascular morphology using routine imaging techniques in patients without any classic component to their choroidal neovascularization. We believed that data regarding neovascular regression would be useful in assessing the effects of Fovista in combination with Lucentis and in supporting the proposed mechanism of action for Fovista.

Measures of Mean Visual Acuity—Primary Efficacy Endpoint

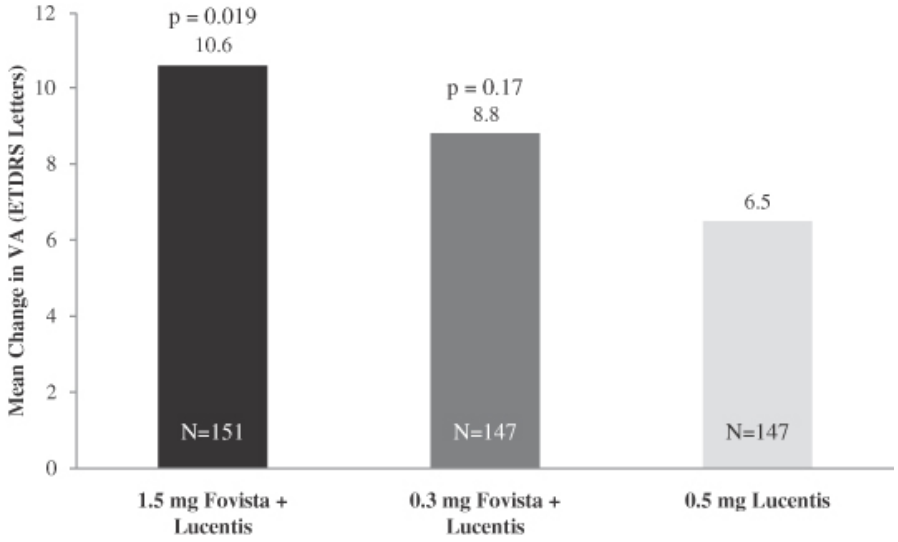
Mean Change in Visual Acuity from Baseline at 24 Weeks. In this trial, the combination of 1.5 mg of Fovista and Lucentis demonstrated statistically significant superiority compared to Lucentis monotherapy based on the pre-specified primary endpoint of mean change in visual acuity from baseline at the 24 week timepoint. We

determined statistical significance based on a widely used, conventional statistical method that establishes the p-value of clinical results. Typically, a p-value of 0.05 or less represents statistical significance. However, when multiple doses of a drug are tested against a single control group, a more stringent statistical method that accounts for multiple comparisons must be applied. For this purpose, we used the Hochberg multiple comparison procedure. Under the Hochberg procedure, in order to demonstrate statistical significance for any particular dose, it is necessary to establish a p-value that meets a stricter standard than the conventional standard of 0.05 or less unless each dose is statistically significant with a p-value of 0.05 or less. In the case of our Phase 2b clinical trial, in which we evaluated two doses of Fovista in combination with Lucentis, the Hochberg procedure required a more stringent p-value of 0.025 or less to establish statistical significance for the comparison of the combination of 1.5 mg of Fovista and Lucentis to Lucentis monotherapy.

At 24 weeks, patients receiving the combination of 1.5 mg of Fovista and Lucentis gained a mean of 10.6 ETDRS letters compared to a mean of 6.5 ETDRS letters for patients receiving Lucentis monotherapy, representing a 62% comparative benefit from baseline, with a p-value of 0.019. This result was statistically significant. At 24 weeks, patients receiving the combination of 0.3 mg of Fovista and Lucentis gained a mean of 8.8 ETDRS letters. This result was not statistically significant, having a p-value greater than 0.05, compared to Lucentis monotherapy. However, as discussed in more detail below, we believe that the relative visual benefit of the combination of 1.5 mg of Fovista and Lucentis compared to the relative visual benefit of the combination of 0.3 mg of Fovista and Lucentis at all timepoints exhibits a dose-response curve in which the response to treatment increases with higher drug concentrations of Fovista. We will not be testing the combination of 0.3 mg of Fovista and Lucentis compared to Lucentis monotherapy in our planned Phase 3 clinical program.

The graph below sets forth the results of the pre-specified primary endpoint in this Phase 2b clinical trial.

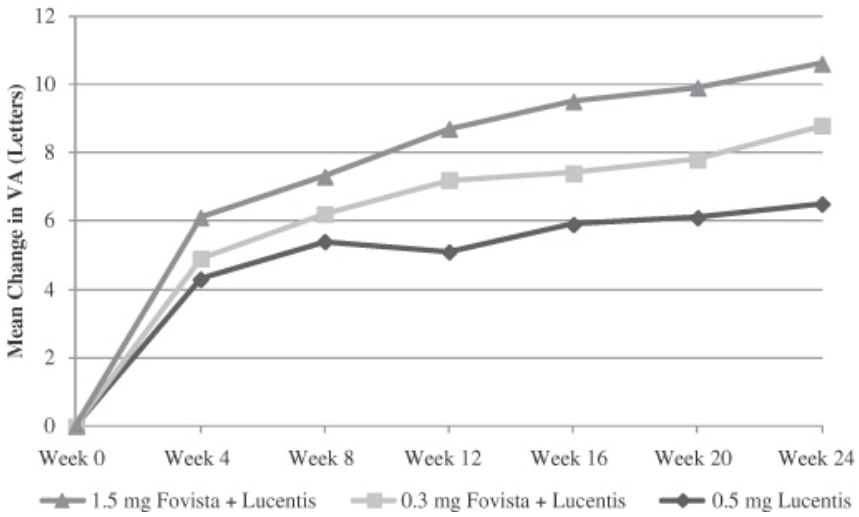
Mean Change in Visual Acuity (VA) from Baseline at 24 Weeks



Measures of Mean Visual Acuity—Mean Change in Visual Acuity From Baseline Over Time

Patients treated with the combination of 1.5 mg of Fovista and Lucentis showed greater improvement in visual acuity from baseline compared to patients treated with Lucentis monotherapy at week four and at each subsequent four-week assessment. In addition, the relative magnitude of visual benefit favoring the combination of 1.5 mg of Fovista and Lucentis increased over the study period. The graph below sets forth the mean change in visual acuity from baseline for each treatment group over the course of the trial.

Mean Change in Visual Acuity (VA) from Baseline Over Time



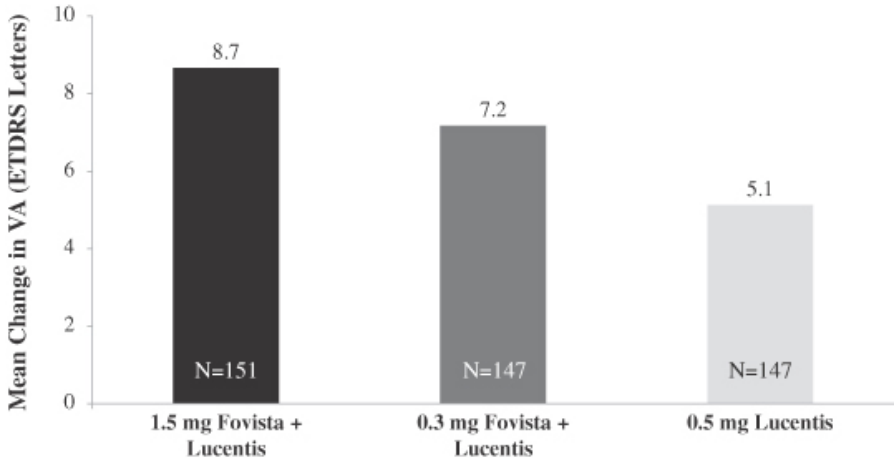
We believe that the divergence of the efficacy curves suggests an increasing relative benefit in visual outcome for the combination of 1.5 mg of Fovista and Lucentis over time compared to Lucentis monotherapy. If we observe a similar pattern of visual benefit in our Phase 3 clinical program, we believe that chronic administration of 1.5 mg of Fovista with Lucentis may be indicated. In addition, we believe that the relative visual benefit of the combination of 1.5 mg of Fovista and Lucentis compared to the relative visual benefit of the combination of 0.3 mg of Fovista and Lucentis at all timepoints exhibits a dose-response curve in which the response to treatment increases with higher drug concentrations of Fovista.

Measures of Mean Visual Acuity—Secondary Endpoints

We evaluated measures of visual outcomes as secondary endpoints. Results from secondary endpoints are used to help interpret the primary result of the trial and to provide information for future research and clinical development. However, the statistical analysis plan for our Phase 2b clinical trial was not designed to establish and, as a result, we could not and did not demonstrate, statistical significance with respect to these secondary endpoints. Accordingly, only descriptive analyses and trends for secondary endpoints are presented below.

Mean Change in Visual Acuity from Baseline at 12 Weeks. We observed differences on the secondary endpoint of mean change in visual acuity from baseline at the 12 week timepoint favoring the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy. At 12 weeks, patients receiving the combination of 1.5 mg of Fovista and Lucentis gained a mean of 8.7 ETDRS letters compared to patients receiving Lucentis monotherapy who gained a mean of 5.1 ETDRS letters. The graph below sets forth the results of this secondary endpoint of visual acuity at 12 weeks.

Mean Change in Visual Acuity (VA) from Baseline at 12 Weeks



Proportion of Patients Gaining 15 or More Letters from Baseline at 12 Weeks and at 24 Weeks. We observed differences in the proportion of patients that showed improvement of 15 ETDRS letters, or three lines, or better in visual acuity favoring the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy both at 12 weeks and at 24 weeks of treatment.

The table below sets forth at 12 weeks and 24 weeks the number of patients in the treatment group and the percentage of patients in such treatment group who gained the specified number of lines in visual acuity and the percentage of patients whose final visual acuity improved to the specified level.

Proportion of Patients Gaining 15 or More ETDRS Letters

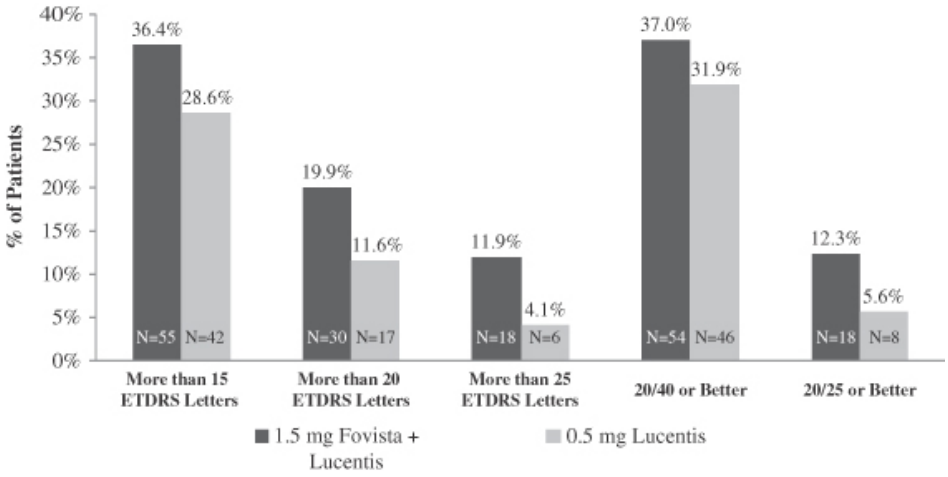
Arm	# (%) of Patients Gaining [3] 15 letters at Week 12	# (%) of Patients Gaining [3] 15 letters at Week 24
1.5 mg Fovista + Lucentis	48 (31.8%)	59 (39.1%)
0.3 mg Fovista + Lucentis	31 (21.1%)	49 (33.3%)
0.5 mg Lucentis	33 (22.4%)	50 (34.0%)

Measures of Mean Visual Acuity—Clinically Relevant Retrospective Analyses

We performed additional retrospective analyses of visual acuity measures that were not pre-specified primary or secondary endpoints in our Phase 2b clinical trial design. Although a retrospective analysis performed after unblinding trial results can result in the introduction of bias, we believe that these retrospective analyses may further support the results from our primary endpoint and our proposed mechanism of action.

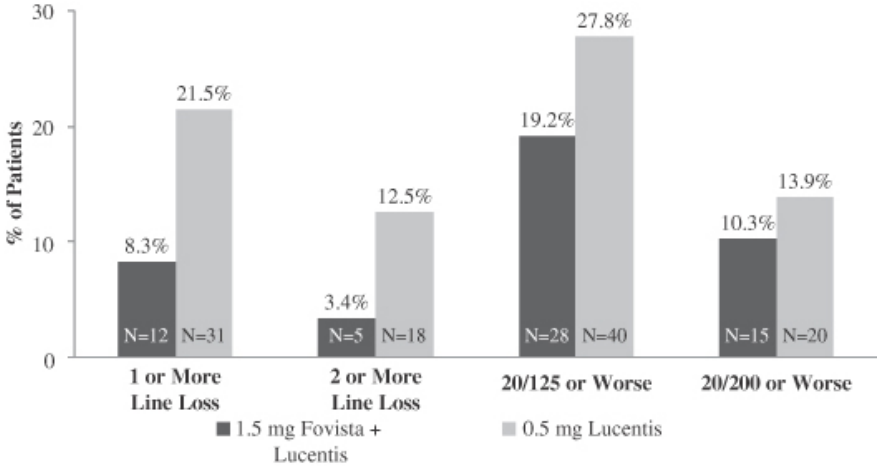
Retrospective Analysis of Visual Gain. We observed differences in the proportion of patients that showed improvement when measured by the number of lines of improvement in visual acuity from baseline, referred to as final visual acuity, favoring the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy. The graphs below set forth for each of these two treatment groups at 24 weeks the percentage of patients in such treatment group who gained the specified number of lines in visual acuity and the percentage of patients whose final visual acuity improved to the specified level.

Visual Gain at 24 Weeks



Retrospective Analysis of Visual Loss. We observed differences in loss of visual acuity from baseline favoring the combination of 1.5 mg of Fovista and Lucentis compared to Lucentis monotherapy. The graphs below set forth for each of these two treatment groups the percentage of patients in such treatment group who lost the specified number of lines in visual acuity and the percentage of patients whose final visual acuity declined to the specified level.

Visual Loss at 24 Weeks



Measures of Anatomical Changes—Secondary Endpoint

We evaluated one measure of anatomical change as a secondary endpoint. Results from secondary endpoints are used to help interpret the primary result of the trial and to provide information for future research and clinical

development. However, the statistical analysis plan for our Phase 2b clinical trial was not designed to establish and, as a result, we could not and did not demonstrate, statistical significance with respect to this secondary endpoint. Accordingly, only descriptive analyses and trends for this secondary endpoint are presented below.

Mean Change in Area of Choroidal Neovascularization from Baseline at 24 Weeks. In our Phase 2b clinical trial, the mean change in area of choroidal neovascularization, or CNV, from baseline at 24 weeks as determined by review of fluorescein angiograms was greater in patients treated with Lucentis monotherapy than in patients treated with the combination of 1.5 mg of Fovista and Lucentis. We believe that the inclusion of both larger and smaller CNV sizes in the single analysis of this secondary endpoint had the potential to create a distortion in the analysis of the mean change in area of CNV. This is because the average level of regression, as numerically measured, was approximately tenfold greater in the large CNV size patient group compared to the small CNV size patient group. The treatment group with the greater number of patients with larger CNV sizes will show a markedly larger amount of regression on average. That was the case in our Phase 2b trial in which the Lucentis monotherapy group had a greater proportion of patients with large CNV sizes compared to the group treated with a combination of 1.5 mg of Fovista and Lucentis. Therefore, as discussed in more detail below, we performed retrospective analyses by creating subgroups based on the size of CNV at baseline.

Measures of Anatomical Changes—Retrospective Analyses

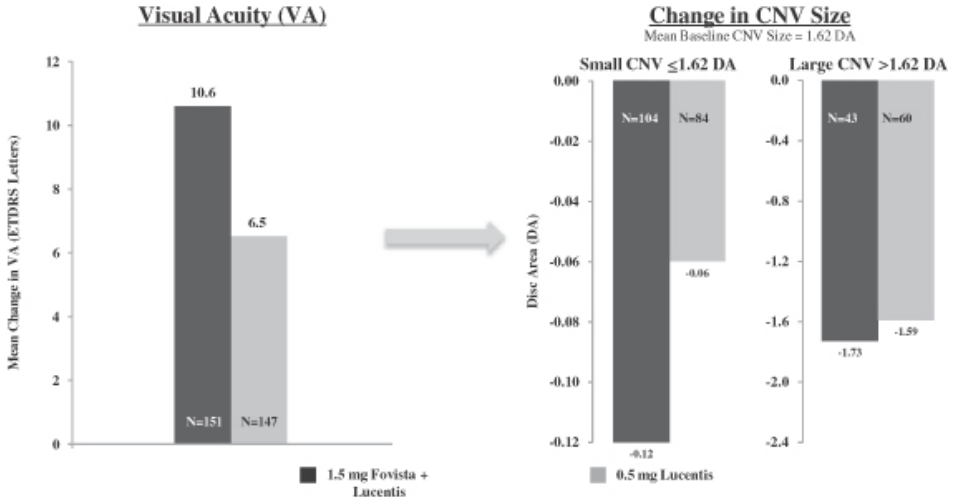
We performed retrospective analyses of anatomical changes, based on choroidal neovascularization and subretinal hyper-reflective material, that were not pre-specified primary or secondary endpoints in the trial design. Although a retrospective analysis performed after unblinding trial results can result in the introduction of bias, we believe that these retrospective analyses may further support the results from our primary endpoint and our proposed mechanism of action.

Retrospective Analysis of Choroidal Neovascularization. We performed several retrospective analyses of neovascular regression by creating subgroups based on CNV sizes. Size of CNV is measured in units called disc area. A disc area is the size of the area of the retina where a standard sized optic nerve emerges. We determined that the mean CNV size for all patients in the Phase 2b clinical trial at baseline was 1.62 disc areas. We created two subgroups of patients based on mean CNV size at baseline. One subgroup of patients, referred to as the large CNV size patients, had initial CNV size greater than 1.62 disc areas. The other subgroup of patients, referred to as the small CNV size patients, had initial CNV size of less than or equal to 1.62 disc areas.

We believe the results described below of our retrospective analyses of mean change in area of choroidal neovascularization from baseline at 24 weeks determined by review of fluorescein angiograms in patients treated with the combination of 1.5 mg of Fovista and Lucentis compared to patients receiving Lucentis monotherapy may support the proposed mechanism of action for Fovista. We included in these retrospective analyses only those patients whose CNV size we were able to assess both at baseline and at 24 weeks.

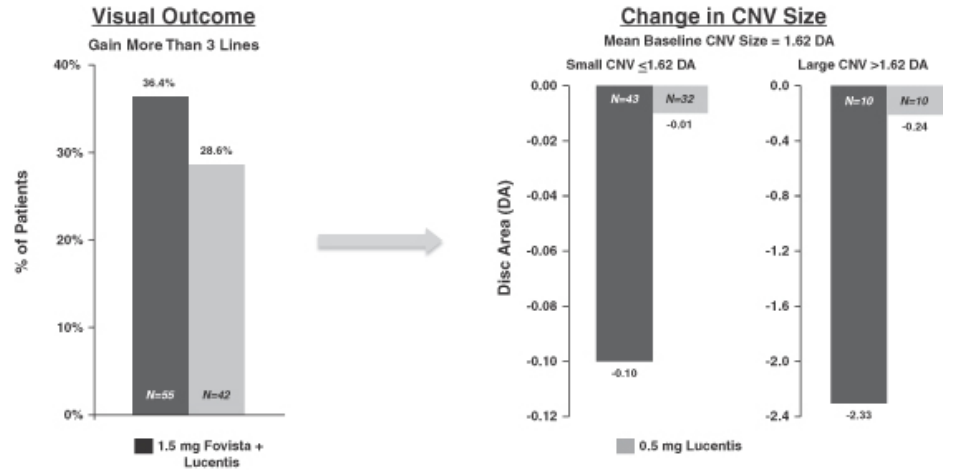
Patients in both the large CNV size patient subgroup and small CNV size patient subgroup showed greater reductions in the size of choroidal neovascularization from baseline when treated with the combination of 1.5 mg of Fovista and Lucentis as compared to patients in the applicable subgroup receiving Lucentis monotherapy. The graphs below set forth the results of this subgroup analysis.

Mean Change in Area of CNV at 24 Weeks



In addition, we performed a further retrospective subgroup analysis of patients who experienced a visual gain of more than three lines from baseline after 24 weeks of treatment. Both large CNV size patients and small CNV size patients treated with the combination of 1.5 mg of Fovista and Lucentis showed a marked reduction in the average size of choroidal neovascularization from baseline when compared to large CNV size patients and small CNV size patients treated with Lucentis monotherapy. The graphs below set forth the results of this subgroup analysis.

Mean Change in Area of CNV at 24 Weeks in Patients with Visual Gain of More Than 3-Lines

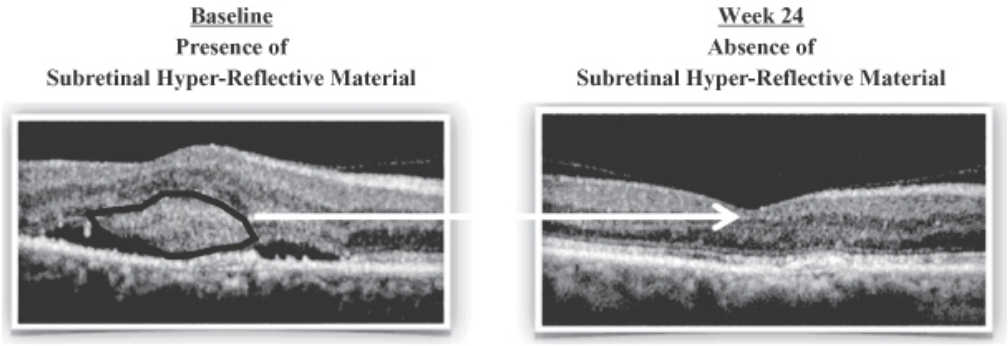


Retrospective Analysis of Subretinal Hyper-Reflective Material. We performed a retrospective review of OCT images of patients who participated in the trial without regard to baseline size of choroidal neovascularization. OCT is the imaging technique most widely used today in clinical practice for the evaluation of wet AMD. Unlike fluorescein angiograms, OCT images show a cross-sectional view of the retina that permits excellent resolution of the space under the retina and at the RPE-choroid interface where the neovascularization of wet AMD is present. The presence of subretinal hyper-reflective material is thought by many experts to indicate the presence of the CNV lesion. The subsequent resolution of subretinal hyper-reflective material is thought to correlate with regression of the CNV lesion.

In our retrospective analysis, masked readers trained in the reading of the OCT retinal images assessed the retinal images of patients who participated in the trial for the presence of subretinal hyper-reflective material at baseline and at 24 weeks. We conducted this retrospective analysis based on the OCT retinal images which were read for each patient group at baseline and at week 24. The analysis at week 24 included only patients who completed the study and had OCT retinal images acceptable for analysis.

Patients treated with the combination of 1.5 mg of Fovista and Lucentis exhibited greater resolution of subretinal hyper-reflective material from baseline compared to patients treated with Lucentis monotherapy. In addition, based on our review of OCT images, patients who experienced a visual gain of more than three lines from baseline at 24 weeks and were treated with the combination of 1.5 mg of Fovista and Lucentis exhibited greater resolution of subretinal hyper-reflective material from baseline than patients who experienced a similar visual gain and were treated with Lucentis monotherapy. The graphs below set forth for each of these two treatment groups the percentage of patients in such treatment group who had subretinal hyper-reflective material at baseline and the percentage of those patients who exhibited an absence of such subretinal hyper-reflective material at 24 weeks.

Subretinal Hyper-Reflective Material



All Patients	Presence of Subretinal Hyper-Reflective Material at Baseline	Absence of Subretinal Hyper-Reflective Material at Week 24
1.5 mg Fovista + Lucentis	92.8% (N=141)	32.4% (N=47)
0.5 mg Lucentis	93.2% (N=138)	21.5% (N=31)

Patients With Significant Visual Gain (>3-Lines)	Presence of Subretinal Hyper-Reflective Material at Baseline	Absence of Subretinal Hyper-Reflective Material at Week 24
1.5 mg Fovista + Lucentis	87.3% (N=48)	53.8% (N=28)
0.5 mg Lucentis	90.5% (N=38)	38.1% (N=16)

We believe the results of our retrospective analysis of OCT retinal images at baseline and at 24 weeks in patients treated with the combination of 1.5 mg of Fovista and Lucentis compared to patients receiving Lucentis monotherapy supports the proposed mechanism of action for Fovista.

Safety

Fovista was generally well tolerated in this trial at both doses tested in combination with Lucentis. We did not observe any cases of infection inside the eye, or endophthalmitis. We observed one case of severe intraocular inflammation among the patients treated with 0.3 mg of Fovista in combination with Lucentis and no such cases among the patients treated with 1.5 mg of Fovista in combination with Lucentis. We did not observe any significant imbalances among treatment groups in the incidence of ocular adverse events or systemic adverse events, including cardiovascular events or stroke. The number of patients in our Phase 2b clinical trial with one or more serious systemic adverse events, the most common systemic serious adverse events in this trial organized by MedDRA system organ class, a standard method of reporting adverse events, and by antiplatelet trialists' collaboration events, a standard method of reporting cardiovascular adverse events, are set forth in the table below.

	Monotherapy Lucentis N = 148	0.3 mg Fovista + Lucentis N = 149	1.5 mg Fovista + Lucentis N = 152
Patients With One or More Systemic Serious Adverse Events	11 (7.4%)	13 (8.7%)	9 (5.9%)
MedDRA System Organ Class [1]			
Cardiac Disorders	2 (1.4%)	2 (1.3%)	2 (1.3%)
Gastrointestinal Disorders	1 (0.7%)	2 (1.3%)	3 (2.0%)
Infections	1 (0.7%)	2 (1.3%)	0 (0.0%)
Musculoskeletal Disorders	1 (0.7%)	0 (0.0%)	2 (1.3%)
Neoplasms	3 (2.0%)	3 (2.0%)	1 (0.7%)
Nervous System Disorders	3 (2.0%)	1 (0.7%)	0 (0.0%)
Respiratory Disorders	0 (0.0%)	3 (2.0%)	2 (1.3%)
Any Antiplatelet Trialists' Collaboration (APTC) Event			
Non-Fatal Myocardial Infarction	0 (0.0%)	0 (0.0%)	0 (0.0%)
Non-Fatal Stroke	2 (1.4%)	1 (0.7%)	0 (0.0%)
Vascular Death	1 (0.7%)	0 (0.0%)	0 (0.0%)

(1) Data are listed only for system organ classes with three or more events.

There was one serious adverse event in the study eye in each of the treatment groups. The serious adverse event was different among each of the treatment groups as shown in the table below.

	Monotherapy Lucentis N = 148	0.3 mg Fovista + Lucentis N = 149	1.5 mg Fovista + Lucentis N =152
Ocular Serious Adverse Events	1 (0.7%)	1 (0.7%)	1 (0.7%)
Corneal Erosion	0 (0.0%)	0 (0.0%)	1 (0.7%)
Uveitis	0 (0.0%)	1 (0.7%)	0 (0.0%)
Visual Acuity Reduced	1 (0.7%)	0 (0.0%)	0 (0.0%)

The most common adverse events in the study eye are set forth in the table below.

Ocular Adverse Events Reported in Study Eye in 5% or More of Patients in Any Arm

	Monotherapy Lucentis N = 148	0.3 mg Fovista + Lucentis N = 149	1.5 mg Fovista + Lucentis N = 152
Patients with One or More Adverse Events	75 (50.7%)	79 (53.0%)	79 (52.0%)
Conjunctival hemorrhage	37 (25.0%)	34 (22.8%)	51 (33.6%)
Punctate keratitis	10 (6.8%)	19 (12.8%)	15 (9.9%)
Eye pain	8 (5.4%)	10 (6.7%)	13 (8.6%)
Conjunctival hyperemia	13 (8.8%)	9 (6.0%)	13 (8.6%)
Subretinal fibrosis	8 (5.4%)	6 (4.0%)	5 (3.3%)
Intraocular pressure increase	4 (2.7%)	8 (5.4%)	9 (5.9%)

Most of the common ocular adverse events in this trial were related to the intravitreal preparation and injection procedure and were not drug related. These intravitreal adverse events, as reflected in the table above, included conjunctival hemorrhage, punctate keratitis, eye pain and conjunctival hyperemia. Most adverse events of increased intraocular pressure occurred after injection, were transient, were related to the injection and were treated and resolved the same day. Mean intraocular pressure in each treatment group returned to pre-injection level at the next assessment, including at the end of the trial.

Planned Phase 3 Clinical Trials

Before the end of 2013, we plan to initiate a pivotal Phase 3 clinical program that will consist of three separate Phase 3 clinical trials to evaluate the safety and efficacy of Fovista in combination with anti-VEGF drugs for the treatment of newly diagnosed wet AMD patients compared to anti-VEGF monotherapy. We plan to conduct these trials in an aggregate of approximately 1,866 patients at up to approximately 225 centers internationally.

The primary efficacy endpoint of our Phase 3 clinical trials will be mean change in visual acuity from baseline for Fovista and anti-VEGF combination therapy compared to anti-VEGF monotherapy at 12 months. Secondary efficacy endpoints for our Phase 3 clinical trials include the following:

- proportion of patients in each treatment group gaining 20 or more ETDRS letters from baseline at month 12;
- proportion of patients in each treatment group gaining 25 or more ETDRS letters from baseline at month 12;
- proportion of patients in each treatment group losing 5 or more ETDRS letters from baseline at month 12; and
- mean change in visual acuity in ETDRS letters from baseline at month six.

Two of our three planned Phase 3 clinical trials will evaluate the safety and efficacy of 1.5 mg of Fovista in combination with Lucentis compared to Lucentis monotherapy. The third Phase 3 clinical trial will evaluate the safety and efficacy of 1.5 mg of Fovista in combination with each of Eylea or Avastin compared to Eylea or Avastin monotherapy. All of these Phase 3 clinical trials will incorporate significant aspects from the design of our completed Phase 2b clinical trial. Neither the FDA, the European Medicines Agency, or EMA, or any other regulatory authority has cleared our proposed Phase 3 clinical program. As a result, we may have to modify or amend our proposed program in response to comments from such regulatory authorities in order to proceed with clinical trials.

Prior to enrollment in the trials, we plan to measure each patient's visual acuity to establish a baseline. The protocol for each of these trials provides that patients will be treated and assessed once a month for 12 months and will continue in the trial for another 12 months thereafter. In the second 12 months of the trial, the protocol

currently provides that patients will continue to be assessed every month and treated every other month, with a final follow-up visit at 24 months. If, at any alternate month visit during the second 12 months of the trial, a patient's visual acuity has decreased by five or more ETDRS letters since the patient's previous visit, or the patient's visual acuity has decreased by any amount since the patient's previous visit and the treating physician makes certain negative findings based on fluorescein angiography or OCT, the patient also will be treated at that alternate month visit. We may change the treatment regimen, however, for the second 12 months after the trial has begun but before any patients begins the second 12 months of the trial, to provide for longer or shorter intervals between treatments.

Based on our estimates regarding patient enrollment, we expect to have initial, top-line data from this Phase 3 clinical program available in 2016. If the results of this Phase 3 clinical program evaluating Fovista are favorable, we plan to submit applications for marketing approval for Fovista in both the United States and the European Union before the end of 2016.

We expect to submit applications for marketing approval of Fovista for the treatment of wet AMD in the United States and the European Union if we obtain positive outcomes in at least two of our three Phase 3 clinical trials. We believe that clinically meaningful favorable results from two of our Phase 3 clinical trials in which a combination of 1.5 mg of Fovista with an anti-VEGF drug achieves superiority over anti-VEGF drug monotherapy with statistical significance on the primary endpoint of mean change in visual acuity from baseline at 12 months, together with the results of our Phase 1 and Phase 2b clinical trials, will be sufficient to support applications for marketing approval of Fovista for the treatment of wet AMD in the United States and the European Union. However, if favorable results from two of our three Phase 3 clinical trials include results from only one of our Phase 3 clinical trials evaluating the safety and efficacy of a combination of 1.5 mg of Fovista and Lucentis, the FDA, the EMA or other regulatory authorities may not grant, or may request additional information, including the results of additional clinical trials, prior to granting, marketing approval for Fovista.

We expect to submit our applications for marketing approval based on data regarding the primary efficacy endpoint from our Phase 3 clinical trials after 12 months of treatment. We also expect that 12-month safety data will satisfy the safety database requirements for submission of our applications. Our Phase 3 clinical trials will continue after such submissions in accordance with the protocols for these trials. We expect that each of the FDA and the EMA will review any additional safety and efficacy data that is available from the ongoing Phase 3 clinical trials at the time of the FDA's or EMA's review of our applications for marketing approval.

In addition, we expect that we would commence a clinical trial in Japan of fewer than 100 patients in early 2017. We believe that favorable results from this small clinical trial together with the results of our Phase 1, Phase 2b and Phase 3 clinical trials will be sufficient to support an application for marketing approval of Fovista for the treatment of wet AMD in Japan.

We expect that the two Phase 3 clinical trials evaluating the safety and efficacy of 1.5 mg of Fovista in combination with Lucentis will have the same trial design. These two trials build upon and incorporate significant aspects from the design of our Phase 2b clinical trial of Fovista in combination with Lucentis while evaluating the administration of Fovista combination therapy over a longer overall treatment period in a greater number of patients. In these first two trials, we plan to randomly assign patients to one of two treatment groups with approximately 311 patients in each group. Treatment for the two groups in each of these two trials is as follows:

- Patients in the first group will receive intravitreal injections of 1.5 mg of Fovista following intravitreal injections of 0.5 mg of Lucentis.
- Patients in the second group, which will serve as the control arm of the trial, will receive sham injections of Fovista following intravitreal injections of 0.5 mg of Lucentis.

We expect that the third of these three Phase 3 clinical trials will follow a similar trial design. In this third trial, we plan to randomly assign patients to one of two treatment groups with approximately 311 patients in each group. Treatment for the two groups in this trial is as follows:

- Patients in the first group will be further randomized in a 1:1 ratio to receive intravitreal injections of one of the following treatments:
  - 1.5 mg of Fovista following intravitreal injections of 1.25 mg of Avastin; or
  - 1.5 mg of Fovista following intravitreal injections of 2.0 mg of Eylea.
- Patients in the second group, which will serve as the control arm of the trial, will be further randomized in a 1:1 ratio to receive one of the following treatments:
  - sham injections of Fovista following intravitreal injections of 1.25 mg of Avastin; or
  - sham injections of Fovista following intravitreal injections of 2.0 mg of Eylea.

We believe that by maintaining consistency in enrollment criteria and treatment protocols between our Phase 2b clinical trial and our planned Phase 3 clinical program for Fovista, we may reduce the risk that we will have unexpected outcomes in our Phase 3 clinical trials. Accordingly, we have made no meaningful changes to the inclusion and exclusion criteria in these Phase 3 clinical trials from those we used in our Phase 2b clinical trial. As was the case in both our Phase 1 clinical trial and our Phase 2b clinical trial, we will not enroll patients with pure occult choroidal neovascularization even though measurements of changes in choroidal neovascularization are not an endpoint in the Phase 3 clinical trials. To ensure that uniform criteria are applied in characterizing patients' lesions, we plan to engage a centralized reading center to review the fluorescein angiogram of each patient's affected eye. We believe that use of this centralized reading center will enable us to confirm patient eligibility and properly classify patients by wet AMD subtype before enrolling them in the trial. Furthermore, as was the case in both our Phase 1 clinical trial and our Phase 2b clinical trial, there will be a 30-minute delay in the injection of Fovista after the anti-VEGF drug.

Potential Additional Studies in Wet AMD

Each element of our Phase 3 clinical trial design has the potential to affect the label for Fovista if we receive marketing approval from the FDA, the EMA or another regulatory authority. In each of the cases described below, if we determine that a related change to the approved label has the potential to increase the use or market acceptance of Fovista, we likely would conduct an appropriate clinical study in cohorts of patients as part of our Phase 3 clinical program, in a separate pre-marketing approval clinical trial or in a post-marketing approval clinical trial.

Exclusion of Occult Lesions. Treating physicians typically do not use subtype categorization as a diagnostic tool for choosing among pharmacological agents for treating wet AMD. The determination of whether or not a patient has pure occult choroidal neovascularization is dependent on the reading center's judgment. There is significant variability among physicians and reading centers with respect to the determination of the presence and amount of occult lesions. Different reading centers may categorize a patient differently on the basis of the same image. In addition, microscopic examination of retinas taken from deceased patients who suffered from choroidal neovascularization shows that abnormal new blood vessels characterized as occult choroidal neovascularization have similar morphology to those characterized as classic choroidal neovascularization, including pericyte coverage.

Our planned Phase 3 clinical program will include patients with predominantly classic and minimally classic choroidal neovascularization, which will include patients with some amount of occult choroidal neovascularization. For example, in minimally classic choroidal neovascularization up to 99% of the blood vessels may be characterized as occult, thus only 1% different from 100% or pure occult. The FDA, EMA or other regulatory authority will determine, based on the data we present and the FDA's, EMA's or other regulatory authority's assessment of risks

and benefits to patients, whether the label for Fovista, if approved, will exclude its use for the treatment of patients with pure occult choroidal neovascularization. If we determine that the Fovista label may exclude its use for the treatment of patients with pure occult choroidal neovascularization, we likely would conduct an appropriate clinical study to evaluate the safety and efficacy of administration of 1.5 mg of Fovista in combination with an anti-VEGF drug for the treatment of patients with pure occult choroidal neovascularization.

Waiting Period Prior to Injection of Fovista. An intravitreal injection results in an elevation of intraocular pressure, or IOP, which usually is transient. Labels for the currently approved anti-VEGF drugs include descriptions related to monitoring IOP after intravitreal injection of these drugs. We have provided for a delay in the intravitreal injection of Fovista to minimize the risk in our clinical trials of an unacceptable increase in IOP as a result of the amount of the two agents injected. We have not seen any meaningful or sustained increase in IOP in our clinical trials of Fovista to date, and we believe that Fovista likely could be delivered by intravitreal injection immediately after the anti-VEGF drug without an unacceptable increase in IOP. However, if we apply for marketing approval for Fovista, the FDA, the EMA or other regulatory authorities will determine, based on the data we present and the regulatory authority's assessment of risk to patients, whether the label for Fovista will provide for the administration of Fovista immediately after the anti-VEGF drug, 30 minutes after the anti-VEGF drug or after some other waiting period. If we determine that the Fovista label may provide for a waiting period between the administration of the anti-VEGF drug and Fovista, we likely would conduct an appropriate clinical study to evaluate the safety of administration of Fovista immediately after the administration of the anti-VEGF drug. Our pre-clinical research shows that Fovista could be co-formulated with an anti-VEGF drug, and we may conduct a post-marketing approval clinical study to evaluate the safety of such a co-formulation.

Potentially Expanding the Use of Fovista

We are exploring clinical development of a number of ophthalmic conditions with unmet medical need for which Fovista may prove beneficial. We are considering the potential therapeutic benefit of Fovista in combination with an anti-VEGF drug for the treatment of the following indications:

- *Treatment Failure Trial in Wet AMD.* A subpopulation of wet AMD patients treated with anti-VEGF monotherapy experience some form of visual decline or anti-VEGF resistance. Third-party preclinical studies suggest pericyte coverage of abnormally proliferating new vessels as a potential cause of resistance to anti-VEGF therapy. Therefore, we believe that a combination of Fovista with an anti-VEGF agent may prove beneficial in these VEGF-resistant patients. We anticipate that an exploratory trial would involve up to 50 patients with wet AMD. Based on results of third-party clinical trials, after one year of treatment with an anti-VEGF drug, approximately 18% to 22% of newly diagnosed wet AMD patients have lost additional vision, defined as the loss of the ability to read one or more letters on a standardized chart of vision testing. We believe that some portion of those patients are anti-VEGF resistant due to pericyte coverage and may benefit from treatment with a combination of Fovista and an anti-VEGF drug.
- *Proliferative Vitreoretinopathy*. Proliferative vitreoretinopathy, or PVR, is a complication that occurs in 5% to 10% of cases of retinal detachment. It is characterized by various degree of scarring in the retina. In its moderate to severe form, it may become recurrent with a subsequent poor visual outcome. It is usually treated by surgical intervention. However, the recurrent form is often untreatable. Local concentrations of PDGF have been shown to be elevated in patients suffering from PVR. In addition, results from animal studies indicate that PDGF may be one of the main agents responsible for proliferation of RPE cells and glial cells in the retina, leading to PVR. In an animal model of PVR, Fovista strongly inhibited scarring of the retina. Therefore, we believe that a combination of Fovista with surgical intervention may prove beneficial in these PVR patients. We anticipate that an exploratory trial would involve up to 25 patients with PVR. We estimate that there are approximately 5,000 to 10,000 new cases of PVR in the United States each year.

  Von Hippel-Lindau Disease. Von Hippel-Lindau disease, or VHL, is an inherited disease characterized by multiple benign and malignant tumors and cysts in the eye and other organs. Deficiency of the

protein “pVHL” in multiple cell types is thought to cause VHL. In the eye, tumors consisting of blood cells called retinal capillary hemangiomas, or RCH, are the most common and earliest manifestation of VHL. These tumors cause significant retinal leakage and may lead to significant vision loss. Smaller lesions, located away from the central regions of the retina can be treated by laser or freezing via cryotherapy. However, larger and poorly situated lesions are untreatable. Small trials with anti-VEGF monotherapy over six months have not demonstrated any improvement in patients with RCH. PDGF levels have been shown to be elevated in cells with deficiency of pVHL. Therefore, we believe that a combination of Fovista with an anti-VEGF agent may prove beneficial in RCH patients. We anticipate that an exploratory trial would involve up to 20 patients with RCH. VHL is rare, and we estimate that there are approximately 5,000 people having the disease in the United States.

We may pursue the clinical development of Fovista in combination with anti-VEGF drugs for the treatment of the foregoing indications as small, exploratory trials conducted in parallel with our Phase 3 clinical program for Fovista or as subsequent Phase 3b/4 clinical trials if we receive marketing approval for Fovista after completion of our Phase 3 clinical program. If we initiate small, exploratory clinical trials for any such indication in 2014, we expect that initial data from such clinical trials could be available before the end of 2015.

ARC1905

We are evaluating further clinical development of ARC1905 in combination with an anti-VEGF drug for the treatment of wet AMD. ARC1905 is a chemically synthesized, pegylated aptamer that inhibits complement factor C5. ARC1905 is administered by intravitreal injection.

We believe that the biological mechanism and role of complement is different in wet AMD from dry AMD. Third-party clinical trials of other complement inhibitors for the treatment of dry AMD have not been successful to date. Based on the results from our own Phase 1/2a clinical trials of ARC1905 in combination with Lucentis for the treatment of dry AMD and wet AMD, we have decided to evaluate further clinical development of ARC1905 in combination with an anti-VEGF drug only for the treatment of wet AMD.

Based on preclinical and pharmacogenetic studies, there is evidence that development of AMD involves a complement mediated inflammatory component. The complement pathway is part of the innate immune system and is a complex system of proteins that interact in a cascade. Third-party studies have implicated local inflammation and activation of the complement cascade in drusen formation. ARC1905 is a potent and selective inhibitor of complement factor C5, a central component of the complement cascade that we believe is involved in the development of AMD. Inhibiting complement factor C5 prevents the formation of the key terminal fragments, C5a and C5b-9, with relative sparing of immunoprotective functions. C5a is an inflammatory activator, and C5b-9 induces cell death.

We anticipate that our development plans for ARC1905 will be directed toward a subpopulation of patients with wet AMD who do not respond adequately to treatment with anti-VEGF monotherapy and are defined as anti-VEGF resistant on the basis of complement mediated inflammation.

Phase 1/2a Clinical Trial for Wet AMD

In 2009, we completed a multicenter, ascending dose and parallel group open-label Phase 1/2a clinical trial evaluating the safety and tolerability of ARC1905 administered in combination with Lucentis for the treatment of wet AMD. We enrolled 60 patients in this trial. ARC1905 was generally well tolerated in this trial when tested in combination with Lucentis. None of the patients experienced any dose limiting toxicities at any of the dose levels tested. We observed only a single adverse event assessed by the investigators to be related to ARC1905, mild subcapsular cataract in one patient in the group treated with 2.0 mg of ARC1905. Adverse events were primarily ocular adverse events in the study eye which were related to the injection procedure. One patient withdrew from the

trial as a result of a serious adverse event of bacteremia unrelated to study drug or injection procedure, which resulted in a subsequent fatality. Systemic adverse events in this trial were not frequently reported. No systemic adverse events were assessed as drug related.

In addition, we performed assessments of visual acuity primarily as safety assessments to detect any decrease in vision associated with the intravitreal injections. We did not identify any safety issues through measurements of visual acuity. In a subgroup of 43 patients who had not previously been treated with anti-VEGF therapy and who received six injections at doses of 0.3 mg, 1.0 mg or 2.0 mg of ARC1905 in combination with Lucentis, there was a clear trend toward a mean increase in visual acuity from baseline at all timepoints. At a follow-up visit at week 24 of the trial, there was an improvement in mean visual acuity from baseline of 13.6 letters for the 0.3 mg dose group, 11.7 letters for the 1.0 mg dose group and 15.3 letters for the 2.0 mg dose group. In this subgroup, 22 patients (51%) gained at least 15 letters, consisting of six patients (46%) in the 0.3 mg dose group, seven patients (47%) in the 1.0 mg dose group and nine patients (60%) in the 2.0 mg dose group.

Further Clinical Development of ARC1905 for Wet AMD

We are evaluating a clinical trial of ARC1905 in combination with an anti-VEGF drug for the treatment of wet AMD patients who have experienced anti-VEGF treatment failure and are defined as anti-VEGF resistant on the basis of complement mediated inflammation. We anticipate that an exploratory trial would involve up to 50 patients. We likely would include in this exploratory clinical trial a group of patients with a variant of wet AMD called polypoidal choroidal vasculopathy, or PCV. There is high prevalence of PCV in Asia. The therapeutic response of PCV to anti-VEGF agents is sub-optimal, and we believe that complement mediated inflammation may play a role.

Sales and Marketing

In light of our stage of development, we have not yet established a commercial organization or distribution capabilities. We generally expect to retain commercial rights for our product candidates for which we may receive marketing approvals in territories in which we believe it is possible to access the market through a focused, specialty sales force.

If Fovista receives marketing approval, we plan to commercialize it in the United States with our own focused, specialty sales force. We believe that retinal specialists in the United States, who perform most of the medical procedures involving diseases of the back of the eye, are sufficiently concentrated that we will be able to effectively promote Fovista to these specialists with a specialty sales and marketing group of fewer than 100 persons. Intravitreal injection is a specialized procedure. In the vast majority of cases in the United States, retinal specialists perform intravitreal injections. Based on our examination of the membership lists of three prominent organizations for retinal specialists, The Macula Society, The American Society of Retina Specialists and the Retina Society, we estimate that there are approximately 2,000 retinal specialists in the United States.

In addition, we expect to utilize a variety of types of collaboration, distribution and other marketing arrangements with one or more third parties to commercialize Fovista in markets outside the United States.

Manufacturing

We do not currently own or operate manufacturing facilities for the production of clinical or commercial quantities of our product candidates. Although we intend to rely on third-party contract manufacturers to produce our products, we have recruited personnel with experience to manage the third-party contract manufacturers producing Fovista, ARC1905 and other products that we may develop in the future.

The process for manufacturing Fovista consists of chemical synthesis, purification, pegylation, further purification and finally freeze drying to form a powder. Each of these steps involves a relatively common chemical engineering process. The chemical synthesis is similar to small molecule manufacturing.

We currently engage a single third-party manufacturer to provide clinical supplies of Fovista drug substance and another single third-party manufacturer to provide fill-finish services for clinical supplies of Fovista. We obtain these supplies and services on a purchase order basis. Under a license, manufacturing and supply agreement with Nektar Therapeutics, or Nektar, described in more detail below under "—Acquisition and License Agreements—Nektar Therapeutics," we must purchase our entire clinical and commercial requirements for the polyethylene glycol, or PEG, reagent, which we use to make Fovista, exclusively from Nektar at an agreed price, which is subject to annual adjustment in accordance with changes in the producer price index, except under specified circumstances relating to Nektar's failure to supply, in which event Nektar has agreed to enable a third-party manufacturer to supply us. Under this agreement, Nektar has agreed to supply our entire clinical and commercial requirements for this PEG reagent, subject to certain forecasting and ordering requirements and other limitations, and has agreed to supply this PEG reagent only to us for the purpose of manufacturing a product comprising this PEG reagent linked with the active ingredient in Fovista by means of pegylation. The PEG reagent supplied by Nektar is proprietary to Nektar, and, to our knowledge, this PEG reagent is not currently available from any third party.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that our technologies, knowledge, experience and scientific resources provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

Our potential competitors include large pharmaceutical and biotechnology companies, and specialty pharmaceutical and generic drug companies. Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

The key competitive factors affecting the success of Fovista, if approved, are likely to be its efficacy, safety, method of administration, convenience, price, the level of generic competition and the availability of coverage and reimbursement from government and other third-party payors. The method of administration of Fovista, intravitreal injection, is commonly used to administer ophthalmic drugs for the treatment of severe disease and generally accepted by patients facing the prospect of severe visual loss or blindness. However, a therapy that offers a less invasive method of administration might have a competitive advantage over one administered by intravitreal injection, depending on the relative safety of the other method of administration.

There are a variety of therapies used for the treatment of wet AMD, principally Avastin, Lucentis and Eylea. These anti-VEGF drugs are well established therapies and are widely accepted by physicians, patients and third-party payors as the standard of care for the treatment of wet AMD. Physicians, patients and third-party payors may not accept the addition of Fovista to their current treatment regimens for a variety of potential reasons, including:

- if they do not wish to incur the additional cost of Fovista;
- if they perceive the addition of Fovista to be of limited benefit to patients; or
- if they wish to treat with anti-VEGF drugs as monotherapy first and add Fovista only if and when resistance to continued anti-VEGF therapy limits further enhancement of visual outcome with anti-VEGF monotherapy.

We are developing Fovista for administration in combination with these anti-VEGF drugs. Accordingly, we do not believe Fovista would be directly competitive with these therapies. However, a standalone therapy for wet AMD with demonstrated improved efficacy over currently marketed therapies with a favorable safety profile and any of the following characteristics might pose a significant competitive threat to Fovista:

- a mechanism of action that does not involve VEGF;
- a duration of action that obviates the need for frequent intravitreal injection; or
- an effect on wet AMD that makes combination therapy with Fovista unnecessary.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. For example, a single drug, or a co-formulated injection, that combines an anti-PDGF drug and an anti-VEGF drug would be more convenient to administer an intravitreal injection of each of Fovista and an anti-VEGF drug. Such greater convenience might make such a drug or co-formulated injection more attractive to physicians and patients. An anti-VEGF gene therapy product might substantially reduce the number and frequency of intravitreal injections when treating wet AMD and make monthly intravitreal injections of Fovista unattractive to physicians and patients. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. In addition, our ability to compete may be affected because in many cases insurers or other third-party payors seek to encourage the use of generic products.

There are a number of products in preclinical research and clinical development by third parties to treat wet AMD. We expect that product candidates currently in clinical development, or that could enter clinical development in the near future, that inhibit the function of PDGF, the molecule whose function Fovista also inhibits, or inhibit the function of both VEGF and PDGF, which could obviate the separate use of an anti-PDGF agent, such as Fovista, may represent significant competition if approved. These product candidates may provide efficacy, safety, convenience and other benefits that are not provided by currently marketed therapies. Based on publicly available information, we have identified, among others, the following product candidates:

- Regeneron Pharmaceuticals, Inc. has an anti-PDGF product candidate that is being co-formulated with Eylea for administration in a single intravitreal injection and that is expected to enter clinical development in 2013.
- Allergan has an anti-PDGF, anti-VEGF DARPin product candidate that is being co-formulated for administration in a single intravitreal injection and that is expected to enter clinical development in 2014.
- Xcovery Vision has an anti-PDGF, anti-VEGF product candidate in Phase 1 clinical development that is designed for oral administration.
- Neurotech has a PDGF antagonist that is in preclinical development that is designed as an encapsulated cell technology implant.
- Somalogic has an anti-PDGF product candidate in preclinical development.

Because there are a variety of means to block the activity and signaling of PDGF, our patents and other proprietary protections for Fovista will not prevent development or commercialization of product candidates that are different from Fovista.

Intellectual Property

Our success depends in part on our ability to obtain and maintain proprietary protection for our product candidates, technology and know-how, to operate without infringing the proprietary rights of others and to prevent others from infringing our proprietary rights. We seek to protect our proprietary position by, among other methods, filing U.S. and certain foreign patent applications related to our proprietary technology, inventions and

improvements that are important to the development of our business, where patent protection is available. We also rely on trade secrets, know-how, continuing technological innovation and in-licensing opportunities to develop and maintain our proprietary position.

As of August 15, 2013, we owned or exclusively licensed a total of 107 U.S. patents and 17 U.S. patent applications, including original filings, continuations and divisional applications, as well as numerous foreign counterparts of many of these patents and patent applications. Our patent portfolio includes the following patents and patent applications that we own or license:

- composition-of-matter patents covering Fovista, which have issued in the United States, Europe and Japan, the last to expire of which is expected to expire in the United States in 2017 and in Europe and Japan in 2018;
- patents covering the treatment of wet AMD with a combination of Fovista and an anti-VEGF-A antibody or binding fragment thereof (such as Avastin or Lucentis), or the use of Fovista in the manufacture of a medicine for the treatment of wet AMD when administered with an anti-VEGF-A antibody or binding fragment thereof, which have issued in the United States, Europe and Japan and are expected to expire in 2024, and pending patent applications covering the treatment of wet AMD with a combination of Fovista and an anti-VEGF-A antibody or binding fragment thereof or the use of Fovista in the manufacture of a medicine for the treatment of wet AMD when administered with an anti-VEGF-A antibody or binding fragment thereof, in certain other jurisdictions;
- patent applications in various jurisdictions covering the treatment of wet AMD with a combination of Fovista and Eylea, or the use of Fovista in the manufacture of a medicine for the treatment of wet AMD when administered with Eylea, which, if granted, are expected to expire in the United States in 2030;
- a U.S. patent covering methods for treating AMD with a combination of Fovista and Macugen, which is expected to expire in 2024;
- a U.S. patent covering methods for treating AMD with a combination of a particular anti-PDGFR antibody and an anti-VEGF-A antibody or binding fragment thereof, which is expected to expire in 2024;
- patent applications in various jurisdictions covering co-formulations and other proprietary technology relating to Fovista;
- composition-of-matter patents covering ARC1905, which have issued in the United States, Europe and Japan, which are expected to expire in the United States and Europe in 2025 and the last of which is expected to expire in Japan in 2026; and
- patents covering the treatment of certain complement mediated disorders with ARC1905, ARC1905 for use in a method of treating certain complement mediated disorders and a composition comprising ARC1905 for treating certain complement mediated disorders, which have issued in the United States, Europe and Japan, and which are expected to expire in Europe in 2025 and in the United States and Japan in 2026.

The term of individual patents depends upon the legal term for patents in the countries in which they are granted. In most countries, including the United States, the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. In the United States, a patent's term may, in certain cases, be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date. The Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, permits a patent term extension of up to five years beyond the expiration date of a U.S. patent as partial compensation for the length of time the drug is under regulatory review while the

patent is in force. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent applicable to each regulatory review period may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended.

Similar provisions are available in the European Union and certain other foreign jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our product candidates, including Fovista, receive approval by the FDA or foreign regulatory authorities, we expect to apply for patent term extensions on issued patents covering those products, depending upon the length of the clinical trials for each drug and other factors. The expiration dates referred to above are without regard to potential patent term extension or other market exclusivity that may be available to us.

We may rely, in some circumstances, on trade secrets to protect our technology. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by confidentiality agreements with our employees, consultants, scientific advisors and contractors. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems.

Acquisition and License Agreements

OSI (Eyetech)

In July 2007, we entered into a divestiture agreement with OSI (Eyetech), Inc., or Eyetech, which agreement is now held by OSI Pharmaceuticals LLC, or OSI Pharmaceuticals, a subsidiary of Astellas US LLC, under which we acquired specified technology, rights, and other assets owned or controlled by Eyetech relating to particular anti-PDGF aptamers, including Fovista, and assumed Eyetech's liabilities and obligations under specified agreements between Eyetech and Archemix Corp., or Archemix, and between Eyetech and Nektar. These agreements with Archemix and Nektar, as subsequently amended, are described in more detail below.

We have agreed that we will not, alone or with any other party, research, develop or commercialize any compound, other than anti-PDGF products covered by the divestiture agreement, that solely and specifically binds to PDGF for its mode of action.

Financial Terms

In connection with the agreement, we paid Eyetech a $4,000,000 upfront payment and issued Eyetech 3,000,000 shares of our junior series A preferred stock. We are obligated to pay OSI Pharmaceuticals additional one-time payments of $12,000,000 in the aggregate upon marketing approval in the United States and the European Union, of a covered anti-PDGF product. We are obligated to pay OSI Pharmaceuticals a royalty at a low single-digit percentage of net sales of any covered anti-PDGF product we successfully commercialize. Our obligation to pay such royalties will expire on a product-by-product and country-by-country basis on the later of 10 years after the first commercial sale of each product in each country or the expiration of the last-to-expire valid claim of specified patents that cover the composition, manufacture or use of each product in each country.

Diligence Obligations

We are required to use commercially reasonable efforts to conduct the development and manufacture of a covered anti-PDGF product so as to obtain marketing approval and, thereafter, to commercialize a covered anti-PDGF product in the United States and in the European Union.

Term and Termination

The agreement, unless terminated earlier by us or by OSI Pharmaceuticals, will remain in effect until we no longer have any financial obligations to OSI Pharmaceuticals, after which the rights granted to us will become

perpetual and fully paid-up. The agreement provides that either party may terminate the agreement in the event of the other party's insolvency, bankruptcy or comparable proceedings, or if the other party materially breaches the agreement and does not cure such breach during a specified cure period.

If we fail to use commercially reasonable efforts to meet our specified diligence obligations and fail to take specified steps after receiving written notice thereof from OSI Pharmaceuticals, then OSI Pharmaceuticals may terminate the agreement as to such countries with respect to which such failure has occurred, and upon such termination we will be obligated to grant, assign and transfer to OSI Pharmaceuticals specified rights and licenses related to our anti-PDGF aptamer technology and other related assets, and if we are manufacturing such anti-PDGF products at the time of such termination, may be obligated to provide transitional supply to OSI Pharmaceuticals of covered anti-PDGF products, for such countries.

Archemix

In September 2011, we entered into two amended and restated exclusive license agreements with Archemix, one relating to anti-PDGF aptamers, which we refer to as the PDGF agreement, and the other relating to anti-C5 aptamers, which we refer to as the C5 agreement. The PDGF agreement superseded a 2004 agreement between Eyetech and Archemix that we assumed under the divestiture agreement described above. The C5 agreement superseded a July 2007 agreement between us and Archemix. Under these amended and restated agreements, we hold exclusive worldwide licenses (subject to certain pre-existing rights) under specified patents and technology owned or controlled by Archemix to develop, make, use, sell, offer for sale, distribute for sale, import and export pharmaceutical products comprised of or derived from any anti-PDGF aptamer or anti-C5 aptamer for the prevention, treatment, cure or control of human indications, diseases, disorders or conditions of the eye, adnexa of the eye, orbit and optic nerve, other than certain expressly excluded applications.

The licenses we received under these agreements include sublicenses to us of rights to specified technology, which we refer to as the SELEX technology, licensed by University License Equity Holdings, Inc., or ULEHI, to Gilead Sciences, Inc., or Gilead, and sublicensed by Gilead to Archemix, as well as sublicenses to us of rights to certain other technology licensed by Gilead to Archemix, including the composition-of-matter patents relating to Fovista. Our agreements with Archemix contemplate that our rights to these sublicensed technologies will survive termination of the license from ULEHI to Gilead as long as we are not in breach of the C5 agreement or PDGF agreement, as applicable, and will survive termination of the sublicense from Gilead to Archemix as long as such termination did not arise from our action or inaction, provided in each case that we agree to be bound to ULEHI or Gilead, as applicable, under the terms of our agreements with Archemix. However, if Archemix, its affiliates and all of Archemix's assignees and sublicensees, including us, cease to exercise reasonable efforts to develop commercial applications of products and services using the SELEX technology, then Archemix's rights to the SELEX technology may revert to Gilead or ULEHI, and we would lose our rights to the SELEX technology.

Financial Terms

In connection with these agreements, as amended, we paid Archemix aggregate upfront licensing fees of $1,000,000 and issued to Archemix an aggregate of 2,000,000 shares of our series A-1 preferred stock and 500,000 shares of our series B-1 preferred stock. We have also paid Archemix an aggregate of $4,250,000 in fees as a result of our achievement of specified clinical milestone events under these agreements.

Under the PDGF agreement, we are obligated to make additional payments to Archemix of up to an aggregate of $16,500,000 if we achieve specified clinical and regulatory milestones with respect to Fovista, including a payment of $2,500,000 that will be triggered by the initiation of our planned Phase 3 clinical program of Fovista, and up to an aggregate of $3,000,000 if we achieve specified commercial milestones with respect to Fovista. Under the PDGF agreement, we also are obligated to make additional payments to Archemix of up to an

aggregate of $18,750,000 if we achieve specified clinical and regulatory milestones with respect to each other anti-PDGF aptamer product that we may develop under the agreement, and up to an aggregate of $3,000,000 if we achieve specified commercial milestones with respect to such other anti-PDGF aptamer product.

Under the C5 agreement, for each anti-C5 aptamer product that we may develop under the agreement, including ARC1905, we are obligated to make additional payments to Archemix of up to an aggregate of $57,500,000 if we achieve specified development, clinical and regulatory milestones and, as to all anti-C5 products under the agreement collectively, up to an aggregate of $22,500,000 if we achieve specified commercial milestones. We are also obligated to pay Archemix a double-digit percentage of specified non-royalty payments we may receive from any sublicensee of our rights under the C5 agreement.

No royalties are payable to Archemix under either of the PDGF agreement or the C5 agreement.

Diligence Obligations

We are required to exercise commercially reasonable efforts in developing and commercializing at least one anti-PDGF aptamer product and at least one anti-C5 aptamer product and in undertaking investigations and actions required to obtain regulatory approvals necessary to market such products in the United States, the European Union, and Japan, and in such other markets where we determine that it is commercially reasonable to do so. We are required to complete a Phase 2 clinical trial of an anti-C5 aptamer product for age-related macular degeneration, or AMD, by December 31, 2014. If we fail to meet this timeline, but are otherwise in compliance with our diligence obligations, Archemix and we have agreed to negotiate an extension in good faith. If we breach any of these diligence obligations with respect to any given product in any given country, including failing to meet any such agreed extension date, Archemix may terminate our corresponding license to such product for such country or convert such license to a non-exclusive license.

Term and Termination

Unless earlier terminated, the PDGF agreement will expire upon the later of 10 years after the first commercial sale in any country of the last licensed product and the expiration of the last-to-expire valid claim of the licensed patents that covers a licensed product.

Unless earlier terminated, the C5 agreement will expire upon the later of 12 years after the first commercial sale in any country of the last licensed product, the expiration of the last-to-expire valid claim of the licensed patents that covers a licensed product, and the date on which no further payments of sublicensing income are to be received by us.

Either we or Archemix may terminate each of the agreements if the other party materially breaches the applicable agreement and the breach remains uncured for a specified period. Archemix may also terminate each of the agreements, or may convert our exclusive licenses under the applicable agreement to non-exclusive licenses, if we challenge or assist a third party in challenging the validity or enforceability of any of the patents licensed under the applicable agreement. We may terminate each of the agreements at any time and for any or no reason effective at the end of a specified period following our written notice to Archemix of termination.

Nektar Therapeutics

In April 2012, we amended a 2006 license, manufacturing and supply agreement between Eyetech and Nektar that we assumed under the Eyetech divestiture agreement described above. Under the agreement, as amended, Nektar has granted us the following licenses:

- an exclusive, worldwide license under specified patent rights and know-how owned or controlled by Nektar to make, have made, develop, use, import, offer for sale and sell particular products that use a specified polyethylene glycol, or PEG, reagent linked with the active ingredient in Fovista by means of pegylation; and
- non-exclusive sublicenses of certain other patent rights controlled by Nektar.

Financial Terms

We have paid $750,000, and Eyetech has paid $250,000, to Nektar under the agreement. We are obligated to pay Nektar specified amounts in relation to certain milestone events until we grant any third-party commercialization rights to a licensed product under the agreement. Such specified milestone amounts that may be payable by us in the future include an aggregate of $5,500,000 payable upon achievement of specified clinical and regulatory milestones, including a payment of $1,000,000 that will be triggered by the initiation of our planned Phase 3 clinical program of Fovista. In addition, a payment of $3,000,000 will be triggered upon the achievement of a specified commercial sale milestone.

If we grant to any third-party commercialization rights to a licensed product under the agreement, we have agreed to pay Nektar a low double-digit percentage of any upfront payment we receive from such third party, less certain milestone amounts we have paid to Nektar. In addition, in lieu of any further specified milestone amounts described in the paragraph above, we have agreed to pay Nektar, in relation to the milestone events, amounts calculated at a higher double-digit percentage of the revenues we receive from such third party in connection with any such commercialization agreement, subject to specified minimum and maximum amounts.

We are also obligated to pay Nektar tiered royalties at low to mid single-digit percentages of net sales of any licensed product we successfully commercialize, with the royalty percentage determined by our level of licensed product sales, the extent of patent coverage for the licensed product and whether we have granted a third party commercialization rights to the licensed product. Our obligation to pay such royalties will expire on a licensed product-by-licensed product and country-by-country basis on the later of 10 years after first commercial sales of such licensed product in such country, and the expiration of the last-to-expire valid claim in the licensed patents that cover such licensed product in such country.

Exclusive Supply

Under the agreement, we must provide binding forecasts of requirements for the PEG reagent to Nektar and purchase our entire requirements for the PEG reagent, which we currently use to formulate Fovista, exclusively from Nektar at an agreed price, which is subject to annual adjustment in accordance with changes in the producer price index, except under specified circumstances relating to Nektar’s failure to supply, in which event Nektar has agreed to enable a third-party manufacturer to supply us.

Under the agreement, Nektar has agreed to supply our entire clinical and commercial requirements for this PEG reagent, subject to certain forecasting and ordering requirements and certain other limitations, and has agreed to supply this PEG reagent only to us for the purpose of manufacturing a product comprising this PEG reagent linked with the active ingredient in Fovista by means of pegylation.

Diligence Obligations

Under the terms of the agreement, if we fail to use commercially reasonable efforts to achieve the first commercial sale of Fovista in the United States or one of a specified group of other countries by December 31, 2017, which date Nektar and we may agree in good faith to extend in specified circumstances, Nektar may either terminate our license or convert our license for such country to a non-exclusive license. In addition, if we fail to use commercially reasonable efforts to develop Fovista and file and seek approval of NDAs on a schedule permitting us to make first commercial sales of Fovista in specified countries by December 31, 2017, do not make such first commercial sales of Fovista by such date, or thereafter fail to use commercially reasonable efforts to continue to commercialize and market Fovista in such countries, we will be in material breach of the agreement.

Term and Termination

The agreement, unless earlier terminated by us or Nektar, will expire upon the expiration of our obligation to pay royalties to Nektar on net sales of licensed products. We and Nektar each may terminate the agreement if

the other party materially breaches the agreement and does not cure such breach within a specified cure period. We may terminate the agreement at any time, without cause, effective at the end of a specified period following our written notice to Nektar of termination, in which event we will be obligated to pay Nektar specified termination fees and reimburse Nektar for certain costs.

If we challenge the validity or enforceability of any Nektar licensed patent right, we must pay for the defense of such challenge if such challenge is not successful and our licenses under certain licensed patent rights will terminate.

Government Regulation

Government authorities in the United States, at the federal, state and local level, in the European Union and in other countries and jurisdictions extensively regulate, among other things, the research, development, testing, manufacture, including any manufacturing changes, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, import and export of pharmaceutical products such as those we are developing. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

U.S. Drug Approval Process

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA's refusal to approve pending NDAs, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in compliance with the FDA's good laboratory practice, or GLP, regulations;
- submission to the FDA of an IND which must become effective before human clinical trials may begin;
- approval by an independent institutional review board, or IRB, at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practices, or GCP, to establish the safety and efficacy of the proposed drug or biological product for each indication;
- submission to the FDA of a new drug application, or NDA;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with cGMP, and to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity; and
- FDA review and approval of the NDA.

Preclinical Studies

Preclinical studies include laboratory evaluation of product chemistry, toxicity and formulation, as well as animal studies to assess its potential safety and efficacy. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data and any available clinical data or literature, among other things, to the FDA as part of an IND. Some preclinical testing may continue even after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the clinical trial on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence.

Clinical Trials

Clinical trials involve the administration of the investigational new drug to human subjects under the supervision of qualified investigators in accordance with GCP requirements, which include the requirement that all research subjects provide their informed consent in writing for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, an IRB at each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution. Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on their ClinicalTrials.gov website.

Human clinical trials are typically conducted in three sequential phases, which may overlap or be combined:

- Phase 1: The drug is initially introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an early indication of its effectiveness.
- Phase 2: The drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.
- Phase 3: The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product, and to provide adequate information for the labeling of the product.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients.

Marketing Approval

Assuming successful completion of the required clinical testing, the results of the preclinical and clinical studies, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the product for one or more indications. In most cases, the submission of an NDA is subject to a

substantial application user fee. Under the new PDUFA V guidelines that are currently in effect, the FDA has a goal of ten months from the date of the FDA's acceptance for filing of a standard non-priority NDA to review and act on the submission.

The FDA also may require submission of a risk evaluation and mitigation strategy, or REMS, plan to mitigate any identified or suspected serious risks. The REMS plan could include medication guides, physician communication plans, assessment plans, and elements to assure safe use, such as restricted distribution methods, patient registries, or other risk minimization tools.

The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective and the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity. The FDA is required to refer an application for a novel drug to an advisory committee or explain why such referral was not made. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP.

The testing and approval process requires substantial time, effort and financial resources, and each may take several years to complete. Data obtained from clinical activities are not always conclusive and may be susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. The FDA may not grant approval on a timely basis, or at all.

If the FDA's evaluation of the NDA and inspection of the manufacturing facilities are favorable, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing in order for FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product, it may limit the approved indications for use for the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Special FDA Expedited Review and Approval Programs

The FDA has various programs, including fast track designation, accelerated approval and priority review, that are intended to expedite or simplify the process for the development and FDA review of drugs that are intended for the treatment of serious or life threatening conditions and demonstrate the potential to address unmet medical needs. The purpose of these programs is to provide important new drugs to patients earlier than under standard FDA review procedures.

To be eligible for a fast track designation, the FDA must determine, based on the request of a sponsor, that a product is intended to treat a serious or life-threatening disease or condition and the drug demonstrates the potential to address unmet medical needs for this disease or condition. The FDA will determine that a product will fill an unmet medical need if it will provide a therapy where none exists or provide a therapy that may be potentially superior to existing therapy based on efficacy or safety factors.

The FDA may give a priority review designation to drugs that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A priority review means that the goal for the FDA to review an application is six months from the date of the FDA's acceptance for filing of the application, rather than the standard review period of ten months under current PDUFA V guidelines. Most products that are eligible for fast track designation are also likely to be considered appropriate to receive a priority review.

In addition, products studied for their safety and effectiveness in treating serious or life-threatening illnesses and that provide meaningful therapeutic benefit over existing treatments may receive accelerated approval and may be approved on the basis of adequate and well-controlled clinical trials establishing that the drug product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on the basis of an effect on a clinical endpoint other than survival or irreversible morbidity. As a condition of approval, the FDA may require a sponsor of a drug receiving accelerated approval to perform post-marketing studies to validate and describe the predicted effect on irreversible morbidity or mortality or other clinical endpoint, and the drug may be subject to accelerated withdrawal procedures.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Post-Approval Requirements

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims are subject to prior FDA review and approval. There also are continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data.

The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-marketing testing, including phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and

impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

In addition, the distribution of prescription pharmaceutical products is subject to the Prescription Drug Marketing Act, or PDMA, which regulates the distribution of drugs and drug samples at the federal level, and sets minimum standards for the registration and regulation of drug distributors by the states. Both the PDMA and state laws limit the distribution of prescription pharmaceutical product samples and impose requirements to ensure accountability in distribution.

Hatch-Waxman Exclusivity

Market and data exclusivity provisions under the FDCA can delay the submission or the approval of certain applications for competing products. The FDCA provides a five-year period of non-patent data exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company that references the previously approved drug. However, an ANDA or 505(b)(2) NDA may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA or 505(b)(2) NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant, are deemed by the FDA to be essential to the approval of the application, for example, for new indications, dosages, strengths or dosage forms of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and, as a general matter, does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for generic versions of the original, unmodified drug product. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Foreign Regulation

In order to market any product outside of the United States, we would need to comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we would need to obtain the necessary approvals by the comparable foreign regulatory authorities before we can commence clinical trials or marketing of the product in foreign countries and jurisdictions. Although many of the issues discussed above with respect to the United States apply similarly in the context of the European Union, the approval process varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others.

Pursuant to the European Clinical Trials Directive, a system for the approval of clinical trials in the European Union has been implemented through national legislation of the member states. Under this system, we must obtain approval from the competent national authority of a European Union member state in which the clinical trial is to be conducted. Furthermore, we may only start a clinical trial after a competent ethics committee has issued a favorable opinion. Our clinical trial application must be accompanied by an investigational medicinal product dossier with supporting information prescribed by the European Clinical Trials Directive and corresponding national laws of the member states and further detailed in applicable guidance documents.

To obtain marketing approval of a drug under European Union regulatory systems, we may submit a marketing authorization application, or MAA, either under a centralized or decentralized procedure. The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid for all European Union member states. The centralized procedure is compulsory for specific products, including medicines produced by certain biotechnological processes, products designated as orphan medicinal products, advanced therapy products and products with a new active substance indicated for the treatment of certain diseases. For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients, the centralized procedure may be optional. Under the centralized procedure, the Committee for Medicinal Products for Human Use, or the CHMP, established at the EMA is responsible for conducting the initial assessment of a drug. The CHMP also is responsible for several post-authorization and maintenance activities, such as the assessment of modifications or extensions to an existing marketing authorization. Under the centralized procedure in the European Union, the maximum timeframe for the evaluation of an MAA is 210 days, excluding clock stops, when additional information or written or oral explanation is to be provided by the applicant in response to questions of the CHMP. Accelerated evaluation might be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation. In this circumstance, the EMA ensures that the opinion of the CHMP is given within 150 days.

The decentralized procedure is available to applicants who wish to market a product in various European Union member states where such product has not previously received marketing approval in any European Union member state. The decentralized procedure provides for approval by one or more other, or concerned, member states of an assessment of an application performed by one member state designated by the applicant, known as the reference member state. Under this procedure, an applicant submits an application based on identical dossiers and related materials, including a draft summary of product characteristics, and draft labeling and package leaflet, to the reference member state and concerned member states. The reference member state prepares a draft assessment report and drafts of the related materials within 120 days after receipt of a valid application. Within 90 days of receiving the reference member state’s assessment report and related materials, each concerned member state must decide whether to approve the assessment report and related materials.

If a member state cannot approve the assessment report and related materials on the grounds of potential serious risk to public health, the disputed points are subject to a dispute resolution mechanism and may eventually be referred to the European Commission, whose decision is binding on all member states.

In the European Union, new chemical entities qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity. This data exclusivity, if granted, prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic (abbreviated) application for eight years, after which generic marketing authorization can be submitted, and the innovator's data may be referenced, but not approved for two years. The overall ten-year period will be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity and the sponsor is able to gain the prescribed period of data exclusivity, another company nevertheless could also market another version of the drug if such company can complete a full MAA with a complete database of pharmaceutical test, preclinical tests and clinical trials and obtain marketing approval of its product.

Pharmaceutical Coverage, Pricing and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any drug products for which we may obtain regulatory approval. Sales of any of our product candidates, if approved, will depend, in part, on the extent to which the costs of the products will be covered by third-party payors, including government health programs such as Medicare and Medicaid, commercial health insurers and managed care organizations. The process for determining whether a payor will provide coverage for a drug product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the drug product once coverage is approved. Third-party payors may limit coverage to specific drug products on an approved list, or formulary, which might not include all of the approved drugs for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable regulatory approvals. Our product candidates may not be considered medically necessary or cost-effective. A payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Third party reimbursement may not be sufficient to enable us to maintain price levels high enough to realize an appropriate return on our investment in product development.

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of drugs have been a focus in this effort. Third-party payors are increasingly challenging the prices charged for medical products and services and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. If these third-party payors do not consider our products to be cost-effective compared to other available therapies, they may not cover our products after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products at a profit. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs to limit the growth of government-paid healthcare costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. Adoption of such controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceuticals such as the drug product candidates that we are developing and could adversely affect our net revenue and results.

Pricing and reimbursement schemes vary widely from country to country. Some countries provide that drug products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently

available therapies. For example, the European Union provides options for its member states to restrict the range of drug products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. European Union member states may approve a specific price for a drug product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the drug product on the market. Other member states allow companies to fix their own prices for drug products, but monitor and control company profits. The downward pressure on healthcare costs in general, particularly prescription drugs, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert competitive pressure that may reduce pricing within a country. Any country that has price controls or reimbursement limitations for drug products may not allow favorable reimbursement and pricing arrangements for any of our products.

The marketability of any products for which we receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased and we expect will continue to increase the pressure on drug pricing. Coverage policies, third-party reimbursement rates and drug pricing regulation may change at any time. In particular, the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, which we collectively refer to as the Affordable Care Act or ACA, contains provisions that may reduce the profitability of drug products, including, for example, increased rebates for covered out-patient drugs sold to Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries, and annual fees based on pharmaceutical companies' share of sales to federal healthcare programs. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

New Legislation and Regulations

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the testing, approval, manufacturing and marketing of products regulated by the FDA. For example, the FDAAA, ACA and FDASIA provisions discussed above were enacted in 2007, 2010 and 2012, respectively. In addition to new legislation, FDA regulations and policies are often revised or interpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether further legislative changes will be enacted, or FDA regulations, guidance, policies or interpretations changed or what the impact of such changes, if any, may be.

Healthcare Law and Regulation

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we may obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal healthcare Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid;
- the federal False Claims Act imposes civil penalties, and provides for civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal transparency requirements under the Health Care Reform Law will require manufacturers of drugs, devices, biologics and medical supplies to report to the Department of Health and Human Services information related to payments and other transfers of value to physicians and teaching hospitals and physician ownership and investment interests; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Employees

As of August 15, 2013, we had 22 full-time employees, including a total of five employees with M.D. or Ph.D. degrees. Of our workforce, 14 employees are engaged in research and development. None of our employees is represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Facilities

Our principal facilities consist of approximately 4,000 square feet of office space in New York, New York that we occupy on a month-to-month basis and approximately 4,000 square feet of office space in Princeton, New Jersey that we occupy under a lease that expires on September 30, 2013.

Legal Proceedings

We are not currently subject to any material legal proceedings.

MANAGEMENT

The following table sets forth the name, age and position of each of our executive officers and directors as of August 15, 2013.

Name	Age	Position
David R. Guyer, M.D.	53	Chief Executive Officer and Chairman of our Board of Directors
Samir C. Patel, M.D.	53	President and Vice Chairman of our Board of Directors
Bruce Peacock	62	Chief Financial and Business Officer
Axel Bolte (1)(3)	41	Director
Thomas Dyrberg, M.D., D.M.Sc. (2)(3)	58	Director
Nicholas Galakatos, Ph.D. (1)(2)	55	Director
Michael Ross, Ph.D (2)(3)	64	Director
Glenn Sblendorio (1)	57	Director

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Nominating and Corporate Governance Committee

David R. Guyer, M.D. is a co-founder of our company and has served as Chairman of our board of directors since our inception in January 2007 and as our Chief Executive Officer since April 2013. Prior to serving as our Chief Executive Officer, Dr. Guyer, served as a Partner at SV Life Sciences, a venture capital firm, from 2009 to 2013, and as a Venture Partner at SV Life Sciences from 2006 to 2009. Dr. Guyer co-founded Eyetech Pharmaceuticals Inc. and served as Chief Executive Officer and as a member of its board of directors from 2000 to 2006. Prior to co-founding Eyetech Pharmaceuticals, Dr. Guyer was a Professor and served as Chairman of the Department of Ophthalmology at New York University School of Medicine. Dr. Guyer received a B.S. from Yale College and an M.D. from Johns Hopkins Medical School. Dr. Guyer completed his ophthalmology residency at Wilmer Ophthalmological Institute, Johns Hopkins Hospital and a retinal fellowship at the Massachusetts Eye and Ear Infirmary at Harvard Medical School. We believe that Dr. Guyer is qualified to serve on our board of directors because of his extensive executive leadership experience, his extensive experience in the life sciences industry as an entrepreneur and venture capital investor, and his service on our board of directors and the board of directors of other life sciences companies.

Samir C. Patel, M.D. is a co-founder of our company and has served as our President and a member of our board of directors since our inception in January 2007. Dr. Patel served as our Chief Executive Officer from our inception until April 2013. Dr. Patel co-founded Eyetech Pharmaceuticals and served as its Chief Medical Officer and as a member of its board of directors from 2000 to 2006. Prior to co-founding Eyetech Pharmaceuticals, Dr. Patel was an Associate Professor and served as director of the Retina Service in the residency program in the Department of Ophthalmology and Visual Science at the University of Chicago. Dr. Patel received a B.A. from Boston University and an M.D. from the University of Massachusetts Medical School. Dr. Patel completed his ophthalmology training at the University of Chicago and his training in retinal surgery from the Massachusetts Eye and Ear Infirmary at the Harvard Medical School. We believe that Dr. Patel is qualified to serve on our board of directors because of his extensive experience in the life sciences industry and as an entrepreneur and his many years of service as our Chief Executive Officer.

Bruce A. Peacock has served as our Chief Financial Officer since August 2013 and our Chief Business Officer since September 2010 and is also our secretary and treasurer. Since May 2006, Mr. Peacock also has served as a Venture Partner at SV Life Sciences, a venture capital firm. Mr. Peacock served as President and Chief Executive Officer of Alba Therapeutics, a biopharmaceutical company, from April 2008 to February 2011, and has served as Co-Chairman of the board of directors of Alba Therapeutics since April 2008. Prior to joining SV Life Sciences, Mr. Peacock served as Chief Executive Officer and a Director of The Little Clinic, a medical

care services company. Previously, Mr. Peacock served as President and Chief Executive Officer and a director of Adolor Corporation, a publicly-held biotechnology company; as President, Chief Executive Officer and a member of the board of directors of Orthovita, Inc., a publicly-held orthopaedic biomaterials company; as Executive Vice President, Chief Operating Officer and a member of the board of directors of Cephalon, Inc.; as Chief Financial Officer of Cephalon, Inc.; and as Chief Financial Officer of Centocor, Inc. Mr. Peacock serves as a member of the boards of directors of Discovery Laboratories, Inc., Invisible Sentinel Inc. and Ocean Power Technologies, Inc. and has served as a member of the boards of directors of Pharmacopeia, Inc., Ligand Pharmaceuticals Incorporated, and NeurogesX, Inc. Mr. Peacock earned a bachelor's degree in Business Administration from Villanova University and is a certified public accountant.

Axel Bolte has served as a member of our board of directors since August 2007. Since March 2003, Mr. Bolte has served as investment advisor to HBM Partners AG, a provider of investment advisory services in the life sciences industry. From March 2001 to February 2003, Mr. Bolte was an investment manager of NMT New Medical Technologies AG, a Swiss venture capital company focused on life sciences. Prior to joining NMT New Medical Technologies AG, Mr. Bolte served as a scientist at Serono SA, a biotechnology company. He currently serves or has served on the board of directors of several biotechnology companies, including Newron Pharmaceuticals SpA, Nabriva Therapeutics AG, PTC Therapeutics, Inc., MPex Pharmaceuticals, Inc., Lux Biosciences, Inc. and Kolltan Pharmaceuticals, Inc. Mr. Bolte received a degree in Biochemistry from the Swiss Federal Institute of Technology, Zurich, Switzerland and an M.B.A. from the University of St. Gallen, Switzerland. We believe that Mr. Bolte is qualified to serve on our board of directors because of his many years of service as one of our directors, his extensive experience as a venture capital investor in the life sciences industry and his service on the board of directors of other life sciences companies.

Thomas Dyrberg, M.D., D.M.Sc. has served as a member of our board of directors since August 2007. In December 2000, Dr. Dyrberg joined Novo A/S, a private, limited liability company wholly-owned by the Novo Nordisk Foundation that is responsible for managing the Foundation's assets, where he serves as a Senior Partner. Dr. Dyrberg serves or has served on the board of directors of Veloxis A/S, Lux Biosciences, Inc., Allocure Inc., Delenex AG, Sapphire Inc., Gloucester Inc. and Hemofocus A/S. In 1990, he joined Novo Nordisk A/S, initially working in Health Care Discovery. From 1996 to 2000, Dr. Dyrberg served as an International Clinical Project Manager at Novo Nordisk A/S. Dr. Dyrberg received a D.M.Sc and an M.D. from the University of Copenhagen. Dr. Dyrberg has held research positions at the Hagedorn Research Institute in Denmark, and at the Scripps Research Institute in California. We believe that Dr. Dyrberg is qualified to serve on our board of directors because of his many years of industry experience, his extensive experience as a venture capital investor in the life sciences industry and his service on the board of directors of other life sciences companies.

Nicholas Galakatos, Ph.D. has served as a member of our board of directors since December 2009. Dr. Galakatos co-founded and has served as a Managing Director of Clarus Ventures, a global venture capital firm focused on life science investments, since its inception in 2005. Dr. Galakatos has been a venture capital investor since 1992, initially at Venrock Associates and then at MPM Capital where he served as a General Partner of the BioVentures II and BioVentures III funds. From 1997 to 2000, Dr. Galakatos served as Vice President, New Business and a member of the Management Team at Millennium Pharmaceuticals, Inc. (presently Takeda). Dr. Galakatos currently serves or has served on the board of directors of several other biotechnology companies, including Affymax, Inc., Aveo Pharmaceuticals, Inc., NanoString Technologies, Inc., Catabasis Pharmaceuticals, Inc. and Portola Pharmaceuticals, Inc. Dr. Galakatos received a B.A. in Chemistry from Reed College and a Ph.D. in organic chemistry from the Massachusetts Institute of Technology. Dr. Galakatos performed postdoctoral studies in Molecular Biology at Harvard Medical School. We believe that Dr. Galakatos is qualified to serve on our board of directors because of his many years of service as one of our directors, his extensive experience in the life sciences industry and his service on the board of directors of other life sciences companies.

Michael Ross, Ph.D. has served as a member of our board of directors since May 2013. Dr. Ross has served as a Managing Partner at SV Life Sciences, a venture capital firm, since January 2001. Dr. Ross served as a Managing

Partner at Didyma, LLC, a biotechnology management consulting firm, from 1999 to 2002. Previously, Dr. Ross served as the Chief Executive Officer of CyThera, Inc., Carta Proteomics Inc., MetaXen LLC and Arris Pharmaceutical Corporation. Earlier in his career, Dr. Ross was employed at Genentech, serving in several roles, including Vice President of Development and later Vice President of Medicinal and Biomolecular Chemistry. Dr. Ross serves or has served on the boards of directors of Arris Pharmaceutical Corporation and Archemix Corp., and the board of directors of the Thayer School of Engineering at Dartmouth College. Dr. Ross received an A.B. from Dartmouth College, a Ph.D. in chemistry from the California Institute of Technology and completed post doctorate training in molecular biology at Harvard University. We believe that Dr. Ross is qualified to serve on our board of directors because of his extensive executive leadership experience and knowledge of the life sciences industry and his service on the board of directors of other life sciences companies.

Glenn Sblendorio has served as a member of our board of directors since July 2013. Mr. Sblendorio currently serves as the Chief Financial Officer and President of The Medicines Company, a medical solutions company, which he joined in March 2006. Mr. Sblendorio has served as a member of the board of directors of The Medicines Company since July 2011 and of Amicus Therapeutics Inc. since June 2007. Prior to joining The Medicines Company, Mr. Sblendorio served as Executive Vice President and Chief Financial Officer of Eyetech Pharmaceuticals, Inc. from February 2002 until it was acquired by OSI Pharmaceuticals, Inc. in November 2005. From July 2000 to February 2002, Mr. Sblendorio served as Senior Vice President of Business Development at The Medicines Company. Mr. Sblendorio received a B.B.A. from Pace University and an M.B.A. from Fairleigh Dickinson University. We believe that Mr. Sblendorio is qualified to serve on our board of directors because of his extensive executive leadership experience, finance and accounting background, knowledge of the life sciences industry and service on the board of directors of other life sciences companies.

Board Composition and Election of Directors

Our board of directors is currently authorized to have eight members. Our board currently consists of seven members. Following this offering, we anticipate possibly appointing an additional independent director to our board of directors. Our board of directors is divided into three classes, class I, class II and class III, with members of each class serving staggered three-year terms. The members of the classes are divided as follows:

- the class I directors are Dr. Galakatos and Dr. Ross, and their term expires at our annual meeting of stockholders to be held in 2014;
- the class II directors are Mr. Bolte and Dr. Patel, and their term expires at our annual meeting of stockholders to be held in 2015; and
- the class III directors are Dr. Dyrberg, Dr. Guyer and Mr. Sblendorio, and their term expires at our annual meeting of stockholders to be held in 2016.

Upon the expiration of the term of a class of directors, directors in that class are eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires. In accordance with the terms of our certificate of incorporation and bylaws that will become effective upon the closing of this offering, our directors may be removed only for cause by the affirmative vote of the holders of 75% or more of our voting stock.

Under applicable NASDAQ rules, a director will only qualify as an “independent director” if, in the opinion of our board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors intends to review its composition, the composition of its committees and the independence of each director according to the independence standards established by applicable SEC rules and NASDAQ rules. In making an independence determination, the board of directors will consider the relationships that each such non-employee director has with our company and all other facts and circumstances that the board of directors deems relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

There are no family relationships among any of our directors or executive officers.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will operate, as of the date of this prospectus, under a charter that has been approved by our board. The composition of each committee will be effective as of the date of this prospectus.

Our board of directors has determined that all of the members of the audit committee, the compensation committee and the nominating and corporate governance committee are independent as defined under the NASDAQ rules, including, in the case of all the members of our audit committee, the independence requirements contemplated by Rule 10A-3 under the Exchange Act. In making such determination, our board of directors considered the relationships that each such director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining independence, including the beneficial ownership of our capital stock by each non-employee director.

Audit Committee

The members of our audit committee are Mr. Sblendorio, Mr. Bolte and Dr. Galakatos. Mr. Sblendorio chairs our audit committee. Our audit committee's responsibilities will include:

- appointing, approving the compensation of, and assessing the independence of our registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- overseeing our risk assessment and risk management policies;
- establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our internal auditing staff, our independent registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by Securities and Exchange Commission, or SEC, rules.

All audit and non-audit services, other than *de minimis* non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

Our board of directors has determined that Mr. Sblendorio is an "audit committee financial expert" as defined in applicable SEC rules.

Compensation Committee

The members of our compensation committee are Dr. Galakatos, Dr. Dyrberg and Dr. Ross. Dr. Galakatos chairs our compensation committee. Our compensation committee's responsibilities will include:

- reviewing and approving, or making recommendations to our board with respect to, the compensation of our chief executive officer and our other executive officers;

- overseeing an evaluation of our senior executives;
- overseeing and administering our cash and equity incentive plans;
- reviewing and making recommendations to our board with respect to director compensation;
- reviewing and discussing annually with management our compensation disclosure required by SEC rules; and
- preparing the compensation committee report required by SEC rules.

Nominating and Corporate Governance Committee

The members of our nominating and corporate governance committee are Dr. Dyrberg, Mr. Bolte and Dr. Ross. Dr. Dyrberg chairs our nominating and corporate governance committee. Our nominating and corporate governance committee's responsibilities will include:

- identifying individuals qualified to become members of our board;
- recommending to our board the persons to be nominated for election as directors and to each of our board's committees;
- reviewing and making recommendations to our board with respect to our board leadership structure;
- reviewing and making recommendations to our board with respect to management succession planning;
- developing and recommending to our board corporate governance principles; and
- overseeing a periodic evaluation of our board.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of our company.

EXECUTIVE COMPENSATION

This section describes the material elements of compensation awarded to, earned by or paid to each of our named executive officers in 2012. Our named executive officers for 2012 are Samir C. Patel, who served as our President and Chief Executive Officer during 2012, Bruce Peacock, who served as our Chief Business Officer during 2012, and Evelyn Harrison, who served as our Chief Operating Officer during 2012. This section also provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our executive officers and is intended to place in perspective the data presented in the tables and narrative that follow.

Summary Compensation Table

The following table sets forth information regarding compensation awarded to, earned by or paid to our named executive officers during 2012.

Name and principal position	Year	Salary ($)	Option Awards ($) [1]	Non-Equity Incentive Plan Compensation ($) [2]	All Other Compensation ($) [3]	Total ($)
Samir C. Patel, M.D. [4] *President and previously Chief Executive Officer*	2012	434,765	77,558	177,308	26,162	715,793
Bruce Peacock *Chief Business Officer*	2012	362,305	38,799	105,727	1,072	507,903
Evelyn Harrison *Chief Operating Officer*	2012	319,552	14,542	68,381	9,197	411,672

(1) The amounts reported in the “Option Awards” column reflect the aggregate fair value of share-based compensation awarded during the year computed in accordance with the provisions of Financial Accounting Standards Board Accounting Standard Codification, or ASC, Topic 718. See Note 12 to our financial statements appearing at the end of this prospectus regarding assumptions underlying the valuation of equity awards.

(2) The amounts reported in the “Non-Equity Incentive Plan Compensation” column represent awards to our named executive officers under our annual cash bonus program.

(3) The compensation included in the “All Other Compensation” column consists of premiums we paid with respect to each of our named executive officers for (a) medical, dental and vision insurance, (b) personal accident insurance, (c) life insurance, (d) long-term disability insurance, (e) short-term disability insurance, and fees related to an education assistance program, In particular, with respect to Dr. Patel and Ms. Harrison, we paid medical, dental and vision insurance premiums of $25,086 and $8,125, respectively.

(4) Dr. Patel also serves as a member of our board of directors but does not receive any additional compensation for his service as a director. Dr. Patel served as our Chief Executive Officer until April 2013.

In 2012, we paid base salaries of $434,765 to Dr. Patel, $362,305 to Mr. Peacock and $319,552 to Ms. Harrison. Base salaries are used to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our named executive officers. None of our named executive officers is currently party to an employment agreement or other agreement or arrangement that provides for automatic or scheduled increases in base salary.

In addition, for 2012, we paid performance-based bonuses of $177,308 to Dr. Patel, $105,727 to Mr. Peacock and $68,381 to Ms. Harrison. The performance-based bonuses, which are calculated as a percentage of base salary, are designed to motivate our employees to achieve annual goals based on our strategic, financial, and operating performance objectives.

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incents our executive officers to remain in our employment during the vesting period. Accordingly, our board of directors periodically reviews the equity incentive compensation of our named executive officers and from time to time may grant equity incentive awards to them in the form of stock options. In 2012, based upon our overall performance, we granted to Dr. Patel an option to purchase 400,000 shares of our common stock, to Mr. Peacock an option to purchase 200,000 shares of our common stock and to Ms. Harrison an option to purchase 75,000 shares of our common stock.

Outstanding Option Awards at December 31, 2012

The following table sets forth information regarding outstanding stock options held by our named executive officers as of December 31, 2012:

Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($/share)	Option Expiration Date
Samir C. Patel, M.D.	599,958	—	$ 0.27	5/17/2020
	458,955	65,582(1)	$ 0.27	5/17/2020
	33,056	13,775(2)	$ 0.27	5/17/2020
	147,024	73,504(3)	$ 0.27	5/17/2020
	134,581	205,419(4)	$ 0.28	5/10/2021
	66,667	333,333(5)	$ 0.28	4/8/2022
Bruce Peacock	700,557	700,551(6)	$ 0.28	9/27/2020
	329,633	100,719(7)	$ 0.28	9/27/2020
	56,469	66,260(8)	$ 0.28	5/10/2021
	6,862	30,409(9)	$ 0.28	5/10/2021
	33,333	166,667(5)	$ 0.28	4/8/2022
Evelyn Harrison	102,559	—	$ 0.02	3/3/2018
	20,016	—	$ 0.02	4/13/2018
	40,670	—	$ 0.02	12/8/2018
	35,408	—	$ 0.03	5/13/2019
	16,717	—	$ 0.27	12/2/2019
	40,517	16,683(10)	$ 0.27	2/2/2020
	35,625	54,375(11)	$ 0.28	5/10/2021
	12,500	62,500(5)	$ 0.28	4/8/2022

(1) The unvested shares vest monthly in approximately equal amounts through May 2013.
(2) The unvested shares vest monthly in approximately equal amounts through October 2013.
(3) The unvested shares vest monthly in approximately equal amounts through December 2013.
(4) The unvested shares vest monthly in approximately equal amounts through May 2015.
(5) The unvested shares vest monthly in equal amounts through April 2016.
(6) The unvested shares vest monthly as to 29,190 shares from January 2013 to October 2013; 29,685 shares in November 2013; 35,556 in December 2013; and in approximately equal amounts from January 2014 to September 2014.
(7) The unvested shares vest monthly as to 8,965 shares from January 2013 to October 2013; 8,470 shares in November 2013; and 2,599 shares in December 2013.
(8) The unvested shares vest monthly as to 3,333 shares from January 2013 to December 2013; 2,933 shares in May 2014; and 3,333 shares from June 2014 to December 2014.
(9) The unvested shares vest monthly as to 3,333 shares from January 2014 to April 2014; 400 shares in May 2014; 3,333 shares from January 2015 to April 2015; and 3,345 shares in May 2015.
(10) The unvested shares vest monthly in equal amounts through February 2014.
(11) The unvested shares vest monthly in equal amounts through May 2015.

In April 2013, our board of directors granted stock options to Dr. Guyer in connection with his appointment as Chief Executive Officer. In May 2013, our board of directors granted stock options to Dr. Patel in recognition of his continued service as President. The following table sets forth information regarding these grants to Dr. Guyer and to Dr. Patel.

Name	Option Award (#)	Exercise Price per share	Grant Date Fair Value
David R. Guyer, M.D. *Chief Executive Officer*	3,982,258(1)	$ 1.70	$1.18
Samir C. Patel, M.D. *President*	335,467(1) 335,466(2)	$ 2.24 $ 2.24	$1.57 $1.56

(1) The unvested shares vest monthly in equal amounts.

(2) This option is subject to performance-based vesting. The unvested shares vest upon the occurrence of certain milestones.

Employment Agreements with Executive Officers

We have written employment agreements with Dr. Guyer, Dr. Patel and Mr. Peacock. Dr. Patel's agreement provides for an employment term of one year, with the term automatically renewing for successive one-year terms, unless we or Dr. Patel give written notice of non-renewal at least 90 days prior to the renewal date. Our agreements with Dr. Guyer and Mr. Peacock do not have a stated term. The agreements with each of Dr. Guyer, Dr. Patel and Mr. Peacock provide for at-will employment. In addition, each of our executive officers are subject to invention assignment, non-disclosure, non-competition and non-solicitation agreements, either directly under their employment agreements or through separate agreements that were executed and delivered by the executives in connection with their employment agreements.

Pursuant to these agreements, each of our executive officers is entitled to receive an annual base salary as follows: Dr. Guyer $520,000; Dr. Patel $448,000; and Mr. Peacock $373,349.

In addition, following the end of each calendar year, each executive is eligible to receive an annual bonus based on the achievement of individual and company performance objectives, which will be determined by our board of directors in its sole discretion. The bonus is calculated as a percentage of the executive's annual base salary. For any calendar year that includes or follows the consummation of this offering, the target bonus percentages for each executive officer are as follows: Dr. Guyer 60%; Dr. Patel 37.5%; and Mr. Peacock 35%. Except as otherwise provided in their respective employment agreements, each executive must be actively employed on the date the bonus is paid in order to be eligible for and receive his annual bonus.

Potential Payments Upon Termination or Change in Control

Upon execution and effectiveness of a separation agreement and release of claims, each executive officer is entitled to severance payments if his employment is terminated under specified circumstances.

Dr. Guyer. If we terminate Dr. Guyer's employment without cause or if Dr. Guyer terminates his employment with us for good reason, each as defined in his employment agreement, Dr. Guyer is entitled to receive a lump sum payment in an amount equal to 12 months of his base salary; a pro-rated portion of his target bonus for the year in which his employment terminates; and continued coverage, at our expense, under our medical and dental benefit plans for 12 months immediately following the date of termination of his employment.

Upon the occurrence of a change in control event, as defined in our 2007 plan, subject to Dr. Guyer's continued employment as of the date of such event, or termination of Dr. Guyer's employment by us without

cause within 75 days prior to (and in contemplation of) such event, the options awarded to Dr. Guyer in connection with his appointment as Chief Executive Officer in April 2013 become immediately exercisable in full with respect to all the unvested shares subject to such options.

Dr. Patel. If we terminate Dr. Patel's employment without cause or Dr. Patel terminates his employment with us for good reason, each as defined in his employment agreement, Dr. Patel is entitled to receive an amount equal to 12 months of his base salary payable in 12 equal monthly installments. If such termination occurs on a date within six months following the completion of this offering, Dr. Patel will retain the right to exercise any vested options held by him on the date his employment terminates for the nine-month period following the closing of the offering (provided such period does not extend beyond the maximum term of his options). If such termination occurs on or after the date that is six months following the completion of this offering, Dr. Patel will retain the right to exercise any vested options held by him on the date his employment terminates for three months following such termination.

Mr. Peacock. If we terminate Mr. Peacock's employment without cause or if Mr. Peacock terminates his employment with us for good reason, each as defined in his employment agreement, Mr. Peacock is entitled to receive an amount equal to nine months of his base salary payable in nine equal monthly installments and continued coverage, at our expense, under our medical and dental benefit plans for nine months immediately following the termination of his employment.

If we or our successor terminates Mr. Peacock's employment without cause or if Mr. Peacock terminates his employment with us or our successor for good reason, in each case within the one-year period following a change in control event, as defined in our 2007 plan, and such event also constitutes a "change in control event" within the meaning of the regulations promulgated under Section 409A of the Internal Revenue Code, as amended, or the Code, in addition to the payments and other benefits described above, Mr. Peacock is also entitled to receive an amount equal to his target bonus for the year in which his employment terminates.

Alternatively (and not in addition to the payments described above), if, following Mr. Peacock attaining the age of 63, which will occur in June 2014, he voluntarily terminates his employment on or after the earlier of the date that is one year following the completion of this offering and November 15, 2014, Mr. Peacock is entitled to receive an amount equal to 12 months of his base salary payable in 12 equal monthly installments; his target bonus for the year in which his employment terminates; the bonus he would have otherwise been entitled to receive for the year in which his employment terminates, had he remained an employee for the entire calendar year; and continued coverage, at our expense, under our medical and dental benefit plans for 12 months immediately following the termination of his employment. In addition, Mr. Peacock will be entitled to receive an offer to enter into a consulting arrangement with us following such a termination of his employment, in connection with which he will be entitled to receive, in exchange for the provision of consulting services: one twelfth of his then-current annualized base salary for each of the first three months he provides consulting services to us; 75% of such amount for each of the next three months during which he provides consulting services to us; and 50% of such amount for each of the following six months during which he provides consulting services to us. Provided Mr. Peacock is then providing consulting services to us, upon the occurrence of a change in control event, as defined in our 2007 plan, that also constitutes a "change in control event" within the meaning of the regulations promulgated under Section 409A of the Code, or in the event of our termination of the consulting arrangement without cause, Mr. Peacock is entitled to receive a lump sum payment in an amount equal to the maximum amount of payments he could have received under the consulting arrangement had he provided consulting services for a full 12 month period (less any amounts he has already received). Mr. Peacock's employment agreement provides that any fees for consulting services provided by Mr. Peacock following the first anniversary of his termination of employment will be negotiated at arm's length.

Taxation

To the extent that any payment, benefit, or distribution (or combination thereof) by us or any of our affiliates to Dr. Guyer pursuant to his employment agreement or any other agreement, plan or arrangement would

be subject to the excise tax imposed by Section 4999 of the Code, Dr. Guyer is entitled to receive an amount that, after payment of all applicable taxes by Dr. Guyer, is equal to the excise tax and any other applicable interest or penalties that Dr. Guyer may owe in connection with such excise tax.

Stock Option and Other Compensation Plans

The two equity incentive plans described in this section are our amended and restated 2007 stock incentive plan, as amended to date, or the 2007 plan, and our 2013 stock incentive plan. Prior to this offering, we granted awards to eligible participants under the 2007 plan. Following the closing of this offering, we expect to grant awards to eligible participants under the 2013 stock incentive plan.

Amended and Restated 2007 Stock Incentive Plan

The 2007 plan was adopted by our board of directors and approved by our stockholders in December 2007. The 2007 plan provides for the grant of incentive stock options, nonstatutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights and other stock-based awards. Our employees, officers, directors, consultants and advisors are eligible to receive awards under our 2007 plan; however, incentive stock options may only be granted to our employees. A maximum of 23,009,224 shares of our common stock are authorized for issuance under the 2007 plan.

The type of award granted under our 2007 plan and the terms of such award are set forth in the applicable award agreement.

Effect of Certain Changes in Capitalization.

Upon the occurrence of any of a stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of common stock other than an ordinary cash dividend, our board of directors shall equitably adjust:

- the number and class of securities available under the 2007 plan;
- the number and class of securities and exercise price per share of each outstanding option;
- the number of shares subject to and the repurchase price per share subject to each outstanding restricted stock award; and
- the terms of each other outstanding award under the 2007 plan.

Effect of Certain Corporate Transactions

Upon the occurrence of a merger or consolidation of the company with or into another entity, as a result of which all of the outstanding shares of our common stock are exchanged for cash, securities or other property or is cancelled, or any exchange of all of the outstanding shares of our common stock for cash, securities or other property pursuant to a share exchange transaction or upon a liquidation or dissolution of the company, our board of directors may take any one or more of the following actions:

- provide that awards shall be assumed, or substantially equivalent awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof);
- upon written notice to a plan participant, provide that the participant’s unexercised awards will terminate immediately prior to the consummation of such transaction unless exercised by the participant within a specified period;
- provide that outstanding awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an award shall lapse, in whole or in part prior to or upon such transaction;

- in the event of such a transaction, under the terms of which holders of common stock will receive upon consummation thereof a cash payment for each share surrendered in the transaction, make or provide for a cash payment to a plan participant;
- provide that, in connection with a liquidation or dissolution of the company, awards shall convert into the right to receive liquidation proceeds; or
- any combination of the foregoing.

Our board of directors does not need to take the same action with respect to all awards and may take different actions with respect to portions of the same award.

Effect of a Change of Control

Pursuant to the terms of the 2007 plan, if, on or prior to the first anniversary of a change in control, the employment of a plan participant is terminated for good reason by the participant or without cause by the company, as such terms are defined in the 2007 plan:

- all unvested options then held by such participant shall immediately become exercisable in full; and
- all restricted stock then held by such participant shall immediately become free from all conditions or restrictions.

Our board of directors may at any time provide that any award will become immediately exercisable in full or in part, free from some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

As of August 15, 2013, there were options to purchase 15,475,338 shares of our common stock outstanding under the 2007 plan, at a weighted-average exercise price of $ per share, and options to purchase 3,171,911 shares of our common stock had been exercised.

2013 Stock Incentive Plan

Our board of directors has adopted and we expect our stockholders to approve the 2013 stock incentive plan, which will become effective immediately prior to the closing of this offering. The 2013 stock incentive plan provides for the grant of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, and other stock-based awards. Upon effectiveness of the 2013 stock incentive plan, the number of shares of our common stock that will be reserved for issuance under the 2013 stock incentive plan will be the sum of (1) the number of shares (up to 19,837,313 shares) equal to the sum of the number of shares of our common stock then available for issuance under the 2007 plan and the number of shares of our common stock subject to outstanding awards under the 2007 plan that expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by us at their original issuance price pursuant to a contractual repurchase right plus (2) an annual increase, to be added the first day of each fiscal year, beginning with the fiscal year ending December 31, 2014 and continuing until, and including, the fiscal year ending December 31, 2023, equal to the lowest of 15,000,000 shares of our common stock, 4% of the number of shares of our common stock outstanding on the first day of the fiscal year and an amount determined by our board of directors. Our employees, officers, directors, consultants and advisors are eligible to receive awards under the 2013 stock incentive plan. However, incentive stock options may only be granted to our employees.

Pursuant to the terms of the 2013 stock incentive plan, our board of directors (or a committee delegated by our board of directors) administers the plan and, subject to any limitations in the plan, selects the recipients of awards and determines:

- the number of shares of our common stock covered by options and the dates upon which the options become exercisable;

- the type of options to be granted;
- the duration of options, which may not be in excess of ten years;
- the exercise price of options, which must be at least equal to the fair market value of our common stock on the date of grant; and
- the number of shares of our common stock subject to and the terms of any stock appreciation rights, restricted stock awards, restricted stock units or other stock-based awards and the terms and conditions of such awards, including conditions for repurchase, measurement price, issue price and repurchase price (though the measurement price of stock appreciation rights must be at least equal to the fair market value of our common stock on the date of grant and the duration of such awards may not be in excess of ten years).

If our board of directors delegates authority to an executive officer to grant awards under the 2013 stock incentive plan, the executive officer has the power to make awards to all of our employees, except executive officers. Our board of directors will fix the terms of the awards to be granted by such executive officer, including the exercise price of such awards (which may include a formula by which the exercise will be determined), and the maximum number of shares subject to awards that such executive officer may make.

In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of our common stock other than an ordinary cash dividend, our board of directors is required by the 2013 stock incentive plan to make equitable adjustments, in a manner determined by our board, to:

- the number and class of securities available and the share counting rules under the 2013 stock incentive plan;
- the number and class of securities and exercise price per share of each outstanding option;
- the share and per-share provisions and measurement price of each outstanding stock appreciation right;
- the number of shares and the repurchase price per share subject to each outstanding restricted stock award or restricted stock unit award; and
- the share and per-share-related provisions and purchase price, if any, of any outstanding other stock-based award.

Upon a merger or other reorganization event (as defined in our 2013 stock incentive plan), our board of directors may, in its sole discretion, take any one or more of the following actions pursuant to the 2013 stock incentive plan as to some or all outstanding awards other than restricted stock:

- provide that all outstanding awards shall be assumed, or substantially equivalent awards shall be substituted, by the acquiring or successor corporation (or an affiliate thereof);
- upon written notice to a participant, provide that all of the participant's unvested and/or unexercised awards will terminate immediately prior to the consummation of such reorganization event unless exercised by the participant;
- provide that outstanding awards shall become exercisable, realizable or deliverable, or restrictions applicable to an award shall lapse, in whole or in part, prior to or upon such reorganization event;
- in the event of a reorganization event pursuant to which holders of shares of our common stock will receive a cash payment for each share surrendered in the reorganization event, make or provide for a cash payment to the participants with respect to each award held by a participant equal to (1) the number of shares of our common stock subject to the vested portion of the award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such reorganization event)

multiplied by (2) the excess, if any, of the cash payment for each share surrendered in the reorganization event over the exercise, measurement or purchase price of such award and any applicable tax withholdings, in exchange for the termination of such award; and/or

- provide that, in connection with a liquidation or dissolution, awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings).

Our board of directors does not need to take the same action with respect to all awards and may take different actions with respect to portions of the same award.

In the case of certain restricted stock units, no assumption or substitution is permitted, and the restricted stock units will instead be settled in accordance with the terms of the applicable restricted stock unit agreement.

Upon the occurrence of a reorganization event other than a liquidation or dissolution, the repurchase and other rights with respect to outstanding awards of restricted stock will continue for the benefit of the successor company and will, unless the board of directors may otherwise determine, apply to the cash, securities or other property into which shares of our common stock are converted or exchanged pursuant to the reorganization event. Upon the occurrence of a reorganization event involving a liquidation or dissolution, all restrictions and conditions on each outstanding restricted stock award will automatically be deemed terminated or satisfied, unless otherwise provided in the agreement evidencing the award of restricted stock.

At any time, our board of directors may, in its sole discretion, provide that any award under the 2013 stock incentive plan will become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part.

In addition, the 2013 stock incentive plan provides that, notwithstanding the provisions of the plan that may apply upon a reorganization event and except as otherwise provided for in the instrument evidencing an option or award of restricted stock or any other agreement between us and the participant, upon the occurrence of a change in control event (as defined in the 2013 stock incentive plan) each option shall become immediately exercisable and each award of restricted stock shall become immediately free from all conditions and restrictions, if, in either case, the employment of the participant holding such award is terminated by us (or our acquirer or successor) without cause (as defined in the 2013 stock incentive plan) or by the participant for good reason (as defined in the 2013 stock incentive plan), on or prior to the first anniversary of the date of the change in control event. Our board of directors may specify in an award at the time of grant the effect of a change in control event on any stock appreciation right, restricted stock unit or other stock-based award.

Unless our stockholders approve such action, the 2013 stock incentive plan provides that the we may not:

- amend any outstanding stock option or stock appreciation right granted under the plan to provide an exercise or measurement price per share that is lower than the then-current exercise or measurement price per share of such outstanding award;
- cancel any outstanding option or stock appreciation right (whether or not granted under the plan) and grant in substitution therefor new awards under the plan (other than as substitute awards in the event of a merger or consolidation involving us) covering the same or a different number of shares of common stock and having an exercise or measurement price per share lower than the then-current exercise or measurement price per share of the cancelled award;
- cancel in exchange for a cash payment any outstanding option or stock appreciation right with an exercise or measurement price per share above the then-current fair market value of our common stock; or
- take any other action that constitutes a “repricing” within the meaning of the rules of the NASDAQ Stock Market.

No award may be granted under the 2013 stock incentive plan on or after , 2023. Our board of directors may amend, suspend or terminate the 2013 stock incentive plan at any time, except that stockholder approval may be required to comply with applicable law or stock market requirements.

401(k) Retirement Plan

We maintain a 401(k) retirement plan that is intended to be a tax-qualified defined contribution plan under Section 401(k) of the Internal Revenue Code. In general, all of our employees are eligible to participate, beginning on the first day of the month following commencement of their employment. The 401(k) plan includes a salary deferral arrangement pursuant to which participants may elect to reduce their current compensation by up to the statutorily prescribed limit, equal to $17,500 in 2013, and have the amount of the reduction contributed to the 401(k) plan.

Limitations on Liability and Indemnification

Our certificate of incorporation, which will become effective upon the closing of this offering, limits the personal liability of directors for breach of fiduciary duty to the maximum extent permitted by the Delaware General Corporation Law and provides that no director will have personal liability to us or to our stockholders for monetary damages for breach of fiduciary duty or other duty as a director. However, these provisions do not eliminate or limit the liability of any of our directors:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- for voting for or assenting to unlawful payments of dividends, stock repurchases or other distributions; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment to or repeal of these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to such amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, our certificate of incorporation, which will become effective upon the closing of this offering, provides that we must indemnify our directors and officers and we must advance expenses, including attorneys' fees, to our directors and officers in connection with legal proceedings, subject to very limited exceptions.

We maintain a general liability insurance policy that covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers. In addition, we have entered into indemnification agreements with our directors. These indemnification agreements may require us, among other things, to indemnify each such director for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by him in any action or proceeding arising out of his service as one of our directors.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from the director or officer. It also is possible that the director or officer could amend or terminate the plan when not in possession of material, nonpublic information. In addition, our directors and executive officers may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

Director Compensation

Dr. Guyer, Chairman of our board of directors who now also serves as our Chief Executive Officer, does not receive any additional compensation for his service as a director.

Dr. Patel, the Vice Chairman of our board of directors who also serves as our President, does not receive any additional compensation for his service as a director.

Mr. Sblendorio received an option to purchase 89,000 shares of our common stock in connection with his election to our board of directors. The stock options granted to Mr. Sblendorio have an exercise price equal to the fair market value of our common stock on the date of grant and will expire ten years after the date of grant. The stock options granted to Mr. Sblendorio vest according to the same schedule as the initial stock option grants that are contemplated for our other non-employee directors and which are described below.

Following this offering, our non-employee directors will be compensated for their services on our board of directors as follows:

- each non-employee director will receive an option to purchase 130,000 shares of our common stock upon his or her initial election or appointment to our board of directors; similar awards will also be made to each currently-serving non-employee director (other than Mr. Sblendorio) as of the twenty-first trading day of our common stock on the NASDAQ Global Market (or Global Select Market, if applicable) at which time a supplemental award of an option to purchase an additional 41,000 shares will be granted to Mr. Sblendorio;
- each non-employee director who has served on our board of directors for at least six months will receive an annual grant of an option to purchase 55,000 shares of our common stock on the date of the first meeting of our board of directors held after each annual meeting of stockholders;
- each non-employee director will receive an annual fee of $40,000; and
- each non-employee director who serves as chairman of a committee of our board of directors will receive additional compensation as follows:
    - chairman of the audit committee–an additional annual fee of $15,000;
    - chairman of the compensation committee–an additional annual fee of $12,000; and
    - chairman of the nominating and corporate governance committee–an additional annual fee of $10,000.

The stock options granted to our non-employee directors will have an exercise price equal to the fair market value of our common stock on the date of grant and will expire ten years after the date of grant. The initial stock options granted to our non-employee directors will, subject to the director's continued service on our board, vest monthly in equal amounts over a three-year period through the earlier of the business day before the next annual meeting or the first anniversary of the grant date at which time they will vest in full. The annual stock options granted to our non-employee directors will, subject to the director's continued service on our board, vest monthly in equal amounts over a one-year period. Stock options granted to our non-employee directors will vest in full upon the occurrence of a change in control of us.

Each annual fee will be payable in arrears in four equal quarterly installments on the last day of each quarter, provided that the amount of each payment will be prorated for any portion of a quarter that a director is not serving on our board and no fee will be payable in respect of any period prior to the effective date of the registration statement of which this prospectus is a part.

Each member of our board of directors will also continue to be entitled to be reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the board of directors and any committee of the board of directors on which he or she serves.

Prior to this offering, other than the stock options granted to Mr. Sblendorio, we have not paid cash retainers or other compensation (other than the stock options previously granted to Mr. Sblendorio) with respect to service on our board of directors. We have historically reimbursed our directors for reasonable travel and other expenses incurred in connection with attending meetings of the board of directors or committees of the board of directors.

TRANSACTIONS WITH RELATED PERSONS

Since January 1, 2010, we have engaged in the following transactions with our directors, executive officers and holders of more than 5% of our voting securities, and affiliates of our directors, executive officers and holders of more than 5% of our voting securities. We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

Series C Preferred Stock Financing

In May 2013, we issued and sold an aggregate of 6,666,667 shares of our series C preferred stock at a price per share of $2.50, for an aggregate purchase price of $16,666,667. In August 2013, we issued and sold an aggregate of 13,333,333 additional shares of our series C preferred stock to the same purchasers at a price per share of $2.50, for an aggregate purchase price of $33,333,333. The following table sets forth the total number of shares of our series C preferred stock purchased by our directors, executive officers and 5% stockholders and their affiliates and the aggregate purchase price for such shares.

Name	Shares of Series C Preferred Stock Purchased	Aggregate Purchase Price
Clarus Lifesciences II, LP[1]	1,097,562	$ 2,743,905
SV Life Sciences Fund IV, L.P.[2]	56,476	141,190
SV Life Sciences Fund IV Strategic Partners, L.P.[2]	1,989,255	4,973,138
Novo A/S[3]	15,438,009	38,595,023
HBM Healthcare Investments (Cayman) Ltd.[4]	1,209,349	3,023,373
Samir C. Patel LLC[5]	136,179	340,448

(1) Clarus Ventures II GP, L.P., as the sole general partner of Clarus Lifesciences II, L.P., may be deemed to beneficially own certain of the shares held by Clarus Lifesciences II, L.P. Clarus Ventures II GP, L.P. disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P. in which Clarus Ventures II GP, L.P. does not have an actual pecuniary interest. Clarus Ventures II, LLC, as the sole general partner of Clarus Ventures II GP, L.P., may be deemed to beneficially own certain of the shares held by Clarus Lifesciences II, L.P. Clarus Ventures II, LLC disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P. in which it does not have an actual pecuniary interest. Each of Nicholas Galakatos, a member of our board of directors, and Denis Henner, Robert Liptak, Nicholas Simon, Michale Steinmetz and Kurt Wheeler, as individual Managing Directors of Clarus Ventures II, LLC, individually have investment and voting control over the shares held by Clarus Lifesciences II, L.P. Each of Messrs. Galakatos, Henner, Liptak, Simon, Steinmetz and Wheeler disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P except to the extent of any pecuniary interest therein.

(2) The general partner of SV Life Sciences Fund IV, L.P. and SV Life Sciences Fund IV Strategic Partners, L.P. is SV Life Sciences Fund IV (GP), LP. The general partner of SV Life Sciences Fund IV (GP), LP is SVLSF IV, LLC. The members of the investment committee for SVLSF IV, LLC are Kate Bingham, James Garvey, Lutz Giebel, Eugene D. Hill, III, David Milne and Michael Ross. Michael Ross, Ph.D., one of our directors, is a Managing Partner of SV Life Sciences Advisers, LLC. Dr. Ross disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. David R.Guyer, M.D., our Chief Executive Officer and Chairman of our board of directors, and Bruce Peacock, our Chief Financial and Business Officer, are Venture Partners of SV Life Sciences Advisers, LLC. Neither Dr. Guyer nor Mr. Peacock exercises investment or voting control over such shares and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

(3) Novo A/S is a Danish limited liability company. The board of directors of Novo A/S, which consists of Sten Scheibye, Göran Ando, Jørgen Boe, Jeppe Christiansen, Steen Riisgaard and Per Wold-Olsen, has sole voting and investment power with respect to the shares held by Novo A/S. None of the members of the board of directors of Novo A/S has individual voting or investment power with respect to such shares and

each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Dr. Dyrberg, a member of our board of directors, is employed as a Senior Partner of Novo A/ S. Dr. Dyrberg disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest arising as a result of his employment with Novo A/S.

(4) The board of directors of HBM Healthcare Investments (Cayman) Ltd. has sole voting and investment power with respect to the shares by held by such entity. The board of directors of HBM Healthcare Investments (Cayman) Ltd. is comprised of Jean-Marc Le Sieur, Richard Coles, Sophia Harris, Dr. Andreas Wicki and John Urquhart, none of whom has individual voting or investment power with respect to such shares, and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Mr. Bolte, a member of our board of directors, is an advisor to HBM Partners (Cayman) Ltd. HBM Partners (Cayman) Ltd. provides investment management services to HBM Healthcare Investments (Cayman) Ltd. Mr. Bolte has no voting or investment power over the shares held by HBM Healthcare Investments (Cayman) Ltd., and disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

(5) Dr. Patel exercises voting control over shares held by Samir C. Patel LLC.

Royalty Financing

In May 2013, we entered into a royalty purchase and sale agreement, or the royalty agreement, with Novo A/S, a 5% stockholder of which our director Dr. Dyrberg is an employee, pursuant to which we may obtain royalty financing in three tranches in an amount of up to $125,000,000 in return for the sale to Novo A/S of aggregate royalties at low to mid single-digit percentages of worldwide sales of Fovista, with the percentage determined by the amount of funding provided by Novo A/S. The first tranche of the royalty financing, in which Novo A/S purchased a low single-digit royalty interest and paid us $41,666,666, closed concurrently with our entry into the royalty agreement. Under the royalty agreement, Novo A/S agreed to purchase from us, and we agreed to sell to Novo A/S, two additional low single-digit royalty interests on worldwide sales of Fovista, in each case, for a purchase price of $41,666,666, or $83,333,332 in the aggregate for both additional tranches. The closing of each of the two subsequent financing tranches is subject to the enrollment of a specified number of patients in our planned Phase 3 clinical trials of Fovista and our satisfying additional closing conditions and other obligations. Under specified circumstances, however, including terminations, suspensions or delays of our planned Phase 3 clinical trials for Fovista or transactions involving a change of control of us in which the acquiring party does not meet certain specifications, Novo A/S has the option to cancel the subsequent purchase and sale of the additional royalty interests. We also have the option to cancel the subsequent purchase and sale of the additional royalty interests in specified circumstances, including terminations, suspensions or delays in our planned Phase 3 clinical trials for Fovista, any change of control of us, or the completion of equity financings meeting specified thresholds. The royalty agreement provides that we will use the remaining proceeds we received from the first tranche of financing and future proceeds, if any, under the royalty agreement primarily to support clinical development and regulatory activities for Fovista and for certain other permitted purposes. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Royalty Financing” for more information regarding this agreement.

Series B Preferred Stock Financing

In December 2009, we issued and sold an aggregate of 15,000,000 shares of our series B preferred stock, at a price per share of $1.00, for an aggregate purchase price of $15,000,000. In addition, on March 1, 2011, we issued and sold an aggregate of 15,000,000 additional shares of our series B preferred stock to the same purchasers at a price per share of $1.00, for an aggregate purchase price of $15,000,000. The following table sets forth the aggregate number of shares of our series B preferred stock purchased by our directors, executive officers and 5% stockholders and their affiliates and the aggregate purchase price for such shares.

Name	Shares of Series B Preferred Stock Purchased	Aggregate Purchase Price
Clarus Lifesciences II, LP[1]	15,000,000	$ 15,000,000
SV Life Sciences Fund IV, L.P.[2]	6,117,974	6,117,974
SV Life Sciences Fund IV Strategic Partners, L.P.[2]	173,692	173,692
Novo A/S[3]	5,208,334	5,208,334
HBM Healthcare Investments (Cayman) Ltd.[4]	2,083,334	2,083,334
Samir C. Patel LLC[5]	416,666	416,666

(1) Clarus Ventures II GP, L.P., as the sole general partner of Clarus Lifesciences II, L.P., may be deemed to beneficially own certain of the shares held by Clarus Lifesciences II, L.P. Clarus Ventures II GP, L.P. disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P. in which Clarus Ventures II GP, L.P. does not have an actual pecuniary interest. Clarus Ventures II, LLC, as the sole general partner of Clarus Ventures II GP, L.P., may be deemed to beneficially own certain of the shares held by Clarus Lifesciences II, L.P. Clarus Ventures II, LLC disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P. in which it does not have an actual pecuniary interest. Each of Nicholas Galakatos, a member of our board of directors, and Denis Henner, Robert Liptak, Nicholas Simon, Michale Steinmetz and Kurt Wheeler, as individual Managing Directors of Clarus Ventures II, LLC, individually have investment and voting control over the shares held by Clarus Lifesciences II, L.P. Each of Messrs. Galakatos, Henner, Liptak, Simon, Steinmetz and Wheeler disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P except to the extent of any pecuniary interest therein.

(2) The general partner of SV Life Sciences Fund IV, L.P. and SV Life Sciences Fund IV Strategic Partners, L.P. is SV Life Sciences Fund IV (GP), LP. The general partner of SV Life Sciences Fund IV (GP), LP is SVLSF IV, LLC. The members of the investment committee for SVLSF IV, LLC are Kate Bingham, James Garvey, Lutz Giebel, Eugene D. Hill, III, David Milne and Michael Ross. Michael Ross, Ph.D., one of our directors, is a Managing Partner of SV Life Sciences Advisers, LLC. Dr. Ross disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. David R.Guyer, M.D., our Chief Executive Officer and Chairman of our board of directors, and Bruce Peacock, our Chief Financial and Business Officer, are Venture Partners of SV Life Sciences Advisers, LLC. Neither Dr. Guyer nor Mr. Peacock exercises investment or voting control over such shares and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

(3) Novo A/S is a Danish limited liability company. The board of directors of Novo A/S, which consists of Sten Scheibye, Göran Ando, Jørgen Boe, Jeppe Christiansen, Steen Riisgaard and Per Wold-Olsen, has sole voting and investment power with respect to the shares held by Novo A/S. None of the members of the board of directors of Novo A/S has individual voting or investment power with respect to such shares and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Dr. Dyrberg, a member of our board of directors, is employed as a Senior Partner of Novo A/ S. Dr. Dyrberg disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest arising as a result of his employment with Novo A/S.

(4) The board of directors of HBM Healthcare Investments (Cayman) Ltd. has sole voting and investment power with respect to the shares by held by such entity. The board of directors of HBM Healthcare

Investments (Cayman) Ltd. is comprised of Jean-Marc Le Sieur, Richard Coles, Sophia Harris, Dr. Andreas Wicki and John Urquhart, none of whom has individual voting or investment power with respect to such shares, and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Mr. Bolte, a member of our board of directors, is an advisor to HBM Partners (Cayman) Ltd. HBM Partners (Cayman) Ltd. provides investment management services to HBM Healthcare Investments (Cayman) Ltd. Mr. Bolte has no voting or investment power over the shares held by HBM Healthcare Investments (Cayman) Ltd., and disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

(5) Dr. Patel exercises voting control over shares held by Samir C. Patel LLC.

Consulting Arrangement

In connection with the initial closing of our series B preferred stock financing in December 2009, we entered into a consulting arrangement with David R. Guyer, pursuant to which Dr. Guyer provided certain consulting services to us in exchange for cash payments of $10,833.33 per month. Dr. Guyer's consulting arrangement with us terminated in April 2013.

Registration Rights

We are a party to an investors' rights agreement with certain holders of our common stock and certain holders of our preferred stock, including some of our directors, executive officers and 5% stockholders and their affiliates and entities affiliated with our officers and directors. The investors' rights agreement provides these holders the right, following the completion of this offering, to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. See "Description of capital stock—registration rights" for additional information regarding these registration rights.

Indemnification Agreements

Our certificate of incorporation in effect upon the closing of this offering provides that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. In addition, we have entered into indemnification agreements with each of our directors. See "Executive compensation—Limitation of Liability and Indemnification" for additional information regarding these agreements.

Policies and Procedures for Related Person Transactions

Our board of directors has adopted written policies and procedures for the review of any transaction, arrangement or relationship in which Ophthotech is a participant, the amount involved exceeds $120,000 and one of our executive officers, directors, director nominees or 5% stockholders, or their immediate family members, each of whom we refer to as a "related person," has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a "related person transaction," the related person must report the proposed related person transaction to our Chief Financial Officer. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by our audit committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, the committee will review, and, in its discretion, may ratify the related person transaction. The policy also permits the chairman of the audit committee to review and, if deemed appropriate, approve proposed related person transactions that arise between committee meetings, subject to ratification by the committee at its next meeting. Any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by the audit committee after full disclosure of the related person's interest in the transaction. As appropriate for the circumstances, the committee will review and consider:

- the related person's interest in the related person transaction;

- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The audit committee may approve or ratify the transaction only if the committee determines that, under all of the circumstances, the transaction is in our best interests. The committee may impose any conditions on the related person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, our board of directors has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of this policy:

- interests arising solely from the related person's position as an executive officer of another entity (whether or not the person is also a director of such entity) that is a participant in the transaction, where (a) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, (b) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction and (c) the amount involved in the transaction is less than the greater of $200,000 or 5% of the annual gross revenues of the company receiving payment under the transaction; and
- a transaction that is specifically contemplated by provisions of our charter or bylaws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by the compensation committee in the manner specified in its charter.

We did not have a written policy regarding the review and approval of related person transactions prior to this offering. Nevertheless, with respect to such transactions, it was our policy for our board of directors to consider the nature of and business reason for such transactions, how the terms of such transactions compared to those which might be obtained from unaffiliated third parties and whether such transactions were otherwise fair to and in the best interests of, or not contrary to, our best interests. In addition, all related person transactions required prior approval, or later ratification, by our board of directors.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our common stock as of August 15, 2013 by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of our common stock.

The column entitled "Percentage of shares beneficially owned—Before Offering" is based on a total of 132,253,072 shares of our common stock outstanding as of August 15, 2013, assuming the conversion of all outstanding shares of our preferred stock, including shares of preferred stock that are issuable as accrued stock dividends, into an aggregate of 123,581,161 shares of our common stock upon the closing of this offering, assuming the closing of the offering occurred on August 15, 2013. The column entitled "Percentage of shares beneficially owned—after offering" is based on shares of our common stock to be outstanding after this offering, including the shares of our common stock that we are selling in this offering, but not including any additional shares issuable upon exercise of outstanding options or warrants.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common stock. Shares of our common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of August 15, 2013 are considered outstanding and beneficially owned by the person holding the options or warrants for the purpose of calculating the percentage ownership of that person but not for the purpose of calculating the percentage ownership of any other person. Except as otherwise noted, the persons and entities in this table have sole voting and investing power with respect to all of the shares of our common stock beneficially owned by them, subject to community property laws, where applicable. Except as otherwise set forth below, the address of the beneficial owner is c/o Ophthotech Corporation, One Penn Plaza, 35th Floor, New York, New York 10119.

Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Before Offering	After Offering
Named Executive Officers and Directors			
David R. Guyer, M.D. (1)	689,819	*	
Samir C. Patel, M.D. (2)	5,484,316	4.09%	
Bruce Peacock (3)	1,583,401	1.18%	
Evelyn M. Harrison (4)	2,071,953	1.55%	
Axel Bolte (6)	—	*	
Thomas Dyrberg, M.D., D.M.Sc. (7)	—	*	
Nicholas Galakatos, Ph.D. (5)	17,941,845	13.57%	
Michael Ross, Ph.D. (8)	35,469,914	26.80%	
Glenn Sblendorio (9)	7,417	*	
All Executive Officers and Directors as a group (9 persons)	63,248,665	46.06%	
5% Stockholders			
Clarus Lifesciences II, L.P. (5)	17,941,845	13.57%	
HBM Healthcare Investments (Cayman) Limited (6)	20,121,460	15.21%	
Novo A/S (7)	37,910,487	28.65%	
Entities Affiliated with SV Life Sciences (8)	35,469,915	26.80%	

* Less than one percent.

(1) Consists of (i) 414,819 shares of common stock underlying options that are exercisable as of August 15, 2012 or will become exercisable within 60 days after such date and (ii) 275,000 shares of common stock held by Dr. Guyer in his individual capacity.

(2) Consists of (i) 2,261,340 shares of common stock issuable upon conversion of shares of preferred stock held by Samir C. Patel, LLC, including shares of preferred stock issuable as accrued stock dividends, assuming the closing of this offering and the conversion of such shares occurred on August 15, 2013; (ii) 1,762,977 shares of common stock underlying options that are exercisable as of August 15, 2013 or will become exercisable within 60 days after such date; and (iii) 1,460,000 shares of common stock held by Dr. Patel in his individual capacity. Dr. Patel exercises voting control over shares held by Samir C. Patel LLC.

(3) Consists of 1,583,401 shares of common stock underlying options that are exercisable as of August 15, 2013 or will become exercisable within 60 days after such date.

(4) Consists of (i) 1,211,128 shares of common stock underlying options that are exercisable as of August 15, 2013 or will become exercisable within 60 days after such date and (ii) 860,825 shares of common stock.

(5) Consists of 17,941,845 shares of common stock issuable upon conversion of shares of preferred stock, including shares of preferred stock issuable as accrued stock dividends, assuming the closing of this offering and the conversion of such shares occurred on August 15, 2013, held by Clarus Lifesciences II, L.P. Clarus Ventures II GP, L.P., as the sole general partner of Clarus Lifesciences II, L.P., may be deemed to beneficially own certain of the shares held by Clarus Lifesciences II, L.P. Clarus Ventures II GP, L.P. disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P. in which Clarus Ventures II GP, L.P. does not have an actual pecuniary interest. Clarus Ventures II, LLC, as the sole general partner of Clarus Ventures II GP, L.P., may be deemed to beneficially own certain of the shares held by Clarus Lifesciences II, L.P. Clarus Ventures II, LLC disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P. in which it does not have an actual pecuniary interest. Each of Nicholas Galakatos, a member of our board of directors, and Denis Henner, Robert Liptak, Nicholas Simon, Michale Steinmetz and Kurt Wheeler, as individual Managing Directors of Clarus Ventures II, LLC, individually have investment and voting control over the shares held by Clarus Lifesciences II, L.P. Each of Messrs. Galakatos, Henner, Liptak, Simon, Steinmetz and Wheeler disclaims beneficial ownership of all shares held by Clarus Lifesciences II, L.P except to the extent of any pecuniary interest therein. The address of Clarus Ventures II, LLC, Clarus Lifesciences II, L.P. and their affiliates is 101 Main St. #1210, Cambridge MA 02142.

(6) Consists of (i) 20,041,165 shares of common stock issuable upon conversion of shares of preferred stock, including shares of preferred stock issuable as accrued stock dividends, assuming the closing of this offering and the conversion of such shares occurred on August 15, 2013, and 80,295 shares of common stock issuable upon exercise of immediately exercisable warrants, including the conversion of shares of preferred stock issuable upon exercise of the warrants, after giving effect to an adjustment to account for additional shares issuable as accrued stock dividends, assuming the closing of this offering and the conversion of our outstanding shares of preferred stock occurred on August 15, 2013, held by HBM Healthcare Investments (Cayman) LTD. The board of directors of HBM Healthcare Investments (Cayman) Ltd. has sole voting and investment power with respect to the shares by held by such entity. The board of directors of HBM Healthcare Investments (Cayman) Ltd. is comprised of Jean-Marc Le Sieur, Richard Coles, Sophia Harris, Dr. Andreas Wicki and John Urquhart, none of whom has individual voting or investment power with respect to such shares, and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Mr. Bolte is an advisor to HBM Partners (Cayman) Ltd. HBM Partners (Cayman) Ltd. provides investment management services to HBM Healthcare Investments (Cayman) Ltd. Mr. Bolte, a member of our board of directors, has no voting or investment power over the shares held by HBM Healthcare Investments (Cayman) Ltd., and disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. The address for HBM Healthcare Investments (Cayman) Ltd. is Governor’s Square, Suite #4-212-2, 23 Lime Tree Bay Avenue, West Bay, Grand Cayman.

(7) Consists of (i) 37,830,192 shares of common stock issuable upon conversion of shares of preferred stock, including shares of preferred stock issuable as accrued stock dividends, assuming the closing of this offering and the conversion of such shares occurred on August 15, 2013, and 80,295 shares of common stock issuable upon exercise of immediately exercisable warrants, including the conversion of shares of preferred stock issuable upon exercise of the warrants, after giving effect to an adjustment to account for additional shares issuable as accrued stock dividends, assuming the closing of this offering and the conversion of our outstanding shares of preferred stock occurred on August 15, 2013, held by Novo A/S. Novo A/S is a Danish limited liability company. The board of directors of Novo A/S, which consists of Sten Scheibye, Göran Ando, Jørgen Boe, Jeppe Christiansen, Steen Riisgaard and Per Wold-Olsen, has sole voting and investment power with respect to the shares held by Novo A/S. None of the members of the board of directors of Novo A/S has individual voting or investment power with respect to such shares and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Dr. Dyrberg, a member of our board of directors, is employed as a Senior Partner of Novo A/ S. Dr. Dyrberg disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest arising as a result of his employment with Novo A/S. The address for Novo A/S is Tuborg Havnevej 19, 2900 Hellerup, Denmark.

(8) Consists of (i) 32,954,031 shares of common stock issuable upon conversion of shares of preferred stock, including shares of preferred stock issuable as accrued stock dividends, assuming the closing of this offering and the conversion of such shares occurred on August 15, 2013, and 78,079 shares of common stock issuable upon exercise of immediately exercisable warrants, including the conversion of shares of preferred stock issuable upon exercise of the warrants, after giving effect to an adjustment to account for additional shares issuable as accrued stock dividends, assuming the closing of this offering and the conversion of our outstanding shares of preferred stock occurred on August 15, 2013, held by SV Life Sciences Fund IV, L.P.; (ii) 935,589 shares of common stock issuable upon conversion of shares of preferred stock, including shares of preferred stock issuable as accrued stock dividends, assuming the closing of this offering and the conversion of such shares occurred on August 15, 2013, and 2,216 shares of common stock issuable upon exercise of immediately exercisable warrants, including the conversion of shares of preferred stock issuable upon exercise of the warrants, after giving effect to an adjustment to account for additional shares issuable as accrued stock dividends, assuming the closing of this offering and the conversion of our outstanding shares of preferred stock occurred on August 15, 2013, held by SV Life Sciences Fund IV Strategic Partners, L.P.; and (iii) 1,500,000 shares of common stock, held by SV Life Sciences Advisers, LLC. The general partner of SV Life Sciences Fund IV, L.P. and SV Life Sciences Fund IV Strategic Partners, L.P. is SV Life Sciences Fund IV (GP), LP. The general partner of SV Life Sciences Fund IV (GP), LP is SVLSF IV, LLC. The members of the investment committee for SV Life Sciences Advisers, LLC are Darren Black, Kate Bingham, James Garvey, Lutz Giebel, Eugene D. Hill, III, David Milne and Michael Ross. The members of the investment committee for SVLSF IV, LLC are Kate Bingham, James Garvey, Lutz Giebel, Eugene D. Hill, III, David Milne and Michael Ross. Michael Ross, Ph.D., one of our directors, is a Managing Partner of SV Life Sciences Advisers, LLC. Dr. Ross disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. David R.Guyer, M.D., our Chief Executive Officer and Chairman of our board of directors, and Bruce Peacock, our Chief Financial and Business Officer, are Venture Partners of SV Life Sciences Advisers, LLC. Neither Dr. Guyer nor Mr. Peacock exercises investment or voting control over such shares and each disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. The address of SVLSF IV, LLC, SV Life Sciences Advisers, LLC, and their affiliates is One Boston Place, Suite 3900, Boston, MA 02108.

(9) Consists of 7,417 shares of common stock underlying options that are exercisable as of August 15, 2013 or will become exercisable within 60 days after such date.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and provisions of our certificate of incorporation and bylaws are summaries and are qualified by reference to the certificate of incorporation and the bylaws that will be in effect upon the closing of this offering. We have filed copies of these documents with the SEC as exhibits to our registration statement of which this prospectus forms a part. The description of the capital stock reflects changes to our capital structure that will occur upon the closing of this offering.

Upon the closing of this offering, our authorized capital stock will consist of shares of our common stock, $0.001 par value per share, and shares of our preferred stock, $0.001 par value per share, all of which preferred stock will be undesignated.

As of August 15, 2013, we had issued and outstanding:

- 8,671,911 shares of our common stock held by 43 stockholders of record;
- 3,000,000 shares of our junior series A preferred stock that are convertible into 3,000,000 shares of our common stock;
- 51,790,000 shares of our series A preferred stock that are convertible into 51,790,000 shares of our common stock; and
- 6,000,000 shares of our series A-1 preferred stock that are convertible into 6,000,000 shares of our common stock;
- 30,000,000 shares of our series B preferred stock that are convertible into 30,000,000 shares of our common stock;
- 500,000 shares of our series B-1 preferred stock that are convertible into 500,000 shares of our common stock; and
- 20,000,000 shares of our series C preferred stock that are convertible into 20,000,000 shares of our common stock.

As of August 15, 2013, we also had outstanding:

- options to purchase 15,475,338 shares of our common stock, at a weighted-average exercise price of $ per share;
- warrants to purchase 210,000 shares of our series A preferred stock, at an exercise price of $0.01 per share; and
- warrants to purchase 355,900 shares of our series B preferred stock, at a weighted average exercise price of $1.55 per share.

Upon the closing of this offering:

- all outstanding shares of our preferred stock, including shares of preferred stock issuable as accrued stock dividends, will automatically convert into an aggregate of 123,581,161 shares of our common stock, assuming the closing occurred on August 15, 2013;
- the warrants outstanding to purchase an aggregate of 210,000 shares of our series A preferred stock, at an exercise price of $0.01 per share, will instead become exercisable for 240,884 shares of our common stock, after giving effect to an adjustment to account for additional shares issuable as accrued stock dividends, at an exercise price of $0.01 per share, assuming the closing occurred on August 15, 2013; and

- the warrants outstanding to purchase an aggregate of 355,900 shares of our series B preferred stock, at a weighted-average exercise price of $1.55 per share, will instead become exercisable for 355,900 shares of our common stock at a weighted average exercise price of $1.55 per share.

Common Stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Each election of directors by our stockholders will be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock.

In the event of our liquidation or dissolution, the holders of our common stock are entitled to receive proportionately all assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any of our outstanding preferred stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our certificate of incorporation that will become effective upon the closing of this offering, our board of directors is authorized to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Upon the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Warrants

As of August 15, 2013, we had outstanding:

- warrants to purchase 210,000 shares of our series A preferred stock, at an exercise price of $0.01 per share; and
- warrants to purchase 355,900 shares of our series B preferred stock, at a weighted average exercise price of $1.55 per share.

Upon the closing of this offering:

- the warrants outstanding to purchase an aggregate of 210,000 shares of our series A preferred stock, at an exercise price of $0.01 per share, will instead become exercisable for an aggregate of 240,884 shares of our common stock, after giving effect to an adjustment to account for additional shares issuable as accrued stock dividends, at an exercise price of $0.01 per share, assuming the closing occurred on August 15, 2013; and
- the warrants outstanding to purchase an aggregate of 355,900 shares of our series B preferred stock, at a weighted-average exercise price of $1.55 per share, will instead become exercisable for an aggregate of 355,900 shares of our common stock at a weighted average exercise price of $1.55 per share.

These warrants provide for adjustments in the event of specified mergers, reorganizations, reclassifications, stock dividends, stock splits or other changes in our corporate structure.

Options

As of August 15, 2013, we had options to purchase 15,475,338 shares of our common stock, at a weighted-average exercise price of $ per share.

Delaware Anti-Takeover Law and Certain Charter and By-Law provisions

Delaware Law

We are subject to Section 203 of the Delaware General Corporation Law. Subject to certain exceptions, Section 203 prevents a publicly held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless either the interested stockholder attained such status with the approval of our board of directors, the business combination is approved by our board of directors and stockholders in a prescribed manner or the interested stockholder acquired at least 85% of our outstanding voting stock in the transaction in which it became an interested stockholder. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" and the sale of more than 10% of our assets. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person. The restrictions contained in Section 203 are not applicable to any of our existing stockholders that will own 15% or more of our outstanding voting stock upon the closing of this offering.

Staggered Board; Removal of Directors

Our certificate of incorporation and our bylaws divide our board of directors into three classes with staggered three-year terms. In addition, our certificate of incorporation and our bylaws provide that directors may be removed only for cause and only by the affirmative vote of the holders of 75% of our shares of capital stock present in person or by proxy and entitled to vote. Under our certificate of incorporation and bylaws, any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office. Furthermore, our certificate of incorporation provides that the authorized number of directors may be changed only by the resolution of our board of directors. The classification of our board of directors and the limitations on the ability of our stockholders to remove directors, change the authorized number of directors and fill vacancies could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of our company.

Stockholder Action; Special Meeting of Stockholders; Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our certificate of incorporation and our bylaws provide that any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting and may not be taken by written action in lieu of a meeting. Our certificate of incorporation and our bylaws also provide that, except as otherwise required by law, special meetings of the stockholders can only be called by the chairman of our board of directors, our president or chief executive officer or our board of directors. In addition, our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to our board of directors. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors, or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such

business before the meeting. These provisions could have the effect of delaying until the next stockholder meeting stockholder actions that are favored by the holders of a majority of our outstanding voting securities. These provisions also could discourage a third party from making a tender offer for our common stock, because even if it acquired a majority of our outstanding voting stock, it would be able to take action as a stockholder, such as electing new directors or approving a merger, only at a duly called stockholders meeting and not by written consent.

Super-Majority Voting

The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our bylaws may be amended or repealed by a majority vote of our board of directors or the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in any annual election of directors. In addition, the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in any election of directors is required to amend or repeal or to adopt any provisions inconsistent with any of the provisions of our certificate of incorporation described above.

Registration Rights

We have entered into a third amended and restated investors' rights agreement, dated May 23, 2013, which we refer to as the investors' rights agreement, with the holders of our preferred stock. Upon the completion of this offering, holders of a total of 121,176,887 shares of our common stock as of June 30, 2013, including shares issued upon conversion of our preferred stock and shares issuable upon the exercise of warrants, will have the right to require us to register these shares under the Securities Act of 1933, as amended, or Securities Act, and to participate in future registrations of securities by us, under the circumstances described below. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act. If not otherwise exercised, the rights described below will expire five years after the closing of this offering.

Demand Registration Rights

Beginning 180 days after the effective date of the registration statement of which this prospectus forms a part, subject to specified limitations set forth in the investors' rights agreement, at any time, the holders of 60% of the then outstanding shares having rights under the investors' rights agreement, which we refer to as registrable shares, may at any time demand in writing that we register all or a portion of the registrable shares under the Securities Act. We are not obligated to file a registration statement pursuant to this provision on more than two occasions, and we are not obligated to file a registration statement pursuant to this provision within 180 days of the effective date of any other registration statement that we may file.

Form S-3 Registration Rights

In addition, at any time after we become eligible to file a registration statement on Form S-3, subject to specified limitations set forth in the investors' rights agreement, the holders of registrable shares may demand in writing that we register on Form S-3 all or a portion of the registrable shares so long as the total amount of registrable shares being registered have an aggregate offering price net of selling expenses of at least $3 million (based on the then current market price). We are not obligated to file a Form S-3 pursuant to this provision if we have effected two or more registrations in the twelve months immediately preceding such request, and we are not obligated to file a registration statement pursuant to this provision within 90 days of the effective date of any other registration statement that we may file.

Incidental Registration Rights

If, at any time after the closing of this offering, we propose to file a registration statement under the Securities Act, other than pursuant to the demand registration rights described above, the holders of registrable shares will be entitled to notice of the registration and, subject to specified exceptions in the case of an underwritten offering, including market conditions, have the right to require us to register all or a portion of the registrable shares then held by them.

In the event that any registration in which the holders of registrable shares participate pursuant to our investors' rights agreement is an underwritten public offering, we agree to enter into an underwriting agreement containing customary representation and warranties and covenants, including without limitation customary provisions with respect to indemnification of the underwriters of such offering. Holders of registrable securities must agree to any such underwriting agreement as a condition to participation in the offering. If the total number of shares, including registrable shares, requested by holders to be included in such offering exceeds the number of shares to be sold (other than by us) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then we will be required to include in the offering only that number of such shares, including registrable shares, which we and the underwriters in their sole discretion determine will not jeopardize the success of the offering.

Expenses

Pursuant to the investors' rights agreement, we are required to pay all registration expenses, including registration and filing fees, exchange listing fees, printing expenses and accounting fees and the fees and expenses, not to exceed $25,000, of one counsel to represent the selling stockholders, other than any underwriting discounts and commissions, that are related to any demand or incidental registration described above. The registration rights agreement contains customary cross-indemnification provisions, pursuant to which we are obligated to indemnify the selling stockholders in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions in the registration statement attributable to them.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be .

NASDAQ Global Market

We have applied to have our common stock listed on The NASDAQ Global Market under the symbol "OPHT".

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and a liquid trading market for our common stock may not develop or be sustained after this offering. Future sales of substantial amounts of our common stock in the public market, including shares issued upon exercise of outstanding options, or the anticipation of these sales, could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through sales of equity securities.

Upon the closing of this offering, we will have outstanding shares of our common stock, after giving effect to the issuance of shares of our common stock in this offering, assuming no exercise by the underwriters of their option to purchase additional shares and no exercise of options or warrants outstanding as of June 30, 2013.

Of the shares to be outstanding immediately after the closing of this offering, we expect that the shares to be sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining shares of our common stock outstanding after this offering will be "restricted securities" under Rule 144, and we expect that substantially all of these restricted securities will be subject to the 180-day lock-up period under the lock-up agreements as described below. These restricted securities may be sold in the public market upon release or waiver of applicable lock-up agreements and only if registered or pursuant to an exemption from registration, such as Rule 144 or Rule 701 under the Securities Act.

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, any person who is not our affiliate and has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, subject to the availability of current public information about us. In addition, under Rule 144, any person who is not our affiliate and has not been our affiliate at any time during the preceding three months and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available.

Beginning 90 days after the date of this prospectus, a person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; and
- the average weekly trading volume of our common stock on The NASDAQ Global Market during the four calendar weeks preceding the filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Upon waiver or expiration of the 180-day lock-up period described below, approximately shares of our common stock will be eligible for sale under Rule 144. We cannot estimate the number of shares of our common stock that our existing stockholders will elect to sell under Rule 144.

Rule 701

In general, under Rule 701 of the Securities Act, any of our employees, consultants or advisors, other than our affiliates, who purchased shares from us in connection with a qualified compensatory stock plan or other written agreement is eligible to resell these shares 90 days after the date of this prospectus in reliance on Rule 144, but without compliance with the holding period requirements of Rule 144 and without regard to the volume of such sales or the availability of public information about us. Subject to the 180-day lock-up period described below, approximately shares of our common stock will be eligible for sale in accordance with Rule 701.

Lock-Up Agreements

We and each of our directors and executive officers and holders of our outstanding common stock, who collectively own % of our common stock, based on shares outstanding as of , 2013, have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, on behalf of the underwriters, we and they will not, subject to limited exceptions, during the period ending 180 days after the date of this prospectus, either directly or indirectly:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock beneficially owned by us or them or any securities so owned convertible into or exercisable or exchangeable for common stock;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock; or
- publicly disclose the intention to make any such offer, sale, pledge or disposition of shares of common stock.

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. Each of our directors and executive officers and holders of our outstanding common stock have also agreed during such 180-day period not to make any demand for or exercise any right with respect to, the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

The lock-up restrictions and specified exceptions are described in more detail under “Underwriters.”

Registration Rights

Upon the closing of this offering, the holders of shares of our common stock or their transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See “Description of capital stock—registration rights” for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of lock-up agreements applicable to such shares.

Stock Options

As of August 15, 2013, we had outstanding options to purchase 15,475,338 shares of our common stock, of which options to purchase 6,132,839 shares were vested. Following this offering, we intend to file one or more registration statements on Form S-8 under the Securities Act to register all of the shares of our common stock subject to outstanding options and options and other awards issuable pursuant to the 2013 stock incentive plan and our pre-IPO stock incentive plans. See “Executive compensation—stock option and other compensation plans” for additional information regarding these plans. Accordingly, shares of our common stock registered under the registration statements will be available for sale in the open market, subject to Rule 144 volume limitations applicable to affiliates, and subject to any vesting restrictions and lock-up agreements applicable to these shares.

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of material U.S. federal income and estate tax considerations relating to ownership and disposition of our common stock by a non-U.S. holder. For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or if the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

This discussion is based on current provisions of the Code, existing and proposed U.S. Treasury Regulations promulgated thereunder, current administrative rulings and judicial decisions, all as in effect as of the date of this prospectus and all of which are subject to change or to differing interpretation, possibly with retroactive effect. Any change could alter the tax consequences to non-U.S. holders described in this prospectus. In addition, the Internal Revenue Service, or the IRS, could challenge one or more of the tax consequences described in this prospectus.

We assume in this discussion that each non-U.S. holder holds shares of our common stock as a capital asset (generally, property held for investment). This discussion does not address all aspects of U.S. federal income and estate taxation, including the Medicare contribution tax, that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances nor does it address any aspects of U.S. state, local or non-U.S. taxes. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address the special tax rules applicable to particular non-U.S. holders, such as:

- financial institutions;
- brokers or dealers in securities;
- tax-exempt organizations;
- pension plans;
- owners that hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;
- insurance companies;
- controlled foreign corporations;
- passive foreign investment companies; and
- certain U.S. expatriates.

In addition, this discussion does not address the tax treatment of partnerships or persons who hold their common stock through partnerships or other entities which are pass-through entities for U.S. federal income tax purposes. A partner in a partnership or other pass-through entity that will hold our common stock should consult his, her or its own tax advisor regarding the tax consequences of the ownership and disposition of our common stock through a partnership or other pass-through entity, as applicable.

Prospective investors should consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. income and other tax considerations of acquiring, holding and disposing of our common stock.

Dividends

If we pay distributions on our common stock, those distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the non-U.S. holder's investment, up to such holder's tax basis in the common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below under the heading "Gain on Disposition of Common stock." Any such distribution would also be subject to the discussion below under the section titled "Withholding and Information Reporting Requirements—FATCA."

As discussed under "Dividend Policy," we do not expect to pay cash dividends to holders of our common stock in the foreseeable future. In the event we do pay dividends, dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States, and if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements (generally, IRS Form W-8ECI). However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons (as defined in the Code), subject to an applicable income tax treaty providing otherwise. Any U.S. effectively connected income received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence.

A non-U.S. holder of our common stock who claims the benefit of an applicable income tax treaty between the United States and such holder's country of residence generally will be required to provide a properly executed IRS Form W-8BEN (or successor form) and satisfy applicable certification and other requirements. Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS.

Gain on Disposition of Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income tax on gain realized on a disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States; in these cases, the non-U.S. holder will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons, subject to an applicable income tax treaty providing otherwise, and if the non-U.S. holder is a corporation, an additional branch profits tax at a rate of 30%, or a lower rate as may be specified by an applicable income tax treaty, may also apply;
- the non-U.S. holder is a nonresident alien present in the United States for 183 days or more in the taxable year of the disposition and certain other requirements are met, in which case the non-U.S.

holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the net gain derived from the disposition, which may be offset by U.S.-source capital losses of the non-U.S. holder, if any; or

- we are, or have been at any time during the five-year period preceding such disposition (or the non-U.S. holder's holding period, if shorter), a "U.S. real property holding corporation," unless our common stock is regularly traded on an established securities market and the non-U.S. holder held no more than 5% of our outstanding common stock, directly or indirectly, during the shorter of the five-year period ending on the date of the disposition or the period that the non-U.S. holder held our common stock. Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" (as defined in the Code and applicable regulations) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business.

Although there can be no assurance, we believe that we are not currently, and we do not anticipate becoming, a "U.S. real property holding corporation" for U.S. federal income tax purposes.

No assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rule described above.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the gross amount of the distributions on our common stock paid to such holder and the tax withheld, if any, with respect to such distributions. Non-U.S. holders may have to comply with specific certification procedures to establish that the holder is not a U.S. person (as defined in the Code) in order to avoid backup withholding at the applicable rate, currently 28%, with respect to dividends on our common stock. Generally, a holder will comply with such procedures if it provides a properly executed IRS Form W-8BEN (or other applicable Form W-8) or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. holder, or otherwise establishes an exemption. Dividends paid to non-U.S. holders subject to withholding of U.S. federal income tax, as described above under the heading "Dividends," will generally be exempt from U.S. backup withholding.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of our common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Federal Estate Tax

Common stock owned or treated as owned by an individual who is a non-U.S. holder (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes and, therefore, may be subject to U.S. federal estate tax, unless an applicable estate tax law or other treaty provides otherwise.

Withholding and Information Reporting Requirements—FATCA

Recently enacted legislation, which is commonly referred to as "FATCA," will impose U.S. federal withholding tax of 30% on payments of dividends on and gross proceeds from the sale or disposition of, our common stock if paid to a foreign entity unless (i) if the foreign entity is a "foreign financial institution," the foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) if the foreign entity is not a "foreign financial institution," the foreign entity identifies certain of its U.S. investors, if any, or (iii) the foreign entity is otherwise exempt under FATCA. Although this legislation is effective with regards to amounts paid after December 31, 2012, under recent guidance from the IRS, withholding under FATCA will only apply to payments of dividends on our common stock made after June 30, 2014 and, under final regulations issued by the U.S. Department of Treasury on January 17, 2013, withholding will only apply to payments of gross proceeds from a sale or other disposition of our common stock made after December 31, 2016. Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits for such taxes.

Prospective investors should consult their own tax advisors regarding the possible impact of the FATCA rules on their investment in our common stock, and the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

The preceding discussion of material U.S. federal tax considerations is for general information only. It is not tax advice. Prospective investors should consult their own tax advisors regarding the particular U.S. federal, state, local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed changes in applicable laws.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
Leerink Swann LLC	
Stifel, Nicolaus & Company, Incorporated	
Total:	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ a share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us:	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority of up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to list our common stock on The NASDAQ Global Market under the trading symbol “OPHT”.

We and all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended) or any securities so owned convertible into or exercisable or exchangeable for shares of common stock;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock; or
- publicly disclose the intention to make any such offer, sale, pledge or disposition of shares of common stock.

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to us in respect of:

a) the sale of shares to the underwriters; or

b) the issuance by us of shares of common stock upon the exercise of an option or warrant or the conversion of a security described in this prospectus and outstanding on the date hereof, provided, that we will cause each recipient of any such issuance to execute and deliver to Morgan Stanley & Co. LLP and J.P. Morgan Securities LLC a lock-up agreement if such recipient has not already delivered one; or

c) any options and other awards granted under a stock incentive plan or stock purchase plan described in this prospectus, provided, that we will cause each recipient of any such grant to execute and deliver to Morgan Stanley & Co. LLP and J.P. Morgan Securities LLC a lock-up agreement if such recipient has not already delivered one; or

d) the filing by us of any registration statement on Form S-8 or a successor form thereto relating to the shares of common stock granted pursuant to or reserved for issuance under a stock incentive plan or stock purchase plan described in this prospectus; or

e) shares of common stock or other securities issued in connection with a transaction that includes a commercial relationship (including joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property license agreements) or any acquisition of assets or not less than a majority or controlling portion of the equity of another entity, provided that (x) the aggregate number of shares of common stock issued pursuant to this clause (e) shall not exceed 5.0% of the total number of outstanding shares of common stock and (y) the recipient of any such shares of common stock and securities issued pursuant to this clause (e) during the restricted period shall enter into a lock-up agreement; or

f) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the us regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period.

The restrictions described in the second immediately preceding paragraph do not apply to directors, officers and security holders in respect of:

a) transfers or dispositions of common stock acquired in this offering (other than any issuer-directed shares of common stock purchased in the public offering by an officer or director of ours) or acquired in open market transactions after the completion of this offering; or

b) the exercise of options to purchase shares of common stock granted under a stock incentive plan or stock purchase plan which is described in this prospectus or the exercise of warrants to purchase shares of common stock described in this prospectus and outstanding as of the date of this prospectus, *provided* that the underlying common stock continues to be subject to the restrictions set forth above; or

c) the exercise of options to purchase shares of common stock granted under a stock incentive plan or stock purchase plan described in this prospectus pursuant to an arrangement whereby we withhold shares issuable pursuant to such option in payment of the exercise price, *provided* that no filing under Section 16(a) of the Exchange Act or other public announcement, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the Restricted Period in connection with such option exercise, and *provided* further that the underlying common stock issued upon the exercise of such options continues to be subject to the restrictions set forth above; or

d) transfers or dispositions to us of common stock or any security convertible into or exercisable or exchangeable for common stock pursuant to any contractual arrangement in effect on the date of the lock-up agreement that provides for the repurchase by us of the director's, officer's or security holder's common stock or such other securities or in connection with the termination of the director's, officer's or security holder's employment with us; or

e) transfers or dispositions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock as a bona fide gift; or

f) transfers or dispositions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock by will or other testamentary document or by intestacy; or

g) distributions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock to limited partners, members, stockholders or trust beneficiaries of the directors, officers or security holders or to any investment fund or other entity controlled or managed by the directors, officers or security holders; or

h) transfers or dispositions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock to any trust for the direct or indirect benefit of the director, officer or security holder or the immediate family of the director, officer or security holder in a transaction not involving a disposition for value;

provided that (i) in the case of any transfer or distribution pursuant to clause (e), (f), (g) or (h), each donee, transferee or distributee shall sign and deliver a lock-up letter substantially in the form of the lock-up agreement and (ii) in the case of any transfer or distribution pursuant to clause (a), (e), (g) or (h), no filing under Section 16(a) of the Exchange Act or other public announcement, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the Restricted Period in

connection with such transfer or distribution, or (i) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of our directors, officers or security holders regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the Restricted Period. For purposes of the lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin.

The representatives, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

The validity of the shares of our common stock offered hereby is being passed upon for us by Wilmer Cutler Pickering Hale and Dorr LLP. Davis Polk & Wardwell LLP is acting as counsel for the underwriters in connection with this offering.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements at December 31, 2011 and 2012, and for the years then ended and for the period from January 5, 2007 (Inception) to December 31, 2012, as set forth in their report. We have included our financial statements in this prospectus and elsewhere in this registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock we are offering to sell. This prospectus, which constitutes part of the registration statement, does not include all of the information contained in the registration statement and the exhibits, schedules and amendments to the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and to the exhibits and schedules to the registration statement. Statements contained in this prospectus about the contents of any contract, agreement or other document are not necessarily complete, and, in each instance, we refer you to the copy of the contract, agreement or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference to such contract, agreement or document.

You may read and copy the registration statement of which this prospectus is a part at the SEC's public reference room, which is located at 100 F Street, N.E., Room 1580, Washington, DC 20549. You can request copies of the registration statement by writing to the Securities and Exchange Commission and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the SEC's public reference room. In addition, the SEC maintains an Internet website, which is located at www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may access the registration statement of which this prospectus is a part at the SEC's Internet website. Upon completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934, and we will file reports, proxy statements and other information with the SEC.

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OPHTHOTECH CORPORATION
(A Development Stage Entity)

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Ophthotech Corporation

We have audited the accompanying balance sheets of Ophthotech Corporation (a development stage entity) (the Company) as of December 31, 2011 and 2012, and the related statements of operations, changes in stockholders' deficit and cash flows for the years then ended and for the period from January 5, 2007 (Inception) to December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ophthotech Corporation at December 31, 2011 and 2012, and the results of its operations and its cash flows for the years then ended and for the period from January 5, 2007 (Inception) to December 31, 2012 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

MetroPark, New Jersey
July 11, 2013

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Balance Sheets

	December 31, 2011	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$ 6,396,003	$ 4,304,536
Prepaid expenses and other deposits	64,560	43,609
Other receivables	1,036,391	—
Debt issuance costs	—	330,692
Security deposits	—	158,399
Total current assets	7,496,954	4,837,236
Property and equipment, net	73,308	42,152
Security deposits	158,045	—
Total assets	$ 7,728,307	$ 4,879,388
Liabilities, Convertible Redeemable Series A, Series A-1, Series B and Series B-1 Preferred Stock and stockholders' deficit		
Current liabilities:		
Notes payable	$ —	$ 11,039,901
Accrued clinical drug supplies and trial costs	1,497,382	1,012,984
Accounts payable and accrued expenses	851,149	865,672
Accrued bonuses	775,038	525,862
Warrant liability	193,171	965,780
Deferred rent	22,039	—
Total current liabilities	3,338,779	14,410,199
Commitments and contingencies		
Preferred Stock, Convertible and Redeemable:		
Series A—2011 and 2012—$0.001 par value, 73,094,000 shares authorized, 51,790,000 shares issued and outstanding (aggregate liquidation preference of $70,564,027 at 2012)	65,327,471	69,470,667
Series A-1—2011 and 2012—$0.001 par value, 18,480,000 shares authorized, 6,000,000 issued and outstanding (aggregate liquidation preference of $8,460,492 at 2012)	7,980,492	8,460,492
Series B—2011—$0.001 par value, 42,000,000 shares authorized, 30,000,000 issued and outstanding; 2012—$0.001 par value, 42,320,200 shares authorized, 30,000,000 issued and outstanding (aggregate liquidation preference of $35,868,492 at 2012)	33,056,389	35,456,389
Series B-1—2011 and 2012—$0.001 par value, 700,000 shares authorized, 500,000 issued and outstanding (aggregate liquidation preference of $552,054 at 2012)	512,054	552,054
Total Preferred Stock, Convertible and Redeemable	106,876,406	113,939,602
Stockholders' deficit:		
Junior Series A Convertible Preferred Stock—2011 and 2012—$0.001 par value, 3,000,000 shares authorized, 3,000,000 shares issued and outstanding; at original issue price	3,000,000	3,000,000
Common stock—2011—$0.001 par value, 155,544,651 shares authorized, 8,562,750 shares issued and outstanding; 2012—$0.001 par value, 155,864,851 shares authorized, 8,671,911 shares issued and outstanding;	8,563	8,672
Deficit accumulated during the development stage	(105,495,441)	(126,479,085)
Total stockholders' deficit	(102,486,878)	(123,470,413)
Total liabilities and stockholders' deficit	$ 7,728,307	$ 4,879,388

See accompanying notes.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Statements of Operations

	Year Ended December 31		Period From January 5, 2007 (Inception) to December 31, 2012
	2011	2012	
Costs and expenses:			
Research and development	$ 13,895,817	$ 6,792,175	$ 74,891,291
General and administrative	5,738,243	6,888,956	27,348,884
Total costs and expenses	19,634,060	13,681,131	102,240,175
Loss from operations	(19,634,060)	(13,681,131)	(102,240,175)
Interest expense	—	(507,521)	(509,914)
Interest and other income	1,930	368	481,325
Foreign currency transaction gain (loss)	(23,170)	(7,827)	9,571
Other loss	(7,140)	(366,045)	(380,716)
Change in fair value related to investor rights liability	—	—	682,922
Net loss before income tax benefit	(19,662,440)	(14,562,156)	(101,956,987)
Income tax benefit	1,029,344	—	1,327,019
Net loss	(18,633,096)	(14,562,156)	(100,629,968)
Add: accretion of preferred stock dividends	(6,837,988)	(7,063,196)	(27,155,062)
Net loss attributable to common stockholders	$ (25,471,084)	$ (21,625,352)	$ (127,785,030)
Net loss attributable to common stockholders per share—basic and diluted	$ (3.10)	$ (2.52)	
Weighted-average shares outstanding—basic and diluted	8,227,508	8,569,941	
Unaudited basic and diluted pro forma net loss attributable to common stockholders per share		$	
Unaudited basic and diluted pro forma weighted-average shares outstanding			

See accompanying notes.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Statements of Changes in Stockholders' Deficit

For the Period From January 5, 2007 (Inception) to December 31, 2012

	Junior Series A Preferred Stock		Common Stock		Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total
	Number of Shares	Amount	Number of Shares	Amount			
Balance at January 5, 2007 (Inception)	—	$ —	—	$ —	$ —	$ —	$ —
Issuance of common stock	—	—	5,500,000	5,500	49,500	—	55,000
Issuance of Junior Series A Preferred Stock	3,000,000	3,000,000	—	—	—	—	3,000,000
Preferred Stock dividends	—	—	—	—	(49,500)	(596,578)	(646,078)
Net loss	—	—	—	—	—	(14,416,985)	(14,416,985)
Balance at December 31, 2007	3,000,000	3,000,000	5,500,000	5,500	—	(15,013,563)	(12,008,063)
Issuance of common stock	—	—	572,442	573	10,876	—	11,449
Share-based compensation	—	—	—	—	13,696	—	13,696
Preferred Stock dividends	—	—	—	—	(24,572)	(2,572,398)	(2,596,970)
Net loss	—	—	—	—	—	(20,555,760)	(20,555,760)
Balance at December 31, 2008	3,000,000	3,000,000	6,072,442	6,073	—	(38,141,721)	(35,135,648)
Issuance of common stock	—	—	632,520	632	12,018	—	12,650
Share-based compensation	—	—	—	—	57,848	—	57,848
Preferred Stock dividends	—	—	—	—	(69,866)	(4,117,768)	(4,187,634)
Net loss	—	—	—	—	—	(13,513,892)	(13,513,892)
Balance at December 31, 2009	3,000,000	3,000,000	6,704,962	6,705	—	(55,773,381)	(52,766,676)
Issuance of common stock	—	—	1,712,268	1,713	37,116	—	38,829
Share-based compensation	—	—	—	—	230,998	—	230,998
Preferred Stock dividends	—	—	—	—	(268,114)	(5,555,082)	(5,823,196)
Net loss	—	—	—	—	—	(18,948,079)	(18,948,079)
Balance at December 31, 2010	3,000,000	3,000,000	8,417,230	8,418	—	(80,276,542)	(77,268,124)
Issuance of common stock	—	—	145,518	145	3,970	—	4,115
Share-based compensation	—	—	—	—	248,215	—	248,215
Preferred Stock dividends	—	—	—	—	(252,185)	(6,585,803)	(6,837,988)
Net loss	—	—	—	—	—	(18,633,096)	(18,633,096)
Balance at December 31, 2011	3,000,000	3,000,000	8,562,748	8,563	—	(105,495,441)	(102,486,878)
Issuance of common stock	—	—	109,163	109	2,074	—	2,183
Share-based compensation	—	—	—	—	639,634	—	639,634
Preferred Stock dividends	—	—	—	—	(641,708)	(6,421,488)	(7,063,196)
Net loss	—	—	—	—	—	(14,562,156)	(14,562,156)
Balance at December 31, 2012	3,000,000	$ 3,000,000	8,671,911	$ 8,672	$ —	$ (126,479,085)	$ (123,470,413)

See accompanying notes.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Statements of Cash Flows

	Year Ended December 31		Period From January 5, 2007 (Inception) to December 31, 2012
	2011	2012	
Operating activities			
Net loss	$ (18,633,096)	$ (14,562,156)	$ (100,629,968)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	32,385	31,156	154,176
Amortization of debt issuance costs	—	46,769	46,769
Accretion of debt discount	—	58,665	58,665
Non-cash change in fair value of warrant liability	7,140	366,045	380,716
Non-cash change in fair value of investor rights liability	—	—	(682,922)
Stock-based compensation	248,215	639,634	1,190,391
Series A-1 and Junior Preferred Stock issued for acquired technology and licenses	—	—	9,000,000
Series B-1 Preferred Stock issued for acquired technology and licenses	500,000	—	500,000
Accrued interest expense converted to Series A Preferred Stock	—	—	2,393
Changes in operating assets and liabilities:			
Prepaid expenses and other	135,368	20,951	(55,541)
Other receivables	(738,351)	1,036,391	—
Security deposits	(903)	(354)	(158,399)
Accrued clinical drug supplies and trial costs	(821,955)	(484,398)	1,012,984
Accounts payable and accrued expenses	(50,604)	14,523	865,672
Accrued bonuses	222,447	(249,176)	525,862
Deferred rent	(23,868)	(22,039)	—
Net cash used in operating activities	(19,123,222)	(13,103,989)	(87,789,202)
Investing activities			
Purchase of marketable securities	—	—	(4,238,068)
Maturities of marketable securities	3,400,000	—	4,250,000
Purchase of property and equipment	(4,170)	—	(196,328)
Net cash provided by (used in) investing activities	3,395,830	—	(184,396)
Financing activities			
Debt issuance costs	—	(377,461)	(377,461)
Proceeds from issuance of common stock	4,115	2,183	124,226
Proceeds from issuance of notes payable, net	—	11,387,800	11,597,800
Proceeds from issuance of preferred stock, net	14,990,130	—	80,933,569
Net cash provided by financing activities	14,994,245	11,012,522	92,278,134
(Decrease) increase in cash and cash equivalents	(733,147)	(2,091,467)	4,304,536
Cash and cash equivalents at beginning of period	7,129,150	6,396,003	—
Cash and cash equivalents at end of period	$ 6,396,003	$ 4,304,536	$ 4,304,536
Supplemental disclosures of cash flow information			
Accreted dividends on Series A, Series A-1, Series B, and Series B-1 Preferred Stock	$ 6,837,988	$ 7,063,196	$ 27,155,062
Notes payable and accrued interest converted to Series A Preferred Stock	$ —	$ —	$ 212,393

See accompanying notes.

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Financial Statements
December 31, 2012

1. Business

Description of Business and Organization

Ophthotech Corporation (the "Company" or "Ophthotech") was incorporated on January 5, 2007, in Delaware. The Company is a biopharmaceutical company specializing in the development of novel therapeutics to treat diseases of the eye. The Company's operations since inception have been limited to organizing and staffing the Company, acquiring rights to product candidates, business planning, raising capital and developing its product candidates. Accordingly, the Company is considered to be in the development stage as defined by Accounting Standards Codification ("ASC") 915, *Development Stage Entities*. The Company operates in one business segment.

Capitalized terms not otherwise defined herein are defined in their respective agreements.

Liquidity

The Company expects to continue to incur substantial losses over the next several years during its development phase. To fully execute its business plan, the Company will need to complete certain research and development activities and clinical trials. Further, the Company's product candidates will require regulatory approval prior to commercialization. These activities may span many years and require substantial expenditures to complete and may ultimately be unsuccessful. Any delays in completing these activities could adversely impact the Company. The Company plans to meet its capital requirements primarily through a combination of equity and debt financings, collaborations, strategic alliances and marketing distribution or licensing arrangements and in the longer term, revenue from product sales. There can be no assurance that such funds will be available, or if available, on terms favorable to the Company. The Company faces the normal risks associated with a development stage company, including but not limited to the risk that the Company's research and development activities will not be successfully completed, that adequate patent protection for the Company's technology will not be obtained, that any products developed will not obtain necessary government regulatory approval and that any approved products will not be commercially viable. In addition, the Company operates in an environment of rapid change in technology, substantial competition from pharmaceutical and biotechnology companies and is dependent upon the services of its employees and its consultants. Since inception, the Company has primarily relied upon private placements of its preferred stock and venture debt borrowings to fund operations. However, the Company's capital requirements will depend on many factors, including the success of its development and commercialization of the Company's product candidates and whether it pursues the development of additional product candidates. Even if the Company succeeds in developing and commercializing one or more of its product candidates, it may never achieve sufficient sales revenue to achieve or maintain profitability.

2. Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include all adjustments necessary for the fair presentation of the Company's financial position for the periods presented.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Unaudited Pro Forma Information

Unaudited pro forma net loss per share is computed using the weighted-average number of common shares outstanding and gives effect to the automatic conversion of all outstanding shares of the Company's preferred stock, into an aggregate of shares of the Company's common stock, as if they had occurred during the year ended December 31, 2012 and assuming the closing of the public offering occurs on .

Use of Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates and judgments on historical experience and on various other assumptions that it believes are reasonable under the circumstances. The amounts of assets and liabilities reported in the Company's Balance Sheets and the amount of expenses reported for each of the periods presented are affected by estimates and assumptions, which are used for, but not limited to, the accounting for stock-based compensation and investor rights liabilities, for income taxes and accounting for research and development costs. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The carrying amounts reported in the Balance Sheets for cash and cash equivalents are valued at cost, which approximates their fair value.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash. The Company maintains its cash in bank accounts, which, at times, exceed federally insured limits. The Company has not recognized any losses from credit risks on such accounts during any of the periods presented. The Company believes it is not exposed to significant credit risk on cash.

Foreign Currency Translation

The Company maintains a bank account in a foreign currency. The Company considers the United States dollar to be the functional currency. Expenses are translated at the exchange rate on the date the expense is incurred. The effect of exchange rate fluctuations on translating foreign currency assets and liabilities into United States dollars is included in the Statements of Operations. Foreign exchange transaction gains and losses are included in the results of operations and are not material in the Company's financial statements.

Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash and cash equivalents, other receivables, accounts payable and accrued expenses, and warrants, approximate their fair value due to their short maturities. The carrying amounts of warrants approximate their fair value based upon option pricing models.

Property and Equipment

Property and equipment, which consist mainly of computers and other equipment, are carried at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the respective assets, generally five to seven years, using the straight-line method.

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Research and Development

All research and development costs are expensed as incurred. Research and development costs include costs of acquired product license and related technology rights where there is no alternative future use, prototypes used in research and development, consultant fees and amounts paid to collaborative partners. All research and development costs are charged to operations as incurred in accordance with Financial Accounting Standards Board ("FASB") ASC 730, *Research and Development*.

Income Taxes

The Company utilizes the liability method of accounting for deferred income taxes, as set forth in ASC 740-10, *Income Taxes-Overall.* Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance is established against deferred tax assets because the Company's management believes it cannot at this time conclude that it is more likely than not that some or all of the deferred tax assets will not be realized. The Company maintains a full valuation allowance on its deferred tax assets. Accordingly, the Company has not recorded a benefit or provision for income taxes other than for the sale of a portion of its unused New Jersey State operating loss carryforwards through a program sponsored by the State of New Jersey and the New Jersey Economic Development Authority in 2011. Since its inception, the Company has incurred losses for U.S. Federal income tax purposes, and is subject to potential tax examination from the date these losses are utilized in future tax returns.

Share-Based Compensation

At December 31, 2011 and 2012, the Company had one share-based employee compensation plan, which is described more fully in Note 12.

The Company grants stock options for a fixed number of shares to employees and non-employees with an exercise price equal to the fair value of the share at the grant date.

The Company accounts for share-based compensation in accordance with ASC 718, *Compensation—Stock Compensation*. The Company selected the Black-Scholes option pricing model as the most appropriate model for determining the estimated fair value for share-based awards. The fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. Use of a valuation model requires management to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on the weighted-average of historical information of similar public entities. The Company will continue to use a weighted-average approach using other similar public entity volatility information until historical volatility of the Company is relevant to measure expected volatility for future option grants.

The average expected life was determined according to the Securities and Exchange Commission ("SEC") shortcut approach as described in Staff Accounting Bulletin ("SAB") No. 110, which is the mid-point between the vesting date and the end of the contractual term.

The risk-free interest rate is based on U.S. Treasury zero-coupon bonds with a remaining term equal to the expected life assumed at the date of grant. Forfeitures are estimated based on voluntary termination behavior, as

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

well as historical analysis of actual option forfeitures. The weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

	Year Ended December 31,	
	2011	2012
Expected common stock price volatility	78.9%	80.8%
Risk-free interest rate	1.72% – 2.38%	0.94% – 1.77%
Expected life of options (years)	6.69	6.63
Expected annual dividend per share	$0.00	$0.00

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board issued guidance that changed the requirement for presenting “Comprehensive Income” in the financial statements. The update requires an entity to present the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The currently available option to disclose the components of other comprehensive income within the statement of stockholders’ equity will no longer be available. The update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, and should be applied retrospectively. The Company did not incur any components of comprehensive income for the periods presented and therefore did not include a statement of comprehensive income in the financial statements.

In February 2013, the FASB issued Accounting Standards Update (“ASU”) 2013-02, *Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* (“ASU 2013-02”). ASU 2013-02 requires an entity to present the effect of certain significant reclassifications out of accumulated other comprehensive income on the respective line items in net income. The amendments in the ASU do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. ASU 2013-02 is effective prospectively for fiscal years beginning after December 15, 2012. As the ASU requires additional presentation only, there will be no impact to the Company’s results of operations or financial position.

3. Net Loss Per Common Share

Basic and diluted net loss per common share is determined by dividing net loss applicable to common stockholders by the weighted average common shares outstanding during the period. For the periods where there is a net loss attributable to common stockholders, the outstanding shares of Preferred Stock, options, unvested restricted stock and warrants have been excluded from the calculation of diluted loss per common stockholder because their effect would be anti-dilutive. Therefore, the weighted average shares used to calculate both basic and diluted loss per share would be the same. The following table sets forth the computation of basic and diluted net loss per share for the periods indicated.

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Financial Statements (continued)

3. Net Loss Per Common Share (continued)

	Year Ended December 31, 2011	2012
Basic and diluted net loss per common share calculation:		
Net loss	$ (18,633,096)	$ (14,562,156)
Accretion of Preferred dividends	(6,837,988)	(7,063,196)
Net loss attributable to common stockholders	$ (25,471,084)	$ (21,625,352)
Weighted average common shares	8,227,508	8,569,941
Net loss per share of common stock—basic and diluted	$ (3.10)	$ (2.52)

The following potentially dilutive securities outstanding at December, 31, 2011 and 2012, have been excluded from the computation of diluted weighted shares outstanding, as they would be anti-dilutive

Redeemable convertible preferred stock	94,780,134	98,311,732
Unvested restricted stock	105,180	—
Options outstanding	6,563,810	7,927,147
Warrants	227,260	555,883
Total	101,676,384	106,794,762

4. Property and Equipment

Property and equipment at December 31, 2011 and 2012, were as follows:

	December 31, 2011	2012	Useful Life
Computer and other equipment	$ 79,574	$ 79,574	5 years
Furniture and fixtures	116,754	116,754	7 years
	196,328	196,328	
Accumulated depreciation	(123,020)	(154,176)	
Property and equipment, net	$ 73,308	$ 42,152	

For the years ended December 31, 2011 and 2012, depreciation expense was $32,385 and $31,156, respectively.

5. Financing Activities

On June 18, 2007, the Company issued promissory notes (the “Notes”) totaling $210,000 to certain investors. The Notes carried an interest rate of 8% per annum. The Notes and related accrued interest expense of $2,393 were converted into Series A Preferred Stock in conjunction with the Initial Closing under the Series A Agreement described below.

On August 9, 2007, the Company entered into a Series A Preferred Stock Purchase Agreement (the “Series A Agreement”) with the holders of the Notes and another investor (the “Series A Investors”) which provided for the sale and issuance of the Company’s Series A Preferred Stock at a price of $1.00 per share in the following tranches: (a) 9,253,101 shares at closing (the “Initial Closing”), (b) 9,217,243 shares provided that the License Agreement described in Note 6 remained in effect within 10 days of the date of the Series A Agreement (the “First

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Financial Statements (continued)

5. Financing Activities (continued)

Milestone Event") and (c) 17,319,656 shares upon initiation of a Phase 1b study with respect to any of the assets acquired or licensed under the Product and Technology Agreements entered into by the Company in 2007 described in Note 6. As of December 31, 2007, the Company and the Series A Investors had completed the Initial Closing and the First Milestone Event Closing. On April 14, 2008, the Series A Agreement was amended and established the following tranches for the sale and issuance of Series A Preferred Stock to each of the Series A Investors at $1.00 per share: (a) 6,000,000 shares provided the Collaborative License Agreement referred to above remains in effect on or before April 15, 2008 (the "Second Milestone Event"), (b) 13,000,000 shares upon initiation of a Phase 1b study with respect to any one of the assets (each such asset a "Milestone Asset") identified in the amendment to the Series A Agreement (the "Third Milestone Event"), (c) 4,319,656 shares upon initiation of a Phase 1b study with respect to a Milestone Asset other than the Milestone Asset relating to the Third Milestone Event (the "Fourth Milestone Event"), and (d) 7,000,000 shares upon initiation of a Phase 1b study with respect to a Milestone Asset other than the Milestone Asset relating to the Third Milestone Event or the Fourth Milestone Event (the "Fifth Milestone Event").

In connection with the issuance of the Notes in June 2007, the Company issued 210,000 warrants to purchase Series A Preferred Stock with an exercise price of $0.01 per share. The warrants expire on June 18, 2017. The warrants provide for proportionate adjustments to be made to the number of shares purchasable and the exercise price payable under the warrants in the event of certain changes to the underlying Series A Preferred Stock, including for subdivisions, combinations and stock dividends.

The Series A warrants are accounted for as a liability and are marked to market using a hybrid method of an option pricing model and a probability-weighted return methodology. The change in fair value of the Series A warrant liability is recorded within other loss. As of December 31, 2011 and 2012, the value of the Series A warrant liability was $193,171 and $523,216, respectively, as reflected in the accompanying Balance Sheets and the change in the fair value of $330,045 for the year ended December 31, 2012, was recorded in the Statements of Operations.

The Company and the Series A Investors closed the Second Milestone Event on April 14, 2008, and closed the Third Milestone Event on September 19, 2008, issuing 6,000,000 and 13,000,000 shares of Series A Preferred Stock, respectively.

ASC 480, *Distinguishing Liabilities from Equity*, concluded that these rights for shares in redeemable instruments represent free-standing financial instruments and should be accounted for as liabilities under ASC 480. In accordance with ASC 480, the Company adjusts the carrying value of such rights to their estimated fair value at each reporting date. Pursuant to ASC 480, increases or decreases in the fair value of such rights are recorded in the Statements of Operations.

The estimated fair value was determined using a valuation model which considers the probability of achieving a milestone, if any, the Company's cost of capital, the estimated period the rights will be outstanding, consideration received for the instrument with the rights, the number of shares to be issued to satisfy the rights and at what price and any changes in the fair value of the underlying instrument to the rights. The recorded liability was fulfilled in May 2009 upon the exercise of the remaining rights by investors. Since such time, there have not been, and there continue not to be, any rights outstanding.

Upon the closing of an initial public offering in which all of the outstanding shares of the Company's Series A Preferred Stock and Series B Preferred Stock convert into Common Stock, the Company expects to reclassify the warrant liability to additional paid-in capital as a result of the outstanding warrants to purchase shares of Series A Preferred Stock and Series B Preferred Stock becoming, in accordance with their terms, warrants to purchase shares of Common Stock, at a weighted average exercise price of $0.93 per share.

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Financial Statements (continued)

5. Financing Activities (continued)

On September 19, 2008, the Company met the Third Milestone and issued 13,000,000 shares of Series A Preferred Stock at $1.00 per share, resulting in net proceeds to the Company of $13,000,000. As a result of the exercise of certain investor rights, the related liability amounting to $273,359 was extinguished and recorded as an increase in Preferred Stock.

On May 6, 2009, the Company met the Fourth Milestone and the Fifth Milestone and issued 11,319,656 shares of Series A Preferred Stock at $1.00 per share, resulting in net proceeds to the Company of $11,319,656. As a result of the exercise of certain investor rights, the related liability amounting to $282,334 was extinguished and recorded as an increase in Preferred Stock.

On October 14, 2009, the Series A Agreement was amended to allow for the sale and issuance of up to 3,000,000 additional shares of Series A Preferred Stock at an additional closing.

Consequently, on October 14, 2009, the Company issued 3,000,000 shares of Series A Preferred Stock to existing Series A stockholders at a price per share of $1.00.

In connection with the Product and Technology Agreements entered into by the Company (see Note 6), the Company issued on August 9, 2007, 2,000,000 shares of Series A-1 Preferred Stock and 3,000,000 shares of Junior Series A Preferred Stock, with each class of Preferred Stock being recorded at a fair market value of $1.00 per share based on the cash price paid by the Series A Investors for similar shares on the same date.

In connection with a license agreement entered into by the Company on January 4, 2008 (see Note 6), the Company issued 4,000,000 shares of Series A-1 Preferred Stock. The Series A-1 Preferred Stock was valued at $1.00 per share. Accordingly, the Company charged $4,000,000 to research and development expense during the year ended December 31, 2008.

On December 11, 2009, the Company entered into a Series B Preferred Stock Purchase Agreement (the “Series B Agreement”) with the Series A Investors and another investor (the “Series B Investors”) which provided for the sale and issuance of the Company’s Series B Preferred Stock at a price of $1.00 per share in the following tranches: (a) 15,000,000 shares at closing (the “Initial B Closing”) and (b) up to an additional 15,000,000 shares based on the satisfaction of the Second Closing Conditions, as defined in the Series B Agreement.

On March 1, 2011, the Company met the Second Closing Conditions, as defined in the Series B Agreement, and issued 15,000,000 shares of Series B Preferred Stock at $1.00 per share to the existing holders of Series B Preferred Stock.

On June 20, 2012 and December 24, 2012, the Company issued secured promissory notes (the “2012 Notes”) in the amount of $7,500,000 and $4,000,000, respectively, to the same Lender. The 2012 Notes bear interest on the outstanding principal amount thereof from the Closing Date until paid in full at a rate per annum equal to the sum of (i) the greater of (A) the LIBOR Rate in effect for the applicable Interest Period and (B) 3.0%, plus (ii) the LIBOR Rate Margin adjusted on the first day of each Interest Period and fixed for the duration of each such Interest Period.

In conjunction with the secured promissory note issued on June 20, 2012, the Lender received warrants to purchase 225,000 shares of Series B Preferred Stock with an exercise price of $1.00 per share. The warrants expire on June 20, 2022. In conjunction with the secured promissory note issued on December 24, 2012, the

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Financial Statements (continued)

5. Financing Activities (continued)

Lender received warrants to purchase 95,200 shares of Series B Preferred Stock with an exercise price of $2.50 per share. The warrants expire on December 24, 2022. The warrants provide for proportionate adjustments to be made to the number of shares purchasable and the exercise price payable under the warrants in the event of certain changes to the underlying Series B Preferred Stock, including for subdivisions, combinations and stock dividends.

The Series B warrants are accounted for as a liability and are marked to market using a hybrid method of an option pricing model and a probability-weighted return methodology. The change in fair value of the Series B warrant liability is recorded within other loss. As of December 31, 2012, the value of the Series B warrant liability was $442,564 as reflected in the accompanying Balance Sheet and the change in the fair value of $36,000 for the year ended December 31, 2012 was recorded in the Statement of Operations.

6. Product and Technology Agreements

Transferred Technology and Assumed Agreements

Under an agreement dated July 27, 2007, the Company assumed the rights and obligations related to certain patents and know-how (the “Transferred Technology”) and under certain agreements (the “Assumed Agreements”) owned and/or controlled by another company (the “Transferor”) for use in the Company’s activities in the research, development and commercial production of a product as defined in the agreement (the “Divestiture Agreement”). In consideration for the Transferred Technology and the Assumed Agreements, the Company made an upfront payment of $4,000,000 to the Transferor. In addition, on August 9, 2007, the Company issued to the Transferor 3,000,000 shares of Junior Series A Preferred Stock which was valued at $1.00 per share based upon the Original Issue Price.

The Divestiture Agreement also entitles the Transferor to significant payments from the Company upon achievement of certain milestones, and to royalties on the Company’s net sales of Products, as defined, and on terms set forth in the Divestiture Agreement.

The Divestiture Agreement may be terminated by either party in the event of the other party’s insolvency or material breach (following a specified cure period). Unless terminated earlier by the Company or the Transferor, the Divestiture Agreement will remain in effect until the Company no longer has any financial obligations to the Transferor, after which the rights granted to the Company under the Divestiture Agreement will become perpetual and fully paid-up.

If the Company fails to satisfy its diligence obligations under the Divestiture Agreement, the Transferor may terminate the Divestiture Agreement as to particular countries with respect to which such failure has occurred, and upon such termination the Company will be obligated to transfer to the Transferor specified rights and licenses related to the product covered by the Divestiture Agreement and other related assets, and if the Company is then manufacturing such product or products, at the time of such termination, the Company may be obligated to provide transitional supply of the covered products to the Transferor, for the applicable countries.

The Assumed Agreements include a license, manufacturing and supply agreement (the “Supply Agreement”) with a supplier (the “Supplier”) for a reagent linked with the active ingredient in the Company’s lead product candidate. The Company has paid the Supplier an aggregate of $1,000,000, which was charged to research and development expense during the year ended December 31, 2007. Under the Supply Agreement, the

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Notes to Financial Statements (continued)

6. Product and Technology Agreements (continued)

Company is obligated to make certain milestone payments to the Supplier, as well as tiered royalties based on certain percentages of net sales as well as certain other payments and revenue it may receive if it licenses certain product rights to a third party. See "Note 11—Commitments and Contingencies" below.

The Supply Agreement, unless earlier terminated by either party, will expire upon the expiration of the Company's obligation to pay royalties to the Supplier on net sales of licensed products. The Supply Agreement may be terminated by either party in the event of the other party's material breach (following a specified cure period). The Company may terminate the Supply Agreement, without cause, effective at the end of a specified period following written notice to the Supplier, in which event the Company will be obligated to pay the Supplier specified termination fees and reimburse the Supplier for certain costs.

License Agreements

The Assumed Agreements also included an agreement with Archemix Corp. (the "Licensor") for the Company's acquisition of an exclusive royalty-bearing license over certain patent rights and technology owned and/or controlled by the Licensor (the "PDGF License") for use in the Company's activities in the research, development and commercial production of pharmaceutical products related to anti-PDGF aptamers (the "PDGF Licensed Products") as contemplated in the agreement (the "PDGF Agreement"). In addition, on July 31, 2007, the Company also entered into an agreement with the Licensor for the Company's acquisition of an exclusive royalty-bearing license over certain patent rights and technology owned and/or controlled by the Licensor (the "C5 License" and together with the PDGF License, the "Licenses") for use in the Company's activities in the research, development and commercial production of pharmaceutical products related to ARC1905 (the "C5 Licensed Product") as contemplated in the agreement (the "C5 License Agreement" and together with the PDGF License Agreement, the "License Agreements"). In consideration of the Licenses, the Company paid the Licensor aggregate upfront fees of $1,000,000 and, on August 9, 2007, issued to the Licensor an aggregate of 2,000,000 shares of Series A-1 Preferred Stock which was valued at $1.00 per share based on the cash price paid by the Series A Investors for similar shares on the same date.

The Licensor is also entitled to certain regulatory milestone payments and sales milestone payments under the License Agreements.

The upfront fees totaling $5,000,000 and the value of the Junior Series A Preferred Stock and Series A-1 Preferred Stock issued totaling $5,000,000 to the Transferor and the Licensor, under the Divestiture Agreement and the License Agreement, respectively, were charged to research and development expense during the year ended December 31, 2007.

On January 4, 2008, the Company entered into an agreement with certain collaborative partners whereby the Company acquired an exclusive license to develop, market and promote products containing or comprising certain material upon which the collaborative partners have sole and exclusive worldwide rights to develop, market and sell. Upon the execution of the license agreement, the Company issued 4,000,000 shares of Series A-1 Preferred Stock to such partners. The Series A-1 Preferred Stock was valued at $1.00 per share based upon the Original Issue Price. Accordingly, the Company charged research and development expense for $4,000,000. Under the license agreement, the corroborative partners are entitled to certain development and sales milestone payments plus royalties on net sales. On May 3, 2012, the Company terminated such agreement.

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Notes to Financial Statements (continued)

6. Product and Technology Agreements (continued)

On September 12, 2011, the License Agreements, were amended to cover expanded licenses for all indications outside of the ophthalmic field (as defined in the amended license agreements (the "Amended License Agreements")). Upon the execution of the Amended License Agreements, the Company issued 500,000 shares of Series B-1 Preferred Stock to the Licensor. The Series B-1 Preferred Stock was valued at $1.00 per share based upon the Original Issue Price, which was still deemed to be fair value as of the date of this transaction. Accordingly, the Company charged research and development expense for $500,000.

Unless earlier terminated, the amended PDGF Agreement will expire upon the later of 10 years after the first commercial sale in any country of the last PDGF Licensed Product and the expiration of the last-to-expire valid claim of the PDGF licensed patents that covers a PDGF Licensed Product. Unless earlier terminated, the amended C5 Agreement will expire upon the later of 12 years after the first commercial sale in any country of the last C5 Licensed Product, the expiration of the last-to-expire valid claim of the C5 licensed patents, and the date on which no further payments of sublicensing income, if any, are to be received by the Company.

Either of the Amended License Agreements may be terminated by either party in the event of the other party's material breach (following a specified cure period). The Licensor may also terminate each of the Amended License Agreements, or may convert the Company's exclusive licenses to non-exclusive licenses, if the Company challenges or assists a third party in challenging the validity or enforceability of any of the patents licensed under the applicable Amended License Agreement. The Company may terminate each of the Amended License Agreements at any time and for any or no reason effective at the end of a specified period following written notice to the Licensor.

7. Capital Structure

Authorized Capital Stock

In connection with the issuance of the notes on June 20, 2012, the Company amended its certificate of incorporation to increase the authorized shares of capital stock to the following: 155,769,651 shares of common stock and 73,094,000 shares of Series A Preferred Stock, 18,480,000 shares of Series A-1 Preferred Stock, 3,000,000 shares of Junior Series A Preferred Stock, 42,225,000 shares of Series B Preferred Stock, and 700,000 shares of Series B-1 Preferred Stock, each with a par value of $0.001 per share.

In connection with the issuance of the notes on December 24, 2012, the Company amended its certificate of incorporation to increase the authorized shares of capital stock to the following: 155,864,851 shares of common stock and 73,094,000 shares of Series A Preferred Stock, 18,480,000 shares of Series A-1 Preferred Stock, 3,000,000 shares of Junior Series A Preferred Stock, 42,320,200 shares of Series B Preferred Stock, and 700,000 shares of Series B-1 Preferred Stock, each with a par value of $0.001 per share. Such authorized amounts remained the same at December 31, 2012.

Common Stock

The Company's common stock has a par value of $0.001 per share. The voting, dividend and liquidation rights of the holders of the common stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock. Each holder of common stock is entitled to vote on all matters and is entitled to one vote for each share held.

OPHTHOTECH CORPORATION
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Notes to Financial Statements (continued)

7. Capital Structure (continued)

Restricted Stock

Of the 8,671,911 shares of common stock issued and outstanding at December 31, 2012, 4,000,000 shares were issued to officers of the Company. Such shares of stock are subject to restrictions on transfer and a risk of forfeiture as set forth in the respective restricted stock agreements between the Company and the owners of such shares. At December 31, 2012, all shares were 100% vested and no longer subject to forfeiture.

Preferred Stock

Voting Rights

Each holder of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock is entitled to vote on all matters and is entitled to one vote equal to the number of shares of common stock into which such shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock could be converted. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock vote together with the holders of common stock as a single class.

The Junior Series A Preferred Stock is non-voting and is not entitled to receive notice of, or vote at, any meetings of the stockholders of the Company.

Dividend Rights

The holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, in preference to the holders of common stock, are entitled to receive dividends as described below. Such dividends accrue from day to day, whether or not declared and are cumulative. The dividends are payable only when, as and if declared by the Board of Directors. No dividends were declared for the years ended December 31, 2012 and 2011, or for the period from January 5, 2007 (inception) to December 31, 2012.

For any shares of Series A Preferred Stock and Series A-1 Preferred Stock outstanding as of the Series B Original Issue Date (as defined in the Series B Purchase Agreement), during the period from and after the issuance of each such share through but excluding the Series B Original Issue Date, cash dividends accrued with respect to such shares at a rate of $0.08 per share. From and after the Series B Original Issue Date, cash dividends continue to accrue with respect shares of Series A Preferred Stock and Series A-1 Preferred Stock that were outstanding as of the Series B Original Issue Date at a rate of $0.04 per share per annum.

For any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock issued on or after the Series B Original Issue Date, during the period from and after the issuance of each such share, cash dividends accrue with respect to each outstanding share at a rate of $0.04 per share per annum.

For all outstanding shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, during the period from and after the later of the Series B Original Issue Date or the issuance of each such share, stock dividends accrue with respect to each outstanding share at a rate of 0.04 of a share per annum.

OPHTHOTECH CORPORATION
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Notes to Financial Statements (continued)

7. Capital Structure (continued)

The dividend rights of the holders of Junior Series A Preferred Stock are subject to and qualified by the rights, powers and preferences of the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock.

Liquidation Preference of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock

The liquidation rights of the holders of Junior Series A Preferred Stock are subject to and qualified by the rights, powers and preferences of the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock.

Upon the liquidation of the Company, before any distribution shall be made to the holders of the Junior Series A Preferred Stock or common stock, the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, are entitled to be paid out of the assets of the Company, for each outstanding share and for each share accrued as stock dividends an amount equal to the original issue price of one dollar (the "Series A Original Issue Price", the "Series A-1 Original Issue Price", the "Series B Original Issue Price", or the "Series B-1 Original Issue Price", as applicable) plus any accrued cash dividends unpaid, whether or not declared, together with any other dividends declared but unpaid (the "Series A Preferential Payment Amount", the "Series A-1 Preferential Payment Amount", the "Series B Preferential Payment Amount", or the "Series B-1 Preferential Payment Amount", as applicable). The holders of the Junior Series A Preferred Stock then outstanding are then entitled to be paid out of the assets of the Company, before any distribution to the holders of the Company's common stock, an amount equal to the original issue price of one dollar plus any dividends declared but unpaid (the "Junior Series A Preferred Stockholders Preferential Payment Amount").

After the payment of the Series A, Series A-1, Series B, Series B-1 and Junior Series A Preferential Payment Amounts, the remaining assets shall be distributed pro rata based on the number of shares to the holders of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock (after giving effect to the payment of any accrued stock dividends to the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock) and common stock as if the Series A Preferred Stock, the Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock had been converted to common stock immediately prior to such dissolution, liquidation or winding up of the Company (as-if-converted basis), provided however that (i) if the Series A Preferential Payment Amount per share plus the payment received after the pro rata distribution or Series A-1 Preferential Payment Amount per share plus the payment received after the pro rata distribution, as the case may be, exceeds two times the Series A Original Issue Price or the Series A-1 Original Issue Price, as applicable (the "Series A Maximum Participation Amount"), the amount such holder of the Series A Preferred Stock or Series A-1 Preferred Stock shall receive shall be the greater of (a) the Series A Maximum Participation Amount or (b) the amount such holder of Series A Preferred Stock and Series A-1 Preferred Stock would receive on an as-if-converted basis, (ii) if the Series B Preferential Payment Amount per share plus the payment received after the pro rata distribution, exceeds 2.65 times the Series B Original Issue Price (the "Series B Maximum Participation Amount"), the amount such holder of the Series B Preferred Stock and Series B-1 Preferred Stock shall receive shall be the greater of (a) the Series B Maximum Participation Amount or (b) the amount such holder of Series B Preferred Stock and Series B-1 Preferred Stock would receive on an as-if-converted basis.

Under the Company's certificate of incorporation, any merger, acquisition or consolidation involving the Company, or the sale, lease, transfer, exclusive license or other disposition in a single transaction or series of

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Notes to Financial Statements (continued)

7. Capital Structure (continued)

related transactions of all or substantially all of the assets of the Company that would have resulted in a change in control of the Company, shall be considered a liquidation event ("Deemed Liquidation Event"), unless the holders of at least a majority of the outstanding shares of Series A Preferred Stock and holders of at least 60% of the outstanding shares of Series B Preferred Stock elect otherwise. Because in a Deemed Liquidation Event, the holders of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock retain their preferential rights as described above, the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock have been presented outside of stockholders' deficit in the accompanying Balance Sheets. In a Deemed Liquidation Event, the Junior Series A Preferred Stockholder is treated the same as common stock.

Optional Conversion

Subject to and in compliance with the provisions of the Certificate of Incorporation, each share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, and Junior Series A Preferred Stock are convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of common stock as is determined by dividing the Series A, Series A-1, Series B and Series B-1 Original Issue Price by the Series A, Series A-1, Series B and Series B-1 Conversion Price in effect at the time of conversion. The Series A, Series A-1, Series B and Series B-1 Conversion Price is initially equal to $1.00. Such respective initial conversion prices, and the rate at which shares of respective classes of Preferred Stock may be converted into shares of common stock, are subject to adjustment as provided in the Certificate of Incorporation. Immediately prior to an optional conversion, all accrued stock dividends, accrued but unpaid, whether or not declared, shall be deemed issued in respect of the shares of preferred stock.

Adjustment for Stock Splits and Combinations

If the Company shall effect a stock split or combination with respect to the common stock, the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price and Series B-1 Conversion Price shall be proportionately adjusted so that the number of shares of common stock issuable on conversion of each outstanding share of the relevant series is increased or decreased in proportion to the corresponding increase or decrease in the aggregate number of shares of common stock outstanding as a result of the stock split or combination, as applicable.

Any such adjustment becomes effective at the close of business on the date the stock split or combination becomes effective.

Mandatory Conversion

All outstanding shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Junior Series A Preferred Stock are subject to automatic conversion into shares of common stock, at the then effective applicable conversion rate, upon the closing of an underwritten public offering of shares of common stock to the public at a price of at least $3.00 per share (such price to be subject to adjustment as a result of any stock dividend, stock split, combination or similar recapitalization of the common stock), resulting in at least $40,000,000 of proceeds, net of underwriting discount and commissions, to the Company. In addition, (a) all outstanding shares of Series A Preferred Stock and Series A-1 Preferred Stock are

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Notes to Financial Statements (continued)

7. Capital Structure (continued)

subject to conversion into shares of common stock, at the then effective applicable conversion rate at such date and time, or upon the occurrence of such event as may be, specified by vote or written consent of the holders of at least majority of the then outstanding shares of Series A Preferred Stock and (b) all outstanding shares of Series B Preferred Stock and Series B-1 Preferred Stock are subject to conversion into shares of common stock, at the then effective applicable conversion rate at such date and time, or upon the occurrence of such event as may be, specified by vote or written consent of the holders of at least 60% of the then outstanding shares of Series B Preferred Stock. Immediately prior to a mandatory conversion, all accrued stock dividends, accrued but unpaid, whether or not declared, shall be deemed issued in respect to the shares of preferred stock.

In the event that any holder of shares of Series A Preferred Stock or Series B Preferred Stock does not participate in a qualified financing (defined as any transaction involving the issuance or sale of additional shares of common stock after the Series B Original Issue Date that would result in the reduction of the Series B Conversion Price pursuant to the terms of the Certificate of Incorporation or any bridge financing, unless the holders of at least a majority of the Series A Preferred Stock and at least 60% of the Series B Preferred Stock elect that such transaction not be treated as a qualified financing) by purchasing, in the aggregate, such holder's pro rata amount, then each share of Series A Preferred Stock and Series B Preferred Stock held by such holder shall automatically, and without any further action on the part of such holder, be converted into one share of common stock.

8. Income Taxes

The Company utilizes the liability method of accounting for deferred income taxes. Under this method, deferred tax liabilities and assets are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance is established against deferred tax assets because, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company's policy is to record interest and penalties on uncertain tax positions as income tax expense. As of December 31, 2012, the Company does not believe any material uncertain tax positions are present. Accordingly, interest and penalties have not been accrued due to an uncertain tax position and the fact the Company has reported tax losses since inception.

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

A reconciliation of the statutory U.S. federal rate to the Company's effective tax rate is as follows:

	2011	2012
Percent of pre-tax income:		
U.S. federal statutory income tax rate	35.0%	35.0%
State taxes, net of federal benefit	3.4%	0.0%
Permanent items	(0.6)%	(1.0)%
Research and development credit	0.7%	1.0%
Change in valuation allowance	(33.3)%	(35.0)%
Effective income tax rate	5.2%	0.0%

OPHTHOTECH CORPORATION
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Notes to Financial Statements (continued)

8. Income Taxes (continued)

Significant components of the Company's deferred tax assets/liabilities for 2011 and 2012 consist of the following:

	December 31, 2011	December 31, 2012
Deferred tax assets/liabilities:		
Federal net operating loss carryforwards	$ 24,325,000	$ 29,464,000
State and local net operating loss carryforwards	3,487,000	4,825,000
License and technology payments	6,099,000	5,566,000
Share-based compensation	220,000	476,000
Depreciation	(27,000)	(11,000)
Federal research and development credit carryforwards	1,417,000	1,562,000
State research and development credit carryforwards	708,000	781,000
	36,229,000	42,663,000
Valuation allowance	(36,229,000)	(42,663,000)
Net deferred tax assets (liabilities)	$ —	$ —

In assessing the reliability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences representing net future deductible amounts become deductible. Due to the Company's history of losses, and lack of other positive evidence, the Company has determined that it is more likely than not that its deferred tax assets will not be realized, and therefore, the deferred tax assets are fully offset by a valuation allowance at December 31, 2011 and 2012.

The following table summarizes carryforwards of net operating losses and tax credits as of December 31, 2012:

	Amount	Expiration
Federal net operating losses	$84,200,000	2032
Research and development credits	$ 1,600,000	2032

The federal, state, and local net operating loss carryforwards will start to expire in 2027.

For the year ended December 31, 2011, the Company sold a portion of its unused New Jersey State operating loss carryforwards through a program sponsored by the State of New Jersey and the New Jersey Economic Development Authority. On January 24, 2012, the Company received cash proceeds of $1,029,344, net of fees of $34,311, resulting in the recognition of a tax benefit for the year ended December 31, 2011. Such amount is reflected in other receivables in the accompanying Balance Sheet as of December 31, 2011. The Company did not participate in the program during 2012.

Utilization of the net operating losses and general business tax credits carryforwards may be subject to a substantial limitation under Sections 382 and 383 of the Internal Revenue Code of 1986 due to changes in ownership of the Company that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating losses and general business tax credits carryforwards that can be

OPHTHOTECH CORPORATION
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Notes to Financial Statements (continued)

8. Income Taxes (continued)

utilized annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50 percentage points over a three-year period.

The Company believes that it had undergone at least one ownership change during 2007, but has not completed a study to determine the impact of the ownership change on its ability to utilize the aforementioned carryforwards. The amount of net operating losses and credits incurred during the year of ownership change amounted to $4.5 million and $0.1 million, respectively. As such, the net operating losses and credits at the time of the ownership change would have been no greater than $4.5 million and $0.1 million, respectively. Accordingly, the Company's ability to utilize its carryforwards may be limited. Additionally, U.S. tax laws limit the time during which these carryforwards may be applied against future taxes. Therefore, the Company may not be able to take full advantage of these carryforwards for federal or state income tax purposes. No other ownership changes have been identified in any years subsequent to 2007.

9. Operating Leases

The Company leases office spaces located in Princeton, New Jersey and New York, New York under operating lease arrangements. The Company's Princeton, New Jersey office space lease expires on September 30, 2013, whereas the Company's New York, New York office space lease expired on September 30, 2012. Effective October 1, 2012, the Company's lease for the New York office is month-to-month. Future minimum rental commitments under noncancelable operating leases in effect as of December 31, 2012, are as follows:

	Total
2013	$89,843

Rent expense is calculated on the straight-line basis and amounted to $402,695 and $425,214 for the years ended December 31, 2011 and 2012, respectively. As of December 31, 2011 and 2012, the excess of the amount recognized as expense over the amount paid amounted to $22,039 and $0, respectively, and was recorded as a deferred rent liability in the accompanying Balance Sheets.

10. Security Deposits

Security deposits consist of amounts required to secure the Company's performance of its obligations under the operating leases for its New Jersey and New York offices. Such amounts were $158,045 and $158,399 as of December 31, 2011 and 2012, respectively, and are reflected in the Balance Sheets.

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Notes to Financial Statements (continued)

11. Commitments and Contingencies

From time to time, the Company may be subject to claims or liabilities that arise in the ordinary course of its business activities.

The following table summarizes the Company's contractual obligations as of December 31, 2012:

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Leases[1]	$ 89,843	$ 89,843	$ —	$ —	$ —
Debt Obligations[2]	11,500,000	2,888,889	8,611,111	—	—
Total[3]	$ 11,589,843	$2,978,732	$8,611,111	$ —	$ —

(1) Operating lease obligations reflect our obligation to make payments in connection with the lease for the Company's office space.

(2) Debt obligations reflect the Company's obligation to make monthly principal payments under the loan and security agreement for its venture facility that the Company entered into in June 2012 and amended in December 2012 and in March 2013.

(3) This table does not include (a) any milestone payments which may become payable to third parties under license agreements as the timing and likelihood of such payments are not known with certainty, (b) any royalty payments to third parties as the amounts, timing and likelihood of such payments are not known and (c) contracts that are entered into in the ordinary course of business which are not material in the aggregate in any period presented above.

Under various agreements, the Company will be required to pay royalties and make milestone payments. These agreements include the following:

- Under an acquisition agreement with OSI (Eyetech), Inc. for rights to particular anti-PDGF aptamers, including Fovista, the Company is obligated to pay to OSI Pharmaceuticals one-time payments of $12,000,000 in the aggregate upon marketing approval in the United States and the European Union, of a covered anti-PDGF product. The Company is also obligated to pay to OSI Pharmaceuticals a royalty at a low single-digit percentage of net sales of any covered anti-PDGF product it successfully commercializes.
- Under a license agreement with Archemix Corp., or Archemix, with respect to pharmaceutical products comprised of or derived from anti-PDGF aptamers, the Company is obligated to make payments to Archemix of up to an aggregate of $16,500,000 in additional payments if it achieves specified clinical and regulatory milestones with respect to Fovista, including a payment of $2,500,000 that will be triggered by the initiation of its planned Phase 3 clinical program of Fovista. In addition, the Company is obligated to make payments to Archemix up to an aggregate of $3,000,000 if it achieves specified commercial milestones with respect to Fovista and, for each other anti-PDGF aptamer product that it may develop under the agreement, up to an aggregate of $18,750,000 if it achieves specified clinical and regulatory milestones and up to an aggregate of $3,000,000 if it achieves specified commercial milestones. From inception through December 31, 2012, the Company has made $2,250,000 in payments resulting from this agreement.
- Under a license agreement with Archemix with respect to pharmaceutical products derived from anti-C5 aptamers, for each anti-C5 aptamer product that the Company may develop under the agreement, including ARC1905, it is obligated to make payments to Archemix of up to an aggregate of

OPHTHOTECH CORPORATION
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Notes to Financial Statements (continued)

11. Commitments and Contingencies (continued)

$57,500,000 if it achieves specified development, clinical and regulatory milestones and, as to all anti-C5 products under the agreement collectively, up to an aggregate of $22,500,000 if it achieves specified commercial milestones. From inception through December 31, 2012, the Company has made $2,000,000 in payments resulting from this agreement.

- Under a license, manufacturing and supply agreement with Nektar Therapeutics, or Nektar, for specified pegylation reagents used to manufacture Fovista, the Company is obligated to pay Nektar up to an aggregate of $5,500,000 in additional payments if it achieves specified clinical and regulatory milestones, including a payment of $1,000,000 that will be triggered by the initiation of its planned Phase 3 clinical program of Fovista. In addition, the Company is obligated to pay Nektar an additional payment of $3,000,000 if it achieves a specified commercial sale milestone. The Company is obligated to pay Nektar tiered royalties at low to mid single-digit percentages of net sales of any licensed product it successfully commercializes, with the royalty percentage determined by its level of licensed product sales, the extent of patent coverage for the licensed product and whether it has granted a third party commercialization rights to the licensed product. The Company has agreed to pay Nektar a low double-digit percentage of any upfront payment it receives in connection with granting any third party commercialization rights to a licensed product, less certain milestone events the Company has previously paid to Nektar, and a higher double-digit percentage of other specified amounts it receives in connection with any such commercialization agreement, subject to agreed minimum and maximum amounts. From inception through December 31, 2012, the Company has made $750,000 in payments resulting from this agreement.

We also have employment agreements with certain employees which require the funding of a specific level of payments, if certain events, such as a change in control or termination without cause, occur.

In addition, in the course of normal business operations, we have agreements with contract service providers to assist in the performance of our research and development and manufacturing activities. We can elect to discontinue the work under these agreements at any time. We could also enter into additional collaborative research, contract research, manufacturing, and supplier agreements in the future, which may require upfront payments and even long-term commitments of cash.

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(A Development Stage Entity)
Notes to Financial Statements (continued)

12. Stock Option and Compensation Plans

The Company adopted its 2007 Stock Incentive Plan (the "Plan") for employees and consultants for the purpose of advancing the interests of the Company stockholders by enhancing its ability to attract, retain and motivate persons who are expected to make important contributions to the Company.

The following table sets forth the activity under the Company's Option Plan:

		Options Outstanding		
	Shares Available for Grant	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Fair Value
Balance, December 31, 2010	1,531,976	5,623,830		
Increase to Option Pool	—	—		
Options granted	(1,085,500)	1,085,500	$ 0.28	$ 0.20
Options exercised	—	(145,520)	0.03	0.02
Options forfeited	—	—		
Balance, December 31, 2011	446,476	6,563,810		
Increase to Option Pool	1,853,932	—		
Options granted	(1,477,500)	1,477,500	$ 0.53	$ 0.28
Options exercised	—	(109,163)	0.02	0.27
Options forfeited	5,000	(5,000)		
Balance, December 31, 2012	827,908	7,927,147	$ 0.28	$ 0.22

The aggregate intrinsic value of options outstanding as of December 31, 2012 was $11.3 million. The aggregate intrinsic value is calculated as the difference between the Company's estimated stock price of $1.70 on December 31, 2012, and the exercise price of the option, multiplied by the number of options.

In determining this exercise price, the Company considered input from management and the valuation of the common stock. The Company determined the value of common stock based on the probability weighted expected return method, or PWERM, described in the AICPA Practice Aid. The Company considered but did not use the market approach because the early stage of its development and the absence of clinical trial data from the lead candidate made comparisons to public companies difficult. Similarly, the Company did not use the income approach because of the uncertain outcomes of the ongoing and future clinical trials. Under a PWERM analysis, the value of a company's common stock is estimated based upon an analysis of current and future enterprise values, assuming three possible liquidity scenarios: an initial public offering ("IPO"), a recapitalization of the company and a sale of the company. After considering the various potential liquidity scenarios and the likely timing, the Company used a pre-money enterprise value assigned to each scenario based on recent trends in capital markets. To determine the price per share of the common stock, the Company divided the resulting enterprise value for each liquidity scenario by the number of common shares that would be outstanding under each scenario. The common stock price for each scenario was then assigned a probability based on management's estimates.

Employees Options

Employee options outstanding at December 31, 2011 and 2012, had a weighted average remaining contractual life of approximately 8.3 and 7.8 years, respectively. As of December 31, 2011, the number of vested and non-vested shares granted was 5,024,733 and 2,491,977, respectively, at a weighted average exercise price of

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Financial Statements (continued)

12. Stock Option and Compensation Plans (continued)

$0.20. As of December 31, 2012, the number of vested and non-vested shares granted was 6,835,180 and 4,427,688, respectively, at a weighted average exercise price of $0.23.

In general, the options vest at 25% of the original number of shares after one year of service with the Company. Thereafter, the remaining 75% vest at 2.08% per month over the next three years. Only vested options can be exercised and can be exercised up to ten years from the grant date. Upon change in control of the Company, all unvested options vest immediately. Vested options can be exercised up to ten years from the grant date.

For the years ended December 31, 2011 and 2012, the Company incurred stock-based compensation expense in the amounts of $185,299 and $527,718, respectively. For the period from January 5, 2007 (inception) to December 31, 2012, share-based compensation expense was $916,216. As of December 31, 2012, there was $603,917 of total unrecognized share-based compensation. Such costs are expected to be recognized over a weighted average period of approximately 2.7 years.

On December 30, 2012, the Board of Directors modified the vesting terms related to an employee's unvested shares so that all unvested shares immediately vested as of the employee's death on October 29, 2012. As a result of the modification, the Company recorded an additional $274,531 in stock based compensation expense.

Non-employee Options

Non-employee options outstanding at December 31, 2011 and 2012 had a weighted average remaining contractual life of approximately 7.0 and 6.9 years, respectively. As of December 31, 2011, the number of vested and non-vested shares granted was 950,517 and 188,655, respectively, at an average exercise price of $0.07. As of December 31, 2012, the number of vested and non-vested shares granted was 1,084,466 and 326,359, respectively, at an average exercise price of $0.10.

For the years ended December 31, 2011 and 2012, the Company granted a total of 22,500 and 247,500 stock options, respectively, to its Consultants. In general, the grants vest ratably over a three-year period and have a life of 10 years. Stock options issued to nonemployees uses the fair value method of accounting as prescribed under ASC 505, *Equity-Based Payments to Non-Employees*, and are periodically revalued as the options vest and are recognized as expense over the related service period.

For the years ended December 31, 2011 and 2012, the Company incurred share-based compensation expense in the amount of $62,916 and $111,916, respectively. As of December 31, 2011 and 2012, there was $40,786 and $416,854 of total unrecognized share-based compensation, respectively. Such costs are expected to be recognized over a weighted average period of approximately 2.1 and 3.0 years, respectively.

13. Employee Benefit Plan

Through a professional employer organization, the Company maintains a defined contribution 401(k) plan available to employees. Employee contributions are voluntary and are determined on an individual basis, limited by the maximum amounts allowable under federal tax regulations. The Company does not match any of the employee contributions.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Financial Statements (continued)

14. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value standard also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

- Level 1—inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.
- Level 2—inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.
- Level 3—inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2011.

	Fair Value Measurements Using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets			
Investments in money markets*	$ 4,874,157	$ —	$ —
Liabilities			
Series A Warrant Liability	$ —	$ —	$ 193,171

* Investments in money markets are reflected in cash and cash equivalents in the accompanying Balance Sheets.

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2012.

	Fair Value Measurements Using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets			
Investments in money markets*	$ 523,609	$ —	$ —
Liabilities			
Series A Warrant Liability	$ —	$ —	$ 523,216
Series B Warrant Liability	$ —	$ —	$ 442,564

* Investments in money markets are reflected in cash and cash equivalents in the accompanying Balance Sheets.

OPHTHOTECH CORPORATION
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Notes to Financial Statements (continued)

14. Fair Value Measurements (continued)

Level 3 Valuation

The warrant liability is recorded in its own line item on the Company's Balance Sheets. The warrant liability is marked-to-market each reporting period with the change in fair value recorded to other loss in the Statement of Operations until the warrants are exercised, expire or other facts and circumstances lead the warrant liability to be reclassified as an equity instrument.

The fair value of the warrant liability is estimated using a hybrid method that integrates a scenario based PWERM model and an option pricing model. The three scenarios used for the PWERM model include dissolution, acquisition and an initial public offering. The variables used in the models include the expected volatility based on similar public companies, the preferred stock value, risk free interest rates and the estimated time to a liquidity event. The range of risk free interest rates and volatility included in each model are predicated on the length of time to reach the expected outcome employed in each scenario. The range of fair value used in each model relates to the enterprise value calculated for each of the expected outcome scenarios. For example, the enterprise value for a dissolution scenario is significantly less than the enterprise value for an initial public offering.

The significant assumptions used in preparing the option pricing model for valuing the Company's warrants for the Series A preferred shares as of December 31, 2011, include (i) volatility (64.7%), (ii) risk free interest rate (0.06% – 0.12%), (iii) strike price ($.01), (iv) fair value of Series A preferred shares ($0.18 – $1.51), (v) expected life (0.5 years to 1.0 years) and (vi) expected outcome probability weighting of three outcome scenarios: merger (50%); technology sale (20%) and dissolution (30%).

The significant assumptions used in preparing the option pricing model for valuing the Company's warrants for the Series A preferred shares as of December 31, 2012, include (i) volatility (47.2% – 85.3%), (ii) risk free interest rate (0.05% – 0.62%), (iii) strike price ($0.01), (iv) fair value of Series A preferred shares ($1.22 – $4.34), (v) expected life (0.25 years to 4.5 years) and (vi) expected outcome probability weighting of three outcome scenarios: merger (65%); dissolution (20%) and an initial public offering (15%).

The significant assumptions used in preparing the option pricing model for valuing the Company's warrants for the Series B preferred shares as of December 31, 2012, include (i) volatility (47.2% – 80.1%), (ii) risk free interest rate (0.05% – 1.68%), (iii) strike prices ($1.00 – $2.50), (iv) fair value of Series B preferred shares ($1.18 – $4.22), (v) expected life (0.25 years to 9.5 years) and (vi) expected outcome probability weighting of three outcome scenarios: merger (65%); dissolution (20%) and an initial public offering (15%).

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Financial Statements (continued)

14. Fair Value Measurements (continued)

The table presented below is a summary of changes in the fair value of the Company's Level 3 valuation for the Series A and Series B warrant liabilities for periods ending December 31, 2012 and 2011:

	Level 3	
	Series A Warrant Liability	Series B Warrant Liability
Beginning at December 31, 2010	$ 186,031	$ —
Change in fair value of warrant liability	7,140	—
Balance at December 31, 2011	193,171	—
Warrants issued in connection with venture debt facility	—	406,564
Change in fair value of warrant liability	330,045	36,000
Balance as of December 31, 2012	$ 523,216	$ 442,564

No other changes in valuation techniques or inputs occurred during the year ended December 31, 2012. No transfer of assets between Level 1 and Level 2 of the fair value hierarchy occurred during the year ended December 31, 2012.

15. Notes Payable

On June 20, 2012, and December 24, 2012, the Company issued secured promissory notes (the "2012 Notes") in the amount of $7,500,000 and $4,000,000, respectively, to the same Lender. The 2012 Notes bear interest on the outstanding principal amount thereof from the Closing Date until paid in full at a rate per annum equal to the sum of (i) the greater of (A) the LIBOR Rate in effect for the applicable Interest Period and (B) 3.0%, plus (ii) the LIBOR Rate Margin adjusted on the first day of each Interest Period and fixed for the duration of each such Interest Period.

16. Subsequent Events

On March 15, 2013, the Company issued a secured promissory note in the amount of $1,500,000 (the "2013 Note") to the holder of the 2012 Notes. The 2013 Note carries interest at a rate per annum equal to the sum of (i) the greater of (A) the LIBOR Rate in effect for the applicable Interest Period and (B) 3.0%, plus (ii) the LIBOR Rate Margin adjusted on the first day of each Interest Period and fixed for the duration of each such Interest Period.

In conjunction with the issuance of the 2013 Note, the Lender received warrants to purchase 35,700 shares of Series B Preferred Stock with an exercise price of $2.50 per share. The warrants expire on March 15, 2023 and provide for proportionate adjustments to be made to the number of shares purchasable and the exercise price payable under the warrants in the event of certain changes to the underlying Series B Preferred Stock, including for subdivisions, combinations and stock dividends.

On April 25, 2013, the Company amended its certificate of incorporation to increase the authorized shares of capital stock to the following: 187,918,509 shares of common stock and 73,094,000 shares of Series A Preferred Stock, 18,480,000 shares of Series A-1 Preferred Stock, 3,000,000 shares of Junior Series A Preferred Stock, 42,391,600 shares of Series B Preferred Stock, 700,000 shares of Series B-1 Preferred Stock, and 28,000,000 shares of Series C Preferred Stock, each with a par value of $0.001 per share.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Financial Statements (continued)

16. Subsequent Events (continued)

On May 23, 2013, the Company entered into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") with Novo A/S, providing for the Company to sell, and Novo A/S to purchase, the right, title, and interest in a portion of the revenues from the sale of (a) Fovista, (b) Fovista-Related Products, and (c) Other Products (as defined in the Purchase and Sale Agreement), calculated as low to mid single-digit percentages of net sales.

The Purchase and Sale Agreement provides for up to three separate purchases for a purchase price of $41.7 million each, at a first, second and third closing, for an aggregate purchase price of $125 million. In each purchase, Novo A/S acquires rights to a low single-digit percentage of net sales. Following the purchase of all royalty interests under the Purchase and Sale Agreement, Novo A/S will have a right to receive royalties on net sales at a mid-single digit percentage.

On May 23, 2013, the Company received cash proceeds of $41.7 million for the royalty entitlement related to the first closing on the date of the Purchase and Sale Agreement. Receipt of cash proceeds for the second and third purchases is contingent upon certain triggers and conditions detailed in the Purchase and Sale Agreement none of which have occurred prior to this filing.

The royalty payment period covered by the Purchase and Sale Agreement begins on commercial launch and ends, on a product by product and country by country basis, on the latest to occur of (i) the 12th anniversary of the commercial launch, (ii) the expiration of certain patent rights and (iii) the expiration of the regulatory exclusivity for each product in each country.

Under the terms of the Purchase and Sale Agreement, the Company is not required to reimburse or otherwise compensate Novo A/S through any means other than the agreed royalty entitlement. In addition, the Company does not, under the terms of the Purchase and Sale Agreement, have the right or obligation to prepay Novo A/S in connection with a change of control of the Company or otherwise.

The Purchase and Sale Agreement requires the establishment of a Joint Oversight Committee in the event that Novo A/S does not continue to have a representative on the Company's board of directors. The Joint Oversight Committee would have responsibilities that include "discussion and review" of all matters related to Fovista research, development, regulatory approval and commercialization, but there is no provision either implicit or explicit that gives the Joint Oversight Committee or its members decision-making authority.

On May 23, 2013, the Company entered into a Series C Preferred Stock Purchase Agreement (the "Series C Agreement") with certain of its existing investors for the sale and issuance of an aggregate of 20,000,000 shares of the Company's Series C Preferred Stock at a price of $2.50 per share. In connection with entering into the Series C Agreement, the Company issued 6,666,667 shares of Series C Preferred Stock at $2.50 per share in a closing that occurred on May 23, 2013, simultaneous with entery into the Series C Agreement.

On May 23, 2013, the Company repaid the outstanding principal, interest and related prepayment fees on the 2012 Notes and 2013 Note.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Balance Sheets

	December 31, 2012	June 30, 2013 (unaudited)	Proforma June 30, 2013
Assets			
Current assets:			
Cash and cash equivalents	$ 4,304,536	$ 39,854,026	$
Prepaid expenses	43,609	105,669	
Debt issuance costs	330,692	—	
Security deposits	158,399	158,453	
Total current assets	4,837,236	40,118,148	
Property and equipment, net	42,152	32,003	
Total assets	$ 4,879,388	$ 40,150,151	$
Liabilities, Convertible Redeemable Series A, Series A-1, Series B, Series B-1, Series C Preferred Stock and stockholders' deficit			
Current liabilities:			
Notes payable	$ 11,039,901	$ —	$
Accrued clinical drug supplies and trial costs	1,012,984	2,101,064	
Accounts payable and accrued expenses	865,672	1,986,852	
Accrued bonuses	525,862	466,200	
Warrant liability	965,780	1,259,021	
Total current liabilities	14,410,199	5,813,137	
Royalty purchase liability	—	41,666,667	
Total liabilities	14,410,199	47,479,804	
Preferred Stock, Convertible and Redeemable:			
Series A—June 30, 2013 and December 31, 2012—$0.001 par value, 73,094,000 shares authorized, 51,790,000 shares issued and outstanding (aggregate liquidation preference of $72,618,601 at June 30, 2013)	69,470,667	71,525,241	
Series A-1—June 30, 2013 and December 31, 2012—$0.001 par value, 18,480,000 shares authorized, 6,000,000 issued and outstanding (aggregate liquidation preference of $8,698,518 at June 30, 2013)	8,460,492	8,698,518	
Series B—June 30, 2013—$0.001 par value, 42,391,600 shares authorized, 30,000,000 issued and outstanding; December 31, 2012—$0.001 par value, 42,320,200 shares authorized, 30,000,000 issued and outstanding (aggregate liquidation preference of $37,058,628 at June 30, 2013)	35,456,389	36,646,525	
Series B-1—June 30, 2013 and December 31, 2012—$0.001 par value, 700,000 shares authorized, 500,000 issued and outstanding (aggregate liquidation preference of $571,890 at June 30, 2013)	552,054	571,890	
Series C—June 30, 2013—$0.001 par value, 28,000,000 shares authorized, 6,666,667 issued and outstanding (aggregate liquidation preference of $16,764,842 at June 30, 2013)	—	16,462,624	
Total Preferred Stock, Convertible and Redeemable	113,939,602	133,904,798	
Stockholders' deficit:			
Junior Series A Convertible Preferred Stock—June 30, 2013 and December 31, 2012—$0.001 par value, 3,000,000 shares authorized, 3,000,000 shares issued and outstanding; at original issue price	3,000,000	3,000,000	
Common stock—June 30, 2013—$0.001 par value, 187,918,509 shares authorized, 8,671,911 shares issued and outstanding; December 31, 2012—$0.001 par value, 155,864,851 shares authorized, 8,671,911 shares issued and outstanding	8,672	8,672	
Deficit accumulated during the development stage	(126,479,085)	(144,243,123)	
Total stockholders' deficit	(123,470,413)	(141,234,451)	
Total liabilities and stockholders' deficit	$ 4,879,388	$ 40,150,151	$

See accompanying unaudited notes.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Statements of Operations
(Unaudited)

	Six Months Ended June 30,		Period From January 5, 2007 (Inception) to June 30, 2013
	2012	2013	
Costs and expenses:			
Research and development	$ 3,198,869	$ 6,734,574	$ 81,625,865
General and administrative	3,082,073	4,979,582	32,328,466
Total costs and expenses	6,280,942	11,714,156	113,954,331
Loss from operations	(6,280,942)	(11,714,156)	(113,954,331)
Interest expense	(25,945)	(1,453,982)	(1,963,896)
Interest and other income	207	58	481,383
Foreign currency transaction loss	(1,776)	(54)	9,517
Loss on extinguishment of debt	—	(1,195,768)	(1,195,768)
Other loss	(269,727)	(260,754)	(641,470)
Change in fair value related to investor rights liability	—	—	682,922
Net loss before income tax benefit	(6,578,183)	(14,624,656)	(116,581,643)
Income tax benefit	—	—	1,327,019
Net loss	(6,578,183)	(14,624,656)	(115,254,624)
Add: accretion of preferred stock dividends	(3,512,292)	(3,599,746)	(30,754,808)
Net loss attributable to common stockholders	$ (10,090,475)	$ (18,224,402)	$ (146,009,432)
Net loss attributable to common stockholders per share—basic and diluted	$ (1.19)	$ (2.10)	
Weighted-average shares outstanding—basic and diluted	8,510,281	8,671,911	
Unaudited basic and diluted pro forma net loss attributable to common stockholders per share			
Unaudited basic and diluted pro forma weighted-average shares outstanding			

See accompanying unaudited notes.

OPHTHOTECH CORPORATION
(A Development Stage Company)

Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,		Period From January 5, 2007 (Inception) to June 30, 2013
	2012	2013	
Operating activities			
Net loss	$ (6,578,183)	$ (14,624,656)	$ (115,254,624)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	16,295	10,149	164,325
Amortization of debt issuance costs	1,132	88,491	135,260
Accretion of debt discount	3,042	87,248	145,913
Non-cash change in fair value of warrant liability	269,727	260,754	641,470
Non-cash change in fair value of investor rights liability	—	—	(682,922)
Loss on extinguishment of debt	—	1,195,768	1,195,768
Stock-based compensation	133,480	460,364	1,650,755
Series A-1 and Junior Preferred Stock issued for acquired technology and licenses	—	—	9,000,000
Series B-1 Preferred Stock issued for acquired technology and licenses	—	—	500,000
Accrued interest expense converted to Series A Preferred Stock	—	—	2,393
Changes in operating assets and liabilities:			
Prepaid expenses and other	30,896	(62,060)	(117,601)
Other receivables	1,036,391	—	—
Security deposits	(202)	(54)	(158,453)
Accrued clinical drug supplies and trial costs	(637,187)	1,088,080	2,101,064
Accounts payable and accrued expenses	613,219	1,121,180	1,986,852
Accrued bonuses	(478,360)	(59,662)	466,200
Deferred rent	(14,692)	—	—
Net cash used in operating activities	(5,604,442)	(10,434,398)	(98,223,600)
Investing activities			
Purchase of marketable securities	—	—	(4,238,068)
Maturities of marketable securities	—	—	4,250,000
Purchase of property and equipment	—	—	(196,328)
Net cash used in investing activities	—	—	(184,396)
Financing activities			
Payment of debt issuance costs	(122,579)	(43,229)	(420,690)
Proceeds from issuance of common stock	183	—	124,226
Proceeds from issuance/(repayment) of notes payable, net	—	—	210,000
Proceeds from issuance/(repayment) of venture debt facility, net	7,460,295	(12,005,000)	(617,200)
Proceeds from issuance of preferred stock, net	—	16,365,450	97,299,019
Proceeds from royalty purchase agreement	—	41,666,667	41,666,667
Net cash provided by financing activities	7,337,899	45,983,888	138,262,022
Increase in cash and cash equivalents	1,733,457	35,549,490	39,854,026
Cash and cash equivalents at beginning of period	6,396,003	4,304,536	—
Cash and cash equivalents at end of period	$ 8,129,460	$ 39,854,026	$ 39,854,026
Supplemental disclosures of cash flow information			
Accreted dividends on Series A, Series A-1, Series B, B-1 and Series C Preferred Stock	$ 3,512,292	$ 3,599,746	$ 30,754,808
Notes payable and accrued interest converted to Series A Preferred Stock	$ —	$ —	$ 212,393

See accompanying unaudited notes.

OPHTHOTECH CORPORATION
(A Development Stage Company)

Notes to Unaudited Financial Statements
June 30, 2013

1. Business

Description of Business and Organization

Ophthotech Corporation (the "Company" or "Ophthotech") was incorporated on January 5, 2007, in Delaware. The Company is a biopharmaceutical company specializing in the development of novel therapeutics to treat diseases of the eye. The Company's operations since inception have been limited to organizing and staffing the Company, acquiring rights to product candidates, business planning, raising capital and developing its product candidates. Accordingly, the Company is considered to be in the development stage as defined by Accounting Standards Codification ("ASC") 915, *Development Stage Entities*. The Company operates in one business segment.

Capitalized terms not otherwise defined herein are defined in their respective agreements.

Unaudited Pro Forma Information

Unaudited pro forma net loss per share is computed using the weighted-average number of common shares outstanding and gives effect to the automatic conversion of all outstanding shares of the Company's preferred stock, and shares of the Company's preferred stock issuable as accrued stock dividends, into an aggregate of shares of the Company's common stock, as if they had occurred during the six months ended June 30, 2013 and assuming the closing of the public offering occurs on .

The unaudited pro forma balance sheet data as of June 30, 2013 gives effect to (i) the automatic conversion of all outstanding shares of the Company's preferred stock, and shares of the Company's preferred stock issuable as accrued stock dividends, into an aggregate of shares of the Company's common stock, and (ii) the reclassification of warrant liabilities to additional paid-in capital as a result of outstanding warrants to purchase 210,000 shares of the Company's Series A preferred stock and 355,900 shares of the Company's Series B preferred stock instead becoming, in accordance with their terms, warrants to purchase 595,749 shares of the Company's common stock, at a weighted average exercise price of $0.93 per share, assuming the closing of the public offering occurs on .

2. Summary of Significant Accounting Policies

The Company's complete listing of significant accounting policies are described in Note 2 of the notes to the audited financial statements as of December 31, 2012, included in this prospectus.

Basis of Presentation

The accompanying unaudited financial information as of June 30, 2013, for the six months ended June 30, 2012 and 2013, and for the period from January 5, 2007 (Inception) to June 30, 2013 has been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principals have been condensed or omitted pursuant to such rules and regulations. The December 31, 2012 balance sheet was derived from the Company's audited financial statements. These interim financial statements should be read in conjunction with the 2012 audited annual financial statements and notes thereto included elsewhere in this prospectus.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Unaudited Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In the opinion of management, the unaudited financial information as of June 30, 2013, for the six months ended June 30, 2012 and 2013, and for the period from January 5, 2007 (Inception) to June 30, 2013, reflects all adjustments, which are normal recurring adjustments, necessary to present a fair statement of financial position, results or operations and cash flows. The results of operations for the six months ended June 30, 2013, are not necessarily indicative of the operating results for the full fiscal year or any future period.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates and judgments on historical experience and on various other assumptions that it believes are reasonable under the circumstances. The amounts of assets and liabilities reported in the Company's Balance Sheets and the amount of expenses reported for each of the periods presented are affected by estimates and assumptions, which are used for, but not limited to, the accounting for stock-based compensation and investor rights liabilities, for income taxes and accounting for research and development costs. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The carrying amounts reported in the Balance Sheets for cash and cash equivalents are valued at cost, which approximates their fair value.

Research and Development

All research and development costs are expensed as incurred. Research and development costs include costs of acquired product license and related technology rights where there is no alternative future use, prototypes used in research and development, consultant fees and amounts paid to collaborative partners. All research and development costs are charged to operations as incurred in accordance with ASC 730 *Research and Development.*

Income Taxes

The Company utilizes the liability method of accounting for deferred income taxes, as set forth in ASC 740-10, *Income Taxes-Overall.* Under this method, deferred tax liabilities and assets are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance is established against net deferred tax assets because, based on the weight of available evidence, it is more likely than not that some or all of the net deferred tax assets will not be realized. The Company maintains a full valuation allowance on its deferred tax assets. Accordingly, the Company has not recorded a benefit or provision for income taxes other than for the sale of a portion of its unused New Jersey State operating loss carryforwards through a program sponsored by the State of New Jersey and the New Jersey Economic Development Authority in 2011. The Company's U.S. federal net operating losses have occurred since inception and as such, tax years subject to potential tax examination could apply from that date because carrying-back net operating loss opens the relevant year to audit.

Share-Based Compensation

The Company follows the provisions of the ASC Topic 718, *Compensation—Stock Compensation* which requires the measurement and recognition of compensation expense for all share-based payment awards made to

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Unaudited Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

employees and non-employee directors, including employee stock options. Share compensation expense based on the grant date fair value estimated in accordance with the provisions of ASC 718 is generally recognized as an expense over the requisite service period.

For stock options granted as consideration for services rendered by non-employees, the Company recognizes expense in accordance with the requirements of ASC Topic 505-50, *Equity Based Payments to Non-Employees*. Non-employee option grants that do not vest immediately upon grant are recorded as an expense over the vesting period of the underlying stock options. At the end of each financial reporting period prior to vesting, the value of these options, as calculated using the Black-Scholes option-pricing model, will be re-measured using the fair value of the Company's common stock and the non-cash expense recognized during the period will be adjusted accordingly. Since the fair market value of options granted to non-employees is subject to change in the future, the amount of the future expense will include fair value re-measurements until the stock options are fully vested.

The Company has determined the estimated fair value of the common stock based on a number of objective and subjective factors, including external market conditions affecting the biotechnology industry sector and the prices at which the Company sold shares of its common stock.

Due to the lack of trading history, the Company's computation of stock-price volatility is based on the volatility rates of comparable publicly held companies over a period equal to the estimated useful life of the options granted by the Company. The Company's computation of expected life was determined using the "simplified" method which is the midpoint between the vesting date and the end of the contractual term. The Company believes that it does not have sufficient reliable exercise data in order to justify the use of a method other than the "simplified" method of estimating the expected exercise term of employee stock option grants. The Company has paid no dividends to stockholders. The risk-free interest rate is based on the zero-coupon U.S. Treasury yield at the date of grant for a term equivalent to the expected term of the option.

Share-based compensation expense includes stock options granted to employees and non-employees and has been reported in the Company's statements of operations as follows:

	Six Months Ended June 30,	
	2012	2013
Research and development	$ 86,048	$ 300,320
General and administrative	47,432	160,044
Total	$ 133,480	$ 460,364

The Company had no shares of unvested restricted common stock granted to employees at December 31, 2012 and June 30, 2013, respectively.

3. Net Loss Per Common Share

Basic and diluted net loss per common share is determined by dividing net loss applicable to common stockholders by the weighted average common shares outstanding during the period. For the periods where there is a net loss attributable to common shareholders, the outstanding shares of Preferred Stock, options, unvested restricted stock, and warrants have been excluded from the calculation of diluted loss per common shareholder because their effect would be anti-dilutive. Therefore, the weighted average shares used to calculate both basic and

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Unaudited Financial Statements (continued)

3. Net Loss Per Common Share (continued)

diluted loss per share would be the same. The following table sets forth the computation of basic and diluted net loss per share for the periods indicated:

	For Six Months Ended June 30,	
	2012	2013
Basic and diluted net loss per common share calculation:		
Net loss	$ (6,578,183)	$ (14,624,656)
Accretion of preferred stock dividends	(3,512,292)	(3,599,746)
Net loss attributable to common shareholders	$ (10,090,475)	$ (18,224,402)
Weighted average common shares	8,510,281	8,671,911
Net loss per share of common stock—basic and diluted	$ (1.19)	$ (2.10)

The following potentially dilutive securities have been excluded from the computations of diluted weighted average shares outstanding for the periods presented, as they would be anti-dilutive:

	For Six Months Ended June 30,	
	2012	2013
Redeemable convertible preferred stock	96,536,280	106,757,448
Unvested restricted stock	20,058	—
Options outstanding	7,777,147	12,690,338
Warrants	456,449	595,749
Total	104,789,934	120,043,535

4. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value standard also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

- Level 1—inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.
- Level 2—inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.
- Level 3—inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Unaudited Financial Statements (continued)

4. Fair Value Measurements (continued)

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2012.

	Fair Value Measurements Using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets			
Investments in money markets*	$523,609	$ —	$ —
Liabilities			
Series A Warrant Liability	$ —	$ —	$523,216
Series B Warrant Liability	$ —	$ —	$442,564

* Investments in money markets are reflected in cash and cash equivalents in the accompanying Balance Sheets.

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2013.

	Fair Value Measurements Using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets			
Investments in money markets*	$ 30,023,362	$ —	$ —
Liabilities			
Series A Warrant Liability	$ —	$ —	$ 599,623
Series B Warrant Liability	$ —	$ —	$ 659,398

* Investments in money markets are reflected in cash and cash equivalents in the accompanying Balance Sheets.

Level 3 Valuation

The warrant liability is recorded in its own line item on the Company's Balance Sheets. The warrant liability is marked-to-market each reporting period with the change in fair value recorded to other loss in the Statement of Operations until the warrants are exercised, expire or other facts and circumstances lead the warrant liability to be reclassified as an equity instrument.

The fair value of the warrant liability is estimated using a hybrid method between a PWERM model and an option pricing model, which includes variables such as the expected volatility based on guideline public companies, the preferred stock value, and the estimated time to a liquidity event.

The significant assumptions used in preparing the option pricing model for valuing the Company's warrants to purchase share of Series A Preferred Stock and warrants to purchase shares of Series B Preferred Stock, in each case, as of June 30, 2013, include (i) volatility (79.7% – 85.1%), (ii) risk free interest rate (0.66% –

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Unaudited Financial Statements (continued)

4. Fair Value Measurements (continued)

2.37%), (iii) strike price ($0.01 – $2.80), (iv) fair value of Series A preferred shares ($1.48 – $4.65), (v) fair value of Series B preferred shares ($1.45 – $4.65), (vi) expected life (3.0 years to 9.2 years) and (vii) expected outcome probability weighting of three outcome scenarios: merger (20%); dissolution (15%) and an initial public offering (65%).

The table presented below is a summary of changes in the fair value of the Company's Level 3 valuation for the Series A and Series B warrant liabilities for the period ended June 30, 2013:

	Level 3	
	Series A Warrant Liability	Series B Warrant Liability
Balance at December 31, 2011	$ 193,171	$ —
Warrants issued in connection with venture debt facility	—	406,564
Change in fair value of warrant liability	330,045	36,000
Balance at December 31, 2012	523,216	442,564
Warrants issued in connection with venture debt facility	—	32,487
Change in fair value of warrant liability	76,407	184,347
Balance at June 30, 2013	$ 599,623	$ 659,398

No other changes in valuation techniques or inputs occurred during the six months ended June 30, 2013. No transfers of assets between Level 1 and Level 2 of the fair value measurement hierarchy occurred during the six months ended June 30, 2013.

5. Notes Payable

On June 20, 2012, December 24, 2012 and March 15, 2013, the Company issued secured promissory notes (the "Notes") in the amount of $7,500,000 and $4,000,000 and $1,500,000, respectively, to the same lender. The Notes bore interest on the outstanding principal amount thereof from the Closing Date until paid in full at a rate per annum equal to the sum of (i) the greater of (A) the LIBOR Rate in effect for the applicable Interest Period and (B) 3.0%, plus (ii) the LIBOR Rate Margin adjusted on the first day of each Interest Period and fixed for the duration of each such Interest Period.

As of December 31, 2012, the Company classified the debt with the lender as a current liability since the Company intended to pay down the balance in its entirety within twelve months. The Company repaid in full the outstanding principal, interest and related prepayment fees in May 2013. The repayment of the Notes resulted in a loss on extinguishment of debt in the amount of $1,278,086 for the six months ended June 30, 2013. In addition, the Company made payments of $820,000 which, in accordance with the Notes, were required upon the earlier of the maturity date or the prepayment date of the Notes. These payments were recorded as interest expense for the six months ended June 30, 2013.

6. Stock Option and Compensation Plans

The Company adopted its 2007 Stock Incentive Plan (the "Plan") for employees and consultants for the purpose of advancing the interests of the Company stockholders by enhancing its ability to attract, retain and motivate persons who are expected to make important contributions to the Company.

OPHTHOTECH CORPORATION
(A Development Stage Entity)
Notes to Unaudited Financial Statements (continued)

6. Stock Option and Compensation Plans (continued)

The following table sets forth the activity under the Company's Option Plan:

	Shares Available for Grant	Options Outstanding		
		Number of Shares	Weighted-Average Exercise Price	Weighted-Average Fair Value
Balance, December 31, 2012	827,908	7,927,147		
Increase to Option Pool	3,982,258	—		
Options granted	(4,763,191)	4,763,191	$ 1.79	$ 1.23
Options exercised	—	—		
Options forfeited	—	—		
Balance, June 30, 2013	46,975	12,690,338	$ 0.85	$ 0.63

The Company recognized approximately $133,480 and $460,364 of share-based compensation expense during the six months ended June 30, 2012 and 2013, respectively. As of December 31, 2012 and June 30, 2013, there was $1.0 million and $6.6 million of total unrecognized share-based compensation, respectively. Such costs are expected to be recognized over a weighted average period of approximately 3.0 and 3.5 years, respectively.

7. Royalty Agreement and Series C Agreements

On May 23, 2013, the Company entered into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") with Novo A/S, providing for the Company to sell, and Novo A/S to purchase, the right, title, and interest in a portion of the revenues from the sale of (a) Fovista, (b) Fovista-Related Products, and (c) Other Products (as defined in the Purchase and Sale Agreement), calculated as low to mid single-digit percentages of net sales.

The Purchase and Sale Agreement provides for up to three separate purchases for a purchase price of $41.7 million each, at a first, second and third closing, for an aggregate purchase price of $125 million. In each purchase, Novo A/S acquires rights to a low single-digit percentage of net sales. Following the purchase of all royalty interests under the Purchase and Sale Agreement, Novo A/S will have a right to receive royalties on net sales at a mid-single digit percentage.

On May 23, 2013, the Company received cash proceeds of $41.7 million for the royalty entitlement related to the first closing on the date of the Purchase and Sale Agreement. Such amount was recorded as a royalty purchase liability in the accompanying Balance Sheets. Receipt of cash proceeds for the second and third purchases is contingent upon certain triggers and conditions detailed in the Purchase and Sale Agreement, none of which have occurred prior to this filing.

The royalty payment period covered by the Purchase and Sale Agreement begins on commercial launch and ends, on a product by product and country by country basis, on the latest to occur of (i) the 12th anniversary of the commercial launch, (ii) the expiration of certain patent rights and (iii) the expiration of the regulatory exclusivity for each product in each country.

Under the terms of the Purchase and Sale Agreement, the Company is not required to reimburse or otherwise compensate Novo A/S through any means other than the agreed royalty entitlement. In addition, the Company does not, under the terms of the Purchase and Sale Agreement, have the right or obligation to prepay Novo A/S in connection with a change of control of the Company or otherwise.

OPHTHOTECH CORPORATION
(A Development Stage Entity)

Notes to Unaudited Financial Statements (continued)

7. Royalty Agreement and Series C Agreements (continued)

The proceeds from the first financing tranche under the Purchase and Sale Agreement has been recorded as a liability on the Company's balance sheet in accordance with Accounting Standards Codification Topic 730. Because there is a significant related party relationship between the Company and Novo A/S, the Company is treating its obligation to make royalty payments under the Purchase and Sale Agreement as an implicit obligation to repay the funds advanced by Novo A/S, and thus has recorded the proceeds as a liability on its balance sheet. As the Company makes royalty payments in accordance with the Purchase and Sale Agreement, it will reduce the liability balance. At the time that such royalty payments become probable and estimable, and if such amounts exceed the liability balance, the Company will impute interest accordingly on a prospective basis based on such estimates, which would result in a corresponding increase in the liability balance.

The Purchase and Sale Agreement requires the establishment of a Joint Oversight Committee in the event that Novo A/S does not continue to have a representative on the Company's board of directors. The Joint Oversight Committee would have responsibilities that include "discussion and review" of all matters related to Fovista research, development, regulatory approval and commercialization, but there is no provision either implicit or explicit that gives the Joint Oversight Committee or its members decision-making authority.

On May 23, 2013, the Company entered into a Series C Preferred Stock Purchase Agreement (the "Series C Agreement") with certain of its existing investors for the sale and issuance of an aggregate of 20,000,000 shares of the Company's Series C Preferred Stock at a price of $2.50 per share. In connection with entering into the Series C Agreement, the Company issued 6,666,667 shares of Series C Preferred Stock at $2.50 per share in a closing that occurred on May 23, 2013, simultaneous with entry into the Series C Agreement. As the Series C Agreement was entered into conjunction with the Purchase and Sale Agreement, the Company's management considered whether the consideration received for the issuance of Series C Preferred Stock or the consideration received for the sale of the royalty entitlement at the first closing under the Purchase and Sale Agreement should be allocated in the Company's financial statements in a manner different than the prices stated in the respective agreements. The Company's management, with the assistance of an outside valuation specialist, determined that the $2.50 per share price approximated the fair value of a share of Series C Preferred Stock, and therefore concluded that the consideration received under the agreements should be allocated in accordance with the terms of the respective agreements.

The proceeds received from Novo A/S under the Purchase and Sale Agreement will be reported as revenue for income tax purposes. Notwithstanding the Company's receipt of $41.7 million in proceeds under the Purchase and Sale Agreement in May 2013, the Company has forecasted a tax loss for the 2013 tax year. Based upon the Company's cumulative history of losses and expected future losses, the Company recorded a full valuation allowance against all net federal and state deferred tax assets.

8. Subsequent Events

On August 1, 2013, the Company amended the Series C Agreement to provide for the acceleration of the sale and issuance of the remaining 13,333,333 shares issuable thereunder, the purchase and sale of which closed on August 7, 2013 at $2.50 per share for aggregate proceeds of $33.3 million. There are no further rights or obligations for the issuance of Series C Preferred Stock under the Series C Agreement.

Until , 2013 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses to be incurred in connection with the offering described in this Registration Statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimates except the Securities and Exchange Commission's registration fee and the Financial Industry Regulatory Authority, Inc.'s filing fee.

	Amount
Securities and Exchange Commission registration fee	$ 11,594
Financial Industry Regulatory Authority, Inc. filing fee	13,250
NASDAQ listing fee	125,000
Accountants' fees and expenses	*
Legal fees and expenses	*
Blue Sky fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous fees and expenses	*
Total expenses	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 102 of the Delaware General Corporation Law permits a corporation to eliminate the personal liability of its directors or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation provides that no director shall be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the Delaware General Corporation Law prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our certificate of incorporation provides that we will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil,

criminal, administrative or investigative (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, our director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our certificate of incorporation also provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, our director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred by him or her or on his or her behalf in connection therewith. If we do not assume the defense, expenses must be advanced to an Indemnitee under certain circumstances.

We have entered into indemnification agreements with our directors and executive officers. In general, these agreements provide that we will indemnify the director or executive officer to the fullest extent permitted by law for claims arising in his or her capacity as a director or officer of our company or in connection with their service at our request for another corporation or entity. The indemnification agreements also provide for procedures that will apply in the event that a director or executive officer makes a claim for indemnification and establish certain presumptions that are favorable to the director or executive officer.

We maintain a general liability insurance policy which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

The underwriting agreement we will enter into in connection with the offering of common stock being registered hereby provides that the underwriters will indemnify, under certain conditions, our directors and officers (as well as certain other persons) against certain liabilities arising in connection with such offering.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding shares of our common stock, shares of our preferred stock and warrants to purchase shares of our preferred stock issued, and stock options and restricted stock awards granted, by us within the past three years that were not registered under the Securities Act of 1933, as amended, or the Securities Act. Also included is the consideration, if any, received by us for such shares and options and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

(a) Issuance of securities

In March 2011, we issued and sold an aggregate of 15,000,000 shares of our series B preferred stock at a price per share of $1.00, for an aggregate purchase price of $15,000,000.

In September 2011, we issued and sold an aggregate of 500,000 shares of our series B-1 preferred stock to Archemix Corp., at a price per share of $1.00, for an aggregate purchase price of $500,000, which was deemed paid in partial consideration for license agreements that we have entered into concurrently with Archemix Corp.

In May 2013, we issued and sold an aggregate of 6,666,667 shares of our series C preferred stock, at a price per share of $2.50, for an aggregate purchase price of $16,666,667.

In August 2013, we issued and sold an aggregate of 13,333,333 shares of our series C preferred stock, at a price per share of $2.50, for an aggregate purchase price of $33,333,333.

No underwriters were involved in the foregoing issuances of securities. The securities described in this section (a) of Item 15 were issued to investors in reliance upon the exemption from the registration requirements of the Securities Act, as set forth in Section 4(2) under the Securities Act and Regulation D promulgated thereunder relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. The recipients of securities in the transactions described above represented that they were accredited investors and were acquiring the securities for their own account for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time and appropriate legends were affixed to the instruments representing such securities issued in such transactions.

(b) Stock option grants

Between January 1, 2010 and August 15, 2013, we issued to certain employees, directors and consultants options to purchase an aggregate of 13,934,505 shares of our common stock, of which, as of August 15, 2013, options to purchase 1,968,616 shares of our common stock had been exercised or forfeited, and options to purchase 11,965,889 shares of our common stock remained outstanding, at a weighted-average exercise price of $ per share.

The issuances of stock options and the shares of our common stock issuable upon the exercise of the options described in this paragraph (b) of Item 15 were issued pursuant to written compensatory plans or arrangements with our employees, directors and consultants, in reliance on the exemption provided by Rule 701 promulgated under the Securities Act, or pursuant to Section 4(2) under the Securities Act, relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. All recipients either received adequate information about us or had access, through employment or other relationships, to such information.

(c) Issuance of warrants

In connection with a venture debt facility, which we fully repaid in May 2013, we issued to the lender, (i) on June 20, 2012, a warrant to purchase 225,000 shares of our series B preferred stock, at an exercise price of $1.00 per share, (ii) on December 24, 2012, a warrant to purchase 95,200 shares of our series B preferred stock, at an exercise price of $2.50 per share, and (iii) on March 15, 2013, a warrant to purchase 35,700 shares of our series B preferred stock, at an exercise price of $2.50 per share.

The issuance of these warrants was made in reliance on the exemption from the registration requirements of the Securities Act, as set forth in Section 4(2) under the Securities Act and Regulation D promulgated thereunder relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. The lender represented that it was an accredited investor and was acquiring the warrants for its own account for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the warrants for an indefinite period of time and appropriate legends were affixed to the instruments representing such warrants issued in such transactions. Such recipients either received adequate information about us or had, through its relationship with us, access to such information.

All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. All certificates representing the issued shares of capital stock described in this Item 15 included appropriate legends setting forth that the securities have not been registered and the applicable restrictions on transfer.

Item 16. Exhibits and Financial Statement Schedules.

The exhibits to the registration statement are listed in the Exhibit Index attached hereto and incorporated by reference herein.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on this 15th day of August, 2013.

OPHTHOTECH CORPORATION

By: /s/ DAVID R. GUYER
David R. Guyer, M.D.
Chief Executive Officer

SIGNATURES AND POWER OF ATTORNEY

We, the undersigned officers and directors of Ophthotech Corporation, hereby severally constitute and appoint David R. Guyer, Samir C. Patel and Bruce Peacock, and each of them singly (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him and in his name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
/s/ DAVID R. GUYER David R. Guyer, M.D.	Chief Executive Officer and Chairman of the Board of Directors (principal executive officer)	August 15, 2013
/s/ SAMIR C. PATEL Samir C. Patel, M.D.	President and Vice Chairman of the Board of Directors	August 15, 2013
/s/ BRUCE PEACOCK Bruce Peacock	Chief Financial and Business Officer (principal financial and accounting officer)	August 15, 2013
/s/ AXEL BOLTE Axel Bolte	Director	August 15, 2013
/s/ THOMAS DYRBERG Thomas Dyrberg, M.D., D.M.Sc.	Director	August 15, 2013
/s/ NICHOLAS GALAKATOS Nicholas Galakatos, Ph.D.	Director	August 15, 2013
/s/ MICHAEL ROSS Michael Ross, Ph.D.	Director	August 15, 2013
/s/ GLENN SBLENDORIO Glenn Sblendorio	Director	August 15, 2013

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit
1.1*	Underwriting Agreement
3.1	Fourth Amended and Restated Certificate of Incorporation of the Registrant, as amended
3.2	Bylaws of the Registrant
3.3*	Form of Certificate of Incorporation of the Registrant (to be effective upon the closing of this offering)
3.4*	Form of Bylaws of the Registrant (to be effective upon the closing of this offering)
4.1*	Specimen Stock Certificate evidencing the shares of common stock
4.2	Third Amended and Restated Investors' Rights Agreement, dated as of May 23, 2013
5.1*	Opinion of Wilmer Cutler Pickering Hale and Dorr LLP
10.1	Amended and Restated 2007 Stock Incentive Plan, as amended
10.2	Form of Incentive Stock Option Agreement under Amended and Restated 2007 Stock Incentive Plan
10.3	Form of Nonstatutory Stock Option Agreement under Amended and Restated 2007 Stock Incentive Plan
10.4*	2013 Stock Incentive Plan
10.5*	Form of Incentive Stock Option Agreement under 2013 Stock Incentive Plan
10.6*	Form of Nonstatutory Stock Option Agreement under 2013 Stock Incentive Plan
10.7	Lease Agreement, dated as of September 30, 2007, between the Registrant and One Penn Plaza LLC, as the same has been supplemented by agreement dated March 12, 2013
10.8	Lease Agreement, dated as of February 8, 2010, between the Registrant and Vaughn Princeton Associates L.L.C., as the same has been amended by the First Amendment, dated as of May 24, 2011 and the Second Amendment, dated as of October 22, 2012
10.9†	Divestiture Agreement, dated as of July 27, 2007, by and between the Registrant and (OSI) Eyetech, Inc.
10.10†	License, Manufacturing and Supply Agreement, dated as of September 30, 2006, by and between Nektar Therapeutics AL, Corporation and (OSI) Eyetch, Inc., as the same was assigned to the Registrant on July 27, 2007 and amended by Amendment No. 1 thereto, dated as of April 5, 2012, and supplemented by a letter agreement, dated as of June 20, 2013
10.11†	Amended and Restated Exclusive License Agreement, dated as of September 12, 2011, by and between the Registrant and Archemix Corp., as amended by Amendment No. 1 thereto dated December 20, 2011 and supplemented by a letter agreement, dated as of April 30, 2012
10.12†	Amended and Restated Exclusive License Agreement, dated as of September 12, 2011, by and between the Registrant and Archemix Corp., as amended by Amendment No. 1 thereto, dated as of December 20, 2011
10.13†	Purchase and Sale Agreement, dated as of May 23, 2013, by and between the Registrant and Novo A/S
10.14*	Offer of Employment between the Registrant and David Guyer
10.15*	Second Amended and Restated Employment Agreement between the Registrant and Samir Patel
10.16*	Amended and Restated Offer of Employment between the Registrant and Bruce Peacock
23.1	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.2*	Consent of Wilmer Cutler Pickering Hale and Dorr LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)

* To be filed by amendment.

† Confidential treatment requested as to portions of the exhibit. Confidential materials omitted and filed separately with the Securities and Exchange Commission.

Exhibit 3.1

FOURTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
OPHTHOTECH CORPORATION

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Ophthotech Corporation, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Ophthotech Corporation, and that this corporation was originally incorporated pursuant to the General Corporation Law on January 5, 2007 under the name Ophthotech Corporation. The Certificate of Incorporation was most recently amended and restated on September 12, 2011 and further amended on June 20, 2012, December 24, 2012, March 15, 2013 and April 25, 2013.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Third Amended and Restated Certificate of Incorporation, as amended, of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Third Amended and Restated Certificate of Incorporation, as amended, of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is Ophthotech Corporation (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 187,918,509 shares of Common Stock, $0.001 par value per share ("**Common Stock**"), and (ii) 165,665,600 shares of Preferred Stock, $0.001 par value per share ("**Preferred Stock**"), of which 73,094,000 shares have been designated as **"Series A Preferred Stock"**, 18,480,000 shares have been designated as **"Series A-1 Preferred Stock"**, 3,000,000 shares have been designated as **"Junior Series A Preferred Stock"**, 42,391,600 shares have been designated as **"Series B Preferred Stock"**, 700,000 shares have been designated as "**Series B-1 Preferred Stock**" and 28,000,000 shares have been designated as "**Series C Preferred Stock**".

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

1. Issuance and Reissuance.

Preferred Stock may be issued from time to time in one or more series, each of such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein. Any shares of Preferred Stock that may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law or by the terms of any series of Preferred Stock.

C. JUNIOR PREFERRED STOCK

The Junior Series A Preferred Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to “Sections” or “Subsections” in this Part C of this Article FOURTH refer to sections and subsections of Part C of this Article FOURTH.

1. General. The voting, dividend and liquidation rights of the holders of the Junior Series A Preferred Stock are subject to and qualified by the rights, powers and preferences of the holders of the Senior Preferred Stock (as defined below) set forth herein.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after full payment of the amount due to the holders of shares of Senior Preferred Stock pursuant to Section D.2.1 below, the holders of shares of Junior Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share of Junior Series A Preferred Stock equal to the Junior Series A Original Issue Price (as defined below), plus any dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders, after full payment of the amount due to the holders of shares of Senior Preferred Stock pursuant to Section D.2.1 below, shall be insufficient to pay the holders of shares of Junior Series A Preferred Stock the full amount to which they shall be entitled under this Section C.2, the holders of shares of Junior Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The "**Junior Series A Original Issue Price**" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Junior Series A Preferred Stock.

2.2 In the event of a Deemed Liquidation Event (as defined below), the holders of shares of Junior Series A Preferred Stock shall be treated as if such shares had been converted into Common Stock immediately prior to such Deemed Liquidation Event and the holders of shares of Junior Series A Preferred Stock shall not be entitled to receive any payment pursuant to Section 2.1.

3. Voting. Except as provided by this Certificate of Incorporation, by the General Corporation Law or other applicable law, the Junior Series A Preferred Stock shall be non-voting and shall not be entitled to receive notice of, or to vote at, any meetings of the stockholders of the Corporation.

4. Optional Conversion.

The holders of the Junior Series A Preferred Stock shall have conversion rights as follows (the "**Junior Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Junior Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Junior Series A Original Issue Price by the Junior Series A Conversion Price (as defined below) in effect at the time of conversion. The "**Junior Series A Conversion Price**" shall initially be equal to $1.00. Such initial Junior Series A Conversion Price, and the rate at which shares of Junior Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Junior Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation, the Junior Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Junior Series A Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Junior Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Junior Series A Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Junior Series A Preferred Stock to voluntarily convert shares of Junior Series A Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Junior Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Junior Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Junior Series A Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Junior Series A Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Junior Series A Conversion Time, issue and deliver to such holder of Junior Series A Preferred Stock or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof, a certificate for the number (if any) of the shares of Junior Series A Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and payment of any declared but unpaid dividends on the shares of Junior Series A Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Junior Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Junior Series A Preferred Stock such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Junior Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Junior Series A Preferred Stock the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Junior Series A Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Junior Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Junior Series A Conversion Price.

4.3.3 Effect of Conversion. All shares of Junior Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Junior Series A Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon. Any shares of Junior Series A Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Junior Series A Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Junior Series A Conversion Price shall be made for any declared but unpaid dividends on the Junior Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Junior Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Junior Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Junior Series A Original Issue Date (as defined below)

effect a subdivision of the outstanding Common Stock, the Junior Series A Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Junior Series A Original Issue Date combine the outstanding shares of Common Stock (excluding any combinations of Common Stock that apply to individual holders pursuant to Part D, Section 6 of this Article FOURTH and not to the Common Stock as a class), the Junior Series A Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective. For purposes of this Article FOURTH, the term "**Junior Series A Original Issue Date**" shall mean the date on which the first share of Junior Series A Preferred Stock was issued.

4.5 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Junior Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Junior Series A Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Junior Series A Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Junior Series A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Junior Series A Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Junior Series A Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Junior Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.6 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Junior Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property, then and in each such event the holders of Junior Series A Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Junior Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 2, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Junior Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.5 or 4.6), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Junior Series A Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Junior Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Junior Series A Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Junior Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Junior Series A Preferred Stock.

4.8 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Junior Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Junior Series A Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Junior Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Junior Series A Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Junior Series A Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Junior Series A Preferred Stock.

5. Mandatory Conversion.

5.1 Trigger Event. At the Series A Mandatory Conversion Time (as defined below), (i) all outstanding shares of Junior Series A Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate, and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Junior Series A Preferred Stock shall be sent written notice of the Series A Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Junior Series A Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Series A Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Junior Series A Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Junior Series A Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Series A Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Series A Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Junior Series A Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Junior Series A Preferred Stock converted. Such converted Junior Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Junior Series A Preferred Stock accordingly.

6. Redemption. The Junior Series A Preferred Stock is not redeemable.

7. Waiver. Any of the rights, powers, preferences and other terms of the Junior Series A Preferred Stock set forth herein may be waived on behalf of all holders of Junior Series A Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Junior Series A Preferred Stock then outstanding.

8. Notices. Any notice required or permitted by the provisions of this Article FOURTH to be given to a holder of shares of Junior Series A Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

D. SENIOR PREFERRED STOCK

The Series A Preferred Stock, the Series A-1 Preferred Stock, the Series B Preferred Stock, the Series B-1 Preferred Stock and the Series C Preferred Stock (collectively, the "**Senior Preferred Stock**") shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part D of this Article FOURTH refer to sections and subsections of Part D of this Article FOURTH.

1. Dividends.

1.1 Legacy Accruing Dividends. During the period from and after the date of issuance of each share of Series A Preferred Stock and Series A-1 Preferred Stock through but excluding the Series B Original Issue Date, as defined in Subsection 4.4.1(d) (the "**Legacy Dividend Period**"), dividends at the rate per annum of $0.08 per share shall accrue on each outstanding share of Series A Preferred Stock and Series A-1 Preferred Stock, as the case may be (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock and Series A-1 Preferred Stock, as the case may be) (the "**Legacy Accruing Dividends**"). Legacy Accruing Dividends shall accrue daily during the Legacy Dividend Period, whether or not declared, and shall be cumulative but not compounding; provided, however, that except as set forth in Subsection 1.3 or in Subsection 2.2, such Legacy Accruing Dividends shall be payable only when, as and if declared by the Board of Directors during the Legacy Dividend Period and the Corporation shall be under no obligation to pay such Legacy Accruing Dividends.

1.2 Accruing Dividends. From and after (i) the Series B Original Issue Date with respect to any shares of Series A Preferred Stock, Series A-1 Preferred Stock and Series B Preferred Stock outstanding on the Series B Original Issue Date and (ii) the date of issuance of each share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock issued after the Series B Original Issue Date, dividends shall accrue on each outstanding share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, as follows:

1.2.1 Cash Dividends.

(a) Cash dividends at the rate per annum of $0.10 per share shall accrue on each outstanding share of Series C Preferred Stock (subject to appropriate

adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) (the "**Series C Accruing Cash Dividends**"). The Series C Accruing Cash Dividends shall accrue daily, whether or not declared, and shall be cumulative but not compounding; provided, however, that except as set forth in Subsection 1.3 or in Subsection 2.1, such Series C Accruing Cash Dividends shall be payable only when, as and if declared by the Board of Directors, in preference to the Other Preferred Stock Accruing Cash Dividends (as defined below), and the Corporation shall be under no obligation to pay such Series C Accruing Cash Dividends. So long as any shares of Series C Preferred Stock are outstanding, the Company shall not declare, pay or set aside any Legacy Accruing Dividends or any Other Preferred Stock Accruing Cash Dividends on the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock until all Series C Accruing Cash Dividends shall have been paid or declared and set aside; provided, however, that such Legacy Accruing Dividends and Other Preferred Stock Accruing Cash Dividends shall accrue in accordance with Subsection 1.1 and Subsection 1.2.1(b).

(b) Cash dividends at the rate per annum of $0.04 per share shall accrue on each outstanding share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, as the case may be (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series B Preferred Stock or the Series B-1 Preferred Stock, as the case may be) (the "**Other Preferred Stock Accruing Cash Dividends**", and together with the Series C Accruing Cash Dividends, the "**Accruing Cash Dividends**"). Other Preferred Stock Accruing Cash Dividends shall accrue daily, whether or not declared, and shall be cumulative but not compounding; provided, however, that except as set forth in Subsection 1.3 or in Subsection 2.2, such Other Preferred Stock Accruing Cash Dividends shall be payable only when, as and if declared by the Board of Directors, on a *pari passu* basis with respect to the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock, and the Corporation shall be under no obligation to pay such Accruing Cash Dividends.

1.2.2 Stock Dividends.

(a) Dividends payable in additional shares of Series C Preferred Stock shall accrue at a rate per annum of 0.04 of a share of Series C Preferred Stock, in the case of each outstanding share of Series C Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) (the "**Series C Accruing Stock Dividends**"). Series C Accruing Stock Dividends shall accrue daily, whether or not declared, and shall be cumulative but not compounding. Such Series C Accruing Stock Dividends shall be payable in preference to the Other Preferred Stock Accruing Stock Dividends (as defined below), only when, as and if declared by the Board of Directors, or, to the extent not previously declared and paid, as provided in Subsection 1.3 or immediately prior to the earliest to occur of (i) conversion of the Series C Preferred Stock into Common Stock (or other securities, cash or property) pursuant to the terms of this Certificate of Incorporation, (ii) any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (iii) any Deemed Liquidation Event. Except as set forth in the immediately preceding sentence, the Corporation shall be under no obligation to

pay such Series C Accruing Stock Dividends. So long as any shares of Series C Preferred Stock are outstanding, the Company shall not declare, pay or set aside any Other Preferred Stock Accruing Stock Dividends on the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock until all Series C Accruing Stock Dividends shall have been paid or declared and set aside; provided, however, that such Other Preferred Stock Accruing Stock Dividends shall accrue in accordance with Subsection 1.2.2(b).

(b) Dividends payable in additional shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, as the case may be, shall accrue at a rate per annum of 0.04 of a share of Series A Preferred Stock, in the case of each outstanding share of Series A Preferred Stock, 0.04 of a share of Series A-1 Preferred Stock, in the case of each outstanding share of Series A-1 Preferred Stock, 0.04 of a share of Series B Preferred Stock, in the case of each outstanding share of Series B Preferred Stock, and 0.04 of a share of Series B-1 Preferred Stock, in the case of each outstanding share of Series B-1 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series B Preferred Stock or the Series B-1 Preferred Stock, as the case may be) (the "**Other Preferred Stock Accruing Stock Dividends**", and together with the Series C Accruing Stock Dividends, the "**Accruing Stock Dividends**"). The Accruing Cash Dividends and the Accruing Stock Dividends are hereinafter referred to collectively as the "**Accruing Dividends**". Other Preferred Stock Accruing Stock Dividends shall accrue daily, whether or not declared, and shall be cumulative but not compounding. Such Other Preferred Stock Accruing Stock Dividends shall be payable only when, as and if declared by the Board of Directors, on a *pari passu* basis with respect to the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock, or, to the extent not previously declared and paid, as provided in Subsection 1.3 or immediately prior to the earliest to occur of (i) conversion of the applicable shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, as the case may be, into Common Stock (or other securities, cash or property) pursuant to the terms of this Certificate of Incorporation, (ii) any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (iii) any Deemed Liquidation Event. Except as set forth in the immediately preceding sentence, the Corporation shall be under no obligation to pay such Other Preferred Stock Accruing Stock Dividends.

(c) No fractional shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock shall be issued upon payment of the Accruing Stock Dividends. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of such Senior Preferred Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon the conversion of the applicable shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as the case may be, into Common Stock (or other securities, cash or property) pursuant to the terms of this Certificate of Incorporation shall be determined on the basis of the total number of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as the case may be, the

holder is entitled to receive upon payment of the Accruing Stock Dividends, after aggregating all shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, held by each such holder.

(d) Holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall have no rights as a stockholder with respect to the shares of Senior Preferred Stock issuable as Accruing Stock Dividends unless and until such time as such shares of Senior Preferred Stock are actually issued pursuant to the terms hereof.

1.3 Priority in Payment of Dividends. Except as provided in Subsection 1.2, the Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Certificate of Incorporation) the holders of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as the case may be, in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends and, in the case of the Series A Preferred Stock and Series A-1 Preferred Stock, the aggregate Legacy Accruing Dividends, then accrued on such share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series A Original Issue Price, Series A-1 Original Issue Price, Series B Original Issue Price, Series B-1 Original Issue Price or Series C Original Issue Price, as applicable (each as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock pursuant to this Subsection 1.3 shall be calculated based

upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock dividend. For purposes of this Subsection 1.3, the amount of the Accruing Stock Dividends shall be the then current fair market value of such Accruing Stock Dividends as determined in good faith by the Board of Directors of the Corporation, including a majority of the Preferred Directors. The "**Series A Original Issue Price**" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock. The "**Series A-1 Original Issue Price**" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-1 Preferred Stock. The "**Series B Original Issue Price**" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock. The "**Series B-1 Original Issue Price**" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B-1 Preferred Stock. The "**Series C Original Issue Price**" shall mean $2.50 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series C Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock then outstanding (including any shares of Series C Preferred Stock issued as a result of such liquidation, dissolution or winding up of the Corporation as Series C Accruing Stock Dividends) shall be entitled to be paid, out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock, Junior Series A Preferred Stock or Common Stock by reason of their ownership thereof, an amount per share of Series C Preferred Stock equal to the Series C Original Issue Price, plus any Series C Accruing Cash Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Series C Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Preferential Payments to Holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after full payment of the amount due to the holders of shares of Series C Preferred Stock pursuant to Subsection 2.1, the holders of shares of Series A Preferred Stock, Series A-1 Preferred Stock,

Series B Preferred Stock and Series B-1 Preferred Stock then outstanding (including any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock issued as a result of such liquidation, dissolution or winding up of the Corporation as Other Preferred Stock Accruing Stock Dividends) shall be entitled to be paid, on a *pari passu* basis, out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Junior Series A Preferred Stock or Common Stock by reason of their ownership thereof, (i) an amount per share of Series A Preferred Stock equal to the Series A Original Issue Price, plus any Other Preferred Stock Accruing Cash Dividends and Legacy Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, (ii) an amount per share of Series A-1 Preferred Stock equal to the Series A-1 Original Issue Price, plus any Other Preferred Stock Accruing Cash Dividends and Legacy Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, (iii) an amount per share of Series B Preferred Stock equal to the Series B Original Issue Price, plus any Other Preferred Stock Accruing Cash Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, and (iv) an amount per share of Series B-1 Preferred Stock equal to the Series B-1 Original Issue Price, plus any Other Preferred Stock Accruing Cash Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders, after full payment of the amount due to the holders of shares of Series C Preferred Stock pursuant to Subsection 2.1, shall be insufficient to pay the holders of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock the full amount to which they shall be entitled under this Subsection 2.2, the holders of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.3 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock pursuant to Subsections 2.1 and 2.2 and the holders of shares of Junior Series A Preferred Stock pursuant to Section C.2, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock (including any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock issued as a result of such liquidation, dissolution or winding up of the Corporation as Accruing Stock Dividends) and Common Stock, pro rata based on the number of shares held by each such holder, after giving effect to the payment of any Accruing Stock Dividends pursuant to Subsection 1.2.2, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of this Certificate of Incorporation immediately prior to such dissolution, liquidation or winding up of the Corporation. Notwithstanding the foregoing:

(a) if the aggregate amount per share which the holders of Series A Preferred Stock or Series A-1 Preferred Stock are entitled to receive under Subsections 2.2 and 2.3 shall exceed two (2) times the Series A Original Issue Price or Series A-1 Original Issue Price, as applicable, after giving effect to the payment of any Other Preferred Stock Accruing Stock Dividends pursuant to Subsection 1.2.2 (the "**Series A Maximum Participation Amount**"), each holder of Series A Preferred Stock and Series A-1 Preferred Stock shall be entitled to receive upon such dissolution, liquidation or winding up of the Corporation for all outstanding shares of Series A Preferred Stock or Series A-1 Preferred Stock, as the case may be, after giving effect to the payment of any Other Preferred Stock Accruing Stock Dividends pursuant to Subsection 1.2.2, the greater of (i) the Series A Maximum Participation Amount applicable to the Series A Preferred Stock or Series A-1 Preferred Stock, as the case may be, and (ii) the amount such holder would have received if all such outstanding shares of Series A Preferred Stock and Series A-1 Preferred Stock had been converted into Common Stock immediately prior to such dissolution, liquidation or winding up of the Corporation; and

(b) if the aggregate amount per share which the holders of Series B Preferred Stock or Series B-1 Preferred Stock are entitled to receive under Subsections 2.2 and 2.3 shall exceed 2.65 times the Series B Original Issue Price or Series B-1 Original Issue Price, as applicable, after giving effect to the payment of any Other Preferred Stock Accruing Stock Dividends pursuant to Subsection 1.2.2 (the "**Series B Maximum Participation Amount**"), each holder of Series B Preferred Stock and Series B-1 Preferred Stock shall be entitled to receive upon such dissolution, liquidation or winding up of the Corporation for all outstanding shares of Series B Preferred Stock or Series B-1 Preferred Stock, as the case may be, after giving effect to the payment of any Other Preferred Stock Accruing Stock Dividends pursuant to Subsection 1.2.2, the greater of (i) the Series B Maximum Participation Amount applicable to the Series B Preferred Stock or Series B-1 Preferred Stock, as the case may be, and (ii) the amount such holder would have received if all such outstanding shares of Series B Preferred Stock and Series B-1 Preferred Stock had been converted into Common Stock immediately prior to such dissolution, liquidation or winding up of the Corporation.

(c) if the aggregate amount per share which the holders of Series C Preferred Stock are entitled to receive under Subsections 2.1 and 2.3 shall exceed 2.65 times the Series C Original Issue Price, after giving effect to the payment of any Series C Accruing Stock Dividends pursuant to Subsection 1.2.2 (the "**Series C Maximum Participation Amount**"), each holder of Series C Preferred Stock shall be entitled to receive upon such dissolution, liquidation or winding up of the Corporation for all outstanding shares of Series C Preferred Stock, after giving effect to the payment of any Series C Accruing Stock Dividends pursuant to Subsection 1.2.2, the greater of (i) the Series C Maximum Participation Amount applicable to the Series C Preferred Stock and (ii) the amount such holder would have received if all such outstanding shares of Series C Preferred Stock had been converted into Common Stock immediately prior to such dissolution, liquidation or winding up of the Corporation.

The aggregate amount which a holder of a share of Series A Preferred Stock is entitled to receive under Subsections 2.2 and 2.3 is hereinafter referred to as the "**Series A Liquidation Amount**." The aggregate amount which a holder of a share of Series A-1 Preferred Stock is entitled to receive under Subsections 2.2 and 2.3 is hereinafter referred to as the "**Series A-1 Liquidation**

Amount." The aggregate amount which a holder of a share of Series B Preferred Stock is entitled to receive under Subsections 2.2 and 2.3 is hereinafter referred to as the "**Series B Liquidation Amount**." The aggregate amount which a holder of a share of Series B-1 Preferred Stock is entitled to receive under Subsections 2.2 and 2.3 is hereinafter referred to as the "**Series B-1 Liquidation Amount**." The aggregate amount which a holder of a share of Series C Preferred Stock is entitled to receive under Subsections 2.1 and 2.3 is hereinafter referred to as the "**Series C Liquidation Amount**."

2.4 Liquidation Events.

2.4.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of (1) at least a majority of the outstanding shares of Series A Preferred Stock (voting separately as a class) and (2) at least a majority of the votes represented by the then outstanding shares of Series B Preferred Stock and Series C Preferred Stock (voting together as a single class) elect otherwise by written notice sent to the Corporation:

(a) a merger, acquisition or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this Subsection 2.4.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.4.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2 and 2.3 and Section 2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(ii) or 2.4.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within 90 days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock no later than the 90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock and (ii) if the holders of (1) at least a majority of the then outstanding shares of Series A Preferred Stock (voting separately as a class) and (2) at least a majority of the votes represented by the then outstanding shares of Series B Preferred Stock and Series C Preferred Stock (voting together as a single class) so request in a written instrument delivered to the Corporation not later than 120 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders (the "**Available Proceeds**"), to the extent legally available therefor, on the 160th day after such Deemed Liquidation Event, to redeem all outstanding shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock (including any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock issued as a result of such liquidation, dissolution or winding up of the Corporation as Accruing Stock Dividends) at a price per share equal to the Series A Liquidation Amount, Series A-1 Liquidation Amount, Series B Liquidation Amount, Series B-1 Liquidation Amount or Series C Liquidation Amount, as applicable. Within 10 days of the Corporation's receipt of such a written request for redemption from the holders of (x) at least a majority of the then outstanding Series A Preferred Stock (voting separately as a class) and (y) at least a majority of the votes represented by the then outstanding Series B Preferred Stock and Series C Preferred Stock (voting together as a single class), the Corporation shall deliver written notice of its receipt of such request to all holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock who were not parties to such request. Notwithstanding the foregoing, in the event of a redemption pursuant to this Subsection 2.4.2(b), if the Available Proceeds are not

sufficient to redeem all outstanding shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock as requested by the holders thereof pursuant to clause (ii) above, the Corporation shall redeem: (A) first, all outstanding shares of Series C Preferred Stock, or if the Available Proceeds are not sufficient to redeem all outstanding shares of Series C Preferred Stock, a pro rata portion of each holder's shares of Series C Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor; and (B) second, after redeeming all outstanding shares of Series C Preferred Stock pursuant to clause (A), a pro rata portion of each holder's shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, on a pari passu basis, to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Prior to the distribution or redemption provided for in this Subsection 2.4.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

2.4.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation, including a majority of the Preferred Directors.

2.4.4 Allocation of Escrow. In the event of a Deemed Liquidation Event pursuant to Subsection 2.4.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2 and 2.3 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2 and 2.3 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written

consent of stockholders in lieu of meeting), each holder of outstanding shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as the case may be, held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Certificate of Incorporation, holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Election of Directors. The holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect three (3) directors of the Corporation (the "**Series A Directors**"), the holders of record of the shares of Series B Preferred Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the "**Series B Director**" and, together with the Series A Directors, the "**Preferred Directors**") and the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock, Series B Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock, Series B Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Series A Preferred Stock Protective Provisions. At any time when shares of Series A Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class:

(a) liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or consent to any of the foregoing;

(b) alter or change the rights, preferences or privileges of the Series A Preferred Stock;

(c) amend, waive, alter or repeal any provision of this Certificate of Incorporation or the Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A Preferred Stock;

(d) create, reclassify or authorize the creation or reclassification of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Series A Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation or upon a Deemed Liquidation Event, the payment of dividends and redemption rights;

(e) increase or decrease the authorized number of shares of Preferred Stock or Common Stock (other than increases necessary to authorize additional shares of Senior Preferred Stock issuable as Accruing Stock Dividends and additional shares of Common Stock issuable upon conversion of such shares of Senior Preferred Stock);

(f) in-license or out-license any material intellectual property, unless approved by the Board of Directors, including a majority of the Preferred Directors;

(g) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof and (iv) as approved by the Board of Directors, including the approval of a majority of the Preferred Directors;

(h) increase or decrease the authorized number of directors constituting the Board of Directors; or

(i) change the manner of election of any member of the Board of Directors that is designated by or requires the consent of SV Life Sciences Fund IV, L.P., Novo A/S or HBM BioVentures (Cayman) Ltd. under the Second Amended and Restated Voting Agreement, dated on or about the Effective Date (as defined below) by and among the Corporation and certain of its stockholders, as further amended from time to time (the "**Voting Agreement**").

3.4 Series A-1 Preferred Stock Protective Provision. At any time when shares of Series A-1 Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, authorize the issuance of any additional shares of Series A-1 Preferred Stock, amend, waive, alter or repeal any provisions of this Certificate of Incorporation of the Corporation or otherwise affect the rights, preferences and privileges of the Series A-1 Preferred Stock in a manner that adversely affects the powers, preferences or rights of the Series A-1 Preferred Stock but does not so affect the Senior Preferred Stock as a class without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series A-1 Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class (other than any action to increase the number of shares of Series A-1 Preferred Stock issuable as Accruing Stock Dividends).

3.5 Series B and Series C Preferred Stock Protective Provisions. At any time when shares of Series B Preferred Stock or Series C Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the votes represented by the then outstanding shares of Series B Preferred Stock and Series C Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) together as a single class:

(a) liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or consent to any of the foregoing;

(b) alter or change the rights, preferences or privileges of the Series C Preferred Stock or the Series B Preferred Stock;

(c) amend, waive, alter or repeal any provision of this Certificate of Incorporation or the Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series C Preferred Stock or the Series B Preferred Stock;

(d) create, reclassify or authorize the creation or reclassification of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Series C Preferred Stock and the Series B Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation or upon a Deemed Liquidation Event, the payment of dividends and redemption rights;

(e) increase or decrease the authorized number of shares of Senior Preferred Stock or Common Stock (other than increases necessary to authorize additional shares of Senior Preferred Stock issuable as Accruing Stock Dividends and additional shares of Common Stock issuable upon conversion of such shares of Senior Preferred Stock);

(f) in-license or out-license any material intellectual property, unless approved by the Board of Directors, including a majority of the Preferred Directors;

(g) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof and (iv) as approved by the Board of Directors, including the approval of a majority of the Preferred Directors, which majority shall include the Series B Director;

(h) pay or declare any dividend or distribution on any shares of capital stock of the Corporation, other than the Series B Preferred Stock and the Series C Preferred Stock, that would exceed the dividend payable on the equivalent number of shares of Series C Preferred Stock and Series B Preferred Stock (determined pursuant to Subsection 1.3) or be paid prior to the payment in full of the Series C Liquidation Amount to the holders of the Series C Preferred Stock and the Series B Liquidation Amount to the holders of the Series B Preferred Stock, other than as provided in Subsections 2.1, 2.2 and 6 and, in the case of the Accruing Stock Dividends, in connection with the following as provided in Subsection 1.2.2: (i) conversion of the applicable shares of Senior Preferred Stock into Common Stock (or other securities, cash or property) pursuant to the terms of this Certificate of Incorporation, (ii) any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (iii) any Deemed Liquidation Event;

(i) create, or authorize the creation of, or issue, or authorize the issuance of any debt or debt security, or permit any subsidiary to take any such action with respect to any debt or debt security, if the aggregate principal amount of such indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed $2,000,000, other than equipment leases or bank lines of credit, unless such debt security has received the prior approval of the Board of Directors, including the approval of a majority of the Preferred Directors, which majority shall include the Series B Director;

(j) increase or decrease the authorized number of directors constituting the Board of Directors;

(k) change the manner of election of any member of the Board of Directors that is designated by or requires the consent of Clarus Lifesciences II, L.P. under the Voting Agreement; or

(l) change the manner of election of any member of the Board of Directors that is designated by or requires the consent of Novo A/S under the Voting Agreement.

3.6 Series B-1 Preferred Stock Protective Provision. At any time when shares of Series B-1 Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, authorize the issuance of any additional shares of Series B-1 Preferred Stock, amend, waive, alter or repeal any provisions of this Certificate of Incorporation of the Corporation or otherwise affect the rights, preferences and privileges of the Series B-1 Preferred Stock in a manner that adversely affects the powers, preferences or rights of the Series B-1 Preferred Stock but does not so affect the Senior Preferred Stock as a class without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series B-1 Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class (other than any action to increase the number of shares of Series B-1 Preferred Stock issuable as Accruing Stock Dividends).

3.7 Series B Preferred Stock Protective Provision. At any time when shares of Series B Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, authorize the issuance of any additional shares of Series B Preferred Stock, amend, waive, alter or repeal any provisions of this Certificate of Incorporation of the Corporation or otherwise alter or change the rights, preferences and privileges of the Series B Preferred Stock in a manner that adversely affects the powers, preferences or rights of the Series B Preferred Stock but does not so similarly affect the powers, preferences or rights of the Senior Preferred Stock as a class without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the holders of at least sixty percent (60%) of the then outstanding shares of Series B Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class (other than any action to increase the number of shares of Series B Preferred Stock issuable as Accruing Stock Dividends).

3.8 Series C Preferred Stock Protective Provision. At any time when shares of Series C Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, authorize the issuance of any additional shares of Series C Preferred Stock, amend, waive, alter or repeal any provisions of this Certificate of Incorporation of the Corporation or otherwise alter or change the rights, preferences and privileges of the Series C Preferred Stock in a manner that adversely affects the powers, preferences or rights of the Series C Preferred Stock but does not so similarly affect the powers, preferences or rights of the Senior Preferred Stock as a class without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class (other than any action to increase the number of shares of Series C Preferred Stock issuable as Accruing Stock Dividends).

4. Optional Conversion.

The holders of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, shall have conversion rights as follows (the "**Series A Conversion Rights**", the "**Series A-1 Conversion Rights**", the "**Series B Conversion Rights**", the "**Series B-1 Conversion Rights**" and the "**Series C Conversion Rights**", as applicable):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the Series A Conversion Price (as defined below) in effect at the time of conversion. As of the date of the effectiveness of filing with the Secretary of State of the State of Delaware of this Certificate of Incorporation (the "**Effective Date**"), the "**Series A Conversion Price**" is equal to $1.00. Each share of Series A-1 Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A-1 Original Issue Price by the Series A-1 Conversion Price (as defined below) in effect at the time of conversion. As of the Effective Date, the "**Series A-1 Conversion Price**" is equal to $1.00. Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion. As of the Effective Date, the "**Series B Conversion Price**" is equal to $1.00. Each share of Series B-1 Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series B-1 Original Issue Price by the Series B-1 Conversion Price (as defined below) in effect at the time of conversion. The "**Series B-1 Conversion Price**" shall initially be equal to $1.00. Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series C Original Issue Price by the Series C Conversion Price (as defined below) in effect at the time of conversion; provided however, that shares of Common Stock issued upon conversion of Series C Preferred Stock shall also be subject to the terms of Section 6. The "**Series C Conversion Price**" shall initially be equal to $2.50. The initial Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price, and the rate at which shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Accruing Stock Dividends. In accordance with Subsection 1.2.2, immediately prior to the conversion of any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as the case may be, into Common Stock as set forth in this Subsection 4.1, Accruing Stock Dividends accrued but unpaid thereon, whether or not declared, shall be deemed issued in

respect of the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, being converted to the holders of such shares and shall be converted into shares of Common Stock pursuant to Subsection 4.1 at the same time as such other shares.

4.1.3 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Series A Conversion Rights, Series A-1 Conversion Rights, Series B Conversion Rights, Series B-1 Conversion Rights and Series C Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock; provided that the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, may elect to convert such shares into Common Stock conditioned upon the actual occurrence of such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon the conversion of the applicable shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as the case may be, into Common Stock pursuant to the terms of this Certificate of Incorporation shall be determined on the basis of the total number of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock to voluntarily convert shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock (or at the principal office of the Corporation if the Corporation serves as

its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Series A Conversion Time**", "**Series A-1 Conversion Time**", "**Series B Conversion Time**", "**Series B-1 Conversion Time**" or "**Series C Conversion Time**", as applicable), and the shares of Common Stock issuable upon conversion of the shares represented by such certificates shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Series A Conversion Time, Series A-1 Conversion Time, Series B Conversion Time, Series B-1 Conversion Time or Series C Conversion Time, as applicable, issue and deliver to such holder of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, including the number of shares of Common Stock issuable upon conversion of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, issuable as Accruing Stock Dividends on any such shares being presented for conversion, in accordance with the provisions hereof, a certificate for the number (if any) of the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, represented by the surrendered certificate that were not converted into Common Stock, and cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and payment of any declared but unpaid dividends on the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, including any shares issuable as Accruing Stock Dividends. Notwithstanding the foregoing, the Corporation shall only be required to reserve and keep available out of its authorized but unissued capital stock, with respect to the Accruing Stock Dividends, a number of shares of Common Stock sufficient to effect the conversion of shares of Senior Preferred Stock accrued as Accruing Stock Dividends during the period beginning on the

Series B Original Issue Date through the tenth (10th) anniversary of the Series B Original Issue Date. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, including any shares issuable as Accruing Stock Dividends, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price.

4.3.3 Effect of Conversion. All shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Series A Conversion Time, Series A-1 Conversion Time, Series B Conversion Time, Series B-1 Conversion Time or Series C Conversion Time, as applicable, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon. Any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable

in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article FOURTH, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Series A Original Issue Date**" shall mean the date on which the first share of Series A Preferred Stock was issued.

(c) "**Series A-1 Original Issue Date**" shall mean the date on which the first share of Series A-1 Preferred Stock was issued.

(d) "**Series B Original Issue Date**" shall mean the date on which the first share of Series B Preferred Stock was issued.

(e) "**Series B-1 Original Issue Date**" shall mean the date on which the first share of Series B-1 Preferred Stock was issued.

(f) "**Series C Original Issue Date**" shall mean the date on which the first share of Series C Preferred Stock was issued.

(g) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(h) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Effective Date, other than the following shares of Common Stock, and shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (collectively "**Exempted Securities**"):

(i) shares of Series C Preferred Stock issued pursuant to the Series C Preferred Stock Purchase Agreement dated on or about the Effective Date between the Corporation and certain purchasers of the Series C Preferred Stock, as amended from time to time (the "**Purchase Agreement**");

(ii) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Senior Preferred Stock, including any Accruing Stock Dividends;

(iii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

(iv) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation, including, with respect to any plan, agreement or arrangement adopted or entered into after the Series C Original Issue Date, a majority of the Preferred Directors;

(v) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options outstanding on the Series C Original Issue Date or Options that are otherwise Exempted Securities under this Subsection 4.4.1(g) or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities outstanding on the Series C Original Issue Date or Convertible Securities that are otherwise Exempted Securities under this Subsection 4.4.1(g), in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(vi) shares of Common Stock, Options or Convertible Securities issued in connection with a joint venture, corporate partnering transaction or licensing arrangement approved by the Board of Directors of the Corporation, including, with respect to any agreement for any such transaction or arrangement entered into after the Series C Original Issue Date, a majority of the Preferred Directors; and

(vii) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation, including, with respect to any agreement for any such transaction or arrangement entered into after the Series C Original Issue Date, a majority of the Preferred Directors.

4.4.2 No Adjustment of Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price. No adjustment in the Series A Conversion Price or Series A-1 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series A Preferred Stock, acting as a separate class, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series B Conversion Price or Series B-1 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least sixty percent (60%) of the then outstanding shares of Series B Preferred Stock, acting as a separate class, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series C Preferred Stock, acting as a separate class, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Effective Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series B Conversion Price, the Series B-1 Conversion Price or the Series C Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price or Series B-1 Conversion Price or Series C Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price, as the case may be, as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price to an amount which exceeds the lower of (i) the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as the case may be, in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as the case may be, that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as the case may be, then in effect, or because such Option or Convertible Security was issued before the Effective Date), are revised after the Effective Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or

exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price pursuant to the terms of Subsection 4.4.4, the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as applicable, shall be readjusted to such Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as the case may be, as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as the case may be, that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Effective Date, issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C

Conversion Price, as the case may be, in effect immediately prior to such issue, then the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as applicable shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$P = \frac{P_1 * Q_1 + P_2 * Q_2}{Q_1 + Q_2}$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "P" shall mean the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as applicable, in effect immediately after such issue of Additional Shares of Common Stock;

(b) "P_1" shall mean the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as applicable, in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "P_2" shall mean the price per share of the Additional Shares of Common Stock;

(d) "Q_1" shall mean the number of equivalent shares of Common Stock outstanding prior to such issue of Additional Shares of Common Stock (treating as outstanding for this purpose the number of shares of Senior Preferred Stock accrued as Accruing Stock Dividends as of immediately prior to such issue of Additional Shares of Common Stock); and

(e) "Q_2" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the

time of such issue, as determined in good faith by the Board of Directors of the Corporation (including a majority of the Preferred Directors); and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation (including a majority of the Preferred Directors).

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Series A Conversion

Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than 90 days from the first such issuance to the final such issuance, then, upon the final such issuance, the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price, as applicable, shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Effective Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Effective Date combine the outstanding shares of Common Stock (excluding any combinations of Common Stock that apply to individual holders pursuant to Section 6 and not to the Common Stock as a class), the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Effective Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price, respectively, then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding

immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Effective Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as applicable, shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.4, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of

the Corporation issuable upon conversion of one share of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock as applicable, immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price and Series C Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as applicable, a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price, Series B-1 Conversion Price or Series C Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, including the number of shares of Senior Preferred Stock accrued as Accruing Stock Dividends.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock, Series C Preferred Stock and Junior Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock, Series C Preferred Stock, Junior Series A Preferred Stock and the Common Stock. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price to the public of at least $2.50 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $40,000,000 of gross proceeds (before deducting underwriting discount and commissions and other offering expenses) to the Corporation (a "**Qualified Public Offering**") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the votes represented by the then outstanding shares of Series A Preferred Stock (the time of such closing pursuant to clause (a) or the date and time specified or the time of the event specified in such vote or written consent pursuant to clause (b) is referred to herein as the "**Series A Mandatory Conversion Time**"), (i) all outstanding shares of Series A Preferred Stock and Series A-1 Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate, and (ii) such shares may not be reissued by the Corporation. Upon either (a) the closing of a Qualified Public Offering or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least (1) sixty percent (60%) of the votes represented by the then outstanding shares of Series B Preferred Stock and (2) a majority of the votes represented by the then outstanding

shares of Series C Preferred Stock (the time of such closing pursuant to clause (a) or the date and time specified or the time of the event specified in such vote or written consent pursuant to clause (b) is referred to herein as the "**Series B/C Mandatory Conversion Time**"), (i) all outstanding shares of Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate, and (ii) such shares may not be reissued by the Corporation. The Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, alter or change the definition of "Qualified Public Offering" without the vote or written consent of the holders of at least (1) a majority of the votes represented by the then outstanding shares of Series A Preferred Stock, (2) sixty percent (60%) of the votes represented by the then outstanding shares of Series B Preferred Stock and (3) a majority of the votes represented by the then outstanding shares of Series C Preferred Stock.

5.2 Accruing Stock Dividends. In accordance with Subsection 1.2.2, immediately prior to the mandatory conversion of any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as the case may be, into Common Stock as set forth in this Section 5, Accruing Stock Dividends accrued but unpaid thereon, whether or not declared, shall be deemed issued in respect of the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, being converted to the holders of such shares and shall be converted into shares of Common Stock pursuant to Subsection 4.1 at the same time as such other shares.

5.3 Procedural Requirements. All holders of record of shares of Series A Preferred Stock and Series A-1 Preferred Stock shall be sent written notice of the Series A Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Stock and Series A-1 Preferred Stock pursuant to this Section 5. All holders of record of Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall be sent written notice of the Series B/C Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Series A Mandatory Conversion Time or Series B/C Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will

terminate at the Series A Mandatory Conversion Time or Series B/C Mandatory Conversion Time, as applicable (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.3. As soon as practicable after the Series A Mandatory Conversion Time or Series B/C Mandatory Conversion Time, as the case may be, and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, including the number of shares of Common Stock issuable upon conversion of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock, as the case may be, issuable as Accruing Stock Dividends on any such shares being mandatorily converted, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock converted. Such converted Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock accordingly.

5A. Special Mandatory Conversion.

5A.1. Trigger Events.

(a) In the event that any holder of shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock does not participate in a Qualified Financing (as defined below) by purchasing in the aggregate, in such Qualified Financing and within the time period specified by the Corporation (provided that the Corporation has sent to each holder of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock at least 15 days written notice of, and the opportunity to purchase its Pro Rata Amount (as defined below) of, the Qualified Financing), such holder's Pro Rata Amount, then each share of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, as the case may be, held by such holder shall automatically, and without any further action on the part of such holder, be converted into shares of Common Stock at the Series A Conversion Price, Series B Conversion Price or Series C Conversion Price, as the case may be, in effect immediately prior to the consummation of such Qualified Financing, effective upon, subject to, and concurrently with, the consummation of the Qualified Financing. For purposes of determining the number of shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock owned by a holder, and for determining the number of Offered Securities (as defined below) a holder of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock has purchased in

a Qualified Financing, all shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock held by Affiliates (as defined below) of such holder shall be aggregated with such holder's shares and all Offered Securities purchased by Affiliates of such holder shall be aggregated with the Offered Securities purchased by such holder (provided that no shares or securities shall be attributed to more than one entity or person within any such group of affiliated entities or persons).

(b) In the event that any holder of Series C Preferred Stock (or Common Stock issued upon conversion of Series C Preferred Stock) who is required to purchase shares of the Corporation's Series C Preferred Stock in the Second Closing, the Third Closing or an Accelerated Closing, as applicable, fails to purchase all the Second Closing Shares, Third Closing Shares or Accelerated Closing Shares, as applicable, that such holder of Series C Preferred Stock (or Common Stock issued upon conversion of Series C Preferred Stock) (the "**Defaulting Holder**") is required to purchase under the Purchase Agreement, then (i) any outstanding shares of Series C Preferred Stock held by the Defaulting Holder shall, immediately upon the Second Closing, Third Closing or Accelerated Closing, as applicable, be converted into that number of shares of Common Stock equal to the product of (a) the number of shares of Common Stock such shares of Series C Preferred Stock are convertible into based on the Series C Conversion Price immediately following the Second Closing, Third Closing or Accelerated Closing, as applicable, multiplied by (b) 0.10, (ii) any outstanding shares of Series A Preferred Stock held by the Defaulting Holder shall, immediately upon the Second Closing, Third Closing or Accelerated Closing, as applicable, be converted into shares of Common Stock at the Series A Conversion Price in effect immediately prior to the Second Closing, Third Closing or Accelerated Closing, as applicable and (iii) any outstanding shares of Series B Preferred Stock held by the Defaulting Holder shall, immediately upon the Second Closing, Third Closing or Accelerated Closing, as applicable, be converted into shares of Common Stock at the Series B Conversion Price in effect immediately prior to the Second Closing, Third Closing or Accelerated Closing, as applicable; provided, however, that this Section 5A.1(b) shall not apply in connection with an Accelerated Closing to a holder of Series C Preferred Stock (or Common Stock issued upon conversion of Series C Preferred Stock) who provides proper notice pursuant to Section 1.3(c) of the Purchase Agreement that such holder will not purchase Accelerated Closing Shares at an Accelerated Closing. Capitalized terms used and not defined in this Section 5A.1(b) shall have the meanings ascribed thereto in the Purchase Agreement.

(c) The conversions referred to in Sections 5A.1(a) and 5A.1(b) are referred to herein as a "**Special Mandatory Conversion**."

(d) Notwithstanding anything to the contrary contained herein, no Accruing Stock Dividends, whether or not declared, shall be payable upon a Special Mandatory Conversion of shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, and the holders of such shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock being converted shall forfeit all rights to such Accruing Stock Dividends effective upon such Special Mandatory Conversion.

(e) In addition to the foregoing, any outstanding shares of Common Stock held by the Defaulting Holder that were issued to such Defaulting Holder upon

an optional conversion of Series C Preferred Stock into Common Stock pursuant to the provisions of Section 4 at any time prior to the Second Closing or Third Closing, as applicable (the "**Subject Conversion Shares**") shall be subject to the provisions of Section 6.

5A.2. Procedural Requirements. Upon a Special Mandatory Conversion, each holder of shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock converted pursuant to Subsection 5A.1 shall be sent written notice of such Special Mandatory Conversion and the place designated for mandatory conversion of all such shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock pursuant to this Section 5A. Upon receipt of such notice, each holder of such shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock converted pursuant to Subsection 5A.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the time of the Special Mandatory Conversion (notwithstanding the failure of the holder or holders thereof to surrender the certificates for such shares at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Subsection 5A.2. As soon as practicable after the Special Mandatory Conversion and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock so converted, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2, in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock converted. Such converted Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock accordingly.

5A.3. Definitions. For purposes of this Section 5A, the following definitions shall apply:

5A.3.1 "**Affiliate**" shall mean, with respect to any holder of shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, any person, entity or firm which, directly or indirectly, controls, is controlled by or is under common control

with such holder, including, without limitation, any entity of which the holder is a partner or member, any partner, officer, director, member or employee of such holder and any venture capital fund now or hereafter existing of which the holder is a partner or member which is controlled by or under common control with one or more general partners of such holder or shares the same management company with such holder.

5A.3.2 "**Offered Securities**" shall mean the equity securities of the Corporation set aside by the Board of Directors of the Corporation for purchase by holders of outstanding shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock in connection with a Qualified Financing, and offered to such holders.

5A.3.3 "**Pro Rata Amount**" shall mean, with respect to any holder of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, the lesser of (a) a number of Offered Securities calculated by multiplying the aggregate number of Offered Securities by a fraction, the numerator of which is equal to the number of shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, as applicable, owned by such holder, and the denominator of which is equal to the aggregate number of outstanding shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, as the case may be, or (b) the maximum number of Offered Securities that such holder is permitted by the Corporation to purchase in such Qualified Financing, after giving effect to any cutbacks or limitations established by the Board of Directors and applied on a pro rata basis to all holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

5A.3.4 "**Qualified Financing**" shall mean any transaction involving the issuance or sale of Additional Shares of Common Stock after the Effective Date (i) that would result in the reduction of the Series C Conversion Price pursuant to the terms of this Certificate of Incorporation (without giving effect to the operation of Subsection 4.4.2), (ii) in which such Additional Shares of Common Stock are issued at a price per share equal to the Series C Conversion Price then in effect or (iii) any bridge financing, in the case of each of the transactions set forth in clauses (i) through (iii), unless the holders of at least a majority of the Series A Preferred Stock (voting separately as a class) and at least a majority of the votes represented by the then outstanding shares of Series B Preferred Stock and Series C Preferred Stock (voting together as a single class) elect, by written notice sent to the Corporation at least ten (10) days prior to the consummation of the Qualified Financing, that such transaction not be treated as a Qualified Financing for purposes of this Section 5A.

6. Special Mandatory Combination of Shares.

6.1 Combination of Subject Conversion Shares. Immediately upon the Second Closing or Third Closing, as applicable, any Subject Conversion Shares shall automatically, and without further action on the part of the Defaulting Holder or the Company, be combined into that number of shares of Common Stock equal to the product obtained by multiplying (a) the number of shares of Subject Conversion Shares outstanding immediately prior to the Second Closing or Third Closing, as applicable, by (b) 0.10 (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock that occurs after the issuance of the Subject Conversion Shares, but prior to the Second Closing or the Third Closing, as applicable) (a "**Special Mandatory Combination**").

6.2 Procedural Requirements. Upon a Special Mandatory Combination, each holder of shares of Subject Conversion Shares combined pursuant to Section 6.1 shall be sent written notice of such Special Mandatory Combination and the place designated for exchange of stock certificates representing such Subject Conversion Shares (the "**Pre-Combination Certificates**") for stock certificates representing a number of shares of Common Stock that reflects the effect of the Special Mandatory Combination (the "**Post-Combination Certificates**"). Upon receipt of such notice, each holder of Subject Conversion Shares shall surrender his, her or its Pre-Combination Certificate(s) (or, if such holder alleges that a Pre-Combination Certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, Pre-Combination Certificates surrendered for exchange for Post-Combination Certificates shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. As soon as practicable after the Special Mandatory Combination and the surrender of the Pre-Combination Certificates (or lost certificate affidavit and agreement), the Corporation shall issue and deliver to such holder, or to his, her or its nominees, Post-Combination Certificates for the number of full shares of Common Stock held by the holder after giving effect to the Special Mandatory Combination, together with cash as provided in Subsection 6.3, in lieu of any fraction of a share of Common Stock otherwise issuable as a result of the Special Mandatory Combination. Effective as of the Special Mandatory Combination, each Pre-Combination Certificate will represent the number of shares of Common Stock reflected thereon after giving effect to the Special Mandatory Combination, notwithstanding the failure of the holder thereof to surrender such Pre-Combination Certificate as required by this Section 6.2, as well as the right to receive payment for fractional shares as provided in Subsection 6.3.

6.3 Fractional Shares. No fractional shares of Common Stock shall be issued upon combination of the Subject Conversion Shares pursuant to the Special Mandatory Combination. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such combination shall be determined on the basis of the total number of Subject Conversion Shares held by a holder that are subject to the Special Mandatory Combination.

7. Redemption. The Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock are not redeemable except in accordance with the Deemed Liquidation provisions of Subsection 2.4.2(b).

8. Redeemed or Otherwise Acquired Shares. Any shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C

Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock following redemption.

9. Waiver. Except as otherwise provided herein, any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Series A Preferred Stock then outstanding. Except as otherwise provided herein, any of the rights, powers, preferences and other terms of the Series A-1 Preferred Stock set forth herein may be waived on behalf of all holders of Series A-1 Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Series A-1 Preferred Stock then outstanding. Except as otherwise provided herein, any of the rights, powers, preferences and other terms of the Series B Preferred Stock set forth herein may be waived on behalf of all holders of Series B Preferred Stock by the affirmative written consent or vote of the holders of at least sixty percent (60%) of the shares of Series B Preferred Stock then outstanding. Except as otherwise provided herein, any of the rights, powers, preferences and other terms of the Series B-1 Preferred Stock set forth herein may be waived on behalf of all holders of Series B-1 Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Series B-1 Preferred Stock then outstanding. Except as otherwise provided herein, any of the rights, powers, preferences and other terms of the Series C Preferred Stock set forth herein may be waived on behalf of all holders of Series C Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Series C Preferred Stock then outstanding.

10. Notices. Any notice required or permitted by the provisions of this Article FOURTH to be given to a holder of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by this Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by this Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article NINTH to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article NINTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: The following indemnification provisions shall apply to the persons enumerated below.

1. Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article TENTH, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article TENTH or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article TENTH is not paid in full within 30 days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorney's fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorney's fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

6. Non-Exclusivity of Rights. The rights conferred on any person by this Article TENTH shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, other provisions of this Certificate of Incorporation, the Bylaws of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.

7. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8. Insurance. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article TENTH; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article TENTH.

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article TENTH shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Fourth Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Third Amended and Restated Certificate of Incorporation, as amended, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

* * *

IN WITNESS WHEREOF, this Fourth Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 23rd day of May, 2013.

By: _____

David Guyer
Chief Executive Officer

CERTIFICATE OF AMENDMENT TO
FOURTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
OPHTHOTECH CORPORATION

Ophthotech Corporation (the "**Corporation**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the Board of Directors of the Corporation duly adopted resolutions proposing to amend the Fourth Amended and Restated Certificate of Incorporation of the Corporation (the "**Certificate of Incorporation**"), declaring said amendment to be advisable and in the best interests of the Corporation and its stockholders and authorizing the appropriate officers of the Corporation to solicit the consent of the stockholders therefor, which resolutions setting forth the proposed amendment are as follows:

RESOLVED, that the first sentence of Article FOURTH of the Certificate of Incorporation be and hereby is amended by deleting the number "187,918,509" and inserting the number "195,018,509" in lieu thereof.

* * *

2. That the foregoing amendment was approved by the holders of the requisite number of shares of the Corporation in accordance with Section 228 of the General Corporation Law.

3. That this Certificate of Amendment has been duly adopted in accordance with Section 242 of the General Corporation Law.

IN WITNESS WHEREOF, this Certificate of Amendment has been executed by a duly authorized officer of the Corporation on this 3rd day of July, 2013.

By: /s/ David R. Guyer
David R. Guyer
Chief Executive Officer

Exhibit 3.2

OPHTHOTECH CORPORATION

AMENDED AND RESTATED BY-LAWS

Approved and Adopted August 3, 2007

ARTICLE I

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place as may be designated from time to time by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President or, if not so designated, at the principal office of the corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President (which date shall not be a legal holiday in the place where the meeting is to be held).

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President, and may not be called by any other person or persons. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the General Corporation Law of the State of Delaware) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, date and time of the meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the General Corporation Law of the State of Delaware.

1.5 Voting List. The Secretary shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. The list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may

be inspected by any stockholder who is present. The list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the holders of a majority in voting power of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these By-laws by the chairman of the meeting or by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action without a meeting, may vote or express such consent or dissent in person (including by means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting) or may authorize another person or persons to vote or act for such stockholder by a proxy executed or transmitted in a manner permitted by the General Corporation Law of the State of Delaware by the stockholder or such stockholder's authorized agent and delivered (including by electronic transmission) to the Secretary of the corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of

stock entitled to vote as separate classes, then in the case of each such class or series, the holders of a majority in voting power of the shares of stock of that class or series present or represented at the meeting and voting affirmatively or negatively on such matter), except when a different vote is required by law, the Certificate of Incorporation or these By-laws. When a quorum is present at any meeting, any election by stockholders of directors shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election.

1.10 Conduct of Meetings.

(a) Chairman of Meeting. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Vice Chairman of the Board, if any, or in the Vice Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen by vote of the stockholders at the meeting. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) Rules, Regulations and Procedures. The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

1.11 Action without Meeting.

(a) Taking of Action by Consent. Any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted. Except as otherwise provided by the

Certificate of Incorporation, stockholders may act by written consent to elect directors; provided, however, that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

(b) Electronic Transmission of Consents. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

(c) Notice of Taking of Corporate Action. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the corporation.

ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Qualification. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the corporation shall be established from time to time by the stockholders or the Board of Directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Election of directors need not be by written ballot. Directors need not be stockholders of the corporation.

2.3 Chairman of the Board; Vice Chairman of the Board. The Board of Directors may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the corporation. If the Board of Directors appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors and, if the Chairman of the Board is also designated as the corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these By-laws. If the Board of Directors appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors. Unless otherwise provided by the Board of Directors, the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors.

2.4 Tenure. Each director shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2.2 of these By-laws shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting of the Board of Directors duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Certificate of Incorporation.

2.7 Removal. Except as otherwise provided by the General Corporation Law of the State of Delaware, any one or more or all of the directors of the corporation may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

2.8 Vacancies. Subject to the rights of holders of any series of Preferred Stock to elect directors, unless and until filled by the stockholders, any vacancy or newly-created directorship on the Board of Directors, however occurring, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office, and a director chosen to fill a position resulting from a newly-created directorship shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board of Directors may be held at any time and place designated in a call by the Chairman of the Board, the Chief Executive Officer, the President, two or more directors, or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place and time of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person or by telephone at least 24 hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile or electronic transmission, or delivering written notice by hand, to such director's last known business, home or electronic transmission address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board of Directors or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.14 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent to the action in writing or by electronic transmission, and the written consents or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.15 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-laws for the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, these By-laws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III

OFFICERS

3.1 Titles. The officers of the corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, each officer shall hold office until such officer's successor is elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer's earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a written resignation to the corporation at its principal office or to the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by vote of a majority of the directors then in office. Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is elected and qualified, or until such officer's earlier death, resignation or removal.

3.7 President; Chief Executive Officer. Unless the Board of Directors has designated another person as the corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer shall have general charge and supervision of the business of the corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

3.12 Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV

CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any shares of the authorized capital stock of the corporation held in the corporation's treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such lawful consideration and on such terms as the Board of Directors may determine.

4.2 Stock Certificates; Uncertificated Shares. The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Every holder of stock of the corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the General Corporation Law of the State of Delaware.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these By-laws, applicable securities laws or any agreement among any number of stockholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 202(a) or 218(a) of the General Corporation Law of the State of Delaware or, with respect to Section 151 of General Corporation Law of the State of Delaware, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.3 Transfers. Shares of stock of the corporation shall be transferable in the manner prescribed by law and in these By-laws. Transfers of shares of stock of the corporation shall be made only on the books of the corporation or by transfer agents designated to transfer shares of stock of the corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-laws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 10 days after the date of adoption of a record date for a consent without a meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders entitled to express consent to corporate action without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first consent is properly delivered to the corporation. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

4.6 Regulations. The issue, transfer, conversion and registration of shares of stock of the corporation shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE V

RIGHT OF FIRST REFUSAL

No stockholder of the corporation shall sell, assign, pledge or otherwise transfer (collectively, "transfer") any of the shares of common stock, $0.001 par value per share, of the corporation (the "Common Stock") or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, except by a transfer which meets the following requirements:

5.1 Procedures. If any stockholder (the "Selling Stockholder") proposes to transfer any shares of Common Stock (the "Offered Shares"), then the Selling Stockholder shall first give written notice of the proposed transfer (the "Transfer Notice") to the corporation at least 45 days prior to the proposed transfer. The Transfer Notice shall name the proposed transferee and state the number of Offered Shares, the price per share and all other material terms and conditions of the transfer.

For 15 days following its receipt of such Transfer Notice (the "Company Notice Period"), the corporation shall have the option to purchase all or any portion of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the corporation elects to purchase any of the Offered Shares, it shall give written notice of its election to the Selling Stockholder during the Company Notice Period (such notice, the "Company Notice"). The settlement of the sale of such Offered Shares to the corporation shall be made at the principal office of the corporation in cash within 45 days after the corporation receives the Transfer Notice. If the consideration proposed in the Transfer Notice to be paid for the Offered Shares is in property, services or other non-cash consideration, the corporation may, at is option, pay the cash value equivalent thereof, as determined in good faith by the Board of Directors and set forth in the Company Notice.

If the corporation does not elect to acquire all or any portion of the Offered Shares, the Selling Stockholder may, within the 30-day period following the expiration of the Company Notice Period, transfer the Offered Shares not purchased by the corporation to the proposed transferee, provided that the transfer shall not be on terms and conditions more favorable to the purchaser than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Article V shall be subject to the provisions hereof in the same manner and to the same extent as before the transfer.

5.2 Exempt Transfers. The following transactions shall be exempt from the provisions of this Article V:

(a) in the case of a stockholder that is an entity, a transfer by such stockholder to its stockholders, members, partners or other equity holders, provided that no consideration is actually paid for such transfer;

(b) in the case of a stockholder that is a natural person, a transfer of stock by such stockholder made for bona fide estate planning purposes, either during his or her lifetime or on death by will or intestacy to his or her spouse, child (natural or adopted), or any other direct lineal descendant of such stockholder (or his or her spouse) (all of the foregoing collectively referred to as "family members"), or any other person approved by the Board of Directors of the corporation, or any custodian or trustee of any trust, partnership or limited liability company for the benefit of, or the ownership interests of which are owned wholly by, such stockholder or any such family members, provided that no consideration is actually paid for such transfer;

(c) A stockholder's bona fide pledge or mortgage of his or her shares with a commercial lending institution;

(d) A corporate stockholder's transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification of shares or capital reorganization of the corporate stockholder, or pursuant to a sale of substantially all of the stock or assets of a corporate stockholder;

(e) A transfer pursuant to an agreement among the stockholder and other stockholder(s) of the corporation providing for "take-me-along" or "co-sale" rights, or any stock restriction agreement or other agreement between the stockholder and the corporation providing for a right of first refusal in favor of the corporation;

(f) A transfer to a person who is already a stockholder of the corporation; or

(g) A transfer to the guardian or conservator of the stockholder.

provided, however, that in any such case, the transferee, assignee, pledgee, mortgagee or other recipient shall receive and hold such stock subject to the provisions of this Article V and there shall be no further transfer of such stock except in accordance with this Article V.

5.3 Deemed Transfers. A stockholder of the corporation shall be deemed to have given a Transfer Notice to the corporation and to have offered to sell all of the shares of stock of the corporation then held by such stockholder:

(a) if such stockholder dies and as a result any transfer of stock is to be made other than as permitted by subsection 5.2(c) above;

(b) if such stockholder applies for or consents to the appointment of a custodian, receiver, trustees or liquidator of any of his properties;

(c) if such stockholder admits in writing his inability to pay his debts as they mature;

(d) if there is a dissolution, termination of existence, liquidation, insolvency or business failure of the stockholder;

(e) if there is a composition or an assignment or trust mortgage for the benefit of creditors by the stockholder;

(f) upon the commencement by or against the stockholder of any proceeding under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally; or

(g) if that stockholder's shares are subject to (i) attachment or execution of a judgment or (ii) any other transfer by court order, operation of law, by gift or otherwise without consideration (other than pursuant to subsection 5.2).

If any offer is deemed to have been made under this subsection 5.3, the corporation may elect to purchase all, but not less than all, of such Offered Shares, and the price to be paid by the corporation for the Offered Shares so deemed to be offered shall be determined in good faith by the Board of Directors. If the parties do not agree with the price set by the Board of Directors, then the price shall be the fair market value of such shares as determined by an appraiser mutually satisfactory to the corporation and the Selling Stockholder deemed to be making such offer or his successors-in-interest, or, if they cannot agree on a single appraiser, by an appraiser appointed by the corporation, a second appraiser appointed by such Selling Stockholder or his successors-in-interest and a third appraiser appointed by the other two appraisers. Each party shall bear the cost of his or its own appraiser, and the cost of the third appraiser shall be shared equally by the parties. If the shares are not purchased by the corporation but are transferred to other parties, the transferee shall hold such stock subject to the provisions of this Article V and there shall be no further transfer of such stock except in accordance with this Article V.

5.4 Assignment of Right of First Refusal. The corporation may assign its rights to purchase stock in any particular transaction under this Article V to one or more persons or entities.

5.5 Waiver and Amendment. The provisions of this Article V may be waived with respect to any transfer either by the corporation upon duly authorized action of the Board of Directors, or by the stockholders upon the express written consent of the owners of a majority of the voting power of the corporation (excluding the votes represented by those shares to be transferred by the transferring stockholder). This Article V may be amended or repealed either by a duly authorized action of the Board of Directors or by the stockholders upon the express written consent of the owners of a majority of the voting power of the corporation.

5.6 Strict Observance. Any sale or transfer, or purported sale or transfer, of securities of the corporation shall be null and void unless the terms, conditions and provisions of this Article V are strictly observed and followed.

5.7 Termination of Right of First Refusal. The foregoing right of first refusal shall terminate on the first to occur of the following:

(a) immediately before the consummation of a Qualified Public Offering, as such term is defined in the Certificate of Incorporation;

(b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Securities and Exchange Act of 1934; or

(c) upon a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation.

5.8 Notices. Any notice under this Article V shall be in writing and shall be deemed to have been duly given when mailed by first class mail, or delivered by hand, (i) if to the corporation, to its principal executive office, attention: President; and (ii) if to a stockholder, to the address of the stockholder listed in the stock transfer books of the corporation.

ARTICLE VI

GENERAL PROVISIONS

6.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January of each year and end on the last day of December in each year.

6.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

6.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these By-laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

6.4 Voting of Securities. Except as the Board of Directors may otherwise designate, the Chief Executive Officer, the President or the Treasurer may waive notice of, vote, or appoint any person or persons to vote, on behalf of the corporation at, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or securityholders of any other entity, the securities of which may be held by this corporation.

6.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

6.6 Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

6.7 Severability. Any determination that any provision of these By-laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-laws.

6.8 Pronouns. All pronouns used in these By-laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE VII

AMENDMENTS

7.1 By the Board of Directors. These By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the Board of Directors.

7.2 By the Stockholders. These By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any annual meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

Exhibit 4.2

EXECUTION VERSION

THIRD AMENDED AND RESTATED

INVESTORS' RIGHTS AGREEMENT

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THIRD AMENDED AND RESTATED

INVESTORS' RIGHTS AGREEMENT

THIS THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT ("**Agreement**") is made as of May 23, 2013, by and among Ophthotech Corporation, a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**", and any additional Investor that becomes a party to this Agreement in accordance with Section 6.9 hereof.

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of the Company's Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock and possess registration rights, information rights, participation rights and other rights pursuant to a Second Amended and Restated Investors' Rights Agreement dated as of December 11, 2009 by and among the Company and such Investors, as amended by the Amendment thereto dated as of September 12, 2011, Amendment No. 2 thereto dated as of June 20, 2012, Amendment No. 3 thereto dated as of December 24, 2012 and Amendment No. 4 thereto dated as of March 15, 2013 (the "**Prior Agreement**");

WHEREAS, the undersigned Existing Investors are holders of (i) a majority of the Series A Registrable Securities and Series A-1 Registrable Securities (as defined in the Prior Agreement and considered together as a single class) and (ii) at least sixty percent (60%) of the Series B Registrable Securities and Series B-1 Registrable Securities (as defined in the Prior Agreement and considered together as a single class), and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain of the Investors are parties to that certain Series C Preferred Stock Purchase Agreement dated as of the date hereof by and among the Company and certain of the Investors (as amended from time to time, the "**Purchase Agreement**"), under which certain of the Company's and such Investors' obligations are conditioned upon the execution and delivery of this Agreement by such Investors, Existing Investors holding (i) a majority of the Series A Registrable Securities and Series A-1 Registrable Securities (as defined in the Prior Agreement and considered together as a single class) and (ii) at least sixty percent (60%) of the Series B Registrable Securities and Series B-1 Registrable Securities (as defined in the Prior Agreement and considered together as a single class), and the Company;

NOW, THEREFORE, the undersigned Existing Investors and the Company hereby agree that the Prior Agreement shall be amended and restated, and the parties to this Agreement hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 **"Affiliate"** means, with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including without limitation any general partner, officer, director, or

manager of such Person and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person.

1.2 "**Certificate of Incorporation**" means the Company's Certificate of Incorporation, as amended and/or restated from time to time.

1.3 **"Common Stock"** means shares of the Company's common stock, $0.001 par value per share.

1.4 "**Converted Shares**" means (i) shares of Common Stock issued upon conversion of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Company's Certificate of Incorporation, (ii) shares of Common Stock subject to or resulting from a "Special Mandatory Combination" pursuant to the Company's Certificate of Incorporation and (iii) any other shares of Common Stock issued upon an optional conversion of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock by an Investor subject to Special Mandatory Conversion or Special Mandatory Combination on or prior to such Special Mandatory Conversion or Special Mandatory Combination pursuant to the Company's Certificate of Incorporation.

1.5 **"Damages"** means any loss, damage, or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, or liability (or any action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.6 **"Derivative Securities"** means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.7 **"Exchange Act"** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.8 **"Excluded Registration"** means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.9 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.10 **"Form S-3"** means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.11 **"GAAP"** means generally accepted accounting principles in the United States.

1.12 **"Holder"** means any holder of Registrable Securities who is a party to this Agreement and, for purposes of Sections 2.11 and 2.12 hereof only, any holder of Converted Shares who is a party to this Agreement; provided that MidCap shall, subject to the following proviso, be considered a party hereto only for purposes of Sections 1, 2 and 6 hereof and shall not be entitled to any other rights or subject to any other obligations under this Agreement; provided further, however, that MidCap shall not have any right to make, nor shall it be considered a "Holder" for purposes of making, any demand or request for registration under Section 2.1(a) or 2.1(b).

1.13 **"Immediate Family Member"** means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of a natural person referred to herein.

1.14 **"Initiating Holders"** means, collectively, Holders who properly initiate a registration request under this Agreement.

1.15 **"IPO"** means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.16 **"Key Employee"** means any executive-level employee (including division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property (as defined in the Purchase Agreement).

1.17 **"Major Investor"** means any Investor that, individually or together with such Investor's Affiliates, holds at least 800,000 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof); provided, however, that, any shares of Registrable Securities held by Affiliates of an Investor that holds Converted Shares shall not be considered for purposes of determining whether such Investor is a "Major Investor" for purposes hereof.

1.18 **"MidCap"** means MidCap Financial SBIC, LP, in its capacity as a holder of (i) the Series B Warrants, (ii) shares of Series B Preferred Stock issued upon the exercise of the Series B Warrants or (iii) Common Shares issued upon the conversion of such shares of Series B Preferred Stock. MidCap is a party to Sections 1, 2 and 6 hereof (the "**Applicable**

Sections") and is subject to all the rights and obligations of a "Holder" and an "Investor" as such terms are defined and used in this Agreement under and with respect to the Applicable Sections. For the avoidance of doubt, MidCap is not entitled to any other rights or subject to any additional obligations under this Agreement except in its capacity as a "Holder" or an "Investor" with respect to the Applicable Sections.

1.19 **"New Securities"** means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.20 **"Person"** means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.21 **"Preferred Director"** means any director of the Company that the holders of record of the Series A Preferred Stock or Series B Preferred Stock are entitled to elect as a separate class pursuant to the Company's Certificate of Incorporation.

1.22 **"Preferred Stock"** means the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series B Preferred Stock, the Series B-1 Preferred Stock and the Series C Preferred Stock.

1.23 **"Qualified Public Offering"** means the closing of the sale of shares of the Company's Common Stock to the public at a price to the public of at least $2.50 per share (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), in an underwritten public offering pursuant to an effective registration statement under the Securities Act, resulting in at least $40,000,000 of gross proceeds (before deducting the underwriting discount and commissions and other offering expenses) to the Company.

1.24 **"Registrable Securities"** means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock, excluding any Converted Shares; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors after the date hereof, excluding any Converted Shares; (iii) any Common Stock issued or issuable upon conversion of the Series B Preferred Stock issued or issuable upon the exercise of the Series B Warrants; and (iv) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.25 **"Registrable Securities then outstanding"** means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.26 **"Restricted Securities"** means the securities of the Company required to bear the legend set forth in Section 2.12(b) hereof.

1.27 **"SEC"** means the Securities and Exchange Commission.

1.28 **"SEC Rule 144"** means Rule 144 promulgated by the SEC under the Securities Act.

1.29 **"SEC Rule 144(b)(1)"** means Rule 144(b)(1) promulgated by the SEC under the Securities Act.

1.30 **"SEC Rule 145"** means Rule 145 promulgated by the SEC under the Securities Act.

1.31 **"Securities Act"** means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.32 **"Selling Expenses"** means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

1.33 **"Series A Director"** means any director of the Company that the holders of record of the Series A Preferred Stock are entitled to elect as a separate class pursuant to the Company's Certificate of Incorporation.

1.34 **"Series A Preferred Stock"** means shares of the Company's Series A Preferred Stock, $0.001 par value per share.

1.35 **"Series A-1 Preferred Stock"** means shares of the Company's Series A-1 Preferred Stock, $0.001 par value per share.

1.36 **"Series A Registrable Securities"** means (i) the Common Stock issuable or issued upon conversion of the Series A Preferred Stock, excluding any Converted Shares; and (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.37 **"Series A Registrable Securities then outstanding"** means the number of shares determined by adding the number of shares of outstanding Common Stock that are Series A Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Series A Registrable Securities.

1.38 **"Series A-1 Preferred Stock Purchase Agreement"** means the Series A-1 Preferred Stock Purchase Agreement dated January 4, 2008 by and among the Company, Facet Biotech Corporation (as assignee of PDL BioPharma, Inc.), Biogen Idec MA Inc. and the Regents of the University of California in the name of Shellwater & Co, as it may be amended from time to time.

1.39 **"Series A-1 Registrable Securities"** means (i) the Common Stock issuable or issued upon conversion of the Series A-1 Preferred Stock; and (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.40 **"Series A-1 Registrable Securities then outstanding"** means the number of shares determined by adding the number of shares of outstanding Common Stock that are Series A-1 Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Series A-1 Registrable Securities.

1.41 **"Series B Director"** means any director of the Company that the holders of record of the Series B Preferred Stock are entitled to elect as a separate class pursuant to the Company's Certificate of Incorporation.

1.42 **"Series B Preferred Stock"** means shares of the Company's Series B Preferred Stock, $0.001 par value per share.

1.43 **"Series B Registrable Securities"** means (i) the Common Stock issuable or issued upon conversion of the Series B Preferred Stock, excluding any Converted Shares; (ii) any Common Stock issued or issuable upon conversion of the Series B Preferred Stock issued or issuable upon the exercise of the Series B Warrants; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.44 **"Series B Registrable Securities then outstanding"** means the number of shares determined by adding the number of shares of outstanding Common Stock that are Series B Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Series B Registrable Securities.

1.45 **"Series B Warrants"** means (i) the warrant to purchase shares of Series B Preferred Stock issued by the Company to MidCap pursuant to the Loan and Security Agreement, dated June 20, 2012, among the Company, MidCap, as administrative agent and lender, and the lenders party thereto, as such warrant is amended, restated, amended and restated or otherwise modified and in effect from time to time, (ii) the warrant to purchase shares of Series B Preferred Stock issued by the Company to MidCap pursuant to the Amended and Restated Loan and Security Agreement, dated December 24, 2012, among the Company, MidCap, as administrative agent and lender, and the lenders party thereto, as such warrant is amended, restated, amended and restated or otherwise modified and in effect from time to time, and (iii) the warrants to purchase shares of Series B Preferred Stock issued by the Company to MidCap pursuant to the Second Amended and Restated Loan and Security Agreement, dated March 15, 2012, among the Company, MidCap, as administrative agent and lender, and the lenders party thereto, as such warrants are amended, restated, amended and restated or otherwise modified and in effect from time to time.

1.46 **"Series B-1 Preferred Stock"** means shares of the Company's Series B-1 Preferred Stock, $0.001 par value per share.

1.48 **"Series B-1 Registrable Securities"** means (i) the Common Stock issuable or issued upon conversion of the Series B-1 Preferred Stock; and (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.49 **"Series B-1 Registrable Securities then outstanding"** means the number of shares determined by adding the number of shares of outstanding Common Stock that are Series B-1 Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Series B-1 Registrable Securities.

1.50 **"Series C Preferred Stock"** means shares of the Company's Series C Preferred Stock, $0.001 par value per share.

1.51 **"Series C Registrable Securities"** means (i) the Common Stock issuable or issued upon conversion of the Series C Preferred Stock, excluding any Converted Shares; and (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.52 **"Series C Registrable Securities then outstanding"** means the number of shares determined by adding the number of shares of outstanding Common Stock that are Series C Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Series C Registrable Securities.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after one hundred eighty (180) days after the Company's IPO, the Company receives a request from Holders of at least sixty percent (60%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement, then the Company shall (i) within ten (10) days after the date such request is given, give notice thereof (a "**Demand Notice**") to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $3 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such

filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than one hundred twenty (120) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than twice in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such one hundred twenty (120) day period other than pursuant to an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a) (i) during the period that is ninety (90) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of the registration statement filed by the Company in connection with its IPO, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective and delivers notice thereof to the Initiating Holders within thirty (30) days after the Initiating Holders have requested registration under this Section 2.1; (ii) after the Company has effected two registrations pursuant to Section 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.1(b) in which case it will be deemed a request for registration under Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration (provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective); or (ii) if the Company has effected two registrations pursuant to Section 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), including in connection with the Company's IPO, the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company, subject only to the reasonable approval of a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 2.3, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that (i) the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting and (ii) in the event that the number of Registrable Securities held by the Holders to be included in such underwriting is reduced, such reduction shall first apply to the Series A Registrable Securities and the Series A-1 Registrable Securities on a pro rata basis before applying to the Series B Registrable Securities, the Series B-1 Registrable Securities and the Series C Registrable Securities on a pro rata basis.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than

securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. In the event that the number of Registrable Securities held by the selling Holders to be included in such offering is reduced, such reduction shall first apply to the Series A Registrable Securities and the Series A-1 Registrable Securities on a pro rata basis before applying to the Series B Registrable Securities, the Series B-1 Registrable Securities and the Series C Registrable Securities on a pro rata basis. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Section 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and

disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed $25,000, of one counsel for the selling Holders for each such registration ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information, then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld or delayed, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the

Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall any indemnity under this Section 2.8(b) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses of such separate counsel to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or

other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case, (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; *provided*, *however*, that the failure of the underwriting agreement to address a provision addressed in this Agreement shall not be such a conflict.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO),

the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of (i) a majority of the Series A Registrable Securities and Series A-1 Registrable Securities then outstanding (voting together as a single class) and (ii) at least a majority of the Series B Registrable Securities, Series B-1 Registrable Securities and Series C Registrable Securities (voting together as a single class) then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (i) to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included therein pursuant to this Agreement or (ii) to demand registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Section 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO or other registration by the Company of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1 or Form S-3, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days, which period may be extended upon the request of the managing underwriter to allow it to comply with applicable regulatory restrictions (including Rule 2711(f)(4) or any successor rule or regulation of the Financial Industry Regulatory Authority) for an additional period of up to fifteen (15) days if the Company issues or proposes to issue an earnings or other public release within fifteen (15) days of the expiration of the 180-day lockup period) (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.11 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to the Holders only if all officers, directors, and stockholders individually owning more than one percent (1%) of the

Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock) are subject to the same restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 2.11 and shall have the right, power, and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

2.12 Restrictions on Transfer.

(a) The Preferred Stock, the Registrable Securities and any Converted Shares shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock, Registrable Securities or Converted Shares held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate or instrument representing (i) the Preferred Stock, (ii) the Registrable Securities, (iii) any Converted Shares and (iv) any other securities issued in respect of the securities referenced in clauses (i), (ii) and (iii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 2.12(c)) be stamped or otherwise imprinted with a legend substantially in the following form:

> THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.
>
> THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.12.

(c) The holder of each certificate representing Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144 or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that in the case of clause (y) each transferee agrees in writing to be subject to the terms of this Section 2.12. Each certificate or instrument evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.1 or Section 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation;

(b) as to any Holder, such earlier time after the IPO at which such Holder (A) can sell all shares held by it in compliance with Rule 144(b)(1) or (B) holds one percent (1%) or less of the Company's outstanding Common Stock and all Registrable Securities held by such Holder (together with any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3) month period without registration in compliance with Rule 144; or

(c) five years after the Company's IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of the fiscal year of the Company, (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Section 3.1(e)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year and (iii) a statement of stockholders' equity as of the end of such year, audited and certified in accordance with GAAP by independent public accountants of nationally recognized standing selected by the Board of Directors of the Company;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) concurrently with the delivery of the items described in Sections 3.1(a), (b) and (d), a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(d) as soon as practicable, but in any event within thirty (30) days of the end of each month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet and statement of stockholders' equity as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(e) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board of Directors and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(f) with respect to the financial statements called for in Section 3.1(a), Section 3.1(b) and Section 3.1(d), an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Section 3.1(b) and Section 3.1(d)) and fairly present the financial condition of the Company and its results of operation for the periods specified therein; and

(g) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor, at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights.

(a) As long as SV Life Sciences Fund IV, L.P. ("**SV Life Sciences**") owns shares of Preferred Stock (or Common Stock issued upon conversion thereof), the Company shall invite a representative of SV Life Sciences to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with

respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in a conflict of interest or disclosure of highly confidential proprietary information.

(b) As long as Clarus Lifesciences II, L.P. ("**Clarus**") owns shares of Series B Preferred Stock (or Common Stock issued upon conversion thereof), the Company shall invite a representative of Clarus to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in a conflict of interest or disclosure of highly confidential proprietary information.

(c) As long as Novo A/S owns shares of Preferred Stock (or Common Stock issued upon conversion thereof), the Company shall invite a representative of Novo A/S to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in a conflict of interest or disclosure of highly confidential proprietary information.

(d) As long as SV Life Sciences, Novo A/S, HBM Healthcare Investments (Cayman) Ltd. ("**HBM**") or Clarus owns shares of Preferred Stock (or Common Stock issued upon conversion thereof), the Company shall invite a representative of each of SV Life Sciences, Novo A/S, HBM or Clarus, as applicable, to attend all meetings of the Company's scientific or other advisory boards in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to the members of such boards at the same time and in the same manner as provided to such members; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in a conflict of interest or disclosure of highly confidential proprietary information.

3.4 Termination of Information Rights. The covenants set forth in Section 3.1, Section 3.2, Section 3.3 and Section 3.6 shall terminate and be of no further force or effect (i) immediately before the consummation of a Qualified Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or (iii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

3.5 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3.5 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities or Converted Shares from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Section 3.5; (iii) to any Affiliate, partner, member, stockholder, or wholly-owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

3.6 Board of Directors. On or prior to March 31, 2014, the Board of Directors shall appoint one individual, who is not an Affiliate of the Company or of any Investor and who is approved by Novo A/S, to serve as Chairman of the Board of Directors; provided, however, that the Company shall be deemed to be in compliance with this covenant if one or more individuals are proposed in good faith to serve in such capacity in a timely manner, Novo A/S does not approve any such individual and the Company is continuing to use commercially reasonable efforts to identify and propose an alternative candidate that is acceptable to Novo A/S.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Section 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates in such proportions as it deems appropriate.

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By written notice to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by such Major Investor bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities then outstanding). Each such election shall be accompanied by a representation letter that such Major Investor is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Section 4.1(b) shall occur within the later of one hundred twenty (120) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Section 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Section 4.1.

(d) The right of first offer in this Section 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Company's Certificate of Incorporation) and (ii) shares of Common Stock issued in the IPO.

4.2 Termination. The covenants set forth in Section 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the Qualified Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall at all times maintain (i) Directors and Officers Liability insurance in the amount of at least $2,000,000 (which shall cover the directors and their affiliated entities) and (ii) term "key-person" insurance in the amount of at least $1,000,000 (or such greater amount as determined by the Board of Directors) on each of the employees and officers deemed necessary by the Board of Directors, and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors determines that such insurance should be discontinued. The key-person policy shall name the Company as loss payee, and neither policy shall be cancelable by the Company without prior approval of the Board of Directors including a majority of the Preferred Directors. Immediately prior to the IPO, the Company shall, subject to approval by the Board of Directors, increase the Directors and Officers Errors and Omissions insurance to at least $5,000,000.

5.2 Employee Agreements. The Company will cause (i) each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) to enter into a nondisclosure and proprietary rights assignment agreement and (ii) each Key Employee to enter into a one (1) year noncompetition and nonsolicitation agreement, in a form reasonably acceptable to a majority of the Preferred Directors. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the unanimous consent of the Preferred Directors.

5.3 Employee Vesting. Unless otherwise approved by the Board of Directors, including a majority of the Preferred Directors, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that in Section 2.11. In addition, unless otherwise approved by the Board of Directors, including a majority of the Preferred Directors, the Company shall retain a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Certain Option Grants. Any options to purchase Common Stock granted by the Company that are subject to Section 409A of the Internal Revenue Code (the "**Code**") will be granted with an exercise price of no less than 100% of the fair market value of the underlying Common Stock on the date of grant as determined by the Board of Directors based upon a third party valuation of the Common Stock that has been completed within a reasonable period of time relative to each such grant.

5.5 Qualified Small Business Stock. The Company shall use commercially reasonable efforts to cause the shares of Preferred Stock, as well as any shares into which such shares are converted, within the meaning of Section 1202(f) of the Code, to constitute "qualified small business stock" as defined in Section 1202(c) of the Code; provided, however, that such requirement shall not be applicable if the Board of Directors of the Company determines, in its good-faith business judgment, that such qualification is inconsistent with the best interests of the Company. The Company shall submit to its stockholders (including the Investors) and to the Internal Revenue Service any reports that may be required under Section 1202(d)(1)(C) of the Code and the regulations promulgated thereunder. In addition, within twenty (20) business days after any Investor's written request therefor, the Company shall, at its option, either (i) deliver to such Investor a written statement indicating whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code or (ii) deliver to such Investor such factual information in the Company's possession as is reasonably necessary to enable such Investor to determine whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code.

5.6 Matters Requiring Investor Director Approval; Sale of New Securities.

(a) So long as the holders of Preferred Stock are entitled to elect one or more Preferred Directors, the Company hereby covenants and agrees with each of the Investors that it shall not, without approval of the Board of Directors, which approval must include the affirmative vote of a majority of the Preferred Directors, enter into any business arrangement that exceeds $1,000,000.

(b) Notwithstanding anything to the contrary herein, the Company shall not consummate the sale of any New Securities (other than Exempted Securities (as defined in the Company's Certificate of Incorporation) but including the sale of shares of Common Stock in the IPO) unless and until (i) the sale of such New Securities is approved by a majority of the directors then in office and (ii) the Company has satisfied its obligations under Section 1.3(c) of the Purchase Agreement.

5.7 Meetings of the Board of Directors. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least four (4) times per year in accordance with an agreed-upon schedule.

5.8 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, its Certificate of Incorporation, or elsewhere, as the case maybe.

5.9 Board Expenses. The Company shall reimburse the directors and board observers for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors and other events attended on behalf of the Company.

5.10 Committees of the Board of Directors.

(a) Series A Directors. Each of SV Life Sciences, Novo A/S and HBM shall have the right to have the Series A Director designated by such entity pursuant to that certain Second Amended and Restated Voting Agreement of even date herewith, as such may be amended and/or restated from time to time (the "**Voting Agreement**"), sit on any committee of the Board of Directors other than the compensation committee. Notwithstanding the foregoing, (i) if SV Life Sciences, Novo A/S and HBM do not exercise their rights pursuant to this Section 5.10, at least one Series A Director shall be appointed to serve as a member of each committee of the Board of Directors other than the compensation committee. At least one Series A Director shall be appointed to serve as a member of the compensation committee, which Series A Director shall initially be Axel Bolte.

(b) Series B Director. Clarus shall have the right to have the Series B Director designated by Clarus pursuant to the Voting Agreement sit on the compensation committee of the Board of Directors.

5.11 Covenant Regarding Any Future "Drag Along" Agreement. The Company shall not enter into any agreement (other than the Voting Agreement), nor permit any agreement to which the Company is a party to be amended in any manner, pursuant to which any Investor would be compelled to transfer its ownership interest in the Company (whether directly or indirectly by way of merger or otherwise) to any acquirer thereof without such Investor's consent, unless such agreement expressly provides (and requires to be binding on such Investor) that in no event will any Investor be required to agree to sell, transfer, convey (whether by merger, operation of law or otherwise) its ownership interest in the Company unless the liability of security holders for indemnification in connection with such transaction, if any, is several, not joint, is allocated pro rata in accordance with such security holder's equity ownership of the Company, and, as to each stockholder, will not exceed the consideration payable to such stockholder in respect of the transaction by virtue of such stockholder's ownership of securities of the Company, if any, in such transaction (except in the case of potential liability for fraud or willful misconduct by such Investor).

5.12 Termination of Covenants. The covenants set forth in this Section 5, except for Section 5.8, shall terminate and be of no further force or effect (i) immediately before the consummation of a Qualified Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate, partner, member, limited partner, retired partner, retired

member, or stockholder of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 250,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate, limited partner, retired partner, member, retired member, or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to its principles of conflicts of laws.

6.3 Counterparts; Facsimile. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices, requests, and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given, delivered and received (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice

given in accordance with this Section 6.5. If notice is given to the Company, it shall be sent to One Penn Plaza, 35th Floor, New York, NY 10119, Attention: Chief Executive Officer; and a copy (which shall not constitute notice) shall also be sent to Wilmer Cutler Pickering Hale and Dorr LLP, Attention: David E. Redlick, 60 State Street, Boston, MA 02109. If notice is given to the holders of Preferred Stock (or Common Stock issuable upon conversion thereof), other than Novo A/S or HBM Healthcare Investments (Cayman) Ltd., a copy shall also be given to Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C., Attention: Daniel T. Kajunski, One Financial Center, Boston, MA 02111. If notice is given to Novo A/S, a copy shall also be given to Latham & Watkins LLP, Attention: B. Shayne Kennedy, 650 Town Center Drive, 20th Floor, Costa Mesa, CA 92626. If notice is given to HBM Healthcare Investments (Cayman) Ltd., a copy shall also be given to Cooley LLP, Attn: Mehdi Khodadad, 3175 Hanover Street, Palo Alto, CA 94304.

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of (i) a majority of the Series A Registrable Securities and Series A-1 Registrable Securities (voting together as a single class) then outstanding and (ii) at least a majority of the Series B Registrable Securities, Series B-1 Registrable Securities and Series C Registrable Securities (voting together as a single class) then outstanding; provided that the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction), provided however that (w) Sections 3.3(a), 3.3(d) (as it relates to the rights of SV Life Sciences) and 5.10(a) (as it relates to the rights of SV Life Sciences) and clause (w) of this proviso may not be amended or waived without the consent of SV Life Sciences, (x) Sections 3.3(c), 3.3(d) (as it relates to the rights of Novo A/S), 5.6(b) and 5.10(a) (as it relates to the rights of Novo A/S) and clause (x) of this proviso may not be amended or waived without the consent of Novo A/S, (y) Sections 3.3(d) (as it relates to the rights of HBM) and 5.10(a) (as it relates to the rights of HBM) and clause (y) of this proviso may not be amended or waived without the consent of HBM and (z) Sections 3.3(b) and 5.10(b) and clause (z) of this proviso may not be amended or waived without the consent of Clarus. Notwithstanding the foregoing, the provisions of Section 2.8(b), 2.8(d) and 5.11, insofar as such sections provide for each Investor's several, and not joint, liability in regards to obligations under this Agreement or provide for limitations on the amount of each Investor's liability or contribution requirements under this Agreement, shall not be amended or waived without the written consent of each Investor against which such waiver or amendment would apply. The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has

consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement, except as set forth in the definition of "Major Investor" in Section 1.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock after the date hereof pursuant to the Purchase Agreement to any party not already party to this agreement, any acquirer of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties, including, without limitation, the Prior Agreement and the Term Sheet entered into prior to the date hereof between the Company and Novo A/S, is expressly canceled.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the State of New York and to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the State of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the Southern District of New York or any court of the State of New York having subject matter jurisdiction.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.13 Acknowledgment. The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first written above.

OPHTHOTECH CORPORATION

By: _____

Name: _____

Title: _____

Address: One Penn Plaza
35th Floor
New York, NY 10119

Signature Page to Ophthotech Corporation Third Amended and Restated Investors' Rights Agreement

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

NOVO A/S

By: Thomas Dyrberg, Partner

Address:

Tuborg Havnevej 19
DK-2900 Hellerup
Denmark

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

HBM HEALTHCARE INVESTMENTS (CAYMAN) LTD.

By: John Arnold
Title: Chairman and Managing Director

Address:

Centennial Towers, 3rd Floor
2454 West Bay Road
Grand Cayman
Cayman Islands

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

SV LIFE SCIENCES FUND IV, L.P.

By: SV Life Sciences Fund IV (GP), L.P.,
its sole General Partner
By: SVLSF IV, LLC, its sole General Partner

By: _____
Name: _____
Title: _____

Address:

One Boston Place, Suite 3900
Boston, MA 02108

SV LIFE SCIENCES FUND IV STRATEGIC PARTNERS, L.P.

By: SV Life Sciences Fund IV (GP), L.P.,
its sole General Partner,
By: SVLSF IV, LLC, its sole General Partner

By: _____
Name: _____
Title: _____

Address:

One Boston Place, Suite 3900
Boston, MA 02108

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

INTERNATIONAL BIOTECHNOLOGY TRUST PLC

By: _____
Nick Coleman
IBT Authorised Signature

Address:

International Biotechnology Trust plc
55 Moorgate
London
EC2R 6PA
United Kingdom

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

SAMIR C. PATEL LLC

Address:

66 Witherspoon Street
P.O. Box 214
Princeton, NJ 08540

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

CLARUS LIFESCIENCES II, LP

By: Clarus Ventures II GP, LP, its General Partner,
By: Clarus Ventures II, LLC, its General Partner

By: _____
Name: _____
Title: _____

Address:

101 Main Street Suite 1210
Cambridge, MA 02142

SCHEDULE A

Investors

SERIES A PREFERRED STOCK

Name	Number of Shares held as of the date of this Agreement
SV Life Sciences Fund IV, L.P. One Boston Place, Suite 3900 Boston, MA 02108	21,000,448
SV Life Sciences Fund IV Strategic Partners, L.P. One Boston Place, Suite 3900 Boston, MA 02108	596,220
Novo A/S Tuborg Havnevej 19 DK-2900 Hellerup Denmark	14,374,443
HBM Healthcare Investments (Cayman) Ltd. Centennial Towers, 3rd Floor 2454 West Bay Road Grand Cayman Cayman Islands	14,374,443
Samir C. Patel LLC 66 Witherspoon Street P.O. Box 214 Princeton, NJ 08540	1,444,446

SCHEDULE A (continued)

Investors

SERIES A-1 PREFERRED STOCK

Name	Number of Shares held as of the date of this Agreement
Archemix LLC 300 Third Street Cambridge, MA 02142	1,950,000
Facet Biotech Corporation 1400 Seaport Blvd. Redwood City, CA 94063	1,835,000
Biogen IDEC MA, Inc. 14 Cambridge Center Cambridge, MA 02142	1,835,000
Shellwater & Co. c/o Treasurer The Regents at University of California PO Box 24000 Oakland, CA 94623-1000	330,000
University License Equity Holdings, Inc. 4740 Walnut St. Ste 100 Boulder, CO 80309	50,000

SCHEDULE A (continued)

Investors

SERIES B PREFERRED STOCK

Name	Number of Shares held as of the date of this Agreement
Clarus Lifesciences II, LP 101 Main Street Suite 1210 Cambridge, MA 02142	15,000,000
SV Life Sciences Fund IV, L.P. One Boston Place, Suite 3900 Boston, MA 02108	6,117,974
SV Life Sciences Fund IV Strategic Partners, L.P. One Boston Place, Suite 3900 Boston, MA 02108	173,692
International Biotechnology Trust plc 55 Moorgate London EC2R 6PA United Kingdom	1,000,000
Novo A/S Tuborg Havnevej 19 DK-2900 Hellerup Denmark	5,208,334
HBM Healthcare Investments (Cayman) Ltd. Centennial Towers, 3rd Floor 2454 West Bay Road Grand Cayman Cayman Islands	2,083,334
Samir C. Patel LLC 66 Witherspoon Street P.O. Box 214 Princeton, NJ 08540	416,666

SCHEDULE A (continued)

Investors

SERIES B-1 PREFERRED STOCK

Name	Number of Shares held as of the date of this Agreement
Archemix LLC 300 Third Street Cambridge, MA 02142	487,500
University License Equity Holdings, Inc. 4740 Walnut St. Ste 100 Boulder, CO 80309	12,500

SCHEDULE A (continued)

Investors

SERIES C PREFERRED STOCK

Name	Number of Shares held as of the date of this Agreement
Clarus Lifesciences II, LP 101 Main Street Suite 1210 Cambridge, MA 02142	365,854
SV Life Sciences Fund IV, L.P. One Boston Place, Suite 3900 Boston, MA 02108	663,085
SV Life Sciences Fund IV Strategic Partners, L.P. One Boston Place, Suite 3900 Boston, MA 02108	18,826
International Biotechnology Trust plc 55 Moorgate London EC2R 6PA United Kingdom	24,390
Novo A/S Tuborg Havnevej 19 DK-2900 Hellerup Denmark	5,146,003
HBM Healthcare Investments (Cayman) Ltd. Centennial Towers, 3rd Floor 2454 West Bay Road Grand Cayman Cayman Islands	403,116
Samir C. Patel LLC 66 Witherspoon Street P.O. Box 214 Princeton, NJ 08540	45,393

Exhibit 10.1

OPHTHOTECH CORPORATION

AMENDED AND RESTATED 2007 STOCK INCENTIVE PLAN

1. Purpose

The purpose of this Amended and Restated 2007 Stock Incentive Plan (the "Plan") of Ophthotech Corporation, a Delaware corporation (the "Company"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "Company" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "Board").

2. Eligibility

All of the Company's employees, officers, directors, consultants and advisors are eligible to be granted options, restricted stock, restricted stock units ("RSUs") and other stock-based awards (each, an "Award") under the Plan. Each person who receives an Award under the Plan is deemed a "Participant".

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Board shall be liable for any action or determination relating to or under the Plan made in good faith.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "Committee"). All references in the Plan to the "Board" shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board's powers or authority under the Plan have been delegated to such Committee or officers.

(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to employees or officers of the Company or any of its present and future subsidiary corporations and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of the Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Awards that the officers may grant; provided, further, however, that no officer shall be authorized to grant Awards to any "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or to any "officer" of the Company (as defined by Rule 16a-1 under the Exchange Act).

4. Stock Available for Awards.

(a) Number of Shares. Subject to adjustment under Section 8, Awards may be made under the Plan for up to the number of shares of common stock, $0.001 par value per share, of the Company (the "Common Stock") that is equal to the sum of:

(1) 7,246,315 shares of Common Stock; plus

(2) an increase to be added simultaneously with each of the First Closing and the Second Closing (as such terms are defined in that certain Series B Preferred Stock Purchase Agreement dated on or about December 11, 2009 between the Company and the investors listed on Exhibit A thereto, as amended from time to time), with each such increase to be equal to the lesser of (i) 11.0% of the fully diluted capital stock of the Company on the date of each such closing (after giving effect to the issuance of shares in the applicable closing and the associated increase in the number of shares reserved under the Plan as contemplated by this section 4(a)(2)) *minus* the sum of (x) 7,246,315 and (y) any previous increases to the Plan pursuant to this section 4(a)(2) or (ii) an amount determined by the Board; provided, however, that the sum of all increases made to the Plan pursuant to this section 4(a)(2) may not equal more than 4,680,651. For purposes of the Plan, fully diluted capital stock of the Company means (i) all shares of the Company's capital stock outstanding, with shares of preferred stock and other securities convertible into Common Stock counted on an as-converted to Common Stock basis, (ii) all outstanding options and warrants, counted as if fully exercised and (if exercisable for preferred stock or other securities convertible into Common Stock) on an as-converted to Common Stock basis and (iii) all shares of capital stock reserved for future issuance pursuant to Company equity plans, including the Plan. Fully diluted capital stock of the Company shall not include any shares potentially issuable under Section 3 of that certain Series A-1 Preferred Stock Purchase Agreement dated January 4, 2008 by and among the Company, Facet Biotech Corporation (as assignee of PDL BioPharma, Inc.), Biogen Idec MA Inc. and the Regents of the University of California in the name of Shellwater & Co, as it may be amended from time to time, as a result of a Change of Control (as defined therein).

If any Award expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right), or results in any Common Stock not being issued, the unused

Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock tendered to the Company by a Participant to exercise an Award shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares. At no time while there is any Option (as defined below) outstanding and held by a Participant who was a resident of the State of California on the date of grant of such Option, shall the total number of shares of Common Stock issuable upon exercise of all outstanding options and the total number of shares provided for under any stock bonus or similar plan or agreement of the Company exceed the applicable percentage as calculated in accordance with the conditions and exclusions of Section 260.140.45 of the California Code of Regulations (the "California Regulations"), based on the shares of the Company which are outstanding at the time the calculation is made.

(b) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a), except as may be required by reason of Section 422 and related provisions of the Code.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "Option") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. An Option that is not intended to be an Incentive Stock Option (as hereinafter defined) shall be designated a "Nonstatutory Stock Option".

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "Incentive Stock Option") shall only be granted to employees of Ophthotech Corporation, any of Ophthotech Corporation's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or for any action taken by the Board, including without limitation the conversion of an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify the exercise price in the applicable option agreement. The exercise price shall be not less than 100% of the Fair Market Value (as defined below) on the date the Option is granted.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement.

(e) Exercise of Option. Options may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Board together with payment in full as specified in Section 5(f) for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) when the Common Stock is registered under the Exchange Act, except as may otherwise be provided in the applicable option agreement, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) when the Common Stock is registered under the Exchange Act and to the extent provided for in the applicable option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their fair market value as determined by (or in a manner approved by) the Board ("Fair Market Value"), provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent permitted by applicable law and provided for in the applicable option agreement or approved by the Board, in its sole discretion, by (i) delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(5) by any combination of the above permitted forms of payment.

6. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock ("Restricted Stock"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. Instead of granting Awards for

Restricted Stock, the Board may grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests ("Restricted Stock Units") (Restricted Stock and Restricted Stock Units are each referred to herein as a "Restricted Stock Award").

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares, unless otherwise provided by the Board. Unless otherwise provided, by the Board, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock other than an ordinary cash dividend, the shares, cash or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. Each dividend payment will be made no later than the end of the calendar year in which the dividends are paid to shareholders of that class of stock or, if later, the 15th day of the third month following the date the dividends are paid to shareholders of that class of stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

7. Other Stock-Based Awards

Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("Other Stock-Based Awards"), including without limitation stock appreciation rights ("SARs") and Awards entitling recipients to receive shares of Common Stock to be delivered in the future. Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

8. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or

other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the number and class of securities and exercise price per share of each outstanding Option, (iii) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award, and (iv) the terms of each other outstanding Award shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "Reorganization Event" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any exchange of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock Awards. In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock Awards on such terms as the Board determines: (i) provide that Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "Acquisition Price"), make or provide for a cash payment to a Participant equal to the excess, if any, of (A) the Acquisition Price times the number of shares of Common Stock subject to the Participant's Awards (to the extent the exercise price does not exceed the Acquisition Price) over (B) the aggregate exercise price of all such outstanding Awards and any applicable tax withholdings, in exchange for the termination of such Awards, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 8(b), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

For purposes of clause (i) above, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in value (as determined by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock Awards. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company under each outstanding Restricted Stock Award shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to the Common Stock subject to such Restricted Stock Award. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock Awards then outstanding shall automatically be deemed terminated or satisfied.

(c) Change in Control Events.

(1) Definitions.

A "Change in Control Event" shall mean:

(A) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act)) (a "Person") of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 50% or more of the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting

Securities"); provided, however, that for purposes of this subsection (A), the following acquisitions shall not constitute a Change in Control Event: (1) any acquisition directly from the Company or (2) any acquisition by any corporation pursuant to a Business Combination (as defined below) which complies with clauses (x) and (y) of subsection (C) of this definition; or

(B) such time as the Continuing Directors (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term "Continuing Director" means at any date a member of the Board (x) who was a member of the Board on the date of the initial adoption of this Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; or

(C) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (x) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "Acquiring Corporation") in substantially the same proportions as their ownership of the Outstanding Company Voting Securities immediately prior to such Business Combination and (y) no Person beneficially owns, directly or indirectly, 50% or more of the combined voting power of the then-outstanding securities of such

corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(D) the liquidation or dissolution of the Company.

"Good Reason" shall mean the occurrence of any of the following without the Participant's prior written consent: (A) any change in the Participant's position, title or reporting relationship with the Company from and after such Reorganization Event or Change in Control Event that diminishes in any material respect the title, authority, duties or responsibilities of the Participant as in effect immediately preceding the Reorganization Event or Change in Control Event, as the case may be; provided, however, that a change in the Participant's title or reporting relationship solely due to the Company becoming a division, subsidiary or other similar part of a larger organization following a Reorganization Event or Change in Control Event shall not by itself constitute Good Reason; or (B) any reduction in the Participant's annual base compensation from and after such Reorganization Event or Change in Control Event, as the case may be.

"Cause" shall mean the occurrence of any of the following: (A) the Participant's willful failure to perform in any material respect Participant's material duties or responsibilities for the Company, which is not cured within 30 days of written notice thereof to the Participant from the Company; (B) repeated unexplained or unjustified absence from the Company inconsistent with the Participant's duties and responsibilities for the Company, which continues without explanation or justification after written notice thereof to the Participant from the Company; (C) Participant's willful misconduct that causes material and demonstrable monetary or reputational injury to the Company, including, but not limited to, misappropriation or conversion of assets of the Company (other than non-material assets); or (D) the conviction of the Participant of, or the entry of a plea of guilty or *nolo contendere* by the Participant to, any crime involving moral turpitude or any felony.

(2) Effect on Options. Notwithstanding the provisions of Section 8(b), except to the extent specifically provided to the contrary in the instrument evidencing any Option or any other agreement between a Participant and the Company, each Option shall be immediately exercisable in full if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant's employment with the Company or the acquiring or succeeding corporation is terminated for Good Reason by the Participant or is terminated without Cause by the Company or the acquiring or succeeding corporation.

(3) Effect on Restricted Stock Awards. Notwithstanding the provisions of Section 8(b), except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, each Restricted Stock Award shall immediately become free from all conditions or

restrictions if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant's employment with the Company or the acquiring or succeeding corporation is terminated for Good Reason by the Participant or is terminated without Cause by the Company or the acquiring or succeeding corporation.

(4) Effect on SARs and Other Stock-Based Awards. The Board may specify in an Award at the time of the grant the effect of a Change in Control Event on any SAR and Other Stock-Based Award.

9. General Provisions Applicable to Awards

(a) Transferability of Awards. Except as the Board may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise or release from forfeiture of an Award or, if the Company so requires, at the same time as is payment of the exercise price unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; provided, however, except as otherwise provided by the Board, that the total tax withholding where stock is being used to

satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares surrendered to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) Amendment of Award.

(1) The Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 8 hereof.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the expiration of 10 years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time; provided that if at any time the approval of the Company's stockholders is required as to any modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 10(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment does not materially and adversely affect the rights of Participants under the Plan.

(e) Authorization of Sub-Plans. The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to this Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Code Section 409A. No Award shall provide for deferral of compensation that does not comply with Section 409A of the Code, unless the Board, at the time of grant, specifically provides that the Award is not intended to comply with Section 409A of the Code. The Company shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Section 409A is not so exempt or compliant or for any action taken by the Board.

(g) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such state.

Adopted by the Board of Directors and Stockholders of the Corporation on December 20, 2007

Amendment and Restatement approved by the Board of Directors and Stockholders of the Corporation in December 2009

OPHTHOTECH CORPORATION

2007 STOCK INCENTIVE PLAN

CALIFORNIA SUPPLEMENT

Pursuant to Section 10(e) of the Plan, the Board has adopted this supplement for purposes of satisfying the requirements of Section 25102(o) of the California Law:

Any Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (a "California Participant") shall be subject to the following additional limitations, terms and conditions:

1. Additional Limitations on Options.

(a) Minimum Vesting Rate. Except in the case of Options granted to California Participants who are officers, directors, managers, consultants or advisors of the Company or its affiliates (which Options may become exercisable at whatever rate is determined by the Board), Options granted to California Participants shall become exercisable at a rate of not less than 20% per year over five years from the date of grant; provided, that, such Options may be subject to such reasonable forfeiture conditions as the Board may choose to impose and which are not inconsistent with Section 260.140.41 of the California Regulations.

(b) Minimum Exercise Price. The exercise price of Options granted to California Participants may not be less than 85% of the Fair Market Value of the Common Stock on the date of grant in the case of a Nonstatutory Stock Option or less than 100% of the Fair Market Value of the Common Stock on the date of grant in the case of an Incentive Stock Option; provided, however, that if the California Participant is a person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary corporations, the exercise price shall be not less than 110% of the Fair Market Value of the Common Stock on the date of grant.

(c) Maximum Duration of Options. No Options granted to California Participants shall have a term in excess of 10 years measured from the Option grant date.

(d) Minimum Exercise Period Following Termination. Unless a California Participant's employment is terminated for cause (as defined by applicable law, the terms of any contract of employment between the Company and such Participant, or in the instrument evidencing the grant of such Participant's Option), in the event of termination of employment of such Participant, such Participant shall have the right to exercise an Option, to the extent that he or she was otherwise entitled to exercise such Option on the date employment terminated, as follows: (i) at least six months from the date of termination, if termination was caused by such Participant's death or "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code) and (ii) at least 30 days from the date of termination, if termination was caused other than by such Participant's death or "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code).

(e) Limitation on Repurchase Rights. If an Option granted to a California Participant gives the Company the right to repurchase shares of Common Stock issued pursuant to the Plan upon termination of employment of such Participant, the terms of such repurchase right must comply with Section 260.140.41(k) of the California Regulations.

2. Additional Limitations for Restricted Stock Awards.

(a) Minimum Purchase Price. The purchase price for a Restricted Stock Award granted to a California Participant shall be not less than 85% of the Fair Market Value of the Common Stock at the time such Participant is granted the right to purchase shares under the Plan or at the time the purchase is consummated; provided, however, that if such Participant is a person who owns stock possessing more than 10% of the total combined voting power or value of all classes of stock of the Company or its parent or subsidiary corporations, the purchase price shall be not less than 100% of the Fair Market Value of the Common Stock at the time such Participant is granted the right to purchase shares under the Plan or at the time the purchase is consummated.

(b) Limitation of Repurchase Rights. If a Restricted Stock Award granted to a California Participant gives the Company the right to repurchase shares of Common Stock issued pursuant to the Plan upon termination of employment of such Participant, the terms of such repurchase right must comply with Section 260.140.42(h) of the California Regulations.

3. Additional Limitations for Other Stock-Based Awards. The terms of all Awards granted to a California Participant under Section 7 of the Plan shall comply, to the extent applicable, with Section 260.140.41 or Section 260.140.42 of the California Regulations.

4. Additional Requirement to Provide Information to California Participants. The Company shall provide to each California Participant and to each California Participant who acquires Common Stock pursuant to the Plan, not less frequently than annually, copies of annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key employees whose duties in connection with the Company assure their access to equivalent information.

5. Additional Limitations on Timing of Awards. No Award granted to a California Participant shall become exercisable, vested or realizable, as applicable to such Award, unless the Plan has been approved by the holders of a majority of the Company's outstanding voting securities within 12 months before or after the date the Plan was adopted by the Board.

6. Additional Limitations Relating to Definition of Fair Market Value. For purposes of Section 1(b) and 2(a) of this supplement, "Fair Market Value" shall be determined in a manner not inconsistent with Section 260.140.50 of the California Regulations.

7. Additional Restriction Regarding Recapitalizations, Stock Splits, Etc. For purposes of Section 8 of the Plan, in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company's securities, the number of securities allocated to each California Participant must be adjusted proportionately and without the receipt by the Company of any consideration from any California Participant.

AMENDMENT

TO THE AMENDED AND RESTATED 2007 STOCK INCENTIVE PLAN

OF OPHTHOTECH CORPORATION

The Amended and Restated 2007 Stock Incentive Plan (the "Plan") of Ophthotech Corporation (the "Company") is hereby amended as follows (all capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the Plan):

1. Section 4(a) of the Plan be and hereby is deleted in its entirety and the following is inserted in lieu thereof:

4. Stock Available for Awards

(a) Number of Shares. Subject to adjustment under Section 8, Awards may be made under the Plan for up to 15,909,224 shares of common stock, $0.001 par value per share, of the Company (the "Common Stock").

If any Award expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right), or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares. At no time while there is any Option (as defined below) outstanding and held by a Participant who was a resident of the State of California on the date of grant of such Option, shall the total number of shares of Common Stock issuable upon exercise of all outstanding options and the total number of shares provided for under any stock bonus or similar plan or agreement of the Company exceed the applicable percentage as calculated in accordance with the conditions and exclusions of Section 260.140.45 of the California Code of Regulations (the "California Regulations"), based on the shares of the Company which are outstanding at the time the calculation is made.

2. Except as aforesaid, the Plan shall remain in full force and effect.

* * *

Approved by the Board of Directors
on April 25, 2013.

Approved by the Stockholders
as of April 25, 2013.

IN WITNESS WHEREOF, the Company has caused this Amendment to the Amended and Restated 2007 Stock Incentive Plan to be signed by its Chief Executive Officer this 25th day of April, 2013.

OPHTHOTECH CORPORATION

By: /s/ David R. Guyer

AMENDMENT

TO THE AMENDED AND RESTATED 2007 STOCK INCENTIVE PLAN

OF OPHTHOTECH CORPORATION

The Amended and Restated 2007 Stock Incentive Plan (the "**Plan**") of Ophthotech Corporation (the "**Company**") is hereby amended as follows (all capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the Plan):

1. The first sentence of Section 4(a) of the Plan be and hereby is amended by deleting the number "15,909,224" and inserting the number "23,009,224" in lieu thereof.

2. Except as aforesaid, the Plan shall remain in full force and effect.

* * *

Approved by the Board of Directors
on July 2, 2013.

Approved by the Stockholders
as of July 3, 2013.

IN WITNESS WHEREOF, the Company has caused this Amendment to the Amended and Restated 2007 Stock Incentive Plan to be signed by its Chief Executive Officer this 5th day of July, 2013.

OPHTHOTECH CORPORATION

By: /s/ David R. Guyer
David R. Guyer

Exhibit 10.2

OPHTHOTECH CORPORATION

Incentive Stock Option Agreement
Granted Under 2007 Stock Incentive Plan

1. Grant of Option.

This agreement evidences the grant by Ophthotech Corporation, a Delaware corporation (the "Company"), on , 20[ ] (the "Grant Date") to [ ], an employee of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's Amended and Restated 2007 Stock Incentive Plan, as amended (the "Plan"), a total of [ ] shares (the "Shares") of common stock, $0.001 par value per share, of the Company ("Common Stock") at $[ ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [ ] (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of the Grant Date and as to an additional 2.0833% of the original number of Shares at the end of each successive one month period following the first anniversary of the Grant Date until the fourth anniversary of the Grant Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing in the form attached hereto as Exhibit A, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment by the Company for Cause, and the effective date of such employment termination is subsequent to the date of delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate upon the effective date of such termination of employment). If the Participant is party to an employment or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for Cause if the Company determines, within 30 days after the Participant's resignation, that discharge for cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "Transfer Notice") to the Company at least 45 days prior to the proposed transfer. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "Offered Shares"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 15 days following its receipt of such Transfer Notice (the "Company Notice Period"), the Company shall have the option to purchase all or any portion of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase any of the Offered Shares, it shall give written notice of its election to the Participant during the Company Notice Period (such notice, the "Company Notice"). The settlement of the sale of such Offered Shares to the Company shall be made at the principal office of the Company in cash within 45 days after the Company receives the Transfer Notice. If the consideration proposed in the Transfer Notice to be paid for the Offered Shares is in property, services or other non-cash consideration, the Company may, at its option, pay the cash value equivalent thereof, as determined in good faith by the Board of Directors and set forth in the Company Notice.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all or any portion of the Offered Shares, the Participant may, within the 30-day period following the expiration of the Company Notice Period, transfer the Offered Shares not purchased by the Company to the proposed transferee, provided that the transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall be subject to the provisions hereof in the same manner and to the same extent as before the transfer, and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) A transfer of stock by Participant made for bona fide estate planning purposes, either during his or her lifetime or on death by will or intestacy to his or her spouse, child (natural or adopted), or any other direct lineal descendant of Participant (or his or her spouse) (all of the foregoing collectively referred to as "family members"), or any other person

approved by the Board of Directors of the Company, or any custodian or trustee of any trust, partnership or limited liability company for the benefit of, or the ownership interests of which are owned wholly by, the Participant or any such family members, provided that no consideration is actually paid for such transfer;

(2) Participant's bona fide pledge or mortgage of his or her shares with a commercial lending institution;

(3) A transfer pursuant to an agreement among the Participant and other stockholder(s) of the Company providing for "take-me-along" or "co-sale" rights, or any stock restriction agreement or other agreement between the stockholder and the Company providing for a right of first refusal in favor of the Company;

(4) A transfer to a person who is already a stockholder of the Company; or

(5) A transfer to the guardian or conservator of the Participant.

provided, however, that in any such case, the transferee, assignee, pledgee, mortgagee or other recipient shall receive and hold such stock subject to the provisions of this Section 4 and shall deliver to the Company a written instrument confirming the same, and that there shall be no further transfer of such stock except in accordance with this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) immediately before the consummation of a Qualified Public Offering, as such term is defined in the Company's Certificate of Incorporation;

(2) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Securities Exchange Act of 1934; or

(3) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation.

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws, the Bylaws (as defined below) and agreements relating to the transfer of the Company securities):

"The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

(j) Notices. Any notice under this Section 4 shall be in writing and shall be deemed to have been duly given when mailed by first class mail, or delivered by hand (i) if to the Company, to its principal executive office, attention: President; and (ii) if to the Participant, to the address of the Participant listed on the signature page below (as it may be updated from time to time by written notice from the Participant to the Company in accordance with this Section 4(j)).

(k) Conflict with Bylaws. Notwithstanding anything to the contrary in this agreement, if the provisions of this Section 4 are in conflict with the provisions of Article V of the Company's Amended and Restated Bylaws (the "Bylaws") governing the Company's right of first refusal with respect to the Company's Common Stock, the provisions of the Bylaws shall be controlling.

5. Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

6. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

7. Nontransferability of Option.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

OPHTHOTECH CORPORATION

By: _____

Name: _____

Title: _____

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2007 Stock Incentive Plan.

PARTICIPANT:

_____

Address: _____

_____

PARTICIPANT'S SPOUSE (if applicable)*:

_____

Address: _____

_____

* *Required for Participants residing in Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas and Wisconsin.*

EXHIBIT A

NOTICE OF STOCK OPTION EXERCISE

NOTICE OF STOCK OPTION EXERCISE

Date:

Ophthotech Corporation
One Penn Plaza
35th Floor
NY, NY 10119

Attention: Treasurer

Dear Sir or Madam:

I am the holder of an Incentive Stock Option granted to me under the Ophthotech Corporation (the "Company") 2007 Stock Incentive Plan on for the purchase of shares of Common Stock of the Company at a purchase price of $ per share.

I hereby exercise my option to purchase shares of Common Stock (the "Shares"), for which I have enclosed [cash] [a personal check] in the amount of . Please register my stock certificate as follows:

Name(s): _____

_____

Address: _____

Tax I.D. #: _____

I represent, warrant and covenant as follows:

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "Securities Act"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that (i) the Shares have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

Very truly yours,

_____

(Signature)

Exhibit 10.3

OPHTHOTECH CORPORATION

Nonstatutory Stock Option Agreement
Granted Under 2007 Stock Incentive Plan

1. Grant of Option.

This agreement evidences the grant by Ophthotech Corporation, a Delaware corporation (the "Company"), on , 200[ ] (the "Grant Date") to [ ], an [employee] [consultant] of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2007 Stock Incentive Plan (the "Plan"), a total of [ ] shares (the "Shares") of common stock, $0.001 par value per share, of the Company ("Common Stock") at $[ ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [ ] (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of the Grant Date and as to an additional 2.0833 % of the original number of Shares at the end of each successive one month period following the first anniversary of the Grant Date until the fourth anniversary of the Grant Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing in the form attached hereto as Exhibit A, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or

officer of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment or other relationship with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment or other relationship. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment or other relationship by the Company for Cause, and the effective date of such employment or other termination is subsequent to the date of the delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment or other relationship shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment or other relationship (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate immediately upon the effective date of such termination of employment or other relationship). If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of "cause" for termination of employment or other relationship, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for "Cause" if the Company determines, within 30 days after the Participant's resignation, that discharge for cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "Transfer Notice") to the Company at least 45 days prior to the proposed transfer. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "Offered Shares"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 15 days following its receipt of such Transfer Notice (the "Company Notice Period"), the Company shall have the option to purchase all or any portion of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase any of the Offered Shares, it shall give written notice of its election to the Participant during the Company Notice Period (such notice, the "Company Notice"). The settlement of the sale of such Offered Shares to the Company shall be made at the principal office of the Company in cash within 45 days after the Company receives the Transfer Notice. If the consideration proposed in the Transfer Notice to be paid for the Offered Shares is in property, services or other non-cash consideration, the Company may, at its option, pay the cash value equivalent thereof, as determined in good faith by the Board of Directors and set forth in the Company Notice.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all or any portion of the Offered Shares, the Participant may, within the 30-day period following the expiration of the Company Notice Period, transfer the Offered Shares not purchased by the Company to the proposed transferee, provided that the transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall be subject to the provisions hereof in the same manner and to the same extent as before the transfer, and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) A transfer of stock by Participant made for bona fide estate planning purposes, either during his or her lifetime or on death by will or intestacy to his or her spouse, child (natural or adopted), or any other direct lineal descendant of Participant (or his or her spouse) (all of the foregoing collectively referred to as "family members"), or any other person approved by the Board of Directors of the Company, or any custodian or trustee of any trust, partnership or limited liability company for the benefit of, or the ownership interests of which are owned wholly by, the Participant or any such family members, provided that no consideration is actually paid for such transfer;

(2) Participant's bona fide pledge or mortgage of his or her shares with a commercial lending institution;

(3) A transfer pursuant to an agreement among the Participant and other stockholder(s) of the Company providing for "take-me-along" or "co-sale" rights, or any stock restriction agreement or other agreement between the stockholder and the Company providing for a right of first refusal in favor of the Company;

(4) A transfer to a person who is already a stockholder of the Company; or

(5) A transfer to the guardian or conservator of the Participant.

provided, however, that in any such case, the transferee, assignee, pledgee, mortgagee or other recipient shall receive and hold such stock subject to the provisions of this Section 4 and shall deliver to the Company a written instrument confirming the same, and that there shall be no further transfer of such stock except in accordance with this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) immediately before the consummation of a Qualified Public Offering, as such term is defined in the Company's Certificate of Incorporation;

(2) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Securities Exchange Act of 1934; or

(3) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation.

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws, the Bylaws (as defined below) and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

(j) Notices. Any notice under this Section 4 shall be in writing and shall be deemed to have been duly given when mailed by first class mail, or delivered by hand (i) if to the Company, to its principal executive office, attention: President; and (ii) if to the Participant, to the address of the Participant listed on the signature page below (as it may be updated from time to time by written notice from the Participant to the Company in accordance with this Section 4(j)).

(k) Conflict with Bylaws. Notwithstanding anything to the contrary in this agreement, if the provisions of this Section 4 are in conflict with the provisions of Article V of the Company's Amended and Restated Bylaws (the "Bylaws") governing the Company's right of first refusal with respect to the Company's Common Stock, the provisions of the Bylaws shall be controlling.

5. Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

6. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

7. Nontransferability of Option.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

OPHTHOTECH CORPORATION

By: _____

Name: _____

Title: _____

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2007 Stock Incentive Plan.

PARTICIPANT:

_____

Address: _____

_____

PARTICIPANT'S SPOUSE (if applicable)*:

_____

Address: _____

_____

* *Required for Participants residing in Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas and Wisconsin.*

EXHIBIT A

NOTICE OF STOCK OPTION EXERCISE

NOTICE OF STOCK OPTION EXERCISE

Date:

Ophthotech Corporation
One Penn Plaza
35th Floor
NY, NY 10119

Attention: Treasurer

Dear Sir or Madam:

I am the holder of a Nonstatutory Stock Option granted to me under the Ophthotech Corporation (the "Company") 2007 Stock Incentive Plan on for the purchase of shares of Common Stock of the Company at a purchase price of $ per share.

I hereby exercise my option to purchase shares of Common Stock (the "Shares"), for which I have enclosed [cash] [a personal check] in the amount of . Please register my stock certificate as follows:

Name(s): _____

_____

Address: _____

Tax I.D. #: _____

I represent, warrant and covenant as follows:

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "Securities Act"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that (i) the Shares have not been registered under the Securities Act and are “restricted securities” within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

Very truly yours,

_____

(Signature)

Exhibit 10.7

LEASE

between

ONE PENN PLAZA LLC,

Landlord,

and

OPHTHOTECH CORPORATION,

Tenant.

One Penn Plaza
New York, New York 10119

as of September 30, 2007

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EXHIBITS

THIS LEASE, dated as of the 30th day of September, 2007, by and between ONE PENN PLAZA LLC, a New York limited liability company, having an address c/o Vornado Office Management LLC, 888 Seventh Avenue, New York, New York 10019, as landlord, and OPHTHOTECH CORPORATION, a Delaware corporation, having an address at One Penn Plaza (Suite 3508), New York, New York 10119, as tenant (the Person that holds the interest of the landlord hereunder at any particular time being referred to herein as "Landlord"; subject to Section 17.1(D) hereof, the Person that holds the interest of the tenant hereunder at any particular time being referred to herein as "Tenant").

W I T N E S S E T H:

WHEREAS, Landlord wishes to demise and let unto Tenant, and Tenant wishes to hire and take from Landlord, on the terms and subject to the conditions set forth herein, the premises as shown on Exhibit "A" attached hereto and made a part hereof on the thirty-fifth (35th) floor (Suite 3508) of the building that is known by the street address of One Penn Plaza, New York, New York 10119 (such premises being referred to herein as the "Premises"; such building being referred to herein as the "Building"; the Building, together with the plot of land on which the Building is constructed, being collectively referred to herein as the "Real Property").

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the mutual receipt and legal sufficiency of which the parties hereto hereby acknowledge, Landlord and Tenant hereby agree as follows:

Article 1
DEMISE, TERM, FIXED RENT

1.1. Demise.

Subject to the terms hereof, Landlord hereby demises and lets to Tenant and Tenant hereby hires and takes from Landlord the Premises for the term to commence on the Commencement Date and to end on the last day of the calendar month during which occurs the day immediately preceding the date that is five (5) years after the Commencement Date (the "Fixed Expiration Date"; the Fixed Expiration Date, or such earlier date that the term of this Lease terminates pursuant to the terms hereof or pursuant to law, being referred to herein as the "Expiration Date"; the term commencing on the Commencement Date and ending on the Expiration Date being referred to herein as the "Term").

1.2. Commencement Date.

(A) The term of this Lease shall commence on the date Landlord delivers a fully executed counterpart of this Lease to Tenant or Tenant's attorney (the "Commencement Date"). Subject to the terms of Section 1.2(B) hereof, Landlord shall deliver to Tenant vacant and exclusive possession of the Premises on the Commencement Date.

(B) If a Person remains in occupancy of the Premises (or any portion thereof) on the Commencement Date, then Landlord, at Landlord's expense, shall use reasonable diligence to remove such Person from the Premises as promptly as reasonably practicable thereafter. If Landlord is unable to give possession of the Premises on the Commencement Date, then the Rent Commencement Date shall be adjourned for the number of days in the period beginning on the Commencement Date and ending on the day immediately preceding the date that Landlord delivers possession of the Premises to Tenant. Landlord shall have no liability to Tenant (except as otherwise set forth in this Section 1.2(B) and in Section 1.3), and Tenant shall have no right to terminate or rescind this Lease or reduce the Fixed Rent, the Tax Payment, or additional rent payable by Tenant to Landlord hereunder (collectively, the "Rental") from and after the Rent Commencement Date, in each case deriving from Landlord's failure to deliver vacant and exclusive possession of the Premises to Tenant on the Commencement Date. Landlord and Tenant intend that this Section 1.2(B) constitutes an "express provision to the contrary" for purposes of Section 223-a of the New York Real Property Law.

1.3. Rent Commencement Date.

The term "Rent Commencement Date" shall mean the sixtieth (60th) day after the Commencement Date.

1.4. Fixed Rent.

(A) Subject to Section 1.5(f) hereof, the annual fixed rent for the Premises (the annual fixed rent payable hereunder for the Premises at any particular time being referred to herein as the "Fixed Rent") shall be an amount equal to:

(1) the product obtained by multiplying (x) the Electricity Inclusion Rate, by (y) the number of square feet of Rentable Area comprising the Premises, for the period commencing on the Commencement Date and ending on the date immediately preceding the Rent Commencement Date (except that during the period prior to the date that Tenant occupies the Premises for the conduct of business, the amount described in clause (x) above shall be reduced to an amount equal to the product obtained by multiplying (I) the Electricity Inclusion Rate, by (II) fifty percent (50%));

(2) Two Hundred Seventy-Four Thousand Eight Hundred Forty-Two Dollars and Eighty-Four Cents ($274,842.84) ($22,903.57 per month) for the period commencing on the Rent Commencement Date and ending on the day immediately preceding the date that is twelve (12) months after the Commencement Date;

(3) Two Hundred Eighty-One Thousand Three Hundred Eighty-Six Dollars and Sixty-Eight Cents ($281,386.68) ($23,448.89 per month) for the period commencing on the date that is twelve (12) months after the Commencement Date and ending on the day immediately preceding the date that is twenty-four (24) months after the Commencement Date;

(4) Two Hundred Eighty-Eight Thousand Ninety-Four Dollars and Twenty Cents ($288,094.20) ($24,007.85 per month) for the period commencing on the date that is twenty-four (24) months after the Commencement Date and ending on the day immediately preceding the date that is thirty (30) months after the Commencement Date;

(5) Three Hundred Thousand One Hundred Seventy-Five Dollars and Twenty Cents ($300,175.20) ($25,014.60 per month) for the period commencing on the date that is thirty (30) months after the Commencement Date and ending on the day immediately preceding the date that is thirty-six (36) months after the Commencement Date;

(6) Three Hundred Seven Thousand Three Hundred Fifty-Two Dollars and Twenty-Eight Cents ($307,352.28) ($25,612.69 per month) for the period commencing on the date that is thirty-six (36) months after the Commencement Date and ending on the day immediately preceding the date that is forty-eight (48) months after the Commencement Date; and

(7) Three Hundred Fourteen Thousand Seven Hundred Nine Dollars and Twenty Cents ($314,709.20) ($26,225.77 per month) for the period commencing on the date that is forty-eight (48) months after the Commencement Date and ending on the Fixed Expiration Date.

1.5. Payments of Fixed Rent.

(A) Subject to Section 1.5(E) hereof, Tenant shall pay the Fixed Rent in lawful money of the United States of America that is legal tender in payment of all debts and dues, public and private, at the time of payment, in equal monthly installments, in advance, on the first (1st) day of each calendar month during the Term commencing on the Rent Commencement Date, at the office of Landlord or such other place as Landlord may designate from time to time on at least thirty (30) days of advance notice to Tenant, without any set-off, offset, abatement or deduction whatsoever (except to the extent otherwise expressly set forth herein).

(B) Landlord shall have the right to require Tenant to pay the Fixed Rent and any other items of Rental when due by wire transfer of immediately available funds to an account that Landlord designates from time to time on at least thirty (30) days of advance notice to Tenant.

(C) Subject to Section 1.5(B) hereof, Tenant shall have the right to pay the Fixed Rent and any other items of Rental by wire transfer of immediately available funds to an account that Landlord designates from time to time on at least thirty (30) days of advance notice to Tenant. Landlord shall so designate an account within thirty (30) days after Tenant’s request therefor from time to time.

(D) If the Rent Commencement Date is not the first (1st) day of a calendar month, then (x) the Fixed Rent due hereunder for the calendar month during which the Rent Commencement Date occurs shall be adjusted appropriately based on the number of days in such calendar month, and (y) subject to Section 1.5(E) hereof, Tenant shall pay to Landlord such amount (adjusted as aforesaid for such calendar month) on the Rent Commencement Date. If the Expiration Date is not the last day of a calendar month, then the Fixed Rent due hereunder for the calendar month during which the Expiration Date occurs shall be adjusted appropriately based on the number of days in such calendar month.

(E) Tenant shall pay to Landlord on the date hereof an amount equal to Twenty-Two Thousand Nine Hundred Three Dollars and Fifty-Seven Cents ($22,903.57), which Landlord shall apply to the Fixed Rent that first comes due hereunder from and after the Rent Commencement Date until such amount is exhausted.

(F) The Fixed Rent as set forth in this Article 1 includes the Initial Electric Inclusion Factor and shall be adjusted from time to time to correspond to adjustments in the Electricity Inclusion Factor that are made in accordance with Article 5 hereof.

1.6. Certain Definitions.

(A) The term "Affiliate" shall mean a Person that (1) Controls, (2) is under the Control of, or (3) is under common Control with, the Person in question.

(B) The term "Applicable Rate" shall mean, at any particular time, the lesser of (x) four hundred (400) basis points above the Base Rate at such time, and (y) the maximum rate permitted by applicable law at such time.

(C) The term "Base Rate" shall mean the rate of interest announced publicly from time to time by Citibank, N.A., or its successor, as its "prime lending rate" (or such other term as may be used by Citibank, N.A. (or its successor), from time to time, for the rate presently referred to as its "prime lending rate").

(D) The term "Business Days" shall mean all days, excluding Saturdays, Sundays and Holidays.

(E) The term "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, All Items (1982-84 = 100), seasonally adjusted, for the most specific area that includes the location of the Building (which the parties acknowledge is currently New York – Northern New Jersey – Long Island, NY – NJ – CT – PA), or any successor index thereto. If the Consumer Price Index is converted to a different standard reference base or otherwise revised, then the determination of adjustments provided for herein shall be made with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by the Bureau of Labor Statistics or, if said Bureau does not publish such conversion factor, formula or table, then with the use of such conversion factor, formula or table as may be published by Prentice-Hall, Inc. or any other nationally recognized publisher of similar statistical information. If the Consumer Price Index ceases to be published, and there is no successor thereto, then Landlord and Tenant shall use diligent efforts, in good faith, to agree upon a substitute index for the Consumer Price Index. Either party shall have the right to submit the issue of the designation of such substitute index to an Expedited Arbitration Proceeding.

(F) The term "Control" shall mean direct or indirect ownership of more than fifty percent (50%) of the outstanding voting stock of a corporation or other majority equity interest if not a corporation and the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute or by contract.

(G) The term "Holidays" shall mean all days observed as legal holidays by either (x) the State of New York, (y) the United States of America, or (z) the labor unions that service the Building; provided, however, that if (x) all of the labor unions that service the Building do not observe a particular day as a holiday, and (y) the State of New York or the United States of America do not otherwise observe such day as a holiday, then such day shall constitute a Holiday for purposes hereof only to the extent that Landlord requires the services that are provided by members of the particular labor union to perform the corresponding service for Tenant hereunder (so that if, for example, (x) the labor union for office cleaning personnel observes a particular day as a holiday but the labor union for the engineers that operate the HVAC System does not observe such day as a holiday, and (y) the State of New York or the United States of America does not otherwise observe such day as a holiday, then such day shall constitute a Holiday for purposes of determining whether Landlord is required to provide office cleaning services on such day, but such day shall not constitute a Holiday for purposes of determining whether Landlord is required to provide HVAC services on such day).

(H) The term "Out-of-Pocket Costs" shall mean costs that a Person pays to a third party that is not an Affiliate of such Person (and, accordingly, Out-of-Pocket Costs shall not include (i) the costs that such Person incurs in compensating its own employees to perform a service or supervise work within the scope of their employment, or (ii) the administrative costs that such Person incurs in operating its own offices).

(I) The term "Person" shall mean any natural person or persons or any legal form of association, including, without limitation, a partnership, a limited partnership, a corporation, and a limited liability company.

(J) The term "Rentable Area" shall mean, with respect to a particular floor area, the area thereof (expressed as a particular number of square feet), as determined in accordance with the standards that the parties used to calculate that the area of the Premises is four thousand twenty-seven (4,027) square feet in the aggregate.

Article 2
ESCALATION RENT

2.1. Tax Definitions.

(A) The term "Assessed Valuation" shall mean the amount for which the Real Property is assessed pursuant to applicable provisions of the New York City Charter and of the Administrative Code of The City of New York, in either case for the purpose of calculating all or any portion of the Taxes.

(B) The term "Base Taxes" shall mean the Taxes for the Base Tax Year.

(C) The term "Base Tax Year" shall mean the fiscal year commencing on July 1, 2007 and ending on June 30, 2008.

(D) The term "Excluded Amounts" shall mean (w) any taxes imposed on Landlord's income, (x) franchise, estate, inheritance, capital gains, capital stock, excise, excess profits, gift, payroll or stamp taxes imposed on Landlord, (y) any transfer taxes or mortgage taxes that are imposed on Landlord in connection with the conveyance of the Real Property or granting or recording a mortgage lien thereon, and (z) any other similar taxes imposed on Landlord.

(E) Subject to the terms of this 2.1(E), the term "Taxes" shall mean the aggregate amount of real estate taxes and any general or special assessments that in each case are imposed upon the Real Property, including, without limitation, (i) any fee, tax or charge imposed by any Governmental Authority for any vaults or vault spaces that in either case are appurtenant to the Real Property (except that Taxes shall not include such fee, tax or charge to the extent that Landlord leases or licenses such vaults or vault spaces to a third party), and (ii) any taxes or assessments levied, in whole or in part, for public benefits to the Real Property (including, without limitation, any business improvement district taxes and assessments). Taxes shall be calculated without taking into account (a) any discount that Landlord receives by virtue of any early payment of Taxes, (b) any penalties, fines or interest that the applicable Governmental Authority imposes for the late payment of such real estate taxes or assessments, (c) any Excluded Amounts, (d) any real estate taxes that are separately assessed against a sign or billboard that is affixed to the Building or otherwise located on the Real Property, and (e) any exemption or deferral of Taxes to which the Real Property is entitled under any program that a Governmental Authority adopts to promote the improvement or redevelopment of real property. If, because of any change in the taxation of real estate, any other tax or assessment, however denominated (including, without limitation, any franchise, income, profits, sales, use, occupancy, gross receipts or rental tax), is imposed upon the Real Property, the owner thereof, or the occupancy, rents or income derived therefrom, in substitution for any of the Taxes (to the extent that such substitution is evidenced by either the terms of the legislation imposing such tax or assessment, the legislative history thereof, or other documents or evidence that reasonably demonstrate that the applicable Governmental Authority intended for such tax or assessment to constitute a substitution for any Taxes), then such other tax or assessment to the extent substituted shall be included in Taxes for purposes hereof (assuming that the Real Property is Landlord's sole asset and the income therefrom is Landlord's sole income). If any such real estate taxes or assessments are payable in installments without interest, premium or penalty, then Landlord shall include in Taxes for any particular Tax Year only the installment of such real estate taxes or assessments that the applicable Governmental Authority requires Landlord to pay (and that Landlord actually pays) during such Tax Year.

(F) The term "Tax Payment" shall mean, with respect to any Tax Year, the product obtained by multiplying (i) the excess of (A) Taxes for such Tax Year, over (B) the Base Taxes, by (ii) Tenant's Tax Share.

(G) The term "Tax Statement" shall mean a statement that shows the Tax Payment for a particular Tax Year.

(H) The term "Tax Year" shall mean the Base Tax Year and each subsequent period from July 1 through June 30 (or such other period as hereinafter may be duly adopted by the Governmental Authority then imposing Taxes as its fiscal year for real estate tax purposes).

(I) The term "Tenant's Tax Share" shall mean, subject to the terms hereof, one thousand seven hundred fifty-nine ten-thousandths percent (.1759%), as the same may be increased or decreased pursuant to the terms hereof, which was calculated using a denominator of two million two hundred eighty-eight thousand seven hundred seventy-two (2,288,772) square feet.

2.2. Tax Payment.

(A) Subject to the provisions of this Section 2.2, Tenant shall pay to Landlord, as additional rent, the Tax Payment.

(B) Landlord shall have the right to give a statement to Tenant from time to time pursuant to which Landlord sets forth Landlord's good faith estimate of the Tax Payment for a particular Tax Year (any such statement that Landlord gives to Tenant being referred to herein as a "Prospective Tax Statement"; one-twelfth (1/12th) of the Tax Payment shown on a Prospective Tax Statement being referred to herein as the "Monthly Tax Payment Amount"). If Landlord gives (or is deemed to have given) to Tenant a Prospective Tax Statement, then, subject to the terms of this Section 2.2(B), Tenant shall pay to Landlord, as additional rent, on account of the Tax Payment due hereunder for such Tax Year, the Monthly Tax Payment Amount, on the first (1st) day of each subsequent calendar month until Tenant has paid to Landlord, pursuant to this Section 2.2(B), the full amount of the Tax Payment as so estimated in the Prospective Tax Statement. Tenant shall pay the Monthly Tax Payment Amount to Landlord in the same manner as the monthly installments of the Fixed Rent hereunder. Landlord shall not have the right to require Tenant to commence Tenant's payment of the Monthly Tax Payment Amount for a particular Tax Year earlier than the one hundred fiftieth (150th) day of the immediately preceding Tax Year. If Landlord gives (or is deemed to have given) to Tenant a Prospective Tax Statement after the one hundred fiftieth (150th) day of the immediately preceding Tax Year, then Tenant shall also pay to Landlord, within thirty (30) days after the date that Landlord gives the Prospective Tax Statement to Tenant, an amount equal to the excess of (I) the product obtained by multiplying (x) the Monthly Tax Payment Amount, by (y) the number of calendar months that have theretofore elapsed since the one hundred fiftieth (150th) day of the immediately preceding Tax Year, over (II) the aggregate amount theretofore paid by Tenant to Landlord on account of the Tax Payment for the Tax Year to which the Prospective Tax Statement relates. Landlord shall not have the right to use this Section 2.2(B) to collect more than fifty percent (50%) of the Tax Payment shown on a particular Prospective Tax Statement earlier than the thirtieth (30th) day before the date that the first installment of Taxes is due to the applicable Governmental Authority for a particular Tax Year. If Landlord gives (or is deemed to have given) to Tenant a Prospective Tax Statement for a particular Tax Year, then Landlord shall also provide to Tenant, within one hundred eighty (180) days after the last day of such Tax Year, a Tax Statement for such Tax Year.

(C) Tenant shall pay to Landlord an amount equal to the excess (if any) of (i) the Tax Payment as reflected on a Tax Statement that Landlord gives to Tenant, over (ii) the aggregate amount that Tenant has theretofore paid to Landlord on account of the Tax Payment (if any) as contemplated by Section 2.2(B) hereof, within thirty (30) days after the date that Landlord gives such Tax Statement to Tenant. Tenant shall have the right to credit against the Rental thereafter coming due hereunder an amount equal to the excess (if any) of (i) the aggregate amount that Tenant has theretofore paid to Landlord on account of the Tax Payment as contemplated by Section 2.2(B) hereof, over (ii) the Tax Payment as reflected on such Tax Statement; provided, however, that if the Expiration Date occurs prior to the date that such credit is exhausted, then Landlord shall pay to Tenant the unused portion of such credit on or prior to the thirtieth (30th) day after the Expiration Date (it being understood that Landlord's obligation to make such payment to Tenant shall survive the Expiration Date). If Landlord gives Tenant a Tax Statement, then, unless Landlord otherwise specifies in such Tax Statement, Landlord shall be deemed to have given to Tenant a Prospective Tax Statement, for the Tax Year immediately succeeding the Tax Year that is covered by such Tax Statement, that reflects a Tax Payment for such immediately succeeding Tax Year in an amount equal to the Tax Payment for such Tax Year that is covered by such Tax Statement.

(D) If the Rent Commencement Date occurs later than the first (1st) day of the Tax Year that immediately succeeds the Base Tax Year, then the Tax Payment for the Tax Year during which the Rent Commencement Date occurs shall be an amount equal to the product obtained by multiplying (X) the Tax Payment that would have been due hereunder if the Rent Commencement Date was the first (1st) day of such Tax Year, by (Y) a fraction, the numerator of which is the number of days in the period beginning on the Rent Commencement Date and ending on the last day of such Tax Year, and the denominator of which is three hundred sixty- five (365) (or three hundred sixty-six (366), if such Tax Year includes the month of February in a leap year).

(E) If the Expiration Date is not the last day of a Tax Year, then the Tax Payment for the Tax Year during which the Expiration Date occurs shall be an amount equal to the product obtained by multiplying (X) the Tax Payment that would have been due hereunder if the Expiration Date was the last day of such Tax Year, by (Y) a fraction, the numerator of which is the number of days in the period beginning on the first (1st) day of such Tax Year and ending on the Expiration Date, and the denominator of which is three hundred sixty-five (365) (or three hundred sixty-six (366), if such Tax Year includes the month of February in a leap year).

(F) The Tax Payment shall be computed initially on the basis of the Assessed Valuation in effect on the date that Landlord gives the applicable Tax Statement to Tenant (as the Taxes may have been settled or finally adjudicated prior to such time) regardless of any then pending application, proceeding or appeal to reduce the Assessed Valuation, but shall be subject to subsequent adjustment as provided in Section 2.3 hereof.

(G) Tenant shall pay the Tax Payment regardless of whether Tenant is exempt, in whole or part, from the payment of any Taxes by reason of Tenant's diplomatic status or otherwise.

(H) If Taxes are required to be paid on any date or dates other than as presently required by the Governmental Authority imposing Taxes, then the due date of the installments of the Tax Payment shall be adjusted so that each such installment is due from Tenant to Landlord thirty (30) days prior to the date that the corresponding payment is due to the Governmental Authority (with the understanding, however, that Tenant shall not be required to pay a Tax Payment to Landlord earlier than the thirtieth (30th) day after the date that Landlord gives the applicable Tax Statement to Tenant).

(I) Landlord's failure to give to Tenant a Tax Statement for any Tax Year shall not impair Landlord's right to give to Tenant a Tax Statement for any other Tax Year.

(J) Landlord shall give to Tenant a copy of the relevant tax bill for each Tax Year (to the extent that the applicable Governmental Authority has issued such tax bill to Landlord) together with the Tax Statement.

2.3. Tax Reduction Proceedings.

(A) Landlord (and not Tenant) shall be eligible to institute proceedings to reduce the Assessed Valuation.

(B) If, after a Tax Statement has been sent to Tenant, an Assessed Valuation that Landlord used to compute the Tax Payment for a Tax Year is reduced, and, as a result thereof, a refund of Taxes is actually received by, or credited to, Landlord, then Landlord, promptly after Landlord's receipt of such refund (or such refund is credited to Landlord, as the case may be), shall send to Tenant a Tax Statement adjusting the Taxes for such Tax Year and setting forth, based on such adjustment, the portion of such refund for which Tenant is entitled a credit as set forth in this Section 2.3(B). Landlord shall have the right to deduct from such refund the actual Out-of-Pocket Costs that Landlord incurs in obtaining such refund (so that Landlord, in calculating the adjusted Tax Payment, takes into account only the net proceeds of such refund that Landlord receives (or that is credited to Landlord)). Landlord shall credit the portion of such refund to which Tenant is entitled against the Rental thereafter coming due hereunder. If (x) Tenant is entitled to a credit against Rental pursuant to this Section 2.3(B), and (y) the Expiration Date occurs prior to the date that such credit is exhausted, then Landlord shall pay to Tenant the unused portion of such credit on or prior to the thirtieth (30th) day after the Expiration Date (and Landlord's obligation to make such payment shall survive the Expiration Date). If (i) Landlord receives such refund (or a credit therefor) after the Expiration Date, and (ii) Tenant is entitled to a portion thereof as contemplated by this Section 2.3(B), then Landlord shall pay to Tenant an amount equal to Tenant's share of such refund (or such credit) within thirty (30) days after the date that such refund is paid to Landlord (or such refund is credited to Landlord, as the case may be) (and Landlord's obligation to make such payment shall survive the Expiration Date).

(C)

(1) If the Assessed Valuation for the Base Tax Year is reduced at any time after the date that Landlord gives a Tax Statement to Tenant for a Tax Year, then Landlord shall have the right to give to Tenant a revised Tax Statement that recalculates the Tax Payment for a Tax Year (using the Taxes that reflect such reduction in such Assessed Valuation). Tenant shall pay to Landlord an amount equal to the excess of (i) the Tax Payment as reflected on such revised Tax Statement, over (ii) the Tax Payment as reflected on the prior Tax Statement, within thirty (30) days after Landlord gives such revised Tax Statement to Tenant.

(2) If the Assessed Valuation for the Base Tax Year is increased at any time after the date that Landlord gives a Tax Statement to Tenant for a Tax Year, then Landlord shall give to Tenant a revised Tax Statement that recalculates the Tax Payment for a Tax Year (using the Taxes that reflect such increase in such Assessed Valuation). Landlord shall credit against the Rental thereafter coming due hereunder an amount equal to Tenant's overpayment of the Tax Payment (calculated as aforesaid using such increased Assessed Valuation). If (x) Tenant is entitled to a credit against Rental pursuant to this Section 2.3(C)(2), and (y) the Expiration Date occurs prior to the date that such credit is exhausted, then Landlord shall pay to Tenant the unused portion of such credit on or prior to the thirtieth (30th) day after the Expiration Date (and Landlord's obligation to make such payment shall survive the Expiration Date). If (i) such increase in such Assessed Valuation occurs after the Expiration Date, and (ii) Tenant is entitled to a credit against Rental as contemplated by this Section 2.3(C)(2), then Landlord shall pay to Tenant an amount equal to such credit within thirty (30) days after the date that such increase in such Assessed Valuation occurs (and Landlord's obligation to make such payment shall survive the Expiration Date).

(D) The terms and provisions of this Section 2.3 shall survive the Expiration Date.

2.4. Building Additions.

If Landlord makes improvements to the Building to expand the Rentable Area thereof, then, with respect to the period from and after the date that Taxes are assessed on the Building to reflect such improvements, (I) Tenant's Tax Share shall be recalculated as of the date that Taxes are so assessed as the quotient (expressed as a percentage) that is obtained by dividing (x) the number of square feet of Rentable Area in the Premises, by (y) the number of square feet of Rentable Area in the Building (after taking into account such expansion of the Rentable Area thereof) and (II) Base Taxes shall be an amount equal to the product obtained by multiplying (x) Base Taxes immediately prior to the date that Taxes are assessed on the Building to reflect such improvements, by (y) a fraction, the numerator of which is the Taxes that are assessed against the Building (after taking such improvements into account), and the denominator of which is the Taxes that are assessed against the Building (before taking such improvements into account).

Article 3
USE

3.1. Permitted Use.

(A) Subject to Section 3.2 hereof, Tenant shall use the Premises, and Tenant shall cause any other Person claiming by, through or under Tenant to use the Premises, in either case only as general, administrative and executive offices and for uses reasonably incidental thereto.

(B) Landlord acknowledges that the following items qualify as uses that are incidental to Tenant's use of the Premises as general, administrative and executive offices (provided that Tenant's use of the Premises for such purposes supports Tenant's primary use of the Premises as general, administrative and executive offices):

(1) pantries and vending machines;

(2) conference rooms and board rooms;

(3) data processing centers;

(4) duplicating and photographic reproduction facilities;

(5) mailroom and messenger facilities; and

(6) secured storage facilities for Tenant's Property, including, without limitation, equipment, records and files.

Nothing contained in this Section 3.1(B) impairs Tenant's obligation to perform Alterations in accordance with the provisions of Article 7 hereof. Landlord and Tenant acknowledge that the parties' description of particular incidental uses in this Section 3.1(B) does not impair Tenant's right to use the Premises for other uses that are otherwise reasonably incidental to Tenant's use of the Premises as general, administrative and executive offices as provided in this Section 3.1.

3.2. Limitations.

Tenant shall not use the Premises or any part thereof, or permit the Premises or any part thereof to be used:

(1) for the conduct of "off-the-street" retail trade;

(2) by any Governmental Authority or any other Person having sovereign or diplomatic immunity (it being understood, however, that this clause (2) shall not prohibit a Permitted Party from permitting representatives of a Governmental Authority to enter a portion of the Premises temporarily to perform audits or other similar regulatory review of such Permitted Party's business);

(3) for the sale, storage, preparation, service or consumption of food or beverages in any manner whatsoever (except that a Permitted Party has the right to store, prepare, and serve food and beverages, by any reasonable means (including, without limitation, by means of customary vending machines), for consumption by such Permitted Party's personnel and business guests in the Premises);

(4) as an employment agency, executive search firm or similar enterprise, labor union, school, or vocational training center (except for the training of employees of a Permitted Party who are employed at the Premises); or

(5) for gaming or gambling.

3.3. Rules.

Subject to the terms of this Section 3.3, Tenant shall comply with, and Tenant shall cause any other Person claiming by, through or under Tenant to comply with, the rules set forth in Exhibit "3.3" attached hereto and made a part hereof, and other reasonable rules that Landlord hereafter adopts from time to time on reasonable advance notice to Tenant, including, without limitation, rules that govern the performance of Alterations (such rules that are attached hereto, and such other rules, being collectively referred to herein as the "Rules"). Landlord shall not have any obligation to enforce the Rules or the terms of any other lease against any other tenant, and Landlord shall not be liable to Tenant for violation thereof by any other tenant. Landlord shall not enforce any Rule against Tenant (i) that Landlord is not then enforcing against all other office tenants in the Building, or (ii) in a manner that differs in any material respect from the manner in which Landlord is enforcing the applicable Rule against other office tenants in the Building. If a conflict or inconsistency exists between the Rules and the provisions of the remaining portion of this Lease, then the provisions of the remaining portion of this Lease shall control.

3.4. Promotional Displays.

Tenant shall not have the right to use any window in the Premises for any sign or other display that is designed principally for advertising or promotion.

3.5. Core Toilets.

Tenant shall have the right to use the toilets that are located in the core area of the Building on any floor of the Building where the Premises is located and where the Premises does not include the entire Rentable Area of such floor (in common with the other occupants of such floor of the Building).

3.6. Wireless Internet Service.

Subject to the terms of this Section 3.6, Tenant shall have the right to install wireless Internet service in the Premises. Tenant shall not solicit other occupants of the Building to use wireless Internet service that emanates from the Premises. Tenant shall not permit the signals of

Tenant's wireless Internet service (if any) to emanate beyond the Premises in a manner that interferes in any material respect with any Building Systems or with any other occupant's use of other portions of the Building. Nothing contained in this Section 3.5 diminishes Tenant's obligation to perform Alterations in accordance with the provisions of Article 7 hereof.

3.7. Telecommunications.

Landlord shall permit Tenant to gain access to the facilities of the telecommunications provider that services the Building from time to time through the telecommunication closet on the floor of the Building where the Premises is located (it being understood that Landlord's granting such access to Tenant shall not constitute Landlord's agreement to provide telecommunications services to Tenant or to otherwise have responsibility for the operation or security thereof).

Article 4
SERVICES

4.1. Certain Definitions.

(A) The term "Building Hours" shall mean the period from 8:00 A.M. to 6:00 P.M. on Business Days.

(B) The term "Building Systems" shall mean the service systems of the Building, including, without limitation, the mechanical, gas, steam, electrical, sanitary, HVAC, elevator, plumbing, and life-safety systems of the Building (it being understood that the Building Systems shall not include any systems that Tenant installs in the Premises as an Alteration).

(C) The term "HVAC" shall mean heat, ventilation and air-conditioning.

(D) The term "HVAC Systems" shall mean the Building Systems that provide HVAC.

(E) The term "Overtime Periods" shall mean any times that do not constitute Building Hours; provided, however, that the Overtime Periods for the freight elevator shall also include the lunch period of the personnel who operate the freight elevator or the related loading facility.

4.2. Elevator Service.

(A) Subject to the terms of Section 9.6(C) hereof, Article 10 hereof and this Section 4.2, Landlord shall provide Tenant, at no cost to Tenant, with passenger elevator service for the Premises using the Building Systems therefor. Tenant's use of the passenger elevators shall be in common with other occupants of the Building. Tenant shall have the use of the passenger elevators that service the Premises at all times (twenty-four (24) hours per day, seven (7) days per week), except that Landlord, during Overtime Periods, shall have the right to limit

reasonably the passenger elevators that Landlord makes available to service the Premises (provided that there is available to Tenant on a non-exclusive basis at all times at least one (1) passenger elevator that services the Premises). Tenant shall use the passenger elevators only for purposes of transporting persons to and from the Premises.

(B) Subject to the terms of Section 9.6(C) hereof, Article 10 hereof and this Section 4.2, Landlord shall provide Tenant with freight elevator service for the Premises using the Building Systems therefor. Tenant's use of the freight elevator shall be in common with other occupants of the Building. Landlord shall have the right to prescribe reasonable rules from time to time regarding the rights of the occupants in the Building (including, without limitation, Tenant) to use the freight elevator (governing, for example, the responsibility of occupants of the Building to reserve freight elevator use in advance, particularly for Overtime Periods). Tenant shall use the freight elevator in accordance with applicable Requirements. If Tenant uses the freight elevator during Overtime Periods, then Tenant shall pay to Landlord, as additional rent, an amount calculated at the reasonable hourly rates that Landlord charges from time to time therefor, within thirty (30) days after Landlord's giving to Tenant an invoice therefor. Landlord shall have the right to charge Tenant for a particular minimum number of hours of usage of the freight elevator during Overtime Periods to the extent that the applicable union contract or service contract requires Landlord to engage the necessary personnel (including, without limitation, a freight elevator operator and loading dock attendant) for such minimum number of overtime hours. If (x) Tenant requests Landlord to provide Tenant with freight elevator service during Overtime Periods as provided in this Section 4.2(B), and (y) another tenant in the Building also uses, or other tenants in the Building also use, the applicable freight elevator during such Overtime Period, then Landlord shall allocate equitably the charges described in this Section 4.2(B) among Tenant and such other tenant or tenants.

4.3. Heat, Ventilation and Air-Conditioning.

(A) Subject to the terms of Article 10 hereof and this Section 4.3, Landlord shall operate the HVAC System to provide HVAC at the perimeter of the Premises. Landlord shall not be required to make any installations in the Premises to distribute HVAC within the Premises. Landlord shall not be required to repair or maintain during the Term (i) any installations that exist in the Premises on the Commencement Date that distribute within the Premises HVAC that the HVAC System provides, or (ii) any system that is located in the Premises on the Commencement Date that provides supplemental HVAC for the Premises (in addition to the HVAC provided by the HVAC System). Tenant shall keep closed the curtains, blinds, shades or screens that Tenant installs on the windows of the Premises in accordance with the terms hereof to the extent reasonably necessary to reduce the interference of direct sunlight with the operation of the HVAC System.

(B) Landlord shall operate the HVAC System for Tenant's benefit during Overtime Periods if Tenant so advises Landlord not later than 2:00 P.M. on the Business Day immediately preceding the day on which Tenant requires HVAC during Overtime Periods. If Landlord so provides HVAC to the Premises during Overtime Periods (as so requested by Tenant), then Tenant shall pay to Landlord, as additional rent, an amount calculated at the

reasonable hourly rates that Landlord charges from time to time therefor, within thirty (30) days after Landlord gives to Tenant an invoice therefor. Landlord shall have the right to charge Tenant for a particular minimum number of hours of usage of the HVAC System during Overtime Periods to the extent that the applicable union contract or service contract requires Landlord to engage the necessary personnel (including, without limitation, a building engineer) for such minimum number of overtime hours.

4.4. Cleaning.

(A) Subject to the terms of Article 10 hereof and this Section 4.4, Landlord shall cause the Premises to be cleaned substantially in accordance with the standards set forth in Exhibit "4.4" attached hereto and made a part hereof. Landlord shall not be required to clean the portions of the Premises (if any) (x) that Tenant uses for the storage, preparation, service or consumption of food or beverages, (y) in which Tenant is performing Alterations, or (z) in which the interior installation has been demolished in all material respects. Tenant shall pay to Landlord, as additional rent, the reasonable costs incurred by Landlord in removing from the Building any of Tenant's refuse and rubbish to the extent exceeding the amount of refuse and rubbish usually generated by a tenant that uses the Premises for ordinary office purposes. Tenant shall make such payments to Landlord not later than the thirtieth (30th) day after the date that Landlord gives to Tenant an invoice therefor from time to time. Tenant shall pay to Landlord as additional rent, within thirty (30) days after Landlord's submission of an invoice to Tenant therefor, the reasonable charge that Landlord imposes for providing supplies to the core toilets and basins on the floor of the Building where the Premises is located.

(B) Tenant, at Tenant's expense, shall exterminate the portions of the Premises that Tenant uses for the storage, preparation, service or consumption of food against infestation by insects and vermin regularly and, in addition, whenever there is evidence of infestation. Tenant shall engage Persons to perform such exterminating that are approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay. Tenant shall cause such Persons to perform such exterminating in a manner that is reasonably satisfactory to Landlord.

(C) Tenant, at Tenant's expense, shall clean daily all portions of the Premises used for the storage, preparation, service or consumption of food or beverages. Tenant shall not have the right to perform any cleaning services (or any other similar facilities management services such as, for example, matron services or handyman services) in the Premises using any Person other than the cleaning contractor that Landlord has engaged from time to time to perform cleaning services in the Building for Landlord; provided, however, that (x) Landlord shall not have the right to require Tenant to use such cleaning contractor unless the rates that such cleaning contractor agrees to charge Tenant for such additional cleaning services are commercially reasonable, and (y) subject to Section 4.8 hereof, Tenant shall have the right to use Tenant's own employees for such additional cleaning services. If such cleaning contractor does not agree to charge Tenant for such additional cleaning services (or such similar services) at commercially reasonable rates, then Tenant may employ to perform such additional cleaning services (or such similar services) another cleaning contractor that Landlord approves, which approval Landlord shall not unreasonably withhold, condition or delay.

(D) Tenant shall comply with any refuse disposal program (including, without limitation, any waste recycling program) that Landlord imposes reasonably after having given Tenant reasonable advance notice of the effectiveness thereof or that is required by Requirements.

(E) Tenant shall not clean any window in the Premises, nor require, permit, suffer or allow any window in the Premises to be cleaned, in either case from the outside in violation of Section 202 of the New York Labor Law, any other Requirement, or the rules of the Board of Standards and Appeals, or of any other board or body having or asserting jurisdiction.

4.5. Water.

Landlord shall provide to the lavatories located in the portion of the Premises that is within the core of the Building hot and cold water only for ordinary drinking, cleaning and lavatory purposes. Landlord shall also provide, through the Building Systems, hot and cold water at one (1) connection point at the perimeter of the Premises only for ordinary drinking, pantry, cleaning and lavatory purposes. Landlord shall not be required to make any installations in the Premises to distribute water within the Premises. Landlord shall not be required to repair or maintain during the Term any installations that exist in the Premises on the Commencement Date that distribute water in the Premises. Nothing contained in this Section 4.5 limits the provisions of Article 10 hereof.

4.6. Directory.

Subject to the terms of this Section 4.6, Landlord shall make available to Tenant, from and after the Commencement Date, the computerized directory in the lobby of the Building for purposes of listing the names of the personnel of Permitted Parties. Landlord shall reprogram such directory to add or delete names of the personnel or Permitted Parties promptly after Tenant's request from time to time, except that Tenant shall not have the right to make any such request more frequently than twice in any particular period of ninety (90) days. Tenant shall pay to Landlord, as additional rent, a reasonable charge for any such reprogramming requested by Tenant, within thirty (30) days after the date that Landlord gives to Tenant an invoice therefor (it being understood that Tenant shall not be required to pay such charge for the initial programming of such computerized directory or for the first two (2) reprogramming requests in any given year of the Term, provided that such reprogramming requests do not require more than ten (10) name changes). If Landlord replaces the computerized directory with a standard directory in the lobby of the Building, then Tenant shall be entitled to a portion of such listings on such directory based on the proportion that the number of square feet of Rentable Area of the Premises bears to the number of square feet of Rentable Area of the Building (other than any retail portion thereof) for purposes of listing the names of the personnel of Permitted Parties as provided in this Section 4.6. Landlord reserves the right to remove the directory in the lobby of the Building at any time (without making a replacement thereof).

4.7. No Other Services.

Landlord shall not be required to provide any services to support Tenant's use and occupancy of the Premises, except to the extent expressly set forth herein.

4.8. Labor Harmony.

If (i) Tenant employs, or permits the employment of, any contractor, mechanic or laborer in the Premises, whether in connection with any Alteration or otherwise, (ii) such employment interferes or causes any conflict with other contractors, mechanics or laborers engaged in the maintenance, repair, management or operation of the Building or any adjacent property owned or managed by Landlord, and (iii) Landlord gives Tenant notice thereof (which notice may be given verbally to the person employed by Tenant with whom Landlord's representative ordinarily discusses matters relating to the Premises), then Tenant shall cause all contractors, mechanics or laborers causing such interference or conflict to leave the Building promptly and shall take such other action as may be reasonably necessary to resolve such conflict.

4.9. Overtime Rates.

As of the date hereof, a list of the current charges for services during Overtime Periods for the Building is attached hereto as Exhibit "B" and made a part hereof. Landlord hereby reserves the right to increase, from time to time, such charges for the Building.

Article 5
ELECTRICITY

5.1. Capacity.

Tenant, during the Term, shall use electricity in the Premises only in such manner that complies with the requirements of the Utility Company. Tenant shall not permit the demand for electricity in the Premises to exceed the electrical capacity that serves the Premises on the Commencement Date (such electrical capacity being referred to herein as the "Base Electrical Capacity").

5.2. Electricity for the Building.

Landlord has arranged with a Utility Company to provide electricity for the Building. Landlord shall not be liable to Tenant for any failure or defect in the supply or character of electricity furnished to the Building, except to the extent that such failure or defect results from Landlord's negligence or willful misconduct. Landlord shall not be required to make any installations in the Premises to distribute electricity within the Premises. Landlord shall not be required to maintain or repair during the Term any installations that exist in the Premises on the Commencement Date that distribute electricity within the Premises.

5.3. Electric Rent Inclusion.

(A) Subject to the terms of this Section 5.3, Landlord shall furnish electricity to the Premises on a "rent inclusion" basis; that is, Landlord shall not charge Tenant (in addition to the Fixed Rent) for such electricity that Landlord furnishes to the Premises. The Fixed Rent includes an annual charge for electricity in an amount equal to Thirteen Thousand Eighty-Seven Dollars and Eighty Cents ($13,087.80) (such annual charge that is included in the Fixed Rent being referred to herein as the "Initial Electricity Inclusion Factor"; the Initial Electricity Inclusion Factor, as it may be changed from time to time pursuant to the provisions of this Section 5.3, being referred to as the "Electricity Inclusion Factor"; the quotient obtained by dividing (x) the Electricity Inclusion Factor at any particular time, by (y) the number of square feet of Rentable Area comprising the Premises at such time, being referred to herein as the "Electricity Inclusion Rate"). Nothing contained in this Section 5.3 shall permit Tenant to demand electric current for the Premises that exceeds the Base Electrical Capacity.

(B) The term "Average Cost per Peak Demand Kilowatt" shall mean, with respect to any particular period, the quotient obtained by dividing (x) the aggregate charge imposed by the Utility Company on Landlord for the Utility Company's making available electricity that satisfies the Building's peak demand for electricity during such period, by (y) the number of kilowatts that constituted such peak demand, as reflected on the electric meter or meters for the Building.

(C) The term "Average Cost per Kilowatt Hour" shall mean, with respect to any particular period, the quotient obtained by dividing (x) the aggregate charge imposed by the Utility Company on Landlord for the electricity supplied to the Building for such period (other than the aggregate charge imposed by the Utility Company on Landlord for the Utility Company's making available electricity that satisfies the Building's peak demand for electricity during such period), by (y) the number of kilowatt hours of electricity used in the Building during such period, as reflected on the electric meter or meters for the Building.

(D) The term "Utility Company" shall mean, collectively, the local electrical energy distribution company and the competitive energy provider with which Landlord has made arrangements to obtain electric service for the Building; provided, however, that if Landlord makes arrangements to produce electricity to satisfy all or a portion of the requirements of the Building, then (I) Utility Company shall also refer to the producer of such electricity, and (II) the charges imposed by such producer shall be included in the calculation of Average Cost per Kilowatt Hour and Average Cost per Peak Demand Kilowatt.

(E) Landlord, at any time and from time to time during the Term, shall have the right to cause a reputable and independent electrical engineer or electrical consulting firm that in either case Landlord selects reasonably (such engineer or consulting firm being referred to herein as "Landlord's Engineer") to (i) survey Tenant's electrical usage in the Premises, and (ii) estimate (x) the number of kilowatt hours of electricity used in the Premises during each calendar month (an estimate of the number of kilowatt hours of electricity used in the Premises during each calendar month being referred to herein as a "Usage Estimate"), and (y) the number of

kilowatts that constitutes the peak demand for electricity in the Premises (an estimate of the number of kilowatts of peak demand in the Premises being referred to herein as a "Peak Demand Estimate"). If Landlord causes Landlord's Engineer to perform such survey and prepare such estimate, then Landlord shall give to Tenant a copy of the report prepared by Landlord's Engineer that sets forth the Usage Estimate of Landlord's Engineer and the Peak Demand Estimate of Landlord's Engineer (such report being referred to herein as the "Landlord Survey Report").

(F) If Landlord gives a Landlord Survey Report to Tenant, then Tenant shall have the right to dispute such Landlord Survey Report only by (i) giving notice thereof to Landlord on or prior to the thirtieth (30th) day after the date that Landlord gives the Landlord Survey Report to Tenant, and (ii) delivering to Landlord, on or prior to the sixtieth (60th) day after the date that Landlord gives such Landlord Survey Report to Tenant, a report (the "Tenant Survey Report"), prepared by a reputable and independent electrical engineer or electrical consulting firm that Tenant selects reasonably (such engineer or consulting firm being referred to herein as "Tenant's Engineer") that sets forth the Usage Estimate of Tenant's Engineer and the Peak Demand Estimate of Tenant's Engineer.

(G) If Tenant gives Landlord a Tenant Survey Report in accordance with the terms of Section 5.3(F) hereof, then Landlord shall cause Landlord's Engineer, and Tenant shall cause Tenant's Engineer, to consult with each other to attempt to agree on a Usage Estimate and a Peak Demand Estimate. If Landlord's Engineer and Tenant's Engineer fail to agree on a Usage Estimate and a Peak Demand Estimate within thirty (30) days after the date that Tenant gives the Tenant Survey Report to Landlord, then either party shall have the right to submit the determination of such Usage Estimate and such Peak Demand Estimate to an Expedited Arbitration Proceeding.

(H) If the Usage Estimate and the Peak Demand Estimate are determined as provided in this Section 5.3, then the Electricity Inclusion Factor (and, accordingly, the Fixed Rent) shall be increased to the extent (if any) necessary so that the Electricity Inclusion Factor equals an amount equal to the product obtained by multiplying (x) twelve (12), by (y) the sum of (a) the product obtained by multiplying (I) the Usage Estimate, by (II) the Average Cost per Kilowatt Hour for the calendar month most recently invoiced to Landlord by the Utility Company, and (b) the product obtained by multiplying (I) the Peak Demand Estimate, by (II) the Average Cost per Peak Demand Kilowatt for the calendar month most recently invoiced to Landlord by the Utility Company. The aforesaid increase in the Electricity Inclusion Factor shall be made as of the date that Landlord gives the Landlord Survey Report to Tenant (it being understood that the parties shall make an appropriate retroactive adjustment to reflect the Electricity Inclusion Factor being adjusted as aforesaid as of the date that Landlord gives the Landlord Survey Report to Tenant). Nothing contained in this Section 5.3(H) limits the provisions of Section 5.3(I) hereof.

(I) The parties shall increase the Electricity Inclusion Factor from time to time during the Term to reflect the percentage increase in the Average Cost per Kilowatt Hour from the Average Cost per Kilowatt Hour that is in effect as of the date hereof, or as of the date

of the most recent adjustment in the Electricity Inclusion Factor pursuant to Section 5.3(H) hereof, as the case may be. If the Electricity Inclusion Factor increases pursuant to this Section 5.3(I), then the Fixed Rent shall also be increased correspondingly. Nothing contained in this Section 5.3(I) limits the provisions of Section 5.3(H) hereof.

(J) Landlord shall have the right to require Tenant, at any time during the Term, to obtain electricity from Landlord for the Premises on a submetering basis as contemplated by this Section 5.4 hereof (rather than a "rent inclusion" basis as contemplated by this Section 5.3) by giving not less than sixty (60) days of advance notice thereof to Tenant (Landlord's aforesaid right being referred to herein as the "Submeter Conversion Right"). If Landlord exercises the Submeter Conversion Right, then the Fixed Rent for the remainder of the Term (from and after the date that Landlord's exercise of the Submeter Conversion Right becomes effective) shall be decreased by the Electricity Inclusion Factor that is then in effect.

5.4. Submetering.

(A) Subject to the provisions of this Section 5.4, if Landlord exercises the Submeter Conversion Right, then Landlord shall measure Tenant's demand for and consumption of electricity in the Premises using a submeter that is, or submeters that are, installed and maintained by Landlord. Landlord shall pay the cost of installing such submeter or submeters. If, at any time during the Term, Tenant performs Alterations that require modifications to the aforesaid submeter or submeters that Landlord installs, or that require a supplemental submeter or supplemental submeters, then Tenant shall perform such modification, or the installation of such supplemental submeter or submeters, at Tenant's cost, as part of the applicable Alteration.

(B) If Landlord exercises the Submeter Conversion Right, then Tenant shall pay to Landlord, as additional rent, an amount (the "Electricity Additional Rent") equal to one hundred four percent (104%) of the sum of:

(1) the product obtained by multiplying (x) the Average Cost per Peak Demand Kilowatt, by (y) the number of kilowatts that constituted the peak demand for electricity in the Premises for the applicable billing period, as registered on the submeter or submeters for the Premises, and

(2) the product obtained by multiplying (x) the Average Cost per Kilowatt Hour, by (y) the number of kilowatt hours of electricity used in the Premises for the applicable billing period, as registered on the submeter or submeters for the Premises.

(C) Subject to Section 5.4(D) hereof, Landlord shall give Tenant an invoice for the Electricity Additional Rent from time to time (but no less frequently than quarter- annually). Tenant shall pay the Electricity Additional Rent to Landlord on or prior to the thirtieth (30th) day after the date that Landlord gives to Tenant each such invoice. Tenant shall not have the right to object to Landlord's calculation of the Electricity Additional Rent unless Tenant gives Landlord notice of any such objection on or prior to the ninetieth (90th) day after the date that Landlord gives Tenant the applicable invoice for the Electricity Additional Rent. If

Tenant gives Landlord a notice objecting to Landlord's calculation of the Electricity Additional Rent, as aforesaid, then Tenant shall have the right to review Landlord's submeter readings and Landlord's calculation of the Electricity Additional Rent, at Landlord's offices or, at Landlord's option, at the offices of Landlord's managing agent, in either case at reasonable times and on reasonable advance notice to Landlord. Either party shall have the right to submit a dispute regarding the Electricity Additional Rent to an Expedited Arbitration Proceeding.

(D) Landlord shall have the right to give a statement to Tenant from time to time pursuant to which Landlord sets forth Landlord's good faith estimate of the Electricity Additional Rent for a particular calendar year (any such statement that Landlord gives to Tenant being referred to herein as a "Prospective Electricity Statement"; one-twelfth (1/12th) of the Electricity Additional Rent shown on a Prospective Electricity Statement being referred to herein as the "Monthly Electricity Payment Amount"). If Landlord gives to Tenant a Prospective Electricity Statement (or Landlord is deemed to have given to Tenant a Prospective Electricity Statement pursuant to Section 5.4(E) hereof), then Tenant shall pay to Landlord, as additional rent, on account of the Electricity Additional Rent due hereunder for such calendar year, the Monthly Electricity Payment Amount, on the first (1st) day of each subsequent calendar month for the remainder of such calendar year, in the same manner as the monthly installments of the Fixed Rent hereunder (it being understood that Tenant shall not be required to commence such payments of the Monthly Electricity Payment Amount (x) before the first (1st) day of the calendar year to which relates the applicable Monthly Electricity Payment Amount, or (y) earlier than the thirtieth (30th) day after the date that Landlord gives the Prospective Electricity Statement to Tenant). If Landlord gives (or is deemed to have given) to Tenant a Prospective Electricity Statement after the first (1st) day of the applicable calendar year, then Tenant shall also pay to Landlord, within thirty (30) days after the date that Landlord gives the Prospective Electricity Statement to Tenant, an amount equal to the excess of (I) the product obtained by multiplying (x) the Monthly Electricity Payment Amount, by (y) the number of calendar months that have theretofore elapsed during such calendar year, over (II) the aggregate amount theretofore paid by Tenant to Landlord on account of the Electricity Additional Rent for such calendar year. If Landlord gives (or is deemed to have given) to Tenant a Prospective Electricity Statement for a particular calendar year, then Landlord shall also provide to Tenant, within one hundred eighty (180) days after the last day of such calendar year, an invoice for the Electricity Additional Rent for such calendar year based on an actual reading of the submeter or submeters (such invoice that is based on an actual reading of the submeter or submeters being referred to herein as an "Actual Reading Statement").

(E) Tenant shall pay to Landlord an amount equal to the excess (if any) of (i) the Electricity Additional Rent as reflected on the Actual Reading Statement that Landlord gives to Tenant, over (ii) the aggregate amount that Tenant has theretofore paid to Landlord on account of the Electricity Additional Rent (if any), within thirty (30) days after the date that Landlord gives such Actual Reading Statement to Tenant. Tenant shall have the right to credit against the Rental thereafter coming due hereunder an amount equal to the excess (if any) of (i) the aggregate amount that Tenant has theretofore paid to Landlord on account of the Electricity Additional Rent, over (ii) the Electricity Additional Rent as reflected on such Actual Reading Statement; provided, however, that if the Expiration Date occurs prior to the date that such credit

is exhausted, then Landlord shall pay to Tenant the unused portion of such credit on or prior to the thirtieth (30th) day after the Expiration Date (it being understood that Landlord's obligation to make such payment to Tenant shall survive the Expiration Date). If Landlord gives Tenant an Actual Reading Statement, then, unless Landlord otherwise specifies in such Actual Reading Statement, Landlord shall be deemed to have given to Tenant a Prospective Electricity Statement, for the calendar year immediately succeeding the calendar year that is covered by such Actual Reading Statement, that reflects Electricity Additional Rent for such immediately succeeding calendar year in an amount equal to the Electricity Additional Rent for such calendar year that is covered by such Actual Reading Statement.

(F) If a submeter measuring Tenant's electrical demand and consumption in the Premises has not been installed in the Premises, or the submeters measuring Tenant's electrical demand and consumption in the Premises have not been installed in the Premises, in either case on or prior to the date that Landlord exercises the Submeter Conversion Right, then (x) Landlord shall order such submeter or such submeters promptly after the date that Landlord exercises the Submeter Conversion Right, and (y) Landlord shall install such submeter or such submeters promptly after the date that Landlord receives such submeter or submeters. Landlord, in installing such submeter or such submeters, shall have the right to interrupt electrical service to the Premises temporarily and in accordance with good construction practice.

(G) Subject to the terms of this Section 5.4(G), if (i) Landlord exercises the Submeter Conversion Right, and (ii) prior to Landlord's installing a submeter or the submeters in the Premises, Tenant commences the performance of the Initial Alterations, then Tenant shall pay to Landlord, as additional rent, a fee for electricity service in an amount equal to the product obtained by multiplying (I) $0.0045, by (II) the number of square feet of Rentable Area in the Premises (or the portion thereof in which Tenant is performing the Initial Alterations), by (III) the number of days in the period commencing on the date that Tenant so commences the Initial Alterations and ending on the earlier of (a) the date immediately preceding the date that Tenant first occupies the Premises (or the applicable portion thereof) for the conduct of business, and (b) the date immediately preceding the date that the submeter for the Premises (or the applicable portion thereof) is operational or the submeters for the Premises (or the applicable portion thereof) are operational. Landlord shall give Tenant an invoice for the aforesaid fee from time to time (but not less frequently than monthly). Tenant shall pay the aforesaid fee to Landlord on or prior to the thirtieth (30th) day after the date that Landlord gives each such invoice to Tenant.

(H) Subject to the terms of this Section 5.4(H), if (i) Landlord exercises the Submeter Conversion Right, and (ii) prior to Landlord's installing a submeter or submeters in the Premises, Tenant occupies all or any portion of the Premises for the conduct of business, then Tenant shall pay to Landlord, as additional rent, a fee for electricity service in an amount equal to the product obtained by multiplying (I) $0.0089 (which amount shall be increased on each anniversary of the Commencement Date to reflect the percentage increase, if any, in the Consumer Price Index from the Consumer Price Index that is in effect on Commencement Date), by (II) the number of square feet of Rentable Area in the Premises (or the portion thereof that Tenant is occupying for the conduct of business), by (III) the number of days in the period commencing on the date that Tenant occupies the Premises (or the applicable portion thereof) for

the conduct of business and ending on the date immediately preceding the date that the submeter for the Premises or the applicable portion thereof is operational or that the submeters for the Premises or the applicable portion thereof are operational (such fee being referred to herein as the "Electricity Inclusion Charge"). Landlord shall give Tenant an invoice for the Electricity Inclusion Charge from time to time (but not less frequently than monthly). Tenant shall pay the Electricity Inclusion Charge to Landlord on or prior to the thirtieth (30th) day after the date that Landlord gives each such invoice to Tenant. If (I) the monthly amount that Tenant would have paid to Landlord as the Electricity Additional Rent for the period that Tenant occupies the Premises or the applicable portion thereof for the conduct of business prior to the date that the submeter is, or the submeters are, operational (as determined using the average monthly submeter readings for the period of three (3) months after the date that the submeter is, or the submeters are, operational), exceeds (II) the Electricity Inclusion Charge for any particular period of one (1) month, then Tenant shall pay to Landlord an amount equal to such excess for each such month within thirty (30) days after Landlord gives to Tenant an invoice therefor. If (I) the Electricity Inclusion Charge for any particular period of one (1) month, exceeds (II) the monthly amount that Tenant would have paid to Landlord as the Electricity Additional Rent for the period that Tenant occupies the Premises or the applicable portion thereof for the conduct of business prior to the date that the submeter is, or the submeters are, operational (as determined using the average monthly submeter readings for the period of three (3) months after the date that the submeter is, or the submeters are, operational), then Landlord, at Landlord's option, shall either (x) refund promptly to Tenant an amount equal to such excess for each such month, or (y) credit such excess for each such month against the monthly installments of Rental next becoming due and payable hereunder (together with interest on such excess calculated at the Base Rate from the date that Tenant is entitled to such credit). If Landlord gives Tenant such credit for such excess, and the Expiration Date occurs before the date that such credit is exhausted, then Landlord shall pay to Tenant the unused portion of such credit on or prior to the thirtieth (30th) day after the Expiration Date (and Landlord's obligation to make such payment shall survive the Expiration Date).

5.5. Termination of Electric Service.

(A) If Landlord is required by any Requirement to discontinue furnishing electricity to the Premises as contemplated by this Lease, then this Lease shall continue in full force and effect and shall be unaffected thereby, except that from and after the effective date of any such Requirement, (x) Landlord shall not be obligated to furnish electricity to the Premises, and (y) Tenant shall not be obligated to pay to Landlord the charges for electricity as described in this Article 5 (and, accordingly, if Landlord is then providing electricity to the Premises on a "rent inclusion" basis, the Fixed Rent shall be reduced by the Electricity Inclusion Factor that is then in effect).

(B) If Landlord discontinues Landlord's furnishing electricity to the Premises pursuant to a Requirement, then Tenant shall use Tenant's diligent efforts to obtain electricity for the Premises directly from the Utility Company. Tenant shall pay directly to the Utility Company the cost of such electricity. Tenant shall have the right to use the electrical facilities that then exist in the Building to obtain such direct electric service (without Landlord having any

liability or obligation to Tenant in connection therewith). Nothing contained in this Section 5.5 shall permit Tenant to use electrical capacity in the Building that exceeds the Base Electrical Capacity. Tenant, at Tenant's expense, shall make any additional installations that are required for Tenant to obtain electricity from the Utility Company.

(C) Landlord shall not discontinue furnishing electricity to the Premises as contemplated by this Section 5.5 (to the extent permitted by applicable Requirements) until Tenant obtains electric service directly from the Utility Company.

Article 6
INITIAL CONDITION OF THE PREMISES

6.1. Condition of Premises.

Subject to Section 8.1 hereof, (a) Tenant shall accept possession of the Premises in the condition that exists on the Commencement Date "as is," and (b) Landlord shall have no obligation to perform any work or make any installations in order to prepare the Building or the Premises for Tenant's occupancy. Except as expressly set forth herein, Landlord has made no representations or promises with respect to the Building, the Real Property or the Premises. On the Commencement Date, the Building Systems providing service to the Premises shall be in good working order.

Article 7
ALTERATIONS

7.1. General.

(A) Except as otherwise provided in this Article 7, Tenant shall not make any Alterations without Landlord's prior consent

(B) Tenant may make Decorative Alterations without Landlord's prior consent.

(C) The term "Alterations" shall mean alterations, installations, improvements, additions or other physical changes in each case in or to the Premises that are made by or on behalf of Tenant or any other Person claiming by, through or under Tenant.

(D) The term "Decorative Alterations" shall mean Alterations that constitute merely decorative changes to the Premises (such as, for example, the installation of carpeting or other customary floor coverings or painting or the installation of customary wall coverings) that in each case do not involve electrical, plumbing or mechanical connections.

(E) The term "Initial Alterations" shall mean the Alterations to prepare the Premises for Tenant's initial occupancy.

(F) The term "Specialty Alterations" shall mean Alterations that (i) perforate a floor slab in the Premises or a wall the encloses the core of the Building, (ii) require the reinforcement of a floor slab in the Premises, (iii) consist of the installation of a raised flooring system, (iv) consist of the installation of a vault or other similar device or system that is intended to secure the Premises or a portion thereof in a manner that exceeds the level of security that a reasonable Person uses for ordinary office space, or (v) involve material plumbing connections (such as kitchens and executive bathrooms outside of the Building core).

(G) The term "Substantial Completion" or words of similar import shall mean that the applicable work has been substantially completed in accordance with the applicable plans and specifications, if any, it being agreed that (i) such work shall be deemed substantially complete notwithstanding the fact that minor or insubstantial details of construction or demolition, mechanical adjustment or decorative items remain to be performed, and (ii) with respect to work that is being performed in the Premises, such work shall be deemed substantially complete only if the incomplete elements thereof do not interfere materially with Tenant's use and occupancy of the Premises for the conduct of business.

(H) The term "Tenant's Property" shall mean Tenant's personal property (other than fixtures), including, without limitation, Tenant's movable fixtures, movable partitions, telephone equipment, computer equipment, furniture, furnishings and decorations.

7.2. Basic Alterations.

(A) Subject to the terms of Section 7.1(B) hereof and Section 7.13 hereof, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Alteration, provided that such Alteration (i) does not materially affect the external aesthetic appearance of the Building at street level, (ii) does not affect adversely any part of the Building other than the Premises, (iii) does not require any alterations, installations, improvements, additions or other physical changes to be performed in or made to any portion of the Building other than the Premises, (iv) does not affect adversely the proper functioning of any Building System, (v) does not reduce the value or utility of the Building, (vi) does not affect adversely the structure of the Building, (vii) does not impede Landlord's access to Reserved Areas in any material respect, and (viii) does not violate or render invalid the certificate of occupancy for the Building or any part thereof (any Alteration that satisfies the requirements described in clauses (i) through (viii) above being referred to herein as a "Basic Alteration").

(B) Nothing contained in this Section 7.2 limits the provisions of Section 7.11 hereof.

7.3. Approval Process.

(A) Tenant shall not perform any Alteration (other than Decorative Alterations) unless Tenant first gives to Landlord a notice thereof (an "Alterations Notice") that (i) refers specifically to this Section 7.3, (ii) includes six (6) copies of the plans and specifications for the proposed Alteration (including, without limitation, layout, architectural,

mechanical and structural drawings, to the extent applicable) in CADD format that contain sufficient detail for Landlord and Landlord's consultants to reasonably assess the proposed Alteration, and (iii) indicates whether Tenant considers the proposed Alterations to constitute a Basic Alteration.

(B) Landlord shall have the right to object to a proposed Alteration only by giving notice thereof to Tenant, and setting forth in such notice a statement in reasonable detail of the grounds for Landlord's objections.

(C) Landlord shall have the right to (a) disapprove any plans and specifications for a particular Alteration in part, (b) reserve Landlord's approval of items shown on such plans and specifications pending Landlord's review of other plans and specifications that Tenant is otherwise required to provide to Landlord hereunder, and (c) condition Landlord's approval of such plans and specifications upon Tenant's making revisions to the plans and specifications or supplying additional information (which Landlord shall have the right to request only reasonably if the applicable Alteration constitutes a Basic Alteration). Nothing contained in this Section 7.3(C) limits the provisions of Section 7.2 hereof or Section 7.3(B) hereof.

(D) Tenant acknowledges that (i) the review of plans or specifications for an Alteration by or on behalf of Landlord, or (ii) the preparation of plans or specifications for an Alteration by Landlord's architect or engineer (or any architect or engineer designated by Landlord), is solely for Landlord's benefit, and, accordingly, Landlord makes no representation or warranty that such plans or specifications comply with any Requirements or are otherwise adequate or correct.

7.4. Performance of Alterations.

(A) Tenant, at Tenant's expense, prior to the performance of any Alteration, shall obtain all permits, approvals and certificates required by any Governmental Authorities in connection therewith. Landlord shall have the right to require Tenant to make all filings with Governmental Authorities to obtain such permits, approvals and certificates using an expeditor designated reasonably by Landlord (provided that the charges imposed by such expeditor are commercially reasonable). Landlord shall execute any applications for any permits, approvals or certificates required to be obtained by Tenant in connection with any permitted Alteration (provided that the applicable Requirement requires Landlord to execute such application) within ten (10) Business Days after Tenant's request from time to time and shall otherwise cooperate reasonably with Tenant in connection therewith. Tenant shall not have the right to require Landlord to so execute such applications prior to the date that Landlord approves the applicable Alteration. Tenant shall reimburse Landlord for any reasonable Out-of-Pocket Costs, including, without limitation, reasonable attorneys' fees and disbursements, that Landlord incurs in so executing such applications and cooperating with Tenant, within thirty (30) days after the date that Landlord gives to Tenant an invoice therefor from time to time.

(B) Prior to performing any Alteration, Tenant shall also furnish to Landlord duplicate original policies of, or, at Tenant's option, certificates of, (1) worker's compensation

insurance in amounts not less than the statutory limits (covering all persons to be employed by Tenant, and Tenant's contractors and subcontractors, in connection with such Alteration), and (2) commercial general liability insurance (including property damage and bodily injury coverage), in each case in customary form, and in amounts that are not less than Five Million Dollars ($5,000,000) with respect to general contractors and One Million Dollars ($1,000,000) with respect to subcontractors, naming the Landlord Indemnitees as additional insureds; provided, however, that on each anniversary of the Commencement Date, the aforesaid amounts shall be adjusted to reflect the percentage increase in the Consumer Price Index from the Consumer Price Index that is in effect on the Commencement Date. Landlord acknowledges that Tenant's contractors and subcontractors may satisfy the liability insurance requirements as set forth in this Section 7.4(B) with an umbrella insurance policy if such umbrella insurance policy contains an aggregate per location endorsement that provides the required level of protection for the Premises.

(C) Within thirty (30) days after the Substantial Completion of each Alteration (other than Decorative Alterations), Tenant, at Tenant's expense, shall (1) obtain certificates of final approval for each Alteration to the extent required by any Governmental Authority, (2) furnish Landlord with copies of such certificates, and (3) give to Landlord copies of the "as-built" plans and specifications for such Alterations in CADD format.

(D) All Alterations (other than Decorative Alterations) shall be made and performed substantially in accordance with the plans and specifications therefor as approved by Landlord. All Alterations shall be made and performed in accordance with all Requirements and the Rules. All materials and equipment incorporated in the Premises as a result of any Alterations shall be first-quality.

7.5. Financial Integrity.

(A)

(1) Tenant shall not permit any materials or equipment that are incorporated as fixtures into the Premises in connection with any Alterations to be subject to any lien, encumbrance, chattel mortgage or title retention or security agreement.

(2) Subject to the terms of Section 7.5(A)(3) hereof, Tenant shall not make any Alteration at a cost for labor and materials (as reasonably estimated by Landlord's architect, engineer or contractor) in excess of Fifty Thousand Dollars ($50,000), either individually or in the aggregate with any other Alterations constructed in any particular period of twelve (12) consecutive months, prior to Tenant's delivering to Landlord a performance bond and a payment bond that covers Tenant's obligation to pay the applicable contractor and the applicable contractor's obligation to pay its subcontractors (in either case issued by a surety company and in form reasonably satisfactory to Landlord), each in an amount equal to one hundred twenty percent (120%) of such estimated cost; provided, however, that on each anniversary of the Commencement Date, the aforesaid amount of Fifty Thousand Dollars ($50,000) shall be adjusted to reflect the percentage increase in the Consumer Price Index from the Consumer Price Index that is in effect on the Commencement Date.

(3) If Tenant is obligated to deliver a performance bond and a payment bond to Landlord as provided in Section 7.5(A)(2) hereof, then Tenant shall have the right to deposit with Landlord an amount in cash equal to the amount of such bonds that is otherwise required by Section 7.5(A)(2) hereof (such amount in cash being referred to herein as the "Work Deposit"). If Tenant deposits the Work Deposit with Landlord, then (i) Tenant shall not have the obligation to deliver to Landlord the performance bond and the payment bond as provided in Section 7.5(A)(2) hereof for the applicable Alteration, and (ii) Landlord shall disburse the Work Deposit (or the applicable portion thereof) to Tenant or Tenant's designee from time to time, within ten (10) days after Tenant's request therefor (but in no event more frequently than once during any particular calendar month), provided that Tenant delivers to Landlord, simultaneously with each such disbursement, waivers of lien from all contractors, subcontractors, materialmen, architects, engineers and other Persons who may file a lien against the Real Property for material theretofore supplied, or labor or services theretofore performed, in connection with the applicable Alterations. If any mechanic's lien is filed against the Real Property for work claimed to have been done for, or for materials claimed to have been furnished to, Tenant (or any Person claiming by, through or under Tenant), then Landlord shall have the right (but not the obligation) to use the Work Deposit to discharge such mechanic's lien. Nothing contained in this Section 7.5(A)(3) diminishes Tenant's obligations under Section 7.5(A)(4) hereof. Landlord shall pay to Tenant any remaining balance of the Work Deposit for a particular Alteration within ten (10) days after the date that (x) Tenant has Substantially Completed the applicable Alteration, and (y) Tenant has delivered to Landlord waivers of lien from all contractors, subcontractors, materialmen, architects, engineers and other Persons who may file a lien against the Real Property in connection with such Alterations.

(4) Tenant shall discharge of record any mechanic's lien that is filed against the Real Property for work claimed to have been done for, or for materials claimed to have been furnished to, Tenant (or any Person claiming by, through or under Tenant) within fifteen (15) days after Tenant has received notice of filing thereof, at Tenant's expense, by payment or filing the bond required by law. Nothing contained in this Section 7.5(A)(4) (x) limits Tenant's right to challenge the claim that is made by the Person that files a mechanic's lien, provided that Tenant discharges such lien of record as aforesaid, or (y) obligates Tenant to discharge of record any mechanic's lien that derives from Landlord's acts or omissions.

(B) Subject to the terms of this Section 7.5(B), within thirty (30) days after the Substantial Completion of any Alterations (other than Decorative Alterations), Tenant shall deliver to Landlord: (i) waivers of lien from all contractors, subcontractors, materialmen, architects, engineers and other Persons who may file a lien against the Real Property in connection with such Alterations, and (ii) a certificate from a licensed architect that Tenant engages in accordance with the terms of this Article 7 certifying that, in his or her opinion, the Alterations have been Substantially Completed in substantial accordance with the final detailed plans and specifications for such Alterations as approved by Landlord. Tenant shall not be required to deliver to Landlord any waiver of lien if Tenant is disputing in good faith the

payment which would otherwise entitle Tenant to such waiver, provided that (x) Tenant keeps Landlord advised in a timely fashion of the status of such dispute and the basis therefor, and (y) Tenant delivers to Landlord the waiver of lien promptly after the date that the dispute is settled. Nothing contained in this Section 7.5(B), however, shall relieve Tenant from complying with the provisions of Section 7.5(A)(4) hereof.

7.6. Effect on Building.

If (i) as a result of any Alterations, any alterations, installations, improvements, additions or other physical changes are required to be performed in or made to any portion of the Building other than the Premises in order to comply with any Requirements (any such alterations, installations, improvements, additions or changes being referred to herein as a "Building Change"), and (ii) such Building Change would not otherwise have had to be performed or made pursuant to applicable Requirements at such time, then (x) Landlord may perform such Building Change, and (y) Tenant shall pay to Landlord the reasonable Out-of-Pocket Costs thereof, as additional rent, within thirty (30) days after Landlord gives to Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein. Landlord shall seek to accomplish any such Building Change that minimizes the cost thereof to the extent reasonably practicable. Landlord shall give Tenant reasonable advance notice of Landlord's performance of the Building Change, and shall consult reasonably from time to time with Tenant in connection therewith (with the understanding that such consultations shall include, without limitation, Landlord's providing Tenant with the information that Landlord has in its possession regarding the expected cost of such Building Change).

7.7. Time for Performance of Alterations.

If the performance of any Alteration by or on behalf of Tenant, or any other Person claiming by, through or under Tenant, during Building Hours interferes with or interrupts the maintenance, repair, management or operation of the Building in any material respect or interferes with or interrupts the use and occupancy of the Building by other tenants in the Building in any material respect, then Landlord shall have the right to require Tenant to perform such Alteration at other times that Landlord reasonably designates from time to time.

7.8. Removal of Alterations and Tenant's Property.

(A) On or prior to the Expiration Date, Tenant, at Tenant's expense, shall remove Tenant's Property from the Premises, and, at Tenant's option, Tenant also may remove, at Tenant's expense, all Alterations made by or on behalf of Tenant or any other Person claiming by, through or under Tenant; provided, however, in any case, that Tenant shall repair and restore in a good and workmanlike manner to good condition any damage to the Premises or the Building caused by such removal except that Landlord shall not have the right to require Tenant to remove any Qualified Alterations. Landlord, upon notice to Tenant given at least sixty (60) days prior to the Expiration Date, may require Tenant to remove any Specialty Alterations from the Premises, and to repair and restore in a good and workmanlike manner to good condition any damage to the Premises or the Building caused by such removal. If (x) the Expiration Date is not

the Fixed Expiration Date, and (y) Landlord gives a notice to Tenant on or prior to the thirtieth (30th) day after the Expiration Date to the effect that Landlord does not wish to retain a particular Specialty Alteration, then Tenant shall pay to Landlord the reasonable Out-of-Pocket Costs that are incurred by Landlord in so removing such Specialty Alterations, and in so repairing and restoring any such damage to the Building or the Premises, within thirty (30) days after Landlord submits to Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein; provided, however, that Landlord shall not have the right to give any such notice to Tenant in respect of Qualified Alterations. Any Alterations that remain in the Premises after the Expiration Date shall be deemed to be the property of Landlord (with the understanding, however, that Tenant shall remain liable to Landlord for any default of Tenant in respect of Tenant's obligations under this Section 7.8).

(B) Prior to Tenant's performance of a Specialty Alteration, Tenant shall have the right to request (simultaneously with Tenant's submission to Landlord of plans and specifications for such Specialty Alteration) that Landlord advise that Tenant shall not be required to remove (or pay the cost to remove) such Specialty Alteration upon the Expiration Date or earlier termination of the Term, provided, however, that such request shall state in bold capital letters as follows: **"LANDLORD TO ADVISE TENANT IF LANDLORD WILL NOT REQUIRE TENANT TO REMOVE THE SPECIALTY ALTERATION DESCRIBED HEREIN AT THE EXPIRATION OR EARLIER TERMINATION OF THE TERM."** Landlord shall have the right to approve or deny any such request in Landlord's sole discretion. If (i) Tenant makes any such request, and (ii) Landlord advises Tenant that removal shall not be required, then Landlord shall not have the right to require Tenant to remove (or pay the cost to remove) such Specialty Alteration upon the Expiration Date or earlier termination of the Term (any such Specialty Alteration which Tenant shall not be required to remove (or to pay the cost of removal) as aforesaid being referred to herein as a "Qualified Alteration").

7.9. Contractors and Supervision.

(A) All Alterations (other than Decorative Alterations) shall be performed only under the supervision of a licensed architect that Landlord approves, which approval Landlord shall not unreasonably withhold, condition or delay.

(B) Subject to the provisions of this Section 7.9(B), Tenant shall perform all Alterations (other than Decorative Alterations) using contractors, subcontractors, engineers and mechanics that in each case Landlord designates from time to time and charge commercially reasonable prices. Landlord shall give Tenant a notice containing a list of such contractors, such subcontractors and such engineers that Landlord designates promptly after Tenant's request therefor from time to time (it being understood that Landlord shall include in such list the names of at least three (3) subcontractors for each trade and at least three (3) general contractors).

7.10. Landlord's Expenses.

Tenant shall pay to Landlord, from time to time, as additional rent, the reasonable Out-of-Pocket Costs incurred by Landlord in connection with an Alteration (other than Decorative Alterations) (including, without limitation, the reasonable Out-of-Pocket Costs that Landlord incurs in reviewing the plans and specifications for such Alterations, and inspecting the progress of such Alterations), within thirty (30) days after Landlord gives Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein.

7.11. Window Coverings.

Tenant shall install on the windows of the Premises only the curtains, blinds, shades or screens that Landlord approves, which approval Landlord shall not unreasonably withhold, condition or delay (it being understood that Landlord, in considering whether to grant such approval, shall have the right to take into account the impact of Tenant's proposed installation on the exterior appearance of the Building).

7.12. Air-Cooled HVAC Installations.

Tenant shall not have the right to install a supplementary HVAC system for the Premises that requires vents or louvers to be installed on the exterior of the Building.

7.13. Sprinkler Installation

Subject to the terms of this Section 7.13, if Tenant, at any time during the Term, makes an Alteration that involves the removal of all or substantially all of the finished ceiling in the Premises (or a material portion thereof) (any such Alteration being referred to herein as a "Ceiling Alteration"), then Tenant, at Tenant's cost, shall install in the plenum above the finished ceiling in the Premises (or such portion thereof), as part of the Ceiling Alteration, the piping and sprinkler heads for a fire suppression system in the Premises (or such portion thereof) in accordance with standards that are employed customarily in designing and installing such fire suppression systems in first-class office buildings (such piping and sprinkler heads being referred to herein as a "Sprinkler Distribution System"). Tenant's installation of a Sprinkler Distribution System shall itself constitute an Alteration for purposes of this Article 7. Landlord shall have the right to condition Landlord's approval of the Ceiling Alteration upon Tenant's performance of the Alteration for the installation of a Sprinkler Distribution System. If Tenant makes a Ceiling Alteration, then Tenant shall install a Sprinkler Distribution System as provided in this Section 7.13 regardless of whether (x) a Requirement then requires a Sprinkler Distribution System to be installed, or (y) a standpipe system exists in the core of the Building to which Tenant has access to attach the Sprinkler Distribution System. If (x) Tenant installs a Sprinkler Distribution System as provided in this Section 7.13, and (y) such standpipe system exists in the Building (either at the time that Tenant installs the Sprinkler Distribution System or at a subsequent time during the Term), then Tenant, at Tenant's cost, shall connect the Sprinkler Distribution System to such standpipe system as an Alteration. Nothing contained in this Section 7.13 obligates Tenant to (x) perform a Ceiling Alteration in the Premises, or (y) install a Sprinkler Distribution

System to the extent that a Sprinkler Distribution System is already installed in the Premises (or the applicable portion thereof). Nothing contained in this Section 7.13 diminishes Tenant's obligation to make Alterations in the Premises to the extent required by Section 11.1 hereof.

Article 8
REPAIRS

8.1. Landlord's Repairs.

Subject to the terms of this Article 8 and to Article 15 hereof and Article 16 hereof, Landlord shall maintain and make all necessary repairs to and replacements of (i) the Building Systems that service the Premises, (ii) the structural portions of the Building, (iii) the roof of the Building, (iv) the sidewalks that are adjacent to the Building, (v) the exterior walls of the Premises, (vi) the windows of the Premises, (vii) the public portions of the Building, and (viii) the Premises (to the extent that the necessity for such repair derives from a Work Access) in each case in conformity with the standards that are customary for first-class office buildings in the vicinity of the Building. Nothing contained in this Section 8.1 requires Landlord to maintain or repair the systems within the Premises that distribute within the Premises electricity, HVAC or water.

8.2. Tenant's Repairs.

(A) Subject to the terms of this Article 8 and to Article 15 hereof and Article 16 hereof, Tenant, at Tenant's expense, shall take good care of the Premises (including, without limitation, (i) the fixtures and equipment that are installed in the Premises on the Commencement Date, (ii) the Alterations, and (iii) the systems within the Premises that distribute within the Premises electricity, HVAC or water). Tenant shall make all repairs to the Premises as and when needed to preserve the Premises in good condition, except for reasonable wear and tear, obsolescence and damage for which Tenant is not responsible pursuant to the provisions of Article 15 hereof. Nothing contained in this Section 8.2(A) shall require Tenant to perform any repairs to the Premises that are Landlord's obligation to perform under Section 8.1 hereof. All repairs made by Tenant as contemplated by this Section 8.2(A) shall be in conformity with the standards that are customary for first-class office buildings in the vicinity of the Building. Tenant shall perform such repairs in accordance with the terms of Article 7 hereof.

(B) Subject to the terms of this Section 8.2(B), if (a) Landlord gives Tenant a notice that Tenant has failed to perform a repair that this Section 8.2 obligates Tenant to perform, and (b) Tenant fails to proceed with reasonable diligence to make such repair within thirty (30) days after the date that Landlord gives such notice to Tenant (or such shorter period that Landlord designates in such notice to the extent reasonably required under the circumstances to alleviate an imminent threat to persons or property), then (i) Landlord may make such repair, and (ii) Tenant shall pay to Landlord, as additional rent, the reasonable Out-of-Pocket Expenses thereof, with interest thereon at the Applicable Rate calculated from the date that Landlord incurs such expenses, within thirty (30) days after Landlord gives Tenant an invoice therefor together

with reasonable supporting documentation for the charges set forth therein. If (x) a particular repair that this Section 8.2 obligates Tenant to perform cannot be performed with reasonable diligence during the aforesaid period of thirty (30) days (or during such shorter period that Landlord designates, as the case may be), and (y) Tenant commences such repair during such period of thirty (30) days (or such shorter period that Landlord designates), then Landlord shall not have the right to perform such repair on Tenant's behalf as otherwise described in this Section 8.2(B) unless Tenant fails to pursue such repair with reasonable continuity and diligence. Nothing contained in this Section 8.2(B) limits the remedies that are available to Landlord after the occurrence of an Event of Default.

8.3. Certain Limitations.

(A) Tenant, at Tenant's expense, shall repair in accordance with the terms set forth in Section 8.2 hereof all damage to the Premises, or to any other part of the Building or the Building Systems, in each case to the extent resulting from the negligence or willful misconduct of, or Alterations made by, Tenant or any other Person claiming by, through or under Tenant; provided, however, that Landlord shall have the right to perform any such repair to the extent that such repair affects the structure of the Building or such repair affects any Building System, in which case Tenant shall pay to Landlord an amount equal to the Out-of-Pocket Costs that Landlord reasonably incurs in performing such repair, on or prior to the thirtieth (30th) day after the date that Landlord gives to Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein. Nothing contained in this Section 8.3(A) limits the provisions of Section 14.3 hereof.

(B) Landlord, at Landlord's expense, shall repair promptly all damage to the Premises that results from Landlord's negligence or willful misconduct. Nothing contained in this Section 8.3(B) limits the provisions of Section 14.3 hereof.

8.4. Overtime.

Subject to the provisions of this Section 8.4, Landlord shall have no obligation to employ contractors or labor at overtime or premium pay rates in connection with Landlord's making repairs as contemplated by this Article 8. If Landlord's repair (or the condition that Landlord is required to repair) (i) denies Tenant from having reasonable access to the Premises, (ii) threatens the health or safety of any occupant of the Premises, or (iii) materially interferes with Tenant's ability to conduct its business in the Premises during Tenant's ordinary business hours, then Landlord shall employ contractors or labor at overtime or premium pay rates to the extent reasonably necessary. Landlord, at Tenant's request, shall also perform any other repair that this Article 8 requires Landlord to perform, to the extent reasonably practicable, using contractors or labor at overtime or premium pay rates, in which case Tenant shall pay to Landlord, as additional rent, an amount equal to the excess of (x) the Out-of-Pocket Costs that Landlord incurs in performing such repair (using contractors or labor at overtime or premium pay rates), over (y) the Out-of-Pocket Costs that Landlord would have incurred in performing such repair without using contractors at overtime or premium pay rates, within thirty (30) days after the date that Landlord gives to Tenant an invoice therefor together with reasonable supporting documentation

for the charges set forth therein (it being understood that if more than one tenant requests that Landlord perform any such repair using contractors or labor at overtime or premium pay rates, then Landlord shall allocate such costs among such tenants equitably).

Article 9
ACCESS; LANDLORD'S CHANGES

9.1. Access.

(A) Subject to the terms of this Lease, Tenant, during the Term, shall have access to the Premises at all times, twenty-four (24) hours per day, every day of the year.

(B) Subject to the terms of this Section 9.1(B), Landlord and Landlord's designees may enter the Premises at reasonable times upon reasonable prior notice to Tenant (which notice may be given verbally to the person employed by Tenant with whom Landlord's representative ordinarily discusses matters relating to the Premises) to (i) examine the Premises, (ii) show the Premises to prospective tenants during the last eighteen (18) months of the Term, (iii) show the Premises to prospective purchasers or master lessees of Landlord's interest in the Real Property, (iv) show the Premises to Mortgagees or Lessors (or prospective Mortgagees or Lessors), (v) gain access to Reserved Areas, or (vi) make repairs, alterations, improvements, additions or restorations that (I) Landlord is required to make pursuant to the terms of this Lease, or (II) are reasonably necessary in connection with the maintenance, repair, or operation of the Real Property (Landlord's entry upon the Premises to perform such repairs, alterations, improvements, additions or restorations being referred to herein as a "Work Access"). Tenant shall have the right at all times, other than during an emergency, to have an employee (which employee shall be designated in a notice given to Landlord by Tenant), accompany Landlord during such Work Access to the extent reasonably practical. Notwithstanding anything to the contrary contained herein, Landlord's entry into the Premises, pursuant to the terms of this Section 9.1, shall not be limited, restricted or delayed in any way in the event that such employee is unavailable to accompany Landlord. Landlord shall not be required to give Tenant advance notice of the entry by Landlord or Landlord's designees into the Premises as contemplated by this Section 9.1(B) to the extent necessary by reason of the occurrence of an emergency (with the understanding, however, that Landlord shall give Tenant notice of such emergency access as promptly as reasonably practicable thereafter). Landlord, in connection with a Work Access, shall have the right to bring into the Premises, and store in the Premises in a reasonable manner for the duration of the Work Access, the materials and tools that Landlord reasonably requires to perform the applicable repair, alteration, improvement, addition or restoration. Except as expressly set forth in this Lease, Landlord shall have no liability to Tenant for any loss sustained by Tenant by reason of Landlord's entry upon the Premises; provided, however, that (w) nothing contained in this Section 9.1(B) diminishes Landlord's obligation to repair the Premises (to the extent that the necessity for such repair derives from a Work Access) as provided in Section 8.1 hereof, and (x) subject to Section 14.3 hereof, Landlord shall remain liable to Tenant for personal injury or property damage that derives from Landlord's negligence or wilful misconduct in connection with any such entry upon the Premises.

9.2. Landlord's Obligation to Minimize Interference.

(A) Subject to Section 9.2(B) hereof, Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use of the Premises in connection with Landlord's accessing the Premises as contemplated by Section 9.1 hereof.

(B) Subject to the provisions of this Section 9.2(B), Landlord shall have no obligation to employ contractors or labor at overtime or premium pay rates in connection with a Work Access as contemplated by this Article 8. If a Work Access (i) denies Tenant from having reasonable access to the Premises, (ii) threatens the health or safety of any occupant of the Premises, or (iii) materially interferes with Tenant's ability to conduct its business in the Premises during Tenant's ordinary business hours, then Landlord shall employ contractors or labor at overtime or premium pay rates to the extent reasonably necessary. Landlord, at Tenant's request, shall also conduct a Work Access, to the extent reasonably practicable, using contractors or labor at overtime or premium pay rates, in which case Tenant shall pay to Landlord, as additional rent, an amount equal to the excess of (x) the Out-of-Pocket Costs that Landlord incurs in conducting such Work Access (using contractors or labor at overtime or premium pay rates), over (y) the Out-of-Pocket Costs that Landlord would have incurred in conducting such Work Access without using contractors at overtime or premium pay rates, within thirty (30) days after the date that Landlord gives to Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein (it being understood that if more than one tenant requests that Landlord conduct such Work Access using contractors or labor at overtime or premium pay rates, then Landlord shall allocate such costs among such tenants equitably).

9.3. Reserved Areas.

The Premises shall not include (i) the demising walls of the Premises (except for the interior face thereof), (ii) the walls of the Premises that constitute the curtain wall for the Building (except for the interior face thereof), (iii) balconies, terraces and roofs that are adjacent to the Premises, and (iv) space that is used for Building Systems or other purposes associated with the operation, repair, management or maintenance of the Real Property, including, without limitation, shafts, stacks, stairways, chutes, pipes, conduits, ducts, fan rooms, mechanical rooms, plumbing facilities, and service closets (the areas described in clauses (iii) and (iv) above being collectively referred to herein as the "Reserved Areas").

9.4. Ducts, Pipes and Conduits.

Landlord shall have the right to install, use and maintain ducts, cabling, pipes and conduits in and through the Premises, provided that (a) such ducts, cabling, pipes and conduits are concealed within or above partitioning columns, walls or ceilings, except that if such ducts, cabling, pipes or conduits are installed in areas that are utility areas (such as storage areas, mailrooms or mud rooms), then such ducts, cabling, pipes or conduits may also be installed on partitioning walls, columns or ceilings, (b) such ducts, cabling, pipes and conduits do not reduce the usable area of the Premises by more than a de minimis amount, and (c) Landlord installs such

ducts, cabling, pipes and conduits in a manner that minimizes, to the extent reasonably practicable, any adverse effect on an Alteration theretofore performed in the Premises. If Landlord requires access to the Premises to make the installations as contemplated by this Section 9.4, then Landlord shall perform such installations in accordance with the terms hereof that govern a Work Access.

9.5. Keys.

Tenant shall provide Landlord, from time to time, with the keys to the Premises (or with the appropriate means to access the Premises using Tenant's electronic security systems).

9.6. Landlord's Changes.

(A) Subject to Section 9.6(B) hereof, Tenant shall have the right to use, in common with the other occupants of the Building, the portions of the Building that Landlord dedicates from time to time as common area for the general use of the occupants of the Building.

(B) Landlord, from time to time, shall have the right to change the arrangement or location of the public portions of the Building, including, without limitation, lobbies, entrances, passageways, doors, corridors, stairs and toilets that in each case are not located in the Premises, provided any such change does not (a) unreasonably reduce or unreasonably interfere with Tenant's access to the Building or the Premises, (b) reduce the floor area of the Premises (except to a de minimis extent), or (c) reduce to a material extent the level or quality of services that are available to Tenant on the Commencement Date.

(C) Landlord, from time to time, shall have the right to change, or reduce the number of, the passenger or freight elevators serving the Premises, provided that such change or reduction does not reduce to a material extent the passenger or freight elevator service standards that the passenger and freight elevators meet on the date hereof.

(D) Landlord, from time to time, shall have the right to change the name, number or designation by which the Building is commonly known.

(E)

(1) Landlord shall have the right, from time to time, to close, obstruct or darken the windows of the Premises temporarily to the extent required to comply with a Requirement or to perform repairs, maintenance, alterations, or improvements to the Building. Landlord shall have the right to close, obstruct or darken the windows of the Premises permanently to the extent required to comply with a Requirement that does not become applicable to the Building by virtue of Landlord's performance of elective construction in the Building.

(2) If, at any time, the windows of the Premises are closed, obstructed or darkened temporarily, as aforesaid, then Landlord shall perform (or cause to be performed) such repairs, maintenance, alterations or improvements, or shall comply with the applicable

Requirement (or cause such Requirement to be complied with), in each case with reasonable diligence, and otherwise take such action as may be reasonably necessary to minimize the period during which such windows are temporarily closed, obstructed or darkened (it being understood, however, that subject to Section 8.4 hereof, Landlord shall not be required to perform such repairs, maintenance, alterations or improvements using contractors or labor at overtime or premium pay rates).

Article 10
UNAVOIDABLE DELAYS AND INTERRUPTION OF SERVICE

10.1. Unavoidable Delays.

Subject to Article 15 hereof and Article 16 hereof, this Lease and the obligation of Tenant to pay Rental hereunder and to perform all of Tenant's other covenants shall not be affected, impaired or excused, and Landlord shall not have any liability to Tenant, to the extent that Landlord is unable to perform Landlord's covenants under this Lease by reason of any cause beyond Landlord's reasonable control, including, without limitation, strikes, labor troubles, acts of terrorism or the occurrence of an act of God; provided, however, that Landlord shall not have the right to claim under this Section 10.1 that Landlord's failure to have funds available to make a payment of money constitutes an excuse for Landlord's performance of an obligation of Landlord hereunder.

10.2. Interruption of Services.

Landlord, from time to time, shall have the right to interrupt or curtail the level of service provided by the Building Systems to the extent reasonably necessary to accommodate the performance of repairs, additions, alterations, replacements or improvements that in Landlord's reasonable judgment are desirable or necessary. Landlord shall give Tenant reasonable advance notice of any such interruption or curtailment (to the extent that Landlord does not need to arrange for such interruption or curtailment to manage an emergency) and schedule any such interruption or curtailment at times that minimizes, to the extent reasonably practicable, the effect of such interruption or curtailment on Tenant's ability to conduct its business in the Premises during Tenant's ordinary business hours. If such interruption or curtailment of the level of service provided by the Building Systems (i) denies Tenant from having reasonable access to the Premises, (ii) threatens the health or safety of any occupant of the Premises, or (iii) materially interferes with Tenant's ability to conduct its business in the Premises during Tenant's ordinary business hours, then Landlord shall employ contractors or labor at overtime or premium pay rates to the extent reasonably necessary. Landlord, at Tenant's request, shall also schedule any such interruption or curtailment, to the extent reasonably practicable, using contractors or labor at overtime or premium pay rates, in which case Tenant shall pay to Landlord, as additional rent, an amount equal to the excess of (x) the Out-of-Pocket Costs that Landlord incurs in so scheduling such interruption or curtailment (using contractors or labor at overtime or premium pay rates), over (y) the Out-of-Pocket Costs that Landlord would have incurred in scheduling such interruption or curtailment without using contractors at overtime or premium pay rates,

within thirty (30) days after the date that Landlord gives to Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein (it being understood that if more than one tenant requests that Landlord conduct such Work Access using contractors or labor at overtime or premium pay rates, then Landlord shall allocate such costs among such tenants equitably).

Article 11
REQUIREMENTS

11.1. Tenant's Obligation to Comply with Requirements.

(A) Subject to the terms of this Article 11, Tenant, at Tenant's expense, shall comply with all Requirements applicable to the Premises, including, without limitation, (i) Requirements that are applicable to the performance of Alterations, (ii) Requirements that become applicable by reason of Alterations having been performed, and (iii) Requirements that are applicable by reason of the specific nature or type of business operated by Tenant (or any other Person claiming by, through or under Tenant) in the Premises. Tenant shall not be required to make any Alteration or other changes to the structural components of the Building or to the Building Systems in either case to comply with any Requirement unless (a) such Alteration or other change is required by reason of Alterations having been performed by Tenant (or another Person claiming by, through or under Tenant), (b) such Alteration or other change is required by reason of the specific nature of the use of the Premises by Tenant (or such other Person) (as opposed to the use of the Premises for the general purposes otherwise permitted under Section 3.1 hereof) or (c) such Alteration or other change is required to install, modify, or replace any fire suppression device or system in the Premises (including, without limitation, sprinkler systems).

(B) The term "Requirements'' shall mean, collectively, (i) all present and future laws, rules, orders, ordinances, regulations, statutes, requirements, codes and executive orders of all Governmental Authorities, and of any applicable fire rating bureau, or other body exercising similar functions, and (ii) all requirements that the issuer of Landlord's Property Policy imposes (including, without limitation, any such requirements that such issuer requires as the basis for the premium that such issuer charges Landlord for Landlord's Property Policy), provided that such requirements that the issuer of Landlord's Property Policy imposes are reasonably consistent with the requirements imposed by reputable insurers of comparable properties in The City of New York.

(C) The term "Governmental Authority" shall mean the United States of America, the State of New York, The City of New York, any political subdivision thereof and any agency, department, commission, board, bureau or instrumentality of any of the foregoing, or any quasi-governmental authority, now existing or hereafter created, having jurisdiction over the Real Property or any portion thereof.

(D) Subject to the terms of this Section 11.1(D), if (a) Landlord gives Tenant a notice that Tenant has failed to comply with a Requirement as required by this Section 11.1, and (b) Tenant fails to proceed with reasonable diligence to comply with such Requirement within twenty (20) days after the date that Landlord gives such notice to Tenant (or such shorter period that Landlord designates in such notice to the extent reasonably required under the circumstances to alleviate an imminent threat to persons or property), then (i) Landlord may perform the work and otherwise take steps that are required to comply with such Requirement, and (ii) Tenant shall pay to Landlord, as additional rent, the reasonable Out-of-Pocket Expenses thereof, with interest thereon at the Applicable Rate calculated from the date that Landlord incurs such expenses, within thirty (30) days after Landlord gives Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein. If (x) Tenant's compliance with a particular Requirement as required by this Section 11.1 cannot be accomplished with reasonable diligence during the aforesaid period of twenty (20) days (or during such shorter period that Landlord designates, as the case may be), and (y) Tenant commences such compliance during such period of twenty (20) days (or such shorter period that Landlord designates), then Landlord shall not have the right to perform the work and otherwise take steps that are required to comply with such Requirement on Tenant's behalf as otherwise described in this Section 11.1(D) unless Tenant fails to pursue such compliance with reasonable continuity and diligence. Nothing contained in this Section 11.1(D) limits the remedies that are available to Landlord after the occurrence of an Event of Default.

11.2. Landlord's Obligation to Comply with Requirements.

Landlord shall comply with all Requirements applicable to the Premises and the Building (including, without limitation, Requirements in respect of which the violation thereof impedes Tenant's performance of Alterations in the Premises) other than the Requirements with respect to which Tenant is required to comply pursuant to Section 11.1 hereof, subject, however, to Landlord's right to contest in good faith the applicability or legality thereof (provided that Landlord's contesting such Requirements does not interfere in any material respect with Tenant's use and occupancy of the Premises).

11.3. Certificate of Occupancy.

(A) Subject to the terms of this Section 11.3(A), Landlord covenants that from and after the Commencement Date a temporary or permanent certificate of occupancy covering the Premises (or such other certificate as may be required by Requirements from time to time to lawfully occupy the Premises) shall be in full force and effect permitting the Premises to be used for the general purposes that are permitted under Article 3 hereof. Nothing contained herein constitutes Landlord's covenant, representation or warranty that the Premises or any part thereof lawfully may be used or occupied for any particular purpose or in any particular manner; provided, however, that Landlord shall not have the right to amend the certificate of occupancy for the Premises (or such other certificate as may be required by Requirements from time to time to lawfully occupy the Premises) in a manner that limits the uses that Tenant may perform in the Premises in accordance with Article 3 hereof. Landlord shall have no liability to Tenant under this Section 11.3(A) to the extent such certificate of occupancy (or such other certificate) is not in full force and effect by reason of Tenant's default hereunder or by reason of Alterations.

(B) Tenant shall use the Premises only in a manner that conforms with the certificate of occupancy that is in effect for the Premises. Tenant shall not have the right to amend the certificate of occupancy for the Premises or the Building without Landlord's prior approval.

Article 12
QUIET ENJOYMENT

12.1. Quiet Enjoyment.

Landlord covenants that Tenant may peaceably and quietly enjoy the Premises for the Term, subject, nevertheless, to the terms and conditions of this Lease.

Article 13
SUBORDINATION

13.1. Subordination.

(A) This Lease shall be subject and subordinate to the priority of each Superior Lease that hereafter exists (and does not exist as of the date hereof) in respect of which the Lessor is not an Affiliate of Landlord. This Lease shall be subject and subordinate to the lien of each Mortgage that hereafter exists (and does not exist as of the date hereof) in respect of which the Mortgagee is not an Affiliate of Landlord.

(B) The term "Lessor" shall mean a lessor under a Superior Lease.

(C) The term "Mortgage" shall mean any trust indenture or mortgage which now or hereafter encumbers Landlord's estate in the Premises.

(D) The term "Mortgagee" shall mean any trustee, mortgagee or holder of a Mortgage.

(E) The term "Superior Lease" shall mean any lease pursuant to which Landlord now or hereafter obtains or retains its interest in the Premises (to the extent that Landlord's interest in the Premises is a leasehold estate).

13.2. Attornment.

If, at any time prior to the Expiration Date, a Person succeeds to Landlord's interest in the Real Property by reason of a foreclosure under a Mortgage or by reason of the termination of a Superior Lease (any such Person being referred to herein as the "Successor"), then Tenant, at the Successor's election, shall attorn, from time to time, to the Successor, in either case upon the then

executory terms of this Lease, for the remainder of the Term. If the Successor is not an Affiliate of the Person that constituted Landlord immediately prior to such Successor's obtaining an interest in the Premises, then the Successor shall not be:

(A) liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord), except to the extent that (i) such act or omission continues after the date that the Successor succeeds to Landlord's interest in the Real Property, and (ii) such act or omission of such prior landlord is of a nature that the Successor can cure by performing a service or making a repair, or

(B) subject to any defenses or offsets that Tenant has against any prior landlord (including, without limitation, the then defaulting landlord) (except for any offsets expressly permitted under this Lease), or

(C) bound by any payment of Rental that Tenant has made to any prior landlord (including, without limitation, the then defaulting landlord) more than thirty (30) days in advance of the date that such payment is due (other than the Rental that Tenant pays pursuant to Section 1.5(E) hereof), or

(D) bound by any obligation to make any payment to or on behalf of Tenant to the extent that such obligation accrues prior to the date that the Successor succeeds to Landlord's interest in the Real Property, or

(E) bound by any obligation to perform any work or to make improvements to the Premises, except for:

(1) repairs and maintenance that Landlord is required to perform pursuant to the provisions of this Lease and that first become necessary, or the need for which continues, after the date that the Successor succeeds to Landlord's interest in the Real Property,

(2) repairs to the Premises that become necessary by reason of a fire or other casualty that occurs from and after the date that the Successor succeeds to Landlord's interest in the Real Property and that Landlord is required to perform pursuant to Article 15 hereof,

(3) repairs to the Premises or any part thereof that become necessary by reason of a fire or other casualty that occurs prior to the date that the Successor succeeds to Landlord's interest in the Real Property and that Landlord is required to perform pursuant to Article 15 hereof, to the extent that the Successor can make such repairs from the net proceeds of Landlord's Property Policy that are actually made available to the Successor (with the understanding, however, that if (i) a fire or other casualty occurs prior to the date that the Successor succeeds to Landlord's interest in the Real Property, (ii) Landlord is required to repair the resulting damage to the Building pursuant to Article 15 hereof, and (iii) the Successor cannot make such repairs from such net proceeds, then Tenant shall have the right to terminate this Lease by giving notice thereof to the Successor within fifteen (15) days after the date that the Successor gives Tenant notice that the Successor does not intend to perform such repairs),

(4) repairs to the Premises as a result of a partial condemnation that occurs from and after the date that the Successor succeeds to Landlord's interest in the Real Property and that Landlord is required to perform pursuant to Article 16 hereof, and

(5) repairs to the Premises as a result of a partial condemnation that occurs prior to the date that the Successor succeeds to Landlord's interest in the Real Property and that Landlord is required to perform pursuant to Article 16 hereof, to the extent that the Successor can make such repairs from the net proceeds of any condemnation award made available to the Successor (with the understanding, however, that if (i) a partial condemnation occurs prior to the date that the Successor succeeds to Landlord's interest in the Real Property, (ii) Landlord is required to make repairs to the Building pursuant to Article 16 hereof by reason of such partial condemnation, and (iii) the Successor cannot make such repairs from such net proceeds, then Tenant shall have the right to terminate this Lease by giving notice thereof to the Successor within fifteen (15) days after the date that the Successor gives Tenant notice that the Successor does not intend to perform such repairs),

(F) bound by any amendment or modification of this Lease made without the consent of the Successor after the date that Tenant is given notice of the applicable Mortgage or the applicable Superior Lease (as the case may be), or

(G) bound to return the Cash Security Deposit or the Letter of Credit until the Cash Security Deposit or the Letter of Credit has come into the Successor's actual possession and Tenant is entitled to the Cash Security Deposit or the Letter of Credit pursuant to the terms of this Lease.

The provisions of this Section 13.2 shall apply notwithstanding that, as a matter of law, this Lease terminates upon the termination of any Superior Lease or the foreclosure of a Mortgage. No further instrument shall be required to give effect to Tenant's attorning to a Successor as contemplated by this Section 13.2. Tenant, however, upon demand of any Successor, shall execute, from time to time, instruments, in a recordable form and in a form reasonably satisfactory to the Successor, confirming the foregoing provisions of this Section 13.2.

13.3. Amendments to this Lease.

Tenant shall execute and deliver, from time to time, amendments to this Lease, promptly after Landlord's request, to the extent that (x) such amendments are reasonably required by a Mortgagee or a Lessor that in either case is not an Affiliate of Landlord (or are reasonably required by a proposed Mortgagee or proposed Lessor that in either case is not an Affiliate of Landlord and that consummates the applicable Mortgage or the applicable Superior Lease contemporaneously with Tenant's execution and delivery of such amendment hereof), and (y) Landlord gives to Tenant reasonable evidence to the effect that such Mortgagee or Lessor requires such amendments; provided, however, that Tenant shall not be required to agree to any such amendments to this Lease that (i) increase Tenant's monetary obligations under this Lease, (ii) adversely affect or diminish Tenant's rights under this Lease (except in either case to a *de minimis* extent), or (iii) increase Tenant's other obligations under this Lease (except to a *de minimis* extent).

13.4. Tenant's Estoppel Certificate.

Tenant, within ten (10) Business Days after Landlord's request from time to time (but not more frequently than three (3) times in any particular period of twelve (12) months), shall deliver to Landlord a written statement executed by Tenant, in form reasonably satisfactory to Landlord, (1) stating that this Lease is then in full force and effect and has not been modified (or if this Lease is not in full force and effect, stating the reasons therefor, or if this Lease is modified, setting forth all modifications), (2) setting forth the date to which the Fixed Rent, the Tax Payment and other items of Rental have been paid, (3) stating whether, to the actual knowledge of Tenant (without having made any investigation), Landlord is in default under this Lease, and, if Landlord is in default, setting forth the specific nature of all such defaults, and (4) stating any other matters reasonably requested by Landlord and related to this Lease. Tenant acknowledges that any such statement that Tenant delivers to Landlord pursuant to this Section 13.4 may be relied upon by (x) any purchaser or owner of the Real Property or any interest therein (including, without limitation, any Lessor), or (y) any Mortgagee.

13.5. Landlord's Estoppel Certificate.

Landlord, within ten (10) Business Days after Tenant's request from time to time (but not more frequently than three (3) times in any particular period of twelve (12) months), shall deliver to Tenant a written statement executed by Landlord, in form reasonably satisfactory to Tenant, (i) stating that this Lease is then in full force and effect and has not been modified (or if this Lease is not in full force and effect, stating the reasons therefor, or if this Lease is modified, setting forth all modifications), (ii) setting forth the date to which the Fixed Rent, the Escalation Rent and any other items of Rental have been paid, (iii) stating whether, to the actual knowledge of Landlord (without having made any investigation), Tenant is in default under this Lease, and, if Tenant is in default, setting forth the specific nature of all such defaults, and (iv) stating any other matters reasonably requested by Tenant and related to this Lease. Landlord acknowledges that any statement delivered by Landlord to Tenant pursuant to this Section 13.5 may be relied upon by (w) any Person that extends credit to Tenant, (x) any assignee of Tenant's interest hereunder, (y) any subtenant of all or any part of the Premises, or (z) any Person that acquires Control of Tenant (provided that such assignment, sublease or transfer of Control is accomplished in a manner that complies with the provisions of Article 17 hereof).

13.6. Rights to Cure Landlord's Default.

If (x) a Superior Lease or Mortgage exists, (y) the Lessor or Mortgagee is not an Affiliate of Landlord, and (z) Landlord gives Tenant notice thereof, then Tenant shall not seek to terminate this Lease by reason of Landlord's default hereunder until Tenant has given written notice of such default to such Lessor or such Mortgagee in either case at the address that has been furnished to Tenant. If any such Lessor or Mortgagee notifies Tenant, within ten (10) Business Days after the date that such Lessor or Mortgagee receives such notice from Tenant,

that such Lessor or Mortgagee intends to remedy such act or omission of Landlord, then Tenant shall not have the right to so terminate this Lease unless such Lessor or Mortgagee fails to remedy such act or omission of Landlord within a reasonable period of time after the date that such Lessor or Mortgagee gives such notice to Tenant (it being understood that such Lessor or Mortgagee shall not have any liability to Tenant for the failure of such Lessor or Mortgagee to so remedy such act or omission of Landlord during such period).

13.7. Zoning Lot Merger Agreement.

Tenant hereby waives irrevocably any rights that Tenant may have in connection with any zoning lot merger or transfer of development rights with respect to the Real Property, including, without limitation, any rights that Tenant may have to be a party to, to contest, or to execute any Declaration of Restrictions (as such term is used in Section 12-10 of the Zoning Resolution of The City of New York effective December 15, 1961, as amended) with respect to the Real Property, which would cause the Premises to be merged with or unmerged from any other zoning lot pursuant to such Zoning Resolution or to any document of a similar nature and purpose. Tenant agrees that this Lease shall be subject and subordinate to any Declaration of Restrictions or any other document of similar nature and purpose now or hereafter affecting the Real Property (it being understood, however, that Landlord shall not permit such Declaration of Restrictions or any such other document to impair Tenant's rights hereunder, or expand Tenant's obligations hereunder, except, in either case, to a *de minimis* extent). In confirmation of such subordination and waiver, Tenant, from time to time, shall execute and deliver promptly any certificate or instrument that Landlord reasonably requests.

13.8. Tenant's Financial Statements.

Subject to the terms of this Section 13.8, Tenant shall provide to Landlord (a) the balance sheet of Tenant and each Predecessor Tenant (if any) in either case dated as of the last day of each fiscal year (to the extent that the last day of each such fiscal year occurs during the Term), (b) the income statement of Tenant and each Predecessor Tenant (if any) for each such fiscal year that occurs, in whole or in part, during the Term, and (c) the statement of changes in financial condition of Tenant and each Predecessor Tenant (if any) for each such fiscal year that occurs, in whole or in part, during the Term, in each case on or prior to the one hundred twentieth (120th) day after the last day of each such fiscal year (such financial statements being collectively referred to herein as "Tenant's Statements"). Tenant shall cause Tenant Statements to be prepared in accordance with generally accepted accounting principles, consistently applied. Landlord shall not disclose Tenant's Statements to any third party, except that Landlord may disclose Tenant's Statements (i) to Persons that provide (or that propose to provide), directly or indirectly, debt or equity capital to Landlord or Landlord's Affiliates and that provide Landlord with reasonable assurances that such Persons will maintain the confidentiality of Tenant's Statements, (ii) to Persons that purchase (or that propose to purchase) the Real Property or any portion thereof and that provide Landlord with reasonable assurances that such Persons will maintain the confidentiality of Tenant's Statements, (iii) to Lessors (or prospective Lessors) that provide Landlord with reasonable assurances that such Lessors (or prospective Lessors) will maintain the confidentiality of Tenant's Statements, (iv) to Persons that provide professional

services for Landlord (such as, for example, Landlord's attorneys and accountants) and that provide Landlord with reasonable assurances that such Persons will maintain the confidentiality of Tenant's Statements, (v) to the extent required by law, (vi) to the extent reasonably required by Landlord in enforcing Landlord's rights hereunder, and (vii) to the extent that Tenant's Statements are otherwise available to the general public. Tenant shall not have any obligation to provide Tenant's Statements to Landlord as provided in this Section 13.8 during the period that (x) the stock of Tenant is publicly traded on a recognized stock exchange, and (y) Tenant's Statements are available to the general public under filings that Tenant makes with the Securities and Exchange Commission.

Article 14
INSURANCE

14.1. Tenant's Insurance.

(A) Tenant, at Tenant's expense, shall obtain and keep in full force and effect (i) an insurance policy for Tenant's Property and the Specialty Alterations, in either case to the extent insurable under the available standard forms of "all-risk" insurance policies, in an amount equal to one hundred percent (100%) of the replacement value thereof (subject, however, at Tenant's option, to a reasonable deductible) (the insurance policy described in this clause (i) being referred to herein as "Tenant's Property Policy"), (ii) a policy of worker's compensation insurance, to the extent required by law (such policy being referred to herein as "Tenant's Worker's Compensation Policy"), and (iii) a policy of commercial general liability and property damage insurance on an occurrence basis, with a broad form contractual liability endorsement (the insurance policy described in this clause (iii) being collectively referred to herein as "Tenant's Liability Policy"). Tenant's Property Policy and Tenant's Liability Policy shall name Tenant as the insured. Tenant's Property Policy shall also include business interruption insurance that is sufficient in amount to pay the Fixed Rent and the Tax Payment due hereunder for a period of at least one (1) year. Tenant's Liability Policy shall name the Landlord Indemnitees as additional insureds thereunder.

(B) Except for standard provisions in ISO CG 0001 Form or its equivalent, Tenant's Liability Policy shall not contain any endorsement or exclusion that affects or limits the obligation of the insurer to pay the amount of any loss sustained caused by a negligent act or omission of Tenant. If Tenant receives any notice of cancellation or any other notice from the insurance carrier which may adversely affect the coverage of the insureds under Tenant's Property Policy or Tenant's Liability Policy, then Tenant shall immediately deliver to Landlord a copy of such notice. The minimum amounts of liability under Tenant's Liability Policy shall be a combined single limit with respect to each occurrence in the amount of Five Million Dollars ($5,000,000) for injury (or death) to persons and damage to property, which minimum amount Landlord may increase from time to time to the amount of insurance that in Landlord's reasonable judgment is then being customarily required by prudent landlords of first-class buildings in the vicinity of the Building from tenants leasing space similar in size, nature and location to the Premises.

(C) Tenant shall cause Tenant's Liability Policy, Tenant's Worker's Compensation Policy and Tenant's Property Policy to be issued by reputable and independent insurers that are (x) permitted to do business in the State of New York, and (y) rated in Best's Insurance Guide, or any successor thereto, as having a general policyholder rating of AA and a financial rating of at least XIII (it being understood that if such ratings are no longer issued, then such insurer's financial integrity shall conform to the standards that constitute such ratings from Best's Insurance Guide as of the date hereof).

(D) Tenant has the right to satisfy Tenant's obligation to carry Tenant's Liability Policy with an umbrella insurance policy if such umbrella insurance policy contains an aggregate per location endorsement that provides the required level of protection for the Premises. Tenant has the right to satisfy Tenant's obligation to carry Tenant's Property Policy with a blanket insurance policy if such blanket insurance policy provides, on a per occurrence basis, that a loss that relates to any other location does not impair or reduce the level of protection available for the Premises below the amount required by this Lease.

14.2. Landlord's Insurance.

(A) Subject to the terms of this Section 14.2, Landlord shall obtain and keep in full force and effect insurance against loss or damage by fire and other casualty to the Building, to the extent insurable on commercially reasonable terms under then available standard forms of "all-risk" insurance policies, in an amount equal to one hundred percent (100%) of the replacement value thereof or, at Landlord's option, in such lesser amount as will avoid co-insurance (such insurance being referred to herein as "Landlord's Property Policy"). Tenant acknowledges that (i) Landlord's Property Policy may encompass rent insurance, (ii) the risks that Landlord's Property Policy covers may include, without limitation, fire, war, terrorism, environmental matters, and flood, and (iii) Landlord may also obtain a commercial general liability insurance policy.

(B) Landlord shall not be liable to Tenant for any failure to insure any Alterations unless Tenant notifies Landlord of the completion of such Alterations and the cost thereof, and maintains adequate records with respect to such Alterations to facilitate the adjustment of any insurance claims with respect thereto. Landlord shall have the right to provide that the coverage of Landlord's Property Policy is subject to a reasonable deductible. Tenant shall cooperate with Landlord and Landlord's insurance companies in the adjustment of any claims for any damage to the Building or the Alterations. Landlord shall not be required to carry insurance on Tenant's Property or the Specialty Alterations. Landlord shall not be required to carry insurance against any loss suffered by Tenant due to the interruption of Tenant's business.

14.3. Mutual Waiver of Subrogation.

(A) Subject to the provisions of this Section 14.3, Landlord and Tenant shall each obtain an appropriate clause in, or endorsement on, Landlord's Property Policy or Tenant's Property Policy (as the case may be) pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery. Landlord and Tenant also agree that,

having obtained such clauses or endorsements of waiver of subrogation or consent to a waiver of right of recovery, they shall not make any claim against or seek to recover from the Landlord Indemnitees or the Tenant Indemnitees (as the case may be) for any loss or damage to its property or the property of others resulting from fire or other hazards covered by Landlord's Property Policy or Tenant's Property Policy (as the case may be); provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by and be coextensive with the terms and provisions of the waiver of subrogation clause or endorsements or clauses or endorsements consenting to a waiver of right of recovery.

(B) If the payment of an additional premium is required for the inclusion of a waiver of subrogation provision as described in Section 14.3(A) hereof, then each party shall advise the other party of the amount of any such additional premiums and the other party at its own election may, but shall not be obligated to, pay such additional premium. If (x) Tenant is the party that elects to pay such additional premium to include such a waiver in Landlord's Property Policy, and (y) other tenants in the Building make concurrently a similar election, then the aforesaid amount that Tenant is obligated to pay to Landlord on account of such additional premium shall be only the portion thereof that Landlord allocates equitably to Tenant. If such other party does not elect to pay such additional premium, then the party whose insurer is charging the additional premium shall not be required to obtain such waiver of subrogation provision.

(C) If either party is unable to obtain the inclusion of such waiver of subrogation provision even with the payment of an additional premium, then such party shall attempt to name the other party as an additional insured (but not a loss payee) under the applicable insurance policy. If the payment of an additional premium is required for naming the other party as an additional insured (but not a loss payee), then such party shall advise the other of the amount of any such additional premium and the other party at its own election may, but shall not be obligated to, pay such additional premium. If (x) Tenant is the party that elects to pay such additional premium to name Tenant as an additional insured (but not as loss payee), and (y) other tenants in the Building make concurrently a similar election, then the aforesaid amount that Tenant is obligated to pay to Landlord on account of such additional premium shall be only the portion thereof that Landlord allocates equitably to Tenant. If such other party does not elect to pay such additional premium or if it is not possible to have the other party named as an additional insured (but not loss payee), even with the payment of an additional premium, then (in either event) the party whose insurer refuses to include such waiver of subrogation provision shall so notify the other party and such party shall not have the obligation to name the other party as an additional insured.

14.4. Evidence of Insurance.

On or prior to the Commencement Date, each party shall deliver to the other party appropriate certificates of insurance required to be carried by the parties pursuant to this Article 14, including evidence of waivers of subrogation and naming of additional insureds in either case as required by Section 14.3 hereof. Each party shall deliver to the other party evidence of each renewal or replacement of a policy at least twenty (20) days prior to the expiration of such policy.

14.5. No Concurrent Insurance.

Tenant shall not obtain any property insurance (under Tenant's Property Policy or otherwise) that covers the property that is covered by Landlord's Property Policy.

14.6. Tenant's Obligation to Comply with Landlord's Fire and Casualty Insurance.

If (i) Tenant (or any other Person claiming by, through or under Tenant) uses the Premises for any purpose other than general office use, and (ii) the use of the Premises by Tenant (or such other Person) causes the premium for Landlord's Property Policy to exceed the premium that would have otherwise applied therefor if Tenant (or such Person) used the Premises for general office use, then Tenant shall pay to Landlord, as additional rent, an amount equal to such excess, on or prior to the thirtieth (30th) day after the date that Landlord gives to Tenant an invoice therefor, together with reasonable supporting documentation for the charges set forth therein. Nothing contained in this Section 14.6 expands Tenant's rights under Article 3 hereof.

Article 15
CASUALTY

15.1. Notice.

Tenant shall notify Landlord promptly of any fire or other casualty that occurs in the Premises.

15.2. Landlord's Restoration Obligations.

Subject to the terms of this Section 15.2, Landlord, with reasonable diligence, shall repair the damage to (i) the Premises (including, without limitation, the Alterations), (ii) the Building Systems that service the Premises, and (iii) the common elements of the Building that Tenant uses to gain access to the Premises, in each case to the extent caused by fire or other casualty. Landlord shall commence the performance of such repairs as promptly as reasonably practicable after the occurrence of such fire or other casualty. Landlord shall use commercially reasonable efforts to perform such repairs diligently, in a good and workmanlike manner, and in a manner that minimizes to the extent reasonably practicable interference with Tenant's use and occupancy of any portion of the Premises that remains tenantable. Landlord shall not be required to restore Tenant's Property or the Specialty Alterations. Landlord shall not be required to commence such restoration until Tenant gives Landlord the notice described in Section 15.1 hereof (unless Landlord otherwise has received actual notice of the fire or other casualty). Landlord shall not be obligated to restore any Alterations unless (i) Tenant has Substantially Completed the performance thereof, (ii) Tenant has given Landlord notice to the effect that Tenant has Substantially Completed such Alterations, (iii) Tenant has given Landlord notice of the cost

incurred by Tenant in performing such Alterations, and (iv) Tenant has maintained records with respect to such Alterations in a form that allows Landlord to make a Ml insurance recovery therefor under Landlord's Property Policy. If (x) Tenant, as part of the Initial Alterations, demolishes all or a material part of the interior installation that exists in the Premises on the Commencement Date, and (y) the Premises (including any Alterations) is damaged by fire or other casualty at any time prior to the date that Tenant Substantially Completes the Initial Alterations therein, then Landlord's obligation to repair the Premises (and any Alterations) shall be limited to (x) the part of the Building Systems serving the Premises on the Commencement Date, but not the distribution portions of such Building Systems located within the Premises, (y) the floor and ceiling slabs of the Premises, and (z) the exterior walls of the Premises, all to substantially the same condition that existed on the Commencement Date. Landlord shall have the right to adapt the restoration of the Premises as contemplated by this Section 15.2 to comply with applicable Requirements that are then in effect. Landlord shall not be obligated to restore the Premises as provided in this Section 15.2 to the extent that this Lease terminates by reason of such fire or other casualty as provided in this Article 15.

15.3. Rent Abatement.

(A) Subject to Section 15.3 hereof, the Fixed Rent and the Tax Payment that is otherwise due and payable hereunder shall be reduced in the proportion that the number of square feet of Rentable Area of the part of the Premises that is not usable or accessible by Tenant by reason of such fire or other casualty bears to the total Rentable Area of the Premises immediately prior to such fire or other casualty, for the period commencing on the date of such fire or other casualty and ending on the date that Landlord Substantially Completes the restoration described in Section 15.2 hereof or the applicable portion of the Premises becomes accessible, as the case may be.

(B) If a fire or other casualty occurs in the Premises after the Commencement Date and prior to the Rent Commencement Date, then the aggregate abatement of Fixed Rent and the Tax Payment to which Tenant is entitled as contemplated by Section 15.3 hereof (from and after the Rent Commencement Date) shall be an amount equal to the aggregate abatement of Fixed Rent and the Tax Payment to which Tenant would have been entitled under Section 15.3 hereof if the Rent Commencement Date had occurred immediately prior to such fire or other casualty.

15.4. Landlord's Termination Right.

If the Building is so damaged by fire or other casualty that, in Landlord's opinion, substantial alteration, demolition, or reconstruction of the Building is required (regardless of whether the Premises have been damaged or rendered untenantable), then Landlord may terminate this Lease by giving Tenant notice thereof on or prior to the ninetieth (90th) day after such fire or other casualty. If Landlord elects to terminate this Lease as aforesaid, then (I) the Term shall expire on a date set by Landlord that (A) is not sooner than (i) the tenth (10th) day after the date that Landlord gives such notice (if all or substantially all of the Premises is rendered untenantable by such fire or other casualty), and (ii) the ninetieth (90th) day after the

date that Landlord gives such notice (if less than all or substantially all of the Premises is rendered untenantable by such fire or other casualty), and (B) is not later than the first (1st) anniversary of the date on which such fire or other casualty occurs, and (II) Tenant, on such date set by Landlord, shall vacate the Premises and surrender the Premises to Landlord in accordance with the terms of this Lease that govern Tenant's obligations upon the expiration or earlier termination of the Term. Upon the termination of this Lease under this Section 15.3(A), the Rental shall be apportioned and any prepaid portion of the Rental for any period after the Expiration Date shall be refunded promptly by Landlord to Tenant (and Landlord's obligation to make such refund shall survive the Expiration Date).

15.5. Termination Rights at End of Term.

If the Premises are substantially damaged by a fire or other casualty that occurs during the period of eighteen (18) months immediately preceding the Fixed Expiration Date, then Landlord or Tenant may elect to terminate this Lease by notice given to the other party within thirty (30) days after such fire or other casualty occurs. If either party makes such election, then the Term shall expire on the thirtieth (30th) day after the notice of such election is given, and, accordingly, Tenant, on or prior to such thirtieth (30th) day, shall vacate the Premises and surrender the Premises to Landlord in accordance with the provisions of this Lease that govern Tenant's obligation to deliver vacant and exclusive possession of the Premises to Landlord upon the expiration of the Term. Upon the termination of this Lease under this Section 15.5, the Rental shall be apportioned and any prepaid portion of the Rental for any period after the Expiration Date shall be refunded promptly by Landlord to Tenant (and Landlord's obligation to make such refund shall survive the Expiration Date). For purposes of this Section 15.5, the term "substantially damaged" shall mean that: (a) a fire or other casualty precludes Tenant from using more than thirty percent (30%) of the Premises for the conduct of its business, and (b) Tenant's inability to so use the Premises (or the applicable portion thereof) is reasonably expected to continue until at least the earlier to occur of (i) the Fixed Expiration Date, and (ii) the ninetieth (90th) day after the date that such fire or other casualty occurs.

15.6. No Other Termination Rights.

Tenant shall have no right to cancel this Lease by virtue of a fire or other casualty except to the extent specifically set forth in this Article 15. This Article 15 is intended to constitute an "express agreement to the contrary" for purposes of Section 227 of the New York Real Property Law.

Article 16
CONDEMNATION

16.1. Effect of Condemnation.

(A) Subject to the provisions of Section 16.2 hereof, if the entire Real Property, the entire Building or the entire Premises is condemned or otherwise acquired by the exercise of the power of eminent domain, then this Lease shall terminate as of the date that such condemnation or acquisition is consummated.

(B) If only a part of the Real Property and not the entire Premises is so acquired or condemned, then:

(1) except as hereinafter provided in this Section 16.1, this Lease shall remain effective, and, from and after the date that the condemnation or acquisition is consummated, (w) the Fixed Rent shall be reduced in the proportion that the number of square feet of Rentable Area of the part of the Premises so acquired or condemned bears to the total Rentable Area of the Premises immediately prior to such acquisition or condemnation, and (x) Tenant's Tax Share shall be redetermined based upon the proportion that the number of square feet of Rentable Area of the Premises that is remaining after such acquisition or condemnation bears to the number of square feet of Rentable Area of the Building that is remaining after such acquisition or condemnation;

(2) on or prior to the sixtieth (60th) day after the date that the condemnation or acquisition is consummated, Landlord shall have the right to terminate this Lease by giving notice to Tenant if either (i) at least fifteen percent (15%) of the usable area of the Premises is so acquired or condemned, or (ii) Landlord terminates leases (including this Lease) for at least fifty percent (50%) of the usable area of the Building (excluding any portion of the Building leased to or occupied by Landlord or Landlord's Affiliates); and

(3) if (a) the part of the Real Properly so acquired or condemned contains more than fifteen percent (15%) of the usable area of the Premises immediately prior to such acquisition or condemnation, or (b) by reason of such acquisition or condemnation, Tenant no longer has reasonable means of access to the Premises, then Tenant may elect to terminate this Lease by giving notice to Landlord on or prior to the sixtieth (60th) day after the date that Tenant is given notice of such acquisition or condemnation being consummated.

The Term shall expire on the thirtieth (30th) day after the date that Landlord or Tenant give any such notice to terminate this Lease.

(C) Landlord shall refund to Tenant, promptly after the date that such taking or acquisition becomes effective, any Rental that Tenant has theretofore paid for the Premises (or the applicable portion thereof that is so taken or acquired) to the extent that such Rental is properly allocable to the period after the date that such taking or acquisition becomes effective (and Landlord's obligation to make such refund shall survive the Expiration Date).

(D) If this Lease terminates pursuant to the provisions of this Section 16.1, then the Rental for the portion of the Premises that is not taken or acquired shall be apportioned as of the termination date. Landlord shall refund promptly to Tenant any Rental that Tenant has theretofore paid for any period after the date that such termination becomes effective (and Landlord's obligation to make such refund shall survive the Expiration Date).

(E) If a part of the Premises is so acquired or condemned and this Lease and the Term is not terminated pursuant to the foregoing provisions of this Section 16.1, then Landlord, at Landlord's expense, shall restore the part of the Premises that is not so acquired or condemned to a self-contained rental unit inclusive of Alterations that Tenant has theretofore Substantially Completed, except that if such acquisition or condemnation occurs prior to the Substantial Completion of the Initial Alterations, then Landlord shall only be required to restore the part of the Premises not so acquired or condemned to a self-contained rental unit exclusive of any Alterations.

16.2. Condemnation Award.

Subject to Section 16.3 hereof, Landlord shall be entitled to receive the entire award for any such acquisition or condemnation of all or any part of the Real Property. Tenant shall have no claim against Landlord or the condemning authority for the value of any unexpired portion of the Term, and, accordingly, Tenant hereby expressly assigns to Landlord all of its right in and to any such award. Nothing contained in this Section 16.2 shall be deemed to prevent Tenant from making a separate claim in any condemnation proceedings for the value of any Tenant's Property included in such taking, for any moving expenses or for the costs incurred by Tenant in performing the Initial Alterations (prior to Tenant's Substantial Completion thereof) in the portion of the Premises that is not so condemned or acquired.

16.3. Temporary Taking.

If the whole or any part of the Premises is acquired or condemned temporarily during the Term, then (a) Tenant shall give prompt notice thereof to Landlord, (b) the Term shall not be reduced or affected in any way, (c) Tenant shall continue to pay in full all items of Rental payable by Tenant hereunder without reduction or abatement, and (d) Tenant shall be entitled to receive for itself any award or payments for such use, provided, however, that if the acquisition or condemnation is for a period extending beyond the Term, then such award or payment shall be apportioned equitably between Landlord and Tenant. Tenant, at Tenant's expense, shall make Alterations to restore the Premises to the condition existing prior to any such temporary acquisition or condemnation.

Article 17
ASSIGNMENT AND SUBLETTING

17.1. General Limitations.

(A) Subject to the terms of this Article 17, without the prior consent of Landlord in each instance, Tenant shall not (i) assign Tenant's interest in this Lease, in whole or in part, by express assignment or by operation of law or by other means, (ii) sublease the Premises or any part thereof, (iii) permit a subtenant under a sublease that is consummated in accordance with the terms of this Article 17 to further sublease the Premises or any part thereof or to assign the subtenant's interest under any such sublease in whole or in part by express assignment or by operation of law or by other means, (iv) amend or modify any sublease that is

consummated in accordance with the terms of this Article 17, (v) mortgage or otherwise encumber Tenant's interest in this Lease, in whole or in part, or (vi) permit the Premises or any part thereof to be occupied by any Person other than Tenant (any of the events described in clauses (i) through (vi) above being referred to herein as a "Transfer"; Tenant and any other Person that has the right to occupy the Premises in accordance with the terms of this Article 17 (other than a Person that has the right to occupy the Premises by virtue of Landlord's exercising Landlord's rights under Section 17.3 hereof) being referred to herein as a "Permitted Party"). The termination or cancellation of a sublease shall not constitute a Transfer for purposes hereof.

(B) Subject to Section 17.7 hereof, the transfer of Control in a Permitted Party, however accomplished, whether in a single transaction or in a series of unrelated or related transactions, shall constitute an assignment of such Permitted Party's interest in this Lease or the Premises (as the case may be) for purposes of this Article 17.

(C) The consent by Landlord to any Transfer shall not relieve Tenant from its obligation to obtain the prior consent of Landlord to any other Transfer to the extent required by this Lease.

(D) The assignment by any Person that constitutes Tenant of the tenant's interest under this Lease shall not relieve such Person of the obligations of the tenant under this Lease. Such Person's liability under this Lease shall continue notwithstanding (x) the subsequent release of any other Person that constitutes Tenant from liability under this Lease, (y) any limitation on any such other Person's liability hereunder by virtue of the Bankruptcy Code, or (z) any modification or amendment of this Lease that Landlord consummates with any such other Person that constitutes Tenant subsequently; provided, however, that if such other Person is not an Affiliate of such Person, then any such modification or amendment shall not expand such Person's liability hereunder.

(E) Notwithstanding anything to the contrary contained herein, Tenant shall not, and Tenant shall not permit any other Permitted Party to, enter into any lease, sublease, license, concession or other agreement for use or occupancy of the Premises or any portion thereof which provides for a rental or other payment for such use or occupancy based in whole or in part on the net income or profits derived by any Person from the property leased, occupied or used, or which would require the payment of any consideration that would not qualify as "rents from real property," as that term is defined in Section 856(d) of the Internal Revenue Code of 1986, as amended.

(F) If Tenant assigns the tenant's interest under this Lease in violation of the terms of this Article 17, then such assignment shall be void and of no force and effect against Landlord; provided, however, that Landlord (x) may collect an amount equal to the then Rental from the assignee as a fee for such assignee's use and occupancy, and (y) shall apply the net amount collected to the Rental reserved in this Lease. If the Premises or any part thereof are sublet to, occupied by, or used by any Person other than Tenant (regardless of whether such subletting, occupancy or use violates this Article 17), then Landlord (a) after the occurrence of an Event of Default, may collect amounts from the subtenant, user or occupant as a fee for its use

and occupancy, and (b) shall apply the net amount collected to the Rental reserved in this Lease. No such assignment, subletting, occupancy or use, with or without Landlord's prior consent, nor any such collection or application of fees for use and occupancy, shall (i) be deemed a waiver by Landlord of any term, covenant or condition of this Lease, (ii) be deemed the acceptance by Landlord of such assignee, subtenant, occupant or user as tenant hereunder, or (iii) relieve Tenant of the obligations of the tenant under this Lease.

17.2. Landlord's Expenses.

Tenant shall reimburse Landlord for a reasonable processing fee, any reasonable Out-of-Pocket Costs that Landlord incurs in connection with any proposed Transfer, including, without limitation, reasonable attorneys' fees and disbursements, and the reasonable costs of making investigations as to the acceptability of the proposed Transferee, within thirty (30) days after Landlord gives to Tenant an invoice therefor together with reasonable supporting documentation for the charges set forth therein.

17.3. Recapture Procedure.

(A) Tenant shall have the right to institute the procedure described in this Section 17.3 (the "Recapture Procedure") only by giving to Landlord notice thereof (a "Transfer Notice"), which:

(1) refers expressly to this Section 17.3 and indicates that such notice constitutes a Transfer Notice,

(2) includes a copy of the documents that Tenant intends to use to evidence the proposed Transfer,

(3) identifies the Person to which Tenant proposes to make the Transfer (the Person to which a Transfer is made being referred to herein as a "Transferee"), and

(4) sets forth the date on which Tenant proposes that the term of a Transfer that constitutes a sublease, license or other similar agreement that grants occupancy rights will commence, or that a Transfer that constitutes an assignment will occur, as the case may be (such date being referred to herein as the "Transfer Date") (it being understood that the Transfer Date shall be no sooner than sixty (60) days, and no later than two hundred seventy (270) days, after the date that Tenant gives the Transfer Notice to Landlord) (the material terms of a proposed Transfer as set forth in the Transfer Notice being referred to herein as the "Proposed Transfer Terms").

(B) The term "Transfer Expenses" shall mean the actual Out-of-Pocket Expenses that Tenant pays solely in consummating a Transfer, including, without limitation, (i) brokerage commissions, (ii) allowances that Tenant makes available to the Transferee to fund the cost of Alterations that the Transferee makes to the Premises, (iii) costs that Tenant pays in making Alterations to prepare the Premises solely for the Transferee's initial occupancy, (iv) the amount payable to Landlord under Section 17.2 hereof for such Transfer, (v) reasonable

attorneys' fees and disbursements that Tenant pays in connection with consummating such Transfer, and (vi) the transfer taxes (and other similar charges and fees) that Tenant pays pursuant to Section 17.5 hereof.

(C) The term "Amortized Transfer Expenses" shall mean, with respect to any period, the amount of the Transfer Expenses that amortize during such period if the Transfer Expenses are amortized, in equal monthly installments, with interest calculated at the Base Rate, over the period that the Transferee is obligated to make payments to Tenant in respect of the applicable Transfer.

(D) The term "Recapture Date" shall mean the thirtieth (30th) day after the date that Tenant gives the Transfer Notice to Landlord.

(E)

(1) If (x) Tenant gives a Transfer Notice to Landlord, and (y) the Transfer described in the Transfer Notice constitutes a sublease for the Premises with respect to which the term thereof expires on or prior to the date that is eighteen (18) months before the Fixed Expiration Date (any sublease that expires before such date being referred to herein as a "Short-Term Sublease"), then Landlord shall have the right to sublease (or to cause the Recapture Subtenant to sublease) the Premises from Tenant, on the terms set forth in this Section 17.3(E), by giving notice thereof (the "Recapture Sublease Notice") to Tenant not later than the Recapture Date (as to which date time shall be of the essence) (any such sublease of the Premises that Landlord elects to consummate under this Section 17.3(E) being referred to herein as a "Recapture Sublease").

(2) If Landlord gives a Recapture Sublease Notice to Tenant, then Tenant shall, and Landlord shall (or Landlord shall cause the Recapture Subtenant to), consummate a Recapture Sublease for the Premises on the following terms:

(a) Landlord shall give to Tenant, within twenty (20) days after the date that Landlord gives to Tenant the Recapture Sublease Notice, a proposed sublease that conforms with the terms set forth in this Section 17.3(E) and is otherwise on the terms set forth in this Lease. Tenant shall execute and deliver such sublease promptly after Landlord's submission thereof to Tenant. Landlord shall execute and deliver (or cause the Recapture Subtenant to execute and deliver) such sublease promptly after Tenant delivers to Landlord the counterpart thereof that is executed by Tenant.

(b) Landlord shall have the right to designate that the subtenant under the Recapture Sublease is a Person other than Landlord (the Person that constitutes the subtenant under a Recapture Sublease being referred to herein as the "Recapture Subtenant").

(c) The rental payable by the Recapture Subtenant to Tenant shall be calculated on either of the following methods, as designated by Landlord (with the understanding that Landlord shall be deemed to have elected clause (i) below if Landlord does not designate otherwise in the Recapture Sublease Notice):

(i) the excess of (I) the rental that would have been payable by the Transferee for the applicable calendar month as contemplated by the Proposed Transfer Terms, over (II) the Amortized Transfer Expenses for such month that would have resulted from the Proposed Transfer Terms; or

(ii) the Fixed Rent and the Tax Payment that is due under this Lease for the Premises.

(d) The term of the Recapture Sublease shall commence on the Transfer Date and shall extend for the term set forth in the Transfer Notice as part of the Proposed Transfer Terms (with the understanding that the Recapture Subtenant shall have the right to extend the term of the Recapture Sublease for a term that corresponds, or for terms that correspond, to any renewal right or renewal rights that are set forth in the Transfer Notice as part of the Proposed Transfer Terms).

(e) If, during the term of the Recapture Sublease (or during the period that the Recapture Subtenant, or any Person claiming by, through or under the Recapture Subtenant, remains in occupancy of the Premises after the term of the Recapture Sublease expires or earlier terminates), an event or circumstance occurs that is attributable to the Recapture Subtenant (or a Person claiming by, through or under the Recapture Subtenant), then such event or circumstance shall not constitute a default by Tenant hereunder (and, accordingly, Tenant shall not have liability to Landlord in connection therewith).

(f) Tenant shall have the right to offset against the Rental due hereunder an amount equal to the rental that the Recapture Subtenant fails to pay when due to Tenant.

(g) The Recapture Subtenant (and any Person claiming by, through or under the Recapture Subtenant), during the term of the Recapture Sublease, shall have the right to make alterations to the Premises; provided, however, that the Recapture Subtenant shall be required to restore the Premises upon the expiration of the term of the Recapture Sublease to the extent required by the applicable Proposed Transfer Terms.

(h) The Recapture Subtenant shall have the right to further sublease the Premises, or assign the Recapture Subtenant's rights as subtenant under the Recapture Sublease, to any third party, without Tenant having any rights to consent thereto or to receive additional payments from the Recapture Subtenant in connection therewith.

(i) The Recapture Subtenant shall not have the right to receive from Tenant any free rent, tenant improvement allowance or other similar concession that constitutes part of the Proposed Transfer Terms.

(F)

(1) If (x) Tenant gives a Transfer Notice to Landlord, and (y) the Transfer described in the Transfer Notice constitutes either a sublease for the Premises (other than a

Short-Term Sublease) or an assignment, then Landlord shall have the right to terminate this Lease, on the terms set forth in this Section 17.3(F), by giving notice thereof (the "Recapture Termination Notice") to Tenant not later than the Recapture Date (any such termination of this Lease being referred to herein as a "Recapture Termination").

(2) If Landlord gives to Tenant a Recapture Termination Notice, then the Term shall terminate on the Transfer Date. If the Term so terminates on the Transfer Date, then Tenant, on the Transfer Date, shall vacate the Premises and deliver exclusive possession thereof to Landlord in accordance with the terms of this Lease that govern Tenant's obligations upon the expiration or earlier termination of the Term.

(3) If (x) Landlord elects to consummate a Recapture Termination, and (y) the Transfer described in the applicable Transfer Notice constitutes a sublease or sublicense, then Tenant shall pay to Landlord, as additional rent, on the first day of each calendar month during the period from the Transfer Date to the date that the term of such sublease or sublicense would have expired under the Proposed Transfer Terms, an amount equal to the excess (if any) of:

(a) the Fixed Rent and the Tax Payment that would have otherwise been due under this Lease since the Transfer Date for the Premises, over

(b) the sum of (A) the excess of (I) the rental that would have been payable by the Transferee since the Transfer Date as contemplated by the Proposed Transfer Terms, over (II) the Amortized Transfer Expenses under the Proposed Transfer Terms that would have theretofore accrued, and (B) the amounts theretofore paid by Tenant to Landlord under this Section 17.3(F)(3) in respect of such Recapture Termination.

Tenant's obligation to pay such amount to Landlord shall survive the termination of this Lease (or the termination of this Lease only with respect to the Recapture Space, as the case may be).

(4) If (x) Landlord elects to consummate a Recapture Termination, and (y) the Transfer described in the applicable Transfer Notice constitutes an assignment of Tenant's interest under this Lease, then Tenant shall pay to Landlord the sum of:

(a) the present value of the consideration (if any) that would have been payable by Tenant to the Transferee under the Proposed Transfer Terms (calculated as of the Transfer Date using a discount rate equal to the Base Rate), and

(b) the excess, if any, of (I) the present value of the Transfer Expenses that Tenant would have incurred under the Proposed Transfer Terms, over (II) the present value of the consideration (if any) that would have been payable by the Transferee to Tenant under the Proposed Transfer Terms (in either case calculated as of the Transfer Date using a discount rate equal to the Base Rate).

Tenant shall pay the amounts described in clauses (a) and (b) above on the Transfer Date. Tenant's obligation to pay such amounts to Landlord shall survive the termination of this Lease (or the termination of this Lease only with respect to the Recapture Space, as the case may be).

17.4. Certain Transfer Rights.

Subject to Section 17.7 hereof, Landlord shall not unreasonably withhold, condition or delay Landlord's consent to Tenant's consummating a Transfer, provided that:

(A) Tenant has theretofore instituted the Recapture Procedure for such Transfer; provided, however, that Tenant shall not be required to have instituted the Recapture Procedure for a Transfer that is proposed to be consummated by a Permitted Party other than Tenant;

(B) Landlord's right to elect to consummate a Recapture Sublease or a Recapture Termination (as the case may be) with respect to the proposed Transfer has lapsed (without Landlord's having exercised Landlord's rights to consummate a Recapture Sublease or a Recapture Termination (as the case may be)); provided, however, that this Section 17.4(B) shall not apply for a Transfer that is proposed to be consummated by a Permitted Party other than Tenant;

(C) the Transfer is on terms that are at least as favorable to Tenant as the Proposed Transfer Terms; provided, however, that this Section 17.4(C) shall not apply for a Transfer that is proposed to be consummated by a Permitted Party other than Tenant;

(D) the Transfer occurs no earlier than the thirtieth (30th) day before the Transfer Date and no later than the thirtieth (30th) day after the Transfer Date; provided, however, that this Section 17.4(D) shall not apply for a Transfer that is proposed to be consummated by a Permitted Party other than Tenant;

(E) Tenant submits to Landlord a counterpart of the documents that Tenant intends to use to consummate the proposed Transfer, which have been executed and delivered by Tenant and the proposed Transferee, and which are subject to no conditions to the effectiveness thereof (other than Landlord's granting Landlord's consent thereto);

(F) the Premises has not been listed or otherwise publicly advertised at a rental rate that is less than the prevailing rental rate set by Landlord for comparable space in the Building, or, if there is no comparable space, the prevailing rental rate reasonably determined by Landlord (it being agreed that nothing contained in this clause (F) prohibits Tenant from (I) consummating a Transfer at a rental rate that is less than such prevailing rate, or (II) disseminating broker's fliers or other marketing materials that indicate that the rental rate for the Premises is available upon request);

(G) no Event of Default has occurred and is continuing;

(H) the proposed Transferee has a financial standing that is reasonably satisfactory to Landlord;

(I) the proposed Transferee is of a character, is engaged in a business, and proposes to use the Premises in a manner that in each case is in keeping with the standards of a first-class office building in the vicinity of the Building;

(J) the proposed Transferee, or any Affiliate of the proposed Transferee, does not occupy any space in the Building;

(K) neither the proposed Transferee, nor an Affiliate of the proposed Transferee, is a Person with whom Landlord is then engaged in *bona fide* negotiations regarding the leasing or subleasing of space in the Building;

(L) if the Transfer constitutes a sublease, then the term thereof shall be for no less than one (1) year (unless such term commences less than one (1) year before the Fixed Expiration Date, in which case the term thereof shall extend for the remaining balance of the Term, with the understanding that a sublease shall be deemed to extend for the remaining balance of the Term for purposes of this clause (M) if the term of such sublease expires no earlier than one (1) day before the Fixed Expiration Date);

(M) any sublease of the Premises does not consist of less than the entire Rentable Area thereof;

(N) the use of the Premises by the Transferee does not violate any rights that Landlord has theretofore granted to a third party;

(O) Tenant, and the Transferee, executes and delivers to Landlord a consent to the Transfer in a form reasonably designated by Landlord;

(P) if the Transfer constitutes an assignment of the tenant's interest under this Lease, the assignee has expressly assumed all of the obligations of Tenant hereunder to the extent accruing from and after the date that the Transfer is effective; and

(Q) if the Transfer constitutes a sublease, such sublease provides expressly that (i) such sublease is subject and subordinate to the Lease (and to the terms thereof), and (ii) if this Lease terminates, then Landlord, at Landlord's option, may take over all of the right, title and interest of Tenant under such sublease, and the Transferee, at Landlord's option, shall attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be:

(1) liable for any act or omission of Tenant under such sublease (except for any such acts or omissions that (x) continue after the date that Landlord succeeds to the interest of the Transferor under such sublease, and (y) may be remedied by the providing a service or performing a repair),

(2) subject to any defense or offsets which the Transferee may have against Tenant that accrue prior to the date that Landlord succeeds to the interest of the Transferor,

(3) bound by any previous payment that the Transferee made to Tenant more than thirty (30) days in advance of the date that such payment was due,

(4) bound by any obligation to make any payment to or on behalf of the Transferee that accrues prior to the date that Landlord succeeds to the interest of the Transferor under such sublease,

(5) bound by any obligation to perform any work or to make improvements to the Premises (other than the obligation to perform maintenance, repairs or restoration that in each case first becomes necessary from and after the date that Landlord succeeds to the interest of the Transferor under such sublease) (with the understanding, however, that if (I) the Premises is damaged by fire or other casualty, or affected by condemnation, prior to the date that Landlord succeeds to the interest of the Transferor under such sublease, (II) Landlord would have otherwise been required to perform the restoration of the Premises, or the applicable portion thereof, that is required by virtue of such fire or other casualty, or such condemnation, in accordance with the terms hereof, and (III) Landlord does not elect to perform such restoration by giving notice thereof to the subtenant on or prior to the tenth (10th) day after the date that Landlord so succeeds, then such subtenant shall have the right to terminate such sublease (and such subtenant's obligation to so attorn to Landlord, as aforesaid) by giving notice thereof to Landlord within ten (10) days after the last day of such period of ten (10) days during which Landlord has the right to give such notice to such subtenant),

(6) bound by any amendment or modification of such sublease made without Landlord's consent, or

(7) bound to return the Transferee's security deposit, if any, until such deposit has come into Landlord's actual possession and the Transferee is entitled to such security deposit pursuant to the terms of such sublease (the requirements of a proposed sublease as set forth in this Section 17.4(Q) being collectively referred to herein as the "Basic Sublease Provisions").

Landlord shall have the right to withhold Landlord's consent to any proposed Transfer made by any Person (other than Tenant) in Landlord's sole and absolute discretion.

17.5. Transfer Taxes.

Tenant shall pay any transfer taxes (and other similar charges and fees) that any Governmental Authority imposes in connection with any Transfer (including, without limitation, any such transfer taxes, charges or fees that a Governmental Authority imposes in connection with Landlord's exercising Landlord's rights to consummate a Recapture Sublease or a Recapture Termination (as the case may be)).

17.6. Transfer Profit.

(A) Subject to the terms of this Section 17.6 and Section 17.7 hereof, Tenant shall pay as additional rent to Landlord, on the first (1st) day of each calendar month during the Term in the same manner as Fixed Rent, an amount equal to the excess of (I) fifty percent (50%)

of the Transfer Profit for each Transfer that is determined as of the last day of the immediately preceding calendar month, over (II) the aggregate amount of the payments that Tenant has theretofore paid to Landlord for such Transfer under this Section 17.6(A).

(B)

(1) The term "Transfer Profit" shall mean, with respect to any particular Transfer, the excess (if any) of (x) the Transfer Inflow for such Transfer for the period beginning on the first (1st) day of the term of the applicable Transfer (if such Transfer is a sublease or sublicense) or the date that such Transfer becomes effective (if such Transfer is an assignment of the tenant's interest under this Lease) (as the case may be), over (y) the sum of (a) the Transfer Outflow for such Transfer for such period, and (b) the Amortized Transfer Expenses for such Transfer for such period.

(2) The term "Transfer Inflow" shall mean, with respect to any particular Transfer for any particular period, the amount that Tenant receives during such period from or on behalf of the Transferee in connection with the applicable Transfer.

(3) The term "Transfer Outflow" shall mean:

(a) with respect to any Transfer that is a sublease or sublicense, the aggregate amount that Tenant pays during the applicable period for the Premises to Landlord as Rental under this Lease, and

(b) with respect to any Transfer that is an assignment of the tenant's interest under this Lease, the Transfer Outflow thereof shall be zero.

(C) If Tenant (or an Affiliate thereof) receives in a transaction that occurs concurrently with the applicable Transfer consideration from the Transferee (or an Affiliate thereof) for the sale or lease of personal property or for services that Tenant (or an Affiliate thereof) agrees to provide for the Transferee (or an Affiliate thereof), then (I) the Transfer Inflow shall include (in addition to the consideration that Tenant receives for the Transfer) an amount equal to such other consideration, and (II) the Transfer Outflow shall include (in addition to the items that are otherwise includible in Transfer Outflow for purposes hereof) (a) the cost that Tenant (or such Affiliate thereof) incurs in acquiring the personal property that Tenant (or such Affiliate thereof) sells to the Transferee (or an Affiliate thereof) in such concurrent transaction (to the extent that such cost has not theretofore been amortized in accordance with generally accepted accounting principles), (b) the amortization of the cost that Tenant (or such Affiliate thereof) incurs in acquiring any personal property that Tenant (or such Affiliate thereof) leases to the Transferee, or (c) the cost that Tenant (or an Affiliate thereof) incurs in providing such services, as the case may be.

17.7. Permitted Transfers.

(A) The term "Net Worth Assignment Requirement" shall mean the requirement that Tenant has provided to Landlord, not later than the tenth (10th) Business Day

after the applicable assignment has been consummated, a balance sheet for Tenant and an audited balance sheet for the assignee that in either case is dated no earlier than the last day of the most recently ended fiscal quarter (or the last day of the fiscal quarter that immediately precedes the most recently ended fiscal quarter, if the applicable assignment occurs less than sixty (60) days after the last day of the most recently ended fiscal quarter) and that reflects that the assignee's tangible net worth, as determined in accordance with generally accepted accounting principles, consistently applied, is not less than the greater of (I) the tangible net worth of Tenant on the Commencement Date, and (II) the tangible net worth of Tenant on the date of such most recent balance sheet, as aforesaid.

(B) Tenant shall have the right to assign Tenant's entire interest under this Lease to an Affiliate of Tenant without (x) Landlord's prior approval, (y) Landlord's having the right to consummate a Recapture Termination in respect thereof, and (z) Tenant's being required to pay Transfer Profit to Landlord in connection therewith, provided that in each case (i) Tenant gives to Landlord, not later than the tenth (10th) Business Day after any such assignment is consummated, an instrument, duly executed by Tenant and the aforesaid Affiliate of Tenant, in form reasonably satisfactory to Landlord, to the effect that such Affiliate assumes all of the obligations of Tenant under this Lease to the extent arising from and after the date of such assignment, (ii) Tenant, with such notice, provides Landlord with reasonable evidence to the effect that the Person to which Tenant is so assigning Tenant's interest under this Lease constitutes an Affiliate of Tenant, and (iii) the Net Worth Assignment Requirement is satisfied.

(C) The merger or consolidation of Tenant into or with another Person shall be permitted without (x) Landlord's prior approval, (y) Landlord's having the right to consummate a Recapture Termination in respect thereof, and (z) Tenant's being required to pay Transfer Profit to Landlord in connection therewith, provided that in each case (i) such merger or consolidation is not principally for the purpose of transferring Tenant's interest in this Lease, (ii) Tenant gives Landlord notice of such merger or consolidation not later than the tenth (10th) Business Day after the occurrence thereof, (iii) Tenant, within ten (10) Business Days after such merger or consolidation, provides Landlord with reasonable evidence that the requirement described in clause (i) above has been satisfied, and (iv) the Net Worth Assignment Requirement is satisfied.

(D) The assignment of Tenant's entire interest under this Lease in connection with the sale of all or substantially all of the assets of Tenant shall be permitted without (x) Landlord's prior approval, (y) Landlord's having the right to consummate a Recapture Termination in respect thereof, and (z) Tenant's being required to pay Transfer Profit to Landlord in connection therewith, provided that in each case (i) Tenant gives to Landlord, not later than the tenth (10th) Business Day after any such assignment is consummated, an instrument, duly executed by Tenant and the Transferee, in form reasonably satisfactory to Landlord, to the effect that such Transferee assumes all of the obligations of Tenant to the extent arising under this Lease from and after the date of such assignment, (ii) such sale of all or substantially all of the assets of Tenant is not principally for the purpose of transferring Tenant's interest in this Lease, (iii) Tenant, within ten (10) Business Days after such sale, provides Landlord with reasonable evidence that the requirement described in clause (ii) above has been satisfied, and (iv) the Net Worth Assignment Requirement is satisfied.

(E) The direct or indirect transfer of shares or equity interests in Tenant (including, without limitation, the issuance of treasury stock, or the creation or issuance of a new class of stock, in either case in the context of an initial public offering or in the context of a subsequent offering of equity securities) shall be permitted without (x) Landlord's prior approval, (y) Landlord's having the right to consummate a Recapture Termination in respect thereof, and (z) Tenant's being required to pay Transfer Profit to Landlord in connection therewith, provided that in each case (i) such transfer is not principally for the purpose of transferring the interest of Tenant under this Lease, (ii) Tenant gives Landlord notice of such transfer not later than the tenth (10th) Business Day after the occurrence thereof, and (iii) Tenant, within ten (10) Business Days after the date that such transfer occurs, provides Landlord with reasonable evidence that the requirement described in clause (i) has been satisfied (except that Tenant shall not be required to comply with this clause (iii) to the extent that such direct or indirect transfer of shares or equity interests is accomplished through the public "over-the-counter" securities market or through any recognized stock exchange).

(F) Tenant shall have the right to sublease or license the Premises to an Affiliate of Tenant, without (x) Landlord's prior approval, (y) Landlord's having the right to consummate a Recapture Termination or a Recapture Sublease in respect thereof, and (z) Tenant's being required to pay Transfer Profit to Landlord in connection therewith, provided that in each case (i) Tenant gives to Landlord a copy of such sublease or license, not later than the tenth (10th) Business Day after any such sublease or license is consummated, (ii) Tenant, with such copy of such sublease or license, provides Landlord with reasonable evidence to the effect that the Person to which Tenant is so subleasing or licensing the Premises constitutes an Affiliate of Tenant, and (iii) such sublease includes the Basic Sublease Provisions.

(G) If (I) Tenant assigns Tenant's entire interest under this Lease to an Affiliate of Tenant without Landlord's consent as provided in this Section 17.7 and without paying to Landlord any Transfer Profit that derives therefrom, and (II) the assignee subsequently assigns the interest of such assignee under this Lease to a third party in a Transfer that is not governed by the provisions of this Section 17.7, then, for purposes of calculating the Transfer Profit that is due to Landlord for such subsequent assignment, the parties shall assume that the assignment that Tenant consummated without Landlord's approval under this Section 17.7 did not occur previously (and, accordingly, the parties, in calculating Transfer Profit for such Transfer that is not governed by this Section 17.7, shall include any Transfer Profit that resulted from the prior Transfer from Tenant to its Affiliate).

17.8. Special Occupants.

Tenant may permit portions of the Premises to be occupied, at any time and from time to time, by Persons who are not members, officers or employees of Tenant (each such Person who is permitted to occupy portions of the Premises pursuant to this Section 17.8 being referred to herein as a "Special Occupant"), without (x) Landlord's prior approval or consent, (y) Landlord's having the right to consummate a Recapture Termination or a Recapture Sublease in respect thereof, and (z) Tenant's being required to pay Transfer Profit to Landlord in connection therewith, provided that, in each case, (i) no demising walls are erected in the Premises

separating the space used by a Special Occupant from the remainder of the Premises, (ii) the Special Occupant uses the Premises in conformity with all applicable provisions of this Lease, (iii) the use of any portion of the Premises by any Special Occupant shall not create any right, title or interest of the Special Occupant in or to the Premises, (iv) no more than one (1) Special Occupant (in addition to Tenant) shall occupy the Premises or any portion thereof at any given time during the Term, (v) the portion of the Premises used by any such Special Occupant shall not exceed two (2) offices, (vi) such Person maintains a business relationship with Tenant (other than by virtue of such occupancy) and such business relationship extends during the term of such occupancy, (vii) the Special Occupant does not pay for its occupancy rights an amount greater than the Rental that is reasonably allocable to the portion of the Premises that the Special Occupant has the right to occupy, and (viii) at least ten (10) days prior to a Special Occupant taking occupancy of a portion of the Premises, Tenant gives notice to Landlord advising Landlord of (1) the name and address of such Special Occupant, (2) the character and nature of the business to be conducted by such Special Occupant, (3) the number of square feet of Rentable Area to be occupied by such Special Occupant, (4) the duration of such occupancy, and (5) the rent, if any, to be paid by such Special, Occupant for its use of the applicable portion of the Premises. Within ten (10) Business Days after request by Landlord from time to time, Tenant shall provide Landlord with a list of the names of all Special Occupants then occupying any portion of the Premises and a description of the spaces occupied thereby.

Article 18
LANDLORD'S RIGHT TO RELOCATE TENANT

18.1. Landlord's Rights.

(A) Subject to the terms of this Section 18.1, Landlord, at any time and from time to time during the Term, shall have the right to relocate Tenant from the Premises (the Premises from which Tenant is being relocated pursuant to this Section 18.1 being referred to herein as the "Old Premises") to other space in the Building (such other space being referred to as the "New Premises"; Landlord's aforesaid right to relocate Tenant from the Old Premises to the New Premises being referred to herein as the "Relocation Option").

(B) Landlord shall have the right to exercise the Relocation Option only by giving notice thereof (the "Relocation Notice") to Tenant not later than forty-five (45) days before the date that the aforesaid relocation becomes effective (the date that the relocation becomes effective being referred to herein as the "Relocation Date"). A Relocation Notice shall not be effective for purposes of this Section 18.1 unless Landlord includes therewith a floor plan identifying the New Premises. The New Premises shall (i) be comprised of Rentable Area equal to or greater than the Rentable Area of the Old Premises, and (ii) be similar in configuration to the Old Premises. Landlord, at Landlord's expense, shall construct in the New Premises, not later than the Relocation Date, an interior installation that is as comparable as reasonably practicable to the interior installation that then exists in the Old Premises.

(C) Tenant shall cooperate reasonably with Landlord in connection with Landlord's designing and performing the construction of such interior installation in the New Premises. Such interior installation that Landlord constructs in the New Premises shall constitute the same Alterations and Specialty Alterations (as the case may be) as the corresponding Alterations and Specialty Alterations constituted in the Old Premises (from and after the date that Landlord completes the installation thereof in accordance with the terms of this Section 18.1). Tenant shall vacate the Old Premises and surrender vacant and exclusive possession of the Old Premises to Landlord on or before the Relocation Date, provided that Landlord has theretofore delivered vacant and exclusive possession of the New Premises to Tenant in accordance with the terms of this Section 18.1. Tenant shall not be required to remove any Alterations from the Old Premises by virtue of Landlord's exercise of the Relocation Option. Landlord shall reimburse Tenant for any reasonable moving expenses and for any other reasonable costs and expenses incurred by Tenant in so relocating to the New Premises from the Old Premises, within thirty (30) days after Tenant's request therefor and Tenant's submission to Landlord of reasonable supporting documentation therefor.

(D) From and after the Relocation Date, all references to the Premises herein shall mean the New Premises rather than the Old Premises.

(E) In the event that Landlord exercises the Relocation Option and delivers the Relocation Notice to Tenant, Tenant shall have the right to terminate this Lease ("Tenant's Termination Right"), effective as of the Relocation Date, by providing Landlord with notice within five (5) days of Tenant's receipt of the Relocation Notice from Landlord (time being of the essence). If Tenant exercises Tenant's Termination Right as provided in this Section 18.1(E), then Tenant, on the Relocation Date, shall vacate the Premises and surrender the Premises to Landlord in accordance with the terms of this Lease that govern Tenant's obligations upon the expiration or earlier termination of the Term and the Relocation Date shall be deemed the Expiration Date for purposes of this Lease.

Article 19
DEFAULT

19.1. Events of Default.

The term "Event of Default" shall mean the occurrence of any of the following events:

(A) Tenant fails to pay any installment of Fixed Rent when due and such failure continues for five (5) Business Days after the date that Landlord gives notice of such failure to Tenant; provided, however, that if (x) Tenant fails to pay any installment of Fixed Rent when due, (y) Tenant has theretofore failed to pay at least three (3) installments of Fixed Rent when due during the immediately preceding period of twelve (12) months, and (z) Landlord has theretofore given Tenant notice of Tenant's aforesaid failure to pay when due at least three (3) installments of Fixed Rent during such period of twelve (12) months, then Tenant's failure to pay such installment of Fixed Rent shall constitute an Event of Default (without Landlord's being required to first give Tenant notice of such failure and an opportunity to cure such failure, as aforesaid);

(B) Tenant fails to pay any installment of Rental (other than Fixed Rent) when due and such failure continues for five (5) Business Days after the date that Landlord gives notice of such failure to Tenant;

(C) Tenant's interest under this Lease (or the subtenant's interest under a sublease that Tenant consummates in accordance with the terms of Article 17 hereof) devolves upon or passes to any other Person, whether by operation of law or otherwise, except as expressly permitted under Article 17 hereof, and such Transfer is not reversed within ten (10) days after the date that such Transfer occurs;

(D) Tenant defaults in respect of Tenant's obligations under Section 4.8 hereof, and such default continues for more than three (3) Business Days after Landlord gives Tenant notice thereof;

(E) Tenant defaults in respect of Tenant's obligations under Section 7.5(A)(4) hereof, and such default continues for more than five (5) Business Days after Landlord gives Tenant notice thereof;

(F) if Tenant deposits the Letter of Credit with Landlord in accordance with the terms of Section 23.2 hereof, (i) Landlord presents the Letter of Credit for payment in accordance with the terms hereof, (ii) the issuer thereof fails to make payment thereon in accordance with the terms thereof, and (iii) either Tenant or such issuer fails to make such payment to Landlord within four (4) Business Days after the date that Landlord gives Tenant notice of such failure of such issuer;

(G) Tenant fails to deposit with Landlord any portion of the Cash Security Deposit that Landlord applies after the occurrence of an Event of Default as provided in Section 23.3 hereof or provide Landlord with a replacement Letter of Credit after Landlord presents the Letter of Credit for payment to apply the proceeds thereof after the occurrence of an Event of Default as provided in Section 23.3 hereof in either case within five (5) Business Days after the date that Landlord gives Tenant notice demanding that Tenant make such deposit or provide such replacement;

(H) Tenant defaults in the observance or performance of any other covenant of this Lease on Tenant's part to be observed or performed and Tenant fails to remedy such default within twenty (20) days after Landlord gives Tenant notice thereof, except that if (i) such default cannot be remedied with reasonable diligence during such period of thirty (30) days, (ii) Tenant takes reasonable steps during such period of thirty (30) days to commence Tenant's remedying of such default, and (iii) Tenant prosecutes diligently Tenant's remedying of such default to completion, then an Event of Default shall not occur by reason of such default; or

(I) the Premises are abandoned.

19.2. Termination.

If (1) an Event of Default occurs, and (2) Landlord, at any time thereafter, at Landlord's option, gives a notice to Tenant stating that this Lease and the Term shall expire and terminate on the third (3rd) Business Day after the date that Landlord gives Tenant such notice, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as of the third (3rd) Business Day after the date that Landlord gives Tenant such notice, and Tenant immediately shall quit and surrender the Premises, but Tenant shall nonetheless remain liable for all of its obligations hereunder, as provided in Article 21 hereof and Article 22 hereof.

Article 20
TENANT'S INSOLVENCY

20.1. Assignments pursuant to the Bankruptcy Code.

(A) The term "Bankruptcy Code" shall mean 11 U.S.C. Section 101 et seq., or any statute of similar nature and purpose.

(B) If Tenant, Tenant's trustee or Tenant as debtor-in-possession (each, an "Insolvency Party") proposes to assign the tenant's interest hereunder pursuant to the provisions of the Bankruptcy Code to any Person that has made a *bona fide* offer to accept an assignment of the tenant's interest under this Lease on terms acceptable to Tenant, then the Insolvency Party shall give to Landlord notice of such proposed assignment no later than twenty (20) days after the date that the Insolvency Party receives such offer, but in any event no later than ten (10) days before the date that the Insolvency Party makes application to a court of competent jurisdiction for authority and approval to consummate such assignment. Such notice given by the Insolvency Party to Landlord shall (a) set forth the name and address of such Person that has made such *bona fide* offer, (b) set forth all of the terms and conditions of such *bona fide* offer, and (c) confirm that such Person will provide to Landlord adequate assurance of future performance that conforms with the terms of Section 20.1(D) hereof. Landlord shall have the right to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the *bona fide* offer made by such Person (less any brokerage commissions that would otherwise be payable by the Insolvency Party out of the consideration to be paid by such Person in connection with such assignment of the tenant's interest under this Lease), by giving notice thereof to the Insolvency Party at any time prior to the effective date of such proposed assignment.

(C) Tenant shall pay to Landlord an amount equal to the reasonable Out-of-Pocket Costs that Landlord incurs in connection with Tenant's assignment of the tenant's interest hereunder pursuant to the provisions of the Bankruptcy Code, within thirty (30) days after Landlord's submission to Tenant of an invoice therefor that contains reasonable supporting documentation for the charges described therein.

(D) A Person that submits a *bona fide* offer to take by assignment the tenant's interest under this Lease as described in Section 20.1(B) hereof shall be deemed to have provided

Landlord with adequate assurance of future performance only if such Person (a) deposits with Landlord simultaneously with such assignee's taking by assignment the tenant's interest under this Lease an amount equal to the then annual Fixed Rent, as security for the faithful performance and observance by such assignee of the tenant's obligations of this Lease (and such Person gives to Landlord, at least five (5) days prior to the date that the proposed assignment becomes effective, information reasonably satisfactory to Landlord that indicates that such Person has the ability to post such deposit), (b) gives to Landlord, at least five (5) days prior to the date that the proposed assignment becomes effective, such Person's financial statements, audited by a certified public accountant in accordance with generally accepted accounting principles, consistently applied, for the three (3) fiscal years that immediately precede such assignment, that indicate that such Person has a tangible net worth of at least ten (10) times the then annual Fixed Rent for each of such three (3) years, and (c) gives to Landlord, at least five (5) days prior to the date that the proposed assignment becomes effective, such other information or takes such action that in either case Landlord, in its reasonable judgment, determines is necessary to provide adequate assurance of the performance by such assignee of the obligations of the tenant under this Lease; provided, however, that in no event shall such adequate assurance of future performance be less favorable to Landlord than the assurance contemplated by Section 365(b)(3) of the Bankruptcy Code (notwithstanding that this Lease may not be construed as a lease of real property in a shopping center).

(E) If Tenant's interest under this Lease is assigned to any Person pursuant to the provisions of the Bankruptcy Code, then any such assignee shall (x) be deemed without further act or deed to have assumed all the obligations of the tenant arising under this Lease from and after the date of such assignment, and (y) execute and deliver to Landlord upon demand an instrument confirming such assumption.

(F) Nothing contained in this Article 20 limits Landlord's rights against Tenant under Article 17 hereof.

20.2. Replacement Lease.

If (i) Tenant is not the Person that constituted Tenant initially, and (ii) either (I) this Lease is disaffirmed or rejected pursuant to the Bankruptcy Code, or (II) this Lease terminates by reason of occurrence of an Insolvency Event, then, subject to the terms of this Section 20.2, the Persons that constituted Tenant hereunder previously, including, without limitation, the Person that constituted Tenant initially (each such Person that previously constituted Tenant hereunder (but does not then constitute Tenant hereunder), and with respect to which Landlord exercises Landlord's rights under this Section 20.2, being referred to herein as a "Predecessor Tenant") shall (1) pay to Landlord the aggregate Rental that is then due and owing by Tenant to Landlord under this Lease to and including the date of such disaffirmance, rejection or termination, and (2) enter into a new lease, between Landlord, as landlord, and the Predecessor Tenant, as tenant, for the Premises, and for a term commencing on the effective date of such disaffirmance, rejection or termination and ending on the Fixed Expiration Date, at the same Fixed Rent and upon the then executory terms that are contained in this Lease, except that (a) the Predecessor Tenant's rights under the new lease shall be subject to the possessory rights of Tenant under this Lease

and the possessory rights of any Person claiming by, through or under Tenant or by virtue of any statute or of any order of any court, and (b) such new lease shall require all defaults existing under this Lease to be cured by the Predecessor Tenant with reasonable diligence. Landlord shall have the right to require the Predecessor Tenant to execute and deliver such new lease on the terms set forth in this Section 20.2 only by giving notice thereof to Tenant and to the Predecessor Tenant within thirty (30) days after Landlord receives notice of any such disaffirmance or rejection (or, if this Lease terminates by reason of Landlord making an election to do so, then Landlord may exercise such right only by giving such notice to Tenant and the Predecessor Tenant within thirty (30) days after this Lease so terminates). If the Predecessor Tenant defaults in its obligation to enter into said new lease for a period of ten (10) days following Landlord's request therefor, then, in addition to all other rights and remedies by reason of such default, either at law or in equity, Landlord shall have the same rights and remedies against such Predecessor Tenant as if such Predecessor Tenant had entered into such new lease and such new lease had thereafter been terminated as of the commencement date thereof by reason of such Predecessor Tenant's default thereunder.

20.3. Insolvency Events.

This Lease shall terminate automatically upon the occurrence of any of the following events:

(A) a Tenant Obligor commences or institutes any case, proceeding or other action (a) seeking relief on its behalf as debtor, or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, or (b) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or

(B) a Tenant Obligor makes a general assignment for the benefit of creditors; or

(C) any case, proceeding or other action is commenced or instituted against a Tenant Obligor (a) seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, or (b) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, which in either of such cases (i) results in any such entry of an order for relief, adjudication of bankruptcy or insolvency or such an appointment or the issuance or entry of any other order having a similar effect, and (ii) remains undismissed for a period of sixty (60) days; or

(D) any case, proceeding or other action is commenced or instituted against a Tenant Obligor seeking issuance of a warrant of attachment, execution, distraint or similar

process against all or any substantial part of its property which results in the entry of an order for any such relief which is not vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or

(E) a Tenant Obligor takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clauses (A), (B), (C), or (D) above; or

(F) a trustee, receiver or other custodian is appointed for any substantial part of a Tenant Obligor's assets, and such appointment is not vacated or stayed within fifteen (15) Business Days (the events described in this Section 20.3 being collectively referred to herein as "Insolvency Events").

The term "Tenant Obligor" shall mean (a) Tenant, (b) any Person that comprises Tenant (if Tenant is comprised of more than one (1) Person), (c) any partner in Tenant (if Tenant is a general partnership), (d) any general partner in Tenant (if Tenant is a limited partnership), (e) any Person that has guarantied all or any part of the obligations of Tenant hereunder, and (f) any Person that previously constituted Tenant hereunder. If this Lease terminates pursuant to this Section 20.3, then (I) Tenant immediately shall quit and surrender the Premises, and (II) Tenant shall nonetheless remain liable for all of its obligations hereunder, as provided in Article 21 hereof and Article 22 hereof.

20.4. Effect of Stay.

Notwithstanding anything to the contrary contained herein, if (i) Landlord's right to terminate this Lease after the occurrence of an Event of Default, or the termination of this Lease upon the occurrence of an Insolvency Event, is stayed by order of any court having jurisdiction over an Insolvency Event, or by federal or state statute, (ii) the trustee appointed in connection with an Insolvency Event, or Tenant or Tenant as debtor-in-possession, fails to assume Tenant's obligations under this Lease on or prior to the earliest to occur of (a) the last day of the period prescribed therefor by law, (b) the one hundred twentieth (120th) day after entry of the order for relief, or (c) a date that is otherwise designated by the court, or (iii) said trustee, Tenant or Tenant as debtor-in-possession fails to provide adequate protection of Landlord's right, title and interest in and to the Premises or adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease as provided in Section 20.1(D) hereof, then Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate this Lease on five (5) Business Days of advance notice to Tenant, Tenant as debtor-in-possession or said trustee, and, upon the expiration of said period of five (5) Business Days, this Lease shall cease and expire as aforesaid and Tenant, Tenant as debtor-in-possession or said trustee shall immediately quit and surrender the Premises as aforesaid.

20.5. Rental for Bankruptcy Purposes.

Notwithstanding anything contained in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, regardless of whether such amounts are expressly denominated as Rental, shall constitute rent for the purposes of Section 502(b)(6) of the Bankruptcy Code, and Tenant's payment obligations with respect thereto shall constitute obligations to be timely performed pursuant to Section 365(d) of the Bankruptcy Code.

Article 21
REMEDIES AND DAMAGES

21.1. Certain Remedies.

(A) If (x) an Event of Default occurs and this Lease and the Term expires and comes to an end as provided in Article 19 hereof, or (y) this Lease terminates as provided in Section 20.3 hereof, then:

(1) Tenant shall immediately quit and peacefully surrender the Premises to Landlord, and Landlord and its agents may, without prejudice to any other remedy which Landlord may have, (a) re-enter the Premises or any part thereof, without notice, either by summary proceedings, or by any other applicable action or proceeding, or by lawful force (without being liable to indictment, prosecution or damages therefor), (b) repossess the Premises and dispossess Tenant and any other Persons from the Premises, and (c) remove any and all of their property and effects from the Premises; and

(2) Landlord, at Landlord's option, may relet the whole or any portion or portions of the Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the Fixed Expiration Date, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Landlord, in its sole discretion, may determine.

(B) Landlord shall have no obligation to relet the Premises or any part thereof and shall not be liable for refusal or failure to relet the Premises or any part thereof, or, in the event of any such reletting, for refusal or failure to collect any rent due upon any such reletting. Any such refusal or failure on Landlord's part shall not relieve Tenant of any liability under this Lease or otherwise affect any such liability. Landlord, at Landlord's option, may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting any such liability.

(C) In the event of a breach or threatened breach by Tenant, or any Persons claiming by, through or under Tenant, of any term, covenant or condition of this Lease, Landlord shall have the right to (1) enjoin or restrain such breach, (2) invoke any other remedy allowed by law or in equity as if re-entry, summary proceedings and other special remedies were not

provided in this Lease for such breach, and (3) seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease. The right to invoke the remedies hereinbefore set forth are cumulative and nonexclusive and shall not preclude Landlord from invoking any other remedy allowed at law or in equity.

21.2. No Redemption.

Tenant, on its own behalf and on behalf of all Persons claiming by, through or under Tenant, including all creditors, does hereby waive any and all rights which Tenant and all such Persons might have under any present or future law to redeem the Premises, or to re-enter or repossess the Premises, or to restore the operation of this Lease, after (a) Tenant has been dispossessed by a judgment or by warrant of any court or judge, or (b) any re-entry by Landlord, or (c) any expiration or termination of this Lease and the Term, whether such dispossess, re-entry, expiration or termination is by operation of law or pursuant to the provisions of this Lease. The words “re-enter,” “re-entry” and “re-entered” as used in this Lease shall not be deemed to be restricted to their technical legal meanings.

21.3. Calculation of Damages.

(A) If this Lease terminates by reason of the occurrence of an Event of Default or by reason of the occurrence of an Insolvency Event, then Tenant shall pay to Landlord, on demand, and Landlord shall be entitled to recover:

(1) all Rental payable under this Lease by Tenant to Landlord (x) to the date that this Lease terminates, or (y) to the date of re-entry upon the Premises by Landlord, as the case may be;

(2) the excess of (a) the Rental for the period which otherwise would have constituted the unexpired portion of the Term, over (b) the net amount, if any, of rents collected under any reletting effected pursuant to the provisions of clause (2) of Section 21.1(A) hereof for any part of such period (such excess being referred to herein as a “Deficiency”), as damages (it being understood that (x) such net amount described in clause (b) above shall be calculated by deducting from the rents collected under any such reletting all of Landlord’s expenses in connection with the termination of this Lease, Landlord’s re-entry upon the Premises and such reletting, including, but not limited to, all repossession costs, brokerage commissions, legal expenses, attorneys’ fees and disbursements, alteration costs, contributions to work and other expenses of preparing the Premises for such reletting, (y) any such Deficiency shall be paid in monthly installments by Tenant on the days specified in this Lease for payment of installments of Fixed Rent or Tax Payment (as the case may be), and (z) Landlord shall be entitled to recover from Tenant each monthly Deficiency as it arises, and no suit to collect the amount of the Deficiency for any month shall prejudice Landlord’s right to collect the Deficiency for any subsequent month by a similar proceeding); and

(3) regardless of whether Landlord has collected any monthly Deficiency as aforesaid, and in lieu of any further Deficiency, as and for liquidated and agreed final damages,

an amount equal to the excess (if any) of (a) the Rental for the period which otherwise would have constituted the unexpired portion of the Term (commencing on the date immediately succeeding the last date with respect to which a Deficiency, if any, was collected), over (b) the then fair and reasonable net effective rental value of the Premises for the same period (which is calculated by (X) deducting from the fair and reasonable rental value of the Premises the expenses that Landlord would reasonably expect to incur in reletting the Premises, including, but not limited to, all repossession costs, brokerage commissions, legal expenses, attorneys' fees and disbursements, alteration costs, contributions to work and other expenses of preparing the Premises for such reletting, and (Y) taking into account the time period that Landlord would reasonably require to consummate a reletting of the Premises to a new tenant), both discounted to present value at the Base Rate. If, before presentation of proof of such liquidated damages to any court, commission or tribunal, the Premises, or any part thereof, have been relet by Landlord to any Person other than an Affiliate of Landlord for the period which otherwise would have constituted the unexpired portion of the Term, or any part thereof, then the amount of rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value of the Premises (or the applicable part thereof) so relet during the term of the reletting.

(B) If the Premises, or any part thereof, are relet together with other space in the Building, then the rents collected or reserved under any such reletting and the expenses of any such reletting shall be equitably apportioned for the purposes of this Section 21.3. Tenant acknowledges and agrees that in no event shall it be entitled to any rents collected or payable under any reletting, regardless of whether such rents exceed the Rental reserved in this Lease.

(C) Nothing contained in this Article 21 shall be deemed to limit or preclude the recovery by Landlord from Tenant of the maximum amount allowed to be obtained as damages by any applicable statute or rule of law, or of any sums or damages to which Landlord may be lawfully entitled in addition to the damages set forth in this Section 21.3.

Article 22
LANDLORD'S EXPENSES AND LATE CHARGES

22.1. Landlord's Costs.

(A) Tenant shall pay to Landlord an amount equal to the reasonable costs that Landlord incurs in instituting or prosecuting any legal proceeding against Tenant (or any other Person claiming by, through or under Tenant) to the extent that such legal proceeding derives from the occurrence of an Event of Default, together with interest thereon calculated at the Applicable Rate from the date that Landlord incurs such costs, within thirty (30) days after Landlord gives to Tenant an invoice therefor (it being understood that (x) Landlord shall have the right to collect such amount from Tenant as additional rent to the extent that Landlord incurs such costs during the Term and as damages to the extent that Landlord incurs such costs after the Expiration Date, and (y) the amount that Landlord has the right to collect from Tenant under this Section 22.1(A) shall be adjusted appropriately to reflect the extent to which Landlord is successful in such legal proceeding).

(B) Tenant shall pay to Landlord an amount equal to the reasonable costs that Landlord incurs in defending successfully against a claim made by Tenant (or any other Person claiming by, through or under Tenant) against Landlord that relates to this Lease in a legal proceeding, together with interest thereon calculated at the Applicable Rate from the date that Landlord incurs such costs, within thirty (30) days after Landlord gives to Tenant an invoice therefor (it being understood that (x) Landlord shall have the right to collect such amount from Tenant as additional rent to the extent that Landlord incurs such costs during the Term and as damages to the extent that Landlord incurs such costs after the Expiration Date, and (y) the amount that Landlord has the right to collect from Tenant under this Section 22.1(B) shall be adjusted appropriately to reflect the extent to which Landlord is successful in defending against such claim).

22.2. Interest on Late Payments.

If Tenant fails to pay any item of Rental on or prior to the date that such payment is due, then Tenant shall pay to Landlord, in addition to such item of Rental, as a late charge and as additional rent, an amount equal to interest at the Applicable Rate on the amount unpaid, computed from the date such payment was due to and including the date of payment. Nothing contained in this Section 22.2 limits Landlord's rights and remedies, by operation of law or otherwise, after the occurrence of an Event of Default.

Article 23
SECURITY

23.1. Security Deposit.

Subject to the terms of this Article 23, Tenant, on the date hereof, shall deposit with Landlord, as security for the performance of Tenant's obligations under this Lease, an amount in cash equal to One Hundred Seventy-Four Thousand Five Hundred Three Dollars and Thirty-Six Cents ($174,503.36) (the "Cash Security Deposit").

23.2. Letter of Credit.

Tenant, at any time during the Term, shall have the right to deliver to Landlord a "clean," unconditional, irrevocable and transferable letter of credit (the "Letter of Credit") that (i) is in the amount of the Cash Security Deposit, (ii) is in a form that is reasonably satisfactory to Landlord, (iii) is issued for a term of not less than one (1) year, (iv) is issued for the account of Landlord, (v) automatically renews for periods of not less than one (1) year unless the issuer thereof otherwise advises Landlord on or prior to the thirtieth (30th) day before the applicable expiration date, (vi) allows Landlord the right to draw thereon in part from time to time or in full, and (vii) is issued by, and drawn on, a bank that has a Standard & Poor's rating of at least "AA" (or, if Standard & Poor's hereafter ceases the publication of ratings for banks, a rating of a reputable rating agency as reasonably designated by Landlord that most closely approximates a Standard & Poor's rating of "AA" as of the date hereof) and that either (I) has an office in the city where the Building is located at which Landlord can present the Letter of Credit for payment, or (II) has an

office in the United States and allows Landlord to draw upon the Letter of Credit without presenting a draft in person (such as, for example, by submitting a draft by fax or overnight delivery service)(the aforesaid rating of the bank that issues the Letter of Credit being referred to herein as the "Bank Rating"). If Tenant gives notice to Landlord at least thirty (30) days before the date that Tenant delivers to Landlord the Letter of Credit, then Landlord shall deliver to Tenant, simultaneously with Tenant's delivery of the Letter of Credit to Landlord, the Cash Security Deposit (or the portion thereof that then remains unapplied in accordance with the terms of this Article 23). If Tenant does not give such notice to Landlord, then Landlord shall deliver to Tenant the Cash Security Deposit (or such portion thereof) on or prior to the thirtieth (30th) day after Tenant gives the Letter of Credit to Landlord.

23.3. Landlord's Rights.

If (i) an Event of Default occurs and is continuing, or (ii) Tenant fails to vacate the Premises and surrender possession thereof in accordance with the terms of this Lease upon the Expiration Date, then Landlord may apply the whole or any part of the Cash Security Deposit or present the Letter of Credit for payment and apply the proceeds thereof, as the case may be, (i) to the payment of any Rental that then remains unpaid, or (ii) to any damages to which Landlord is entitled hereunder and that Landlord incurs by reason of such Event of Default or Tenant's aforesaid failure to vacate the Premises or surrender possession thereof in accordance with the terms of this Lease upon the Expiration Date. If Landlord so applies any part of the Cash Security Deposit or the proceeds of the Letter of Credit, as the case may be, then Tenant, upon demand, shall deposit with Landlord the cash amount so applied or provide Landlord with a replacement Letter of Credit so that Landlord has the full amount of the required security at all times during the Term. If (x) Tenant deposits the Letter of Credit with Landlord as provided in Section 23.2 hereof, and (y) at any time the Bank Rating of the issuer of the Letter of Credit is less than "AA" (or, if Standard & Poor's hereafter ceases the publication of ratings for banks, the Bank Rating of the issuer of the Letter of Credit is less than a rating of a reputable rating agency as reasonably designated by Landlord that most closely approximates a Standard & Poor's rating of "AA" as of the date hereof), then Tenant shall deliver to Landlord a replacement Letter of Credit, issued by a bank that has a Bank Rating that satisfies the aforesaid requirement (and otherwise meets the requirements set forth in Section 23.2 hereof) within fifteen (15) days after the date that Landlord gives Tenant notice of such deficiency in such issuer's rating. If Tenant fails to deliver to Landlord such replacement Letter of Credit within such period of fifteen (15) days, then Landlord, in addition to Landlord's other rights at law, in equity or as otherwise set forth herein, shall have the right to present the Letter of Credit for payment and retain the proceeds thereof as security in lieu of the Letter of Credit (it being agreed that Landlord shall have the right to use, apply and transfer such proceeds in the manner described in this Article 23). Tenant shall reimburse Landlord for any reasonable costs that Landlord incurs in so presenting the Letter of Credit for payment within thirty (30) days after Landlord submits to Tenant an invoice therefor. Tenant shall not assign or encumber or attempt to assign or encumber the Cash Security Deposit. Nothing contained in this Section 23.3 limits Landlord's rights or remedies in equity, at law, or as otherwise set forth herein.

23.4. Return of Security.

Landlord shall return to Tenant the Cash Security Deposit (or the unapplied portion thereof, as the case may be) or the Letter of Credit (to the extent not theretofore presented for payment in accordance with the terms hereof), as the case may be, within thirty (30) days after Tenant performs all of the obligations of Tenant hereunder upon the expiration or earlier termination of the Term. Landlord's obligations under this Section 23.4 shall survive the expiration or earlier termination of the Term.

23.5. Transfer of Letter of Credit.

If Tenant gives the Letter of Credit to Landlord as contemplated by this Article 23, then Tenant, at Tenant's expense, shall cause the issuer thereof to amend the Letter of Credit to name a new beneficiary thereunder in connection with Landlord's assignment of Landlord's rights under this Lease to a Person that succeeds to Landlord's interest in the Real Property, promptly after Landlord's request from time to time.

23.6. Renewal of Letter of Credit.

If (i) Tenant delivers the Letter of Credit to Landlord as contemplated by this Article 23, and (ii) Tenant fails to provide Landlord with a replacement Letter of Credit that complies with the requirements of this Article 23 on or prior to the thirtieth (30th) day before the expiration date of the Letter of Credit that is then expiring, then Landlord may present the Letter of Credit for payment and retain the proceeds thereof as security in lieu of the Letter of Credit (it being agreed that Landlord shall have the right to use, apply and transfer such proceeds in the manner described in this Article 23). Tenant shall reimburse Landlord for any reasonable costs that Landlord incurs in so presenting the Letter of Credit for payment within thirty (30) days after Landlord submits to Tenant an invoice therefor. Landlord also shall have the right to so present the Letter of Credit and so retain the proceeds thereof as security in lieu of the Letter of Credit at any time from and after the thirtieth (30th) day before the Expiration Date if the Letter of Credit expires earlier than the ninetieth (90th) day after the Expiration Date.

23.7. Reduction in Security Amount.

(A) Subject to the terms of this Section 23.7, Tenant shall have the right to reduce the amount of the Cash Security Deposit or the Letter of Credit, as the case may be, to One Hundred Thirty-Six Thousand Nine Hundred Eighteen Dollars and No Cents ($136,918.00) as of the date that is two (2) years after the Rent Commencement Date.

(B) Tenant shall have the right to request any such reduction only by giving notice thereof to Landlord at any time from and after the tenth (10th) day before the date that Tenant is entitled to such reduction. Tenant shall not be entitled to reduce the amount of the Cash Security Deposit or the Letter of Credit, as the case may be, if (I) an Event of Default has occurred and is continuing on the date that Tenant requests such reduction or the date that Landlord consummates such reduction, or (II) Landlord theretofore applied all or any portion of the security deposited hereunder. If Tenant requests and is entitled to any such reduction in

accordance with the terms of this Section 23.7, then Landlord shall release the appropriate amount from the Cash Security Deposit within ten (10) days after the date that Tenant makes such request or permit Tenant, at Tenant's expense, to amend or replace the Letter of Credit to reflect such reduction, as the case may be.

Article 24
END OF TERM

24.1. End of Term.

On the Expiration Date, Tenant shall quit and surrender to Landlord the Premises, vacant, broom-clean, in good order and condition, ordinary wear and tear and damage for which Tenant is not responsible under the terms of this Lease excepted, and otherwise in compliance with the provisions hereof. Tenant expressly waives, for itself and for any Person claiming by, through or under Tenant, any rights which Tenant or any such Person may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules and of any successor law of like import then in force in connection with any holdover summary proceedings that Landlord institutes to enforce the provisions of this Article 24.

24.2. Holdover.

If vacant and exclusive possession of the Premises is not surrendered to Landlord on the Expiration Date, then Tenant shall pay to Landlord on account of use and occupancy of the Premises, for each month (or any portion thereof) during which Tenant (or a Person claiming by, through or under Tenant) holds over in the Premises after the Expiration Date, (i) for the first month (or portion thereof) of such holdover, an amount equal to one hundred fifty percent (150%) of the aggregate Rental that was payable under this Lease during the last month of the Term and (ii) for each month (or portion thereof) thereafter, an amount equal to two hundred percent (200%) of the aggregate Rental that was payable under this Lease during the last month of the Term. Landlord's right to collect such amount from Tenant for use and occupancy shall be in addition to any other rights or remedies that Landlord may have hereunder or at law or in equity (including, without limitation, Landlord's right to recover Landlord's damages from Tenant that derive from vacant and exclusive possession of the Premises not being surrendered to Landlord on the Expiration Date). Nothing contained in this Section 24.2 shall permit Tenant to retain possession of the Premises after the Expiration Date or limit in any manner Landlord's right to regain possession of the Premises, through summary proceedings or otherwise. Landlord's acceptance of any payments from Tenant after the Expiration Date shall be deemed to be on account of the amount to be paid by Tenant in accordance with the provisions of this Article 24.

Article 25
NO WAIVER

25.1. No Surrender.

(A) Landlord shall be deemed to have accepted a surrender of the Premises only if Landlord executes and delivers to Tenant a written instrument providing expressly therefor.

(B) No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the Expiration Date. The delivery of such keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Premises. If Tenant at any time desires to have Landlord sublet the Premises on Tenant's account, then Landlord or Landlord's agents are authorized to receive said keys for such purpose without releasing Tenant from any of Tenant's obligations under this Lease.

25.2. No Waiver by Landlord.

(A) Landlord's failure to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, or any of the Rules, shall not be deemed to be a waiver thereof. The receipt by Landlord of Rental with knowledge of the breach of any covenant of this Lease by Tenant shall not be deemed a waiver of such breach.

(B) No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Fixed Rent or other item of Rental herein stipulated shall be deemed to be other than on account of the earliest stipulated Fixed Rent or other item of Rental, or as Landlord may elect to apply such payment. No endorsement or statement on any check or any letter accompanying any check or payment as Fixed Rent or other item of Rental shall be deemed to be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Fixed Rent or other item of Rental or to pursue any other remedy provided in this Lease or otherwise available to Landlord at law or in equity.

(C) Landlord's failure during the Term to prepare and deliver any invoices, and Landlord's failure during the Term to make a demand for payment under any of the provisions of this Lease, shall not in any way be deemed to be a waiver of, or cause Landlord to forfeit or surrender, its rights to collect any item of Rental which may have become due during the Term (except to the extent otherwise expressly set forth herein). Tenant's liability for such amounts shall survive the expiration or earlier termination of this Lease (except to the extent otherwise expressly set forth herein).

(D) No provision of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing signed by Landlord.

25.3. No Waiver by Tenant.

(A) Tenant's failure to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease on Landlord's part to be performed, shall not be deemed to be a waiver. The payment by Tenant of any item of Rental or performance of any obligation of Tenant hereunder with knowledge of any breach by Landlord of any covenant of this Lease shall not be deemed a waiver of such breach, nor shall it prejudice Tenant's right to pursue any remedy against Landlord in this Lease provided or otherwise available to Tenant in law or in equity. No provision of this Lease shall be deemed to have been waived by Tenant, unless such waiver is in writing signed by Tenant.

(B) Tenant's failure during the Term to make a demand for payment under any of the provisions of this Lease shall not in any way be deemed to be a waiver of, or cause Tenant to forfeit or surrender, its rights to collect any amount which may have become due during the Term (except to the extent otherwise expressly set forth herein). Landlord's liability for such amounts shall survive the expiration or earlier termination of this Lease (except to the extent otherwise expressly set forth herein).

Article 26
JURISDICTION

26.1. Governing Law.

This Lease shall be construed and enforced in accordance with the laws of the State of New York.

26.2. Submission to Jurisdiction.

Tenant hereby (a) irrevocably consents and submits to the jurisdiction of any federal, state, county or municipal court sitting in the State of New York for purposes of any action or proceeding brought therein by Landlord against Tenant concerning any matters relating to this Lease, (b) irrevocably waives all objections as to venue and any and all rights it may have to seek a change of venue with respect to any such action or proceedings, (c) agrees that the laws of the State of New York shall govern in any such action or proceeding and waives any defense to any action or proceeding granted by the laws of any other country or jurisdiction unless such defense is also allowed by the laws of the State of New York, and (d) agrees that any final unappealable judgment rendered against it in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. Tenant further agrees that any action or proceeding by Tenant against Landlord concerning any matters arising out of or in any way relating to this Lease shall be brought only in the State of New York, County of New York.

26.3. Waiver of Trial by Jury; Counterclaims.

(A) Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or for the enforcement of any remedy under any statute, emergency or otherwise.

(B) If Landlord commences any summary proceeding against Tenant, then Tenant shall not interpose any counterclaim of whatever nature or description in any such proceeding (except to the extent that applicable law precludes Tenant from asserting such counterclaim in another proceeding), and shall not seek to consolidate such proceeding with any other action which may have been or will be brought in any other court by Tenant. Nothing contained in this Section 26.3(B) limits Tenant's right to assert claims against Landlord in a separate proceeding.

Article 27
NOTICES

27.1. Addresses: Manner of Delivery.

Except as otherwise expressly provided in this Lease, any bills, statements, consents, notices, demands, requests or other communications that a party desires or is required to give to the other party under this Lease shall (1) be in writing, (2) be deemed sufficiently given if (a) delivered by hand (against a signed receipt), (b) sent by registered or certified mail (return receipt requested), or (c) sent by a nationally-recognized overnight courier (with verification of delivery), and (3) be addressed in each case:

if to Tenant, at:

One Penn Plaza (Suite 3508)
New York, New York 10119

with a copy to:

Meister Seelig & Fein
140 East 45th Street
New York, New York 10017

Attn.: Matthew Kasindorf, Esq.

if to Landlord, at:

c/o Vornado Office Management LLC
888 Seventh Avenue
New York, New York 10019

Attn.: Daniel E. North

with a copy to:

Vornado Realty Trust
210 Route 4 East
Paramus, New Jersey 07652

Attn: Joseph Macnow

or to such other address or addresses as Landlord or Tenant may designate from time to time on at least ten (10) Business Days of advance notice given to the other in accordance with the provisions of this Article 27. Any such bill, statement, consent, notice, demand, request, or other communication shall be deemed to have been given (x) on the date that it is hand delivered, as aforesaid, or (y) three (3) Business Days after the date that it is mailed, as aforesaid, or (z) on the first (1st) Business Day after the date that it is sent by a nationally-recognized courier, as aforesaid. Any such bills, statements, consents, notices, demands, requests or other communications that the Person that is the property manager for the Building gives to Tenant in accordance with the terms of this Article 27 shall be deemed to have been given by Landlord (except that Landlord, at any time and from time to time, shall have the right to terminate or suspend such property manager's right to give such bills, statements, consents, notices, demands, requests or other communications to Tenant by giving not less than five (5) days of advance notice thereof to Tenant).

Article 28
BROKERAGE

28.1. Broker.

Landlord and Tenant each represent to the other that it has not dealt with any broker, finder or salesperson in connection with this Lease other than Newmark & Company Real Estate, Inc., d/b/a Newmark Knight Frank (the "Broker"). Landlord shall pay Broker a commission pursuant to the terms of a separate agreement.

Article 29
INDEMNITY

29.1. Tenant's Indemnification of the Landlord Indemnitees.

(A) Subject to the terms of this Section 29.1, Tenant shall indemnify the Landlord Indemnitees, and hold the Landlord Indemnitees harmless, from and against, all losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees

and expenses) that are incurred by a Landlord Indemnitee and that derive from a claim (a "Claim Against Landlord") made by a third party against such Landlord Indemnitee arising from or alleged to arise from:

(1) a wrongful act or wrongful omission of any Tenant Indemnitee during the Term (including, without limitation, claims that derive from a Permitted Party's conducting such Permitted Party's business in the Premises) (it being understood that Tenant shall not have responsibility under this clause (1) for any wrongful act or wrongful omission of a Recapture Subtenant);

(2) an event or circumstance that occurs during the Term in the Premises or in another portion of the Building with respect to which Tenant has exclusive use pursuant to the terms hereof (subject, however, to Landlord's rights of access under Article 9 hereof) (it being understood that Tenant's liability under this clause (2) shall not apply to the extent that Landlord exercises Landlord's rights under Section 17.3 hereof with respect to the Premises);

(3) the breach of any covenant to be performed by Tenant hereunder;

(4) a misrepresentation made by Tenant hereunder (including, without limitation, a misrepresentation of Tenant under Section 28.1 hereof);

(5) a Person with whom a Permitted Party has dealt making a claim for a leasing commission or other similar compensation in connection with a Transfer;

(6) Landlord's cooperating with Tenant as contemplated by Section 7.4(A) hereof.

Tenant shall not be required to indemnify the Landlord Indemnitees, and hold the Landlord Indemnitees harmless, in either case as aforesaid, to the extent that it is finally determined that the negligence or wilful misconduct of a Landlord Indemnitee contributed to the loss or damage sustained by the Person making the Claim Against Landlord. Nothing contained in this Section 29.1 limits the provisions of Section 31.19 hereof.

(B) The term "Landlord Indemnitees" shall mean, collectively, Landlord, each Lessor, each Mortgagee and their respective partners, members, managers, shareholders, officers, directors, employees, trustees and agents.

(C) The term "Tenant Indemnitees" shall mean each Permitted Party and their respective partners, members, managers, shareholders, officers, directors, employees, trustees and agents.

(D) The parties intend that the Landlord Indemnitees (other than Landlord) shall be third-party beneficiaries of this Section 29.1.

29.2. Landlord's Indemnification of the Tenant Indemnitees.

(A) Subject to the terms of this Section 29.2, Landlord shall indemnify the Tenant Indemnitees, and hold the Tenant Indemnitees harmless, from and against, all losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) that are incurred by a Tenant Indemnitee and that derive from a claim (a "Claim Against Tenant") made by a third party against such Tenant Indemnitee arising from or alleged to arise from:

(1) the breach of any covenant to be performed by Landlord hereunder;

(2) a misrepresentation made by Landlord hereunder (including, without limitation, a misrepresentation of Landlord under Section 28.1 hereof);

(3) Landlord's failure to pay the Broker a commission or other compensation in connection herewith; or

(4) a wrongful act or wrongful omission of any Landlord Indemnitee (including, without limitation, a wrongful act or wrongful omission of the Person that has the right to occupy the Premises by virtue of Landlord's exercising Landlord's rights under Section 17.3 hereof).

Landlord shall not be required to indemnify the Tenant Indemnitees, and hold the Tenant Indemnitees harmless, in either case as aforesaid, to the extent that it is finally determined that the negligence or wilful misconduct of a Tenant Indemnitee contributed to the loss or damage sustained by the Person making the Claim Against Tenant.

(B) The parties intend that the Tenant Indemnitees (other than Tenant) shall constitute third-party beneficiaries of this Section 29.2.

29.3. Indemnification Procedure.

(A) If at any time a Claim Against Tenant is made or threatened against a Tenant Indemnitee, or a Claim Against Landlord is made or threatened against a Landlord Indemnitee, then the Person entitled to indemnity under this Article 29 (the "Indemnitee") shall give to the other party (the "Indemnitor") notice of such Claim Against Tenant or such Claim Against Landlord, as the case may be (the "Claim"); provided, however, that the Indemnitee's failure to provide such notice shall not impair the Indemnitee's rights to indemnity as provided in this Article 29 except to the extent that the Indemnitor is prejudiced materially thereby. Such notice shall state the basis for the Claim and the amount thereof (to the extent such amount is determinable at the time that such notice is given).

(B) The Indemnitor shall have the right to defend against the Claim using attorneys that the Indemnitor designates and that the Indemnitee approves (it being understood that (I) the Indemnitee shall not unreasonably withhold, condition or delay such approval, (II) the Indemnitee shall be deemed to have approved such attorneys if the Indemnitee fails to respond

within ten (10) days to the Indemnitor's request for approval, and (III) the attorneys designated by the Indemnitor's insurer shall be deemed approved by the Indemnitee for purposes hereof). The Indemnitor's failure to notify the Indemnitee of the Indemnitor's election to defend against the Claim within thirty (30) days after the Indemnitee gives such notice to the Indemnitor shall be deemed a waiver by the Indemnitor of its aforesaid right to defend against the Claim.

(C) Subject to the terms of this Section 29.3(C), if the Indemnitor elects to defend against the Claim pursuant to Section 29.3(B) hereof, then the Indemnitee may participate, at the Indemnitee's expense, in defending against the Claim. The Indemnitor shall have the right to control the defense against the Claim (and, accordingly, the Indemnitee shall cause its counsel to act accordingly). If there exists a conflict between the interests of the Indemnitor and the interests of the Indemnitee, then the Indemnitor shall pay the reasonable fees and disbursements of any counsel that the Indemnitee retains in so participating in the defense against the Claim. Except as otherwise provided in this Section 29.3(C), the Indemnitor shall not be required to pay the costs that Indemnitee otherwise incurs in engaging counsel to consult with Indemnitee in connection with the Claim.

(D) If the Claim is a Claim Against Landlord, then Landlord shall cooperate reasonably with Tenant in connection therewith. If the Claim is a Claim Against Tenant, then Tenant shall cooperate reasonably with Landlord in connection therewith.

(E) The Indemnitor shall not consent to the entry of any judgment or award regarding the Claim, or enter into any settlement regarding the Claim, except in either case with the prior approval of the Indemnitee (any such entry of any judgment or award regarding a Claim to which the Indemnitor consents, or any such settlement regarding a claim to which the Indemnitor agrees, being referred to herein as a "Settlement"). The Indemnitee shall not unreasonably withhold, condition or delay the Indemnitee's approval of a proposed Settlement, provided that (I) the Indemnitor pays, in cash, to the Person making the Claim, the entire amount of the Settlement contemporaneously with the Indemnitee's approval thereof (so that neither the Indemnitor nor the Indemnitee have any material obligations regarding the applicable Claim that remain executory from and after the consummation of the Settlement), or (II) the Person making the Claim releases the Indemnitee from any obligations owed to such Person pursuant to such Settlement that remain executory after the consummation thereof). If (x) the terms of the Settlement do not provide for the Indemnitor's making payment, in cash, to the Person making the Claim, the entire amount of the Settlement, contemporaneously with the Indemnitee's approval thereof (so that either the Indemnitor or the Indemnitee have any material obligations regarding the applicable Claim that remain executory from and after the consummation of the Settlement), (y) the Person making the Claim does not release the Indemnitee from any obligations owed to such Person pursuant to such Settlement that remain executory after the consummation thereof, and (z) the Indemnitee does not approve the proposed Settlement, then the Indemnitor's aggregate liability under this Article 29 for the Claim (including, without limitation, the costs incurred by the Indemnitor for legal costs and other costs of defense) shall not exceed an amount equal to the sum of (i) the aggregate legal costs and defense costs that the Indemnitor incurred to the date that the Indemnitor proposes such Settlement, (ii) the amount that the Indemnitor would have otherwise paid to the Person making the applicable Claim under the terms of the proposed Settlement, and (iii) the aggregate legal costs and defense costs that the Indemnitor would have reasonably expected to incur in consummating the proposed Settlement.

(F) If the Indemnitor does not elect to defend against the Claim as contemplated by this Section 29.3, then the Indemnitee may defend against, or settle, such claim, action or proceeding in any manner that the Indemnitee deems appropriate, and the Indemnitor shall be liable for the Claim to the extent provided in this Article 29.

Article 30
LANDLORD'S CONSENTS: ARBITRATION

30.1. Certain Limitations.

Subject to the terms of Section 30.2 hereof, Tenant hereby waives any claim against Landlord for Landlord's unreasonably withholding, unreasonably conditioning or unreasonably delaying any consent or approval requested by Tenant in cases where Landlord expressly agreed herein not to unreasonably withhold, unreasonably condition or unreasonably delay such consent or approval. If there is a determination that such consent or approval has been unreasonably withheld, unreasonably conditioned or unreasonably delayed, then (1) the requested consent or approval shall be deemed to have been granted, and (2) Landlord shall have no liability to Tenant for its refusal or failure to give such consent or approval. Tenant's sole remedy for Landlord's unreasonably withholding, conditioning or delaying consent or approval shall be as provided in this Article 30.

30.2. Expedited Arbitration.

(A) If (i) this Lease obligates Landlord to not unreasonably withhold, condition or delay Landlord's consent or approval for a particular matter, (ii) Landlord withholds, delays or conditions its consent or approval for such matter, and (iii) Tenant believes that Landlord did so unreasonably, then Tenant shall have the right to submit the issue of whether Landlord unreasonably withheld, delayed or conditioned such consent or approval to an Expedited Arbitration Proceeding only by giving notice thereof to Landlord on or prior to the thirtieth (30th) day after the date that Landlord denied or conditioned such consent or approval, or the thirtieth (30th) day after the date that Tenant claims that Landlord's delaying such consent or approval first became unreasonable, as the case may be.

(B) The sole decision to be made in the Expedited Arbitration Proceeding shall be whether Landlord unreasonably withheld, delayed or conditioned its consent with respect to the particular matter being arbitrated. If the decision in the Expedited Arbitration Proceeding is that Landlord unreasonably withheld, conditioned, or delayed consent with respect to such matter, then (i) Landlord shall be deemed to have consented to such matter, and (ii) Landlord shall execute and deliver documentation that is reasonably requested by Tenant to evidence such consent.

(C) The term "Expedited Arbitration Proceeding" shall mean a binding arbitration proceeding conducted in The City of New York under the Commercial Arbitration Rules of the American Arbitration Association (or its successor) and administered pursuant to the Expedited Procedures provisions thereof; provided, however, that with respect to any such arbitration, (i) the list of arbitrators referred to in Section E-5(b) shall be returned within five (5) Business Days from the date of mailing; (ii) the parties shall notify the American Arbitration Association (or its successor) by telephone, within four (4) Business Days, of any objections to the arbitrator appointed and, subject to clause (vii) below, shall have no right to object if the arbitrator so appointed was on the list submitted by the American Arbitration Association (or its successor) and was not objected to in accordance with Section E-4(b) as modified by clause (i) above; (iii) the notification of the hearing referred to in Section E-7 shall be four (4) Business Days in advance of the hearing; (iv) the hearing shall be held within seven (7) Business Days after the appointment of the arbitrator; (v) the arbitrator shall have no right to award damages or vary, modify or waive any provision of this Lease; (vi) the decision of the arbitrator shall be final and binding on the parties; and (vii) the arbitrator shall not have been employed by either party (or their respective Affiliates) during the period of three (3) years prior to the date of the Expedited Arbitration Proceeding. The arbitrator shall determine the extent to which each party is successful in such Expedited Arbitration Proceeding in addition to rendering a decision on the dispute submitted. If the arbitrator determines that one (1) party is entirely unsuccessful, then such party shall pay all of the fees of such arbitrator. If the arbitrator determines that both parties are partially successful, then each party shall be responsible for such arbitrator's fees only to the extent such party is unsuccessful (e.g., if Landlord is eighty percent (80%) successful and Tenant is twenty percent (20%) successful, then Landlord shall be responsible for twenty percent (20%) of such arbitrator's fees and Tenant shall be responsible for eighty percent (80%) of such arbitrator's fees).

Article 31
ADDITIONAL PROVISIONS

31.1. Tenant's Property Delivered to Building Employees.

Any Building employee to whom any property is entrusted by or on behalf of Tenant shall be deemed to be acting as Tenant's agent with respect to such property.

31.2. Not Binding Until Execution.

This Lease shall not be binding upon Landlord or Tenant unless and until Landlord and Tenant have executed and unconditionally delivered a fully executed counterpart of this Lease to each other.

31.3. No Third Party Beneficiaries.

Landlord and Tenant hereby acknowledge that they do not intend for any other Person to constitute a third-party beneficiary hereof, except to the extent otherwise set forth herein.

31.4. Extent of Landlord's Liability.

(A) The obligations of Landlord under this Lease shall not be binding upon the Person that constitutes Landlord initially after the sale, conveyance, assignment or transfer by such Person of its interest in the Building or the Real Property, as the case may be (or upon any other Person that constitutes Landlord after the sale, conveyance, assignment or transfer by such Person of its interest in the Building or the Real Property, as the case may be), (x) to the extent such obligations accrue from and after the date of such sale, conveyance, assignment or transfer and (y) to the extent such obligations accrue prior to the date of such sale, conveyance, assignment or transfer, provided that such transferee assumes or is deemed to have assumed by operation of law the obligations of Landlord under this Lease.

(B) The members, managers, partners, shareholders, directors, officers and principals, direct and indirect, comprising Landlord shall not be liable for the performance of Landlord's obligations under this Lease. Tenant shall look solely to Landlord to enforce Landlord's obligations hereunder.

(C) The liability of Landlord for Landlord's obligations under this Lease shall be limited to Landlord's interest in the Real Property and the proceeds thereof (including, without limitation, proceeds of a sale or refinancing of Landlord's interest in the Real Property, casualty insurance proceeds, and condemnation awards). Tenant shall not look to any property or assets of Landlord (other than Landlord's interest in the Real Property and such proceeds thereof) in seeking either to enforce Landlord's obligations under this Lease or to satisfy a judgment for Landlord's failure to perform such obligations.

31.5. Extent of Tenant's Liability.

If Tenant is a corporation, limited partnership, limited liability partnership or limited liability company, then (i) the members, managers, limited partners, shareholders, directors, officers and principals, direct and indirect, comprising Tenant shall not be liable for the performance of Tenant's obligations under this Lease, and (ii) Landlord shall look solely to Tenant to enforce Tenant's obligations hereunder.

31.6. Survival.

Subject to the terms hereof, Tenant's liability for all amounts that are due and payable to Landlord hereunder shall survive the Expiration Date.

31.7. Recording.

Tenant shall not record this Lease. Tenant shall not record a memorandum of this Lease. Landlord shall have the right to record a memorandum of this Lease. If Landlord submits to Tenant a memorandum hereof that is in reasonable form, then Tenant shall execute, acknowledge and deliver such memorandum promptly after Landlord's submission thereof to Tenant.

31.8. Entire Agreement.

This Lease contains the entire agreement between the parties and supersedes all prior understandings, if any, with respect thereto. This Lease shall not be modified, changed, or supplemented, except by a written instrument executed by both parties.

31.9. Counterparts.

This Lease may be executed in counterparts, it being understood that all such counterparts, taken together, shall constitute one and the same agreement.

31.10. Exhibits.

If any inconsistency exists between the terms and provisions of this Lease and the terms and provisions of the Exhibits hereto, then the terms and provisions of this Lease shall prevail.

31.11. Gender: Plural.

Wherever appropriate in this Lease, personal pronouns shall be deemed to include the other gender and the singular to include the plural.

31.12. Divisibility.

If any term of this Lease, or the application thereof to any Person or circumstance, is held to be invalid or unenforceable, then the remainder of this Lease or the application of such term to any other Person or any other circumstance shall not be thereby affected, and each term shall remain valid and enforceable to the fullest extent permitted by law.

31.13. Vault Space.

If (i) Tenant uses or occupies any vaults, vault space or other space outside the boundaries of the Real Property that in each case is located below grade, and (ii) such space is diminished by any Governmental Authority or by any utility company, then such diminution shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Rental, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord.

31.14. Adjacent Excavation.

If an excavation is made upon land adjacent to the Building, or is authorized to be made, then Tenant, upon reasonable advance notice, shall grant to the Person causing or authorized to cause such excavation a license to enter upon the Premises for the purpose of doing such work as said Person deems necessary to preserve the Building from injury or damage and to support the same by proper foundations, without any claim for damages or indemnity against Landlord, or diminution or abatement of Rental. Landlord acknowledges that Landlord’s right to access the Premises as provided in this Section 31.14 is subject to the provisions of Article 9 hereof.

31.15. Captions.

The captions are inserted only for convenience and for reference and in no way define, limit or describe the scope of this Lease or the intent of any provision thereof.

31.16. Parties Bound.

The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors, and, except as otherwise provided in this Lease, their assigns.

31.17. Authority.

(A) Tenant hereby represents and warrants to Landlord that (i) Tenant is duly organized and validly existing in good standing under the laws of Delaware, and possesses all licenses and authorizations necessary to carry on its business, (ii) Tenant has full power and authority to carry on its business, enter into this Lease and consummate the transaction contemplated by this Lease, (iii) the individual executing and delivering this Lease on Tenant's behalf has been duly authorized to do so, (iv) this Lease has been duly executed and delivered by Tenant, (v) this Lease constitutes a valid, legal, binding and enforceable obligation of Tenant (subject to bankruptcy, insolvency or creditor rights laws generally, and principles of equity generally), (vi) the execution, delivery and performance of this Lease by Tenant will not cause or constitute a default under, or conflict with, the organizational documents of Tenant or any agreement to which Tenant is a party, (vii) the execution, delivery and performance of this Lease by Tenant will not violate any Requirement, and (viii) all consents, approvals, authorizations, orders or filings of or with any court or governmental agency or body, if any, required on the part of Tenant for the execution, delivery and performance of this Lease have been obtained or made.

(B) Landlord hereby represents and warrants to Tenant that (i) Landlord is duly organized and validly existing in good standing under the laws of New York, and possesses all licenses and authorizations necessary to carry on its business, (ii) Landlord has full power and authority to carry on its business, enter into this Lease and consummate the transaction contemplated by this Lease, (iii) the individual executing and delivering this Lease on Landlord's behalf has been duly authorized to do so, (iv) this Lease has been duly executed and delivered by Landlord, (v) this Lease constitutes a valid, legal, binding and enforceable obligation of Landlord (subject to bankruptcy, insolvency or creditor rights laws generally, and principles of equity generally), (vi) the execution, delivery and performance of this Lease by Landlord will not cause or constitute a default under, or conflict with, the organizational documents of Landlord or any agreement to which Landlord is a party, (vii) the execution, delivery and performance of this Lease by Landlord does not violate any Requirement, and (viii) all consents, approvals, authorizations, orders or filings of or with any court or governmental agency or body, if any, required on the part of Landlord for the execution, delivery and performance of this Lease have been obtained or made.

31.18. Rent Control.

If at the commencement of, or at any time or times during, the Term, the Rental reserved in this Lease is not fully collectible by reason of any Requirement, then Tenant shall enter into such agreements and take such other steps (without additional expense to Tenant) as Landlord may reasonably request and as may be legally permissible to allow Landlord to collect the maximum rents which may from time to time during the continuance of such legal rent restriction be legally permissible (and not in excess of the amounts reserved therefor under this Lease). Upon the termination of such legal rent restriction prior to the expiration of the Term, (a) the Rental shall become and thereafter be payable hereunder in accordance with the amounts reserved in this Lease for the periods following such termination, and (b) Tenant shall pay to Landlord, if legally permissible, an amount equal to the excess of (i) the items of Rental which would have been paid pursuant to this Lease but for such legal rent restriction, over (ii) the rents paid by Tenant to Landlord during the period or periods such legal rent restriction was in effect.

31.19. Consequential Damages.

Tenant shall have no liability for any consequential, indirect or punitive damages that Landlord suffers (it being understood, however, that nothing contained in this Section 31.19 limits Landlord's right to recover damages (x) as expressly provided in Section 21.3(A) hereof and in Section 24.2 hereof, or (y) for Tenant's failure to remove Specialty Alterations to the extent provided in Section 7.8 hereof). Landlord shall have no liability for any consequential, indirect or punitive damages that are suffered by Tenant or any Person claiming by, through or under Tenant.

31.20. Tenant's Advertising.

Tenant shall not use a picture, photograph or drawing of the Building (or a silhouette thereof) in Tenant's letterhead or promotional materials without Landlord's prior approval.

31.21. Specially Designated Nationals: Blocked Persons: Embargoed Persons.

(A) Tenant represents and warrants to Landlord that (a) Tenant and each person or entity directly or indirectly owning an interest in Tenant is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by, any Embargoed Person, (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly), (d) none of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by Requirements or that the Lease is in violation of Requirements, and (e)

Tenant has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term "Embargoed Person" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by Requirements or Tenant is in violation of Requirements.

(B) Tenant covenants and agrees (a) to comply with all Requirements relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not to use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under the Lease and (d) at the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof.

(C) Tenant hereby acknowledges and agrees that Tenant's inclusion on the List at any time during the Lease Term shall be an Event of Default under this Lease. Notwithstanding anything herein to the contrary, Tenant shall not permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be an Event of Default under this Lease.

This page constitutes the signature page to the Lease, dated as of the 30th day of September, 2007, between ONE PENN PLAZA LLC, as landlord, and OPHTHOTECH CORPORATION, as tenant, for certain space in the building known by the street address of One Penn Plaza, New York, New York 10119

IN WITNESS WHEREOF, Landlord and Tenant have duly executed and delivered this Lease as of the date first above written.

ONE PENN PLAZA LLC, Landlord

By: Vornado Realty L.P., member

By: Vornado Realty Trust, general partner

By: 

Name: David R. Greenbaum
Title: President- New York Office Division

OPHTHOTECH CORPORATION, Tenant

By: 

Name: Samir Patel
Title: President & CEO

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF _____)
: ss.:
COUNTY OF _____)

On the day of , in the year 2007, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Outside of New York State)

STATE OF NEW JERSEY)
: ss.:
COUNTY OF MERCER)

On the 28th day of September, in the year 2007, before me, the undersigned, personally appeared Samir Patel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the Princeton, NJ. (Insert the city or other political subdivision and the state or country or other place the acknowledgement was taken.)

_____
(Signature and office of individual taking acknowledgement)

Exhibit “A”

Premises

[See Attached]

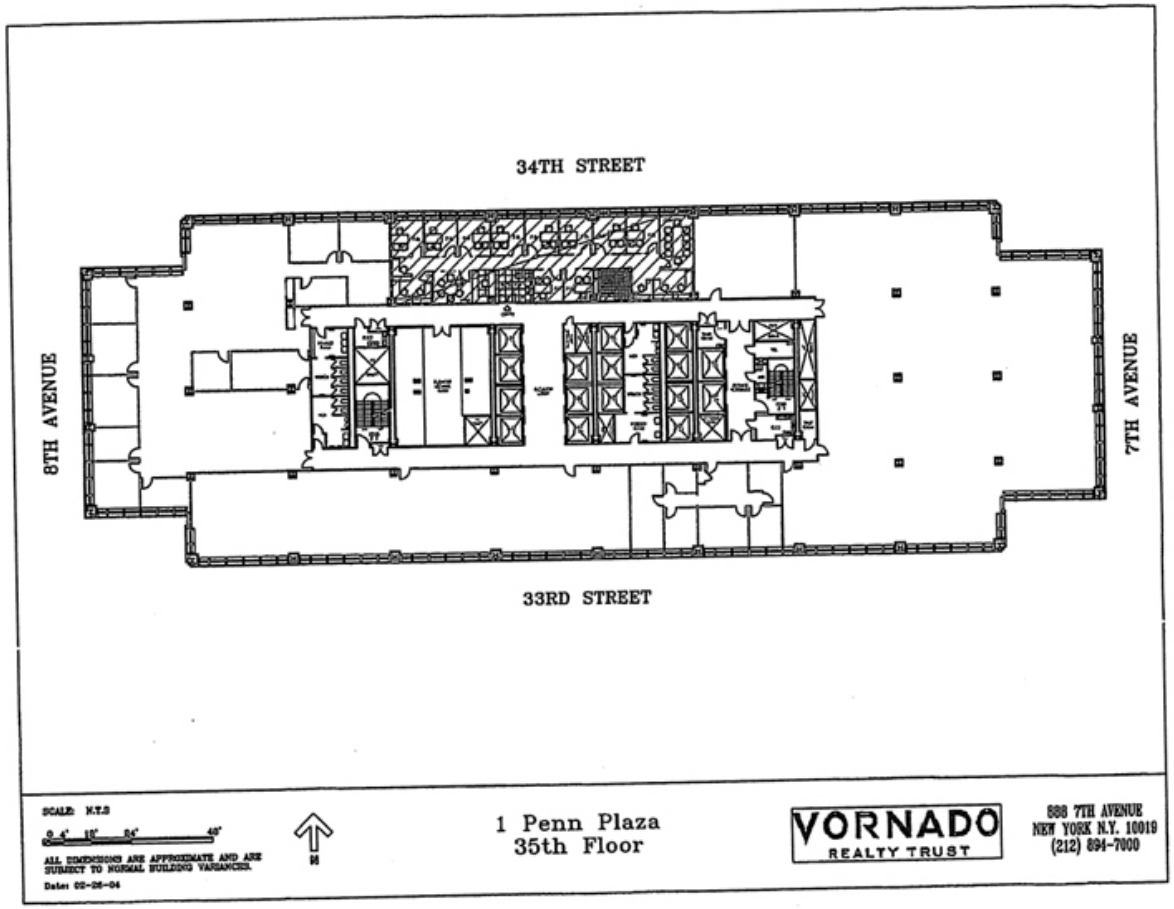

34TH STREET
8TH AVENUE
7TH AVENUE
33RD STREET
SCALE: N.T.S
0 4' 12' 24' 48'
ALL DIMENSIONS ARE APPROXIMATE AND ARE SUBJECT TO NORMAL BUILDING VARIANCES.
Date: 02-26-04
1 Penn Plaza
35th Floor
VORNADO
REALTY TRUST
888 7TH AVENUE
NEW YORK N.Y. 10019
(212) 894-7000

Exhibit “B”

List of Charges during Overtime Periods

[See Attached]

TENANT CHARGE PRICE LIST - Effective January 1, 2007

TYPE OF SERVICE	SERVICE COST
FREIGHT ELEVATOR	$ 80.00/hr *
** (min 4 hours on Sat, Sun & Holidays)*	
ENGINEER	$ 80.00/hr
PLUMBER	$ 70.00/hr
ELECTRICIAN	$ 70.00/hr
PORTER	$ 50.00/hr
SECURITY GUARD	$ 50.00/hr
Loading dock after hours	
DUMPSTERS	
Demo	$ 65.00
Large	$ 44.00
Small	$ 22.00
20 Yard Container	$ 985.00
30 Yard Container	$ 1,150.00
LOCKSMITH	$ 70.00/hr
key change (schlage)	*$ 5.00*
medeco key	*$ 10.00*
ACCESS CARD	$ 25.00
DIRECTORY ADDITIONS (above Lease)	$ 25.00
deletions/changes	$ 4.00
ELEVATOR DIRECTORY STRIPS	$ 25.00
AIR CONDITIONING	
all	$1,202.00 per hour
upper (Floors 35-55)	$ 801.00 per hour
middle (Floors 7-34)	$ 655.00 per hour
lower (Floors 2-6)	$ 645.00 per hour
VENTILATION	
all	$ 502.00 per hour
upper (Floors 35-55)	$ 346.00 per hour
middle (Floors 7-34)	$ 371.00 per hour
lower (Floors 2-6)	$ 371.00 per hour
HEATING	
all	$ 998.00 per hour
upper (Floors 35-55)	$ 537.00 per hour
middle (Floors 7-34)	$ 537.00 per hour
lower (Floors 2-6)	$ 620.00 per hour

All labor is charged with a half-hour minimum and does not include materials needed. All weekend labor is charged with a four (4) hour minimum.

Overtime freight elevator hours are before 8:00 AM and after 5:00 PM, Monday through Friday. **Please be advised that anytime the freight elevator is reserved for after business hours use, the Tenant will be charged for the freight elevator plus the security guard stationed in the loading dock.**

Other services can be requested. Wherever possible, we will obtain the service for you, at a charge. Also check your BMS brochure for additional cleaning service.

Exhibit “3.3”

Rules

1. Tenant shall not obstruct the common areas of the Building. Tenant shall not use the common areas of the Building for any purpose other than for the purpose that the applicable common area is used ordinarily.
2. Tenant shall not use any plumbing fixtures that are connected to Building Systems for any purpose other than the ordinary purpose for which such plumbing fixtures are installed.
3. Tenant shall not use the Premises in any manner that materially and unreasonably interferes with the use of any other portion of the Building for ordinary business purposes.
4. Tenant shall not at any time keep in the Premises any flammable, combustible or explosive substance, except for any such substances that are incidental to the use or maintenance of the Premises for ordinary office purposes or the performance of Alterations that are performed in accordance with the terms of this Lease.
5. Tenant shall not bring any bicycles, vehicles or animals of any kind (except for service animals) into the Premises or the Building.
6. Subject to Section 3.3 of the Lease, Tenant shall comply with the security procedures that Landlord reasonably adopts from time to time for the Building. Tenant acknowledges that Landlord’s security procedures may include, without limitation, (i) Landlord’s denying entry to the Building by any person who does not present a Building pass or who does not comply with Landlord’s procedures regarding the registration of visitors to the Building, and (ii) procedures governing the inspection of freight that arrives at the loading facilities for the Building.
7. Landlord shall have the right to require Tenant to (x) direct Persons who are delivering packages to the Premises to make delivery to an office in the Building that Landlord designates (in which case Landlord shall make arrangements for such packages to be delivered to Tenant using other personnel that Landlord engages), or (y) arrange for such Persons to be escorted by a representative of Tenant while such Person makes delivery to the Premises.
8. Tenant shall subject to inspection by Landlord or Landlord’s designee all items being brought into the Building by or on behalf of Tenant (including, without limitation, packages, boxes, bags, handbags, attaché cases, and suitcases). Landlord may refuse entry into the Building to any Person who refuses to cooperate with such inspection or who is carrying any item which has a reasonable likelihood of being dangerous to persons or property.

9. Tenant, at Tenant's expense, shall operate its interior lights for the employees of Landlord during the period that such employees make repairs in the Premises or perform cleaning services in accordance with the terms of this Lease.

10. Tenant shall not canvass or solicit the other occupants of the Building. Tenant shall cooperate reasonably with Landlord in connection with Landlord's efforts to prevent any Person from canvassing, soliciting or peddling in the Building.

11. Tenant shall use in the Building only hand trucks and hand carts that in either case are equipped with rubber tires and side guards.

12. Tenant shall implement a policy that precludes its personnel from smoking in the Building and shall use reasonable efforts to enforce such policy.

Exhibit “4.4”

Cleaning Specifications

NIGHTLY (ON BUSINESS DAYS)

- Sweep hard-surfaced flooring in general office space using a dust-down preparation.
- Carpet sweep carpets in general office areas without moving heavy furniture (such as desks, file cabinets, computer stands, and sofas).
- Hand dust and wipe clean all furniture, fixtures and window sills in the general office areas that are within reach of the cleaning staff without ladders.
- Empty and clean waste receptacles in the general office areas and remove wastepaper.
- Dust the interior of waste receptacles in the general office areas.
- Wash clean water fountains and coolers in the general office areas.
- Sweep private stairways within the premises.
- Sweep and wash (using disinfectant) all floors in the base building lavatories that are located in the Building core.
- Wash and polish mirrors, shelves, bright work and enameled surfaces in the base building lavatories that are located in the Building core.
- Wash and disinfect basins, bowls and urinals in the base building lavatories that are located in the Building core.
- Wash toilet seats in the base building lavatories that are located in the Building core.
- Hand dust and clean all partitions, tile walls, dispensers and receptacles in the base building lavatories that are located in the Building core.
- Empty paper receptacles and remove wastepaper in the base building lavatories that are located in the Building core.
- Fill toilet tissue holders in the base building lavatories that are located in the Building core.
- Empty and clean sanitary disposal receptacles in the base building lavatories that are located in the Building core.

WEEKLY

- Vacuum clean carpeting and rugs in the general office areas without moving heavy furniture (such as desks, file cabinets, computer stands, and sofas).
- Dust door louvres and other ventilating louvres that are within reach of the cleaning staff without ladders.
- Wipe clean bright work.

QUARTERLY

- High dust the Premises, including the following:
  - Dust pictures, frames, charts, graphs and similar wall hangings that are not reached in nightly or weekly cleaning.
  - Dust clean vertical surfaces, such as walls, partitions, doors and door bucks and other surfaces not reached in nightly or weekly cleaning.
  - Dust pipes, ventilating and air-conditioning louvers, ducts, high moldings and other high areas not reached in nightly or weekly cleaning.
  - Dust Venetian blinds.

ADDITIONAL SERVICES

- Wash the exterior of windows periodically, subject to weather conditions and Requirements.

Tom Biancardi

From: Panzirer, Craig [CPanzirer@vno.com]
Sent: Tuesday, March 12, 2013 4:10 PM
To: Tom Biancardi
Subject: 1 Penn Plaza Lease

Tom-

Per our conversation, we will continue to let Ophthotech remain month to month tenant for the next few months. As I said to you recently, we would like to finalize your plans in the next couple of weeks.

Please call me with any questions.

Thanks
CP

Craig Panzirer
Senior Vice President – Leasing
Vornado Realty Trust
888 Seventh Avenue – 44th Floor
New York, NY 10019
Telephone 212-894-7438
Fax 212-894-7483
cpanzirer@vno.com

SHORT FORM LEASE

Between

VAUGHN PRINCETON ASSOCIATES L.L.C.

as Landlord,

and

OPHTHOTECH CORP.

as Tenant

Building:

5 Vaughn Drive,
Princeton, New Jersey

THIS LEASE is made on the 8th day of Feb., 2010 between VAUGHN PRINCETON ASSOCIATES, L.L.C., a New Jersey limited liability company, whose address is c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837-2206 (who is referred to in this Lease as "**Landlord**") and OPHTHOTECH CORP., a , whose address is 5 Vaughn Drive, Princeton, New Jersey (who is referred to in this Lease as "**Tenant**"). This Lease consists of the following Basic Lease Provisions and Definitions and the attached General Conditions and Exhibits. The Basic Lease Provisions and Definitions are referred to in this Lease as the "**Basic Lease Provisions**."

BASIC LEASE PROVISIONS

1. **BASE PERIOD COSTS** means the following:

a) Base Operating Costs: Operating Costs incurred during the Calendar Year.

b) Base Real Estate Taxes: Real Estate Taxes incurred during the Calendar Year.

c) Base Insurance Costs: Insurance Costs incurred during the Calendar Year.

d) Base Utility and Energy Costs: Utility and Energy Costs incurred during the Calendar Year.

2. **BUILDING** means 5 Vaughn Drive, Princeton, New Jersey.

3. **CALENDAR YEAR** means the calendar year 2010.

4. **COMMENCEMENT DATE** means August 1, 2010.

5. **DEMISED PREMISES OR PREMISES** mean and are agreed and deemed to be 3,993 gross rentable square feet on the first (1st) floor as shown on Exhibit A to this Lease, which includes an allocable share of the Common Facilities.

6. **EXPIRATION DATE** means 11:59 p.m. on July 31, 2011.

7. **FIXED BASIC RENT** means the following:

Months	Annual Rate	Monthly Installments	Annual Per Sq. Ft. Rent
August 1, 2010 – July 31, 2011	$119,790.00	$ 9,982.50	$ 30.00

8. **HVAC AFTER HOURS CHARGE** is $55.00 per hour per zone for heat and $75,00 per hour per zone for air conditioning, subject to Section 17 (b) of the Lease. The HVAC After Hours Charge is subject to increase from time to time to reflect the increase in the cost of providing such after hours HVAC service.

9. **NOTICE ADDRESSES** shall mean the following:

If to Tenant:

If to Landlord by personal or overnight delivery:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837-2206
Attention: Executive Vice President and General Counsel

Execution

If to Landlord by mail:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, New Jersey 08818-7817
Attention: Executive Vice President and General Counsel

10. **PARKING SPACES** means a total of twelve (12) unassigned parking spaces.

11. **SECURITY DEPOSIT** means NINETEEN THOUSAND NINE HUNDRED SIXTY-FIVE AND 00/100 DOLLARS ($19,965.00).

Tenant shall deliver the Security Deposit to Landlord in the form of one (1) or more (as determined by Landlord in Landlord's sole discretion) separate and individual letters of credit from different banking institutions, each having a net worth of at least ONE BILLION U.S. DOLLARS and each meeting the other criteria set forth in this paragraph that a letter of credit issuer must satisfy. Landlord, at its sole discretion, shall determine the dollar amount of each letter of credit, but in no event shall the combined letters of credit exceed the total Security Deposit. Each letter of credit shall be in form and content reasonably acceptable to Landlord (the form attached hereto as Exhibit H shall be deemed acceptable to Landlord) for the account of Landlord. Said letter(s) of credit shall be for a term of not less than one (1) year and shall be automatically renewed by the bank (without notice from Landlord) (i.e. an "evergreen" letter of credit), until Landlord shall be required to return the security to Tenant pursuant to the terms of this Lease but in no event earlier than ninety (90) days after the Expiration Date, and any renewed letter(s) of credit shall be delivered to Landlord no later than sixty (60) days prior to the expiration of the letter(s) of credit then held by Landlord. If any portion of the security deposit shall be utilized by Landlord in the manner permitted by this Lease, Tenant shall, within Five (5) days after request by Landlord, replenish the security account by depositing with Landlord, by letter(s) of credit, an amount equal to that utilized by Landlord. Failure of Tenant to comply strictly with the provisions of this Article shall constitute a material breach of this Lease and Landlord shall be entitled to present the letter of credit then held by it for payment (without notice to Tenant). In the event of a bank failure or insolvency affecting the letter of credit, Tenant shall replace same within twenty (20) days after being requested to do so by Landlord. If Landlord reasonably believes that the letter of credit issuer is financially troubled or at risk of failure, Landlord, at Landlord's option, shall have the right to draw on the letter(s) of credit or require Tenant to substitute letter(s) of credit from one or more banking institutions, reasonably satisfactory to Landlord. The letter(s) of credit shall be transferable in connection with a transfer of the Building and Tenant shall be solely responsible for any transfer fees imposed by the bank.

12. **TENANT'S BROKER** means NONE.

13. **TENANT'S PERCENTAGE** means and is agreed and deemed to be 4.05%.

DEFINITIONS

1. **ADDITIONAL RENT** means all money, other than the Fixed Basic Rent, payable by Tenant to Landlord under the Lease, including, but not limited to, the monies payable by Tenant to Landlord pursuant to Exhibits G and H of this Lease.

2. **BUILDING HOLIDAYS** means the holidays shown on Exhibit E and all days observed as holidays by the United States, State, or labor unions representing individuals servicing the Building in behalf of Landlord; if there be no such labor unions, such definition shall include holidays designated by Landlord for the benefit of such individuals.

3. **BUILDING HOURS** means Monday through Friday, 8:00 a.m. to 6:00 p.m., but excluding Building Holidays.

4. **COMMON FACILITIES** means and includes the lobby; elevator(s); fire stairs; public hallways; public lavatories; all other general Building components, facilities and fixtures that service or are available to more than one tenant; air conditioning mechanical rooms; fan rooms; janitors' closets; electrical and telephone closets serving more than one tenant; elevator shafts and machine rooms; flues; stacks; pipe shafts and vertical ducts with their enclosing walls; and structural components of the Building.

Whenever the word "includes" or "including" is used in this Lease, it means "includes but is not limited to" and "including but not limited to," respectively.

5. **EXHIBITS** are the following:

Exhibit A	Location of Premises
Exhibit B	Rules and Regulations
Exhibit C	Intentionally omitted
Exhibit D	Cleaning Services
Exhibit E	Building Holidays
Exhibit F	Commencement Date Agreement
Exhibit G	Tax and Operating Cost Rider
Exhibit H	Electricity Rider
Exhibit I	Letter of Credit

The Exhibits are attached at the back of this Lease and are a part of this Lease.

6. **LEGAL REQUIREMENTS** means all present and future laws and ordinances of federal, state, municipal and county governments, and rules, regulations, orders and directives of departments, subdivisions, bureaus, agencies or offices of such governments, or any other governmental, public or quasi-public authorities having jurisdiction over the Building, and the directions of any public officer pursuant to law.

7. **PRIME** means the so-called annual prime rate of interest established and quoted by The Wall Street Journal (or its successor), from time to time, but in no event greater than the highest lawful rate from time to time in effect,

8. **PERMITTED USE** means general office use consistent with a first class office building and for no other purpose.

9. **REAL PROPERTY** means the Building, the land upon which the Building stands, together with adjoining parking areas, sidewalks, driveways, landscaping and land.

10. **STATE** means the State of New Jersey.

11. **TERM** means the period of time beginning on the Commencement Date and ending on the Expiration Date.

— End of Basic Lease Provisions and Definitions —

General Conditions

1. LEASE:

Landlord has leased the Premises to Tenant for the Term.

2. FIXED BASIC RENT:

Tenant will pay Landlord the Fixed Basic Rent. At Landlord's option, upon notice to Tenant, Tenant will pay the Fixed Basic Rent and Additional Rent by electronic transfer. The Fixed Basic Rent payable for the entire Term will be the aggregate of the Annual Rate set forth in the Basic Lease Provisions and will be payable, in advance, on the first day of each calendar month during the Term at the Monthly Installments set forth in the Basic Lease Provisions, except that a proportionately lesser amount will be paid for the first month of the Term if the Term commences on a day other than the first day of the month. Tenant will pay the first (1st) full monthly installment of Fixed Basic Rent upon Tenant's execution and delivery of this Lease. Tenant will pay Fixed Basic Rent, and any Additional Rent, to Landlord at Landlord's address set forth in the first paragraph of this Lease, or at such other place as Landlord may designate in writing, without demand and without counterclaim, deduction or set off.

3. USE AND OCCUPANCY:

Tenant will use the Premises solely for the Permitted Use.

Neither Tenant, nor anyone acting by or through Tenant, will generate, handle, dispose, store or discharge any hazardous substances or wastes as defined by Legal Requirements in, on or around the Premises, the Building or the Real Property in violation of any Legal Requirements (such actions collectively referred to as "**Prohibited Actions**"). Tenant will defend, indemnify and hold Landlord harmless against any and all loss, actual out-of-pocket cost, damage, liability or expense (including reasonable attorneys' fees and disbursements) which Landlord may sustain as a result of any Prohibited Actions.

4. CARE AND REPAIR OF PREMISES:

Tenant wilt not commit any act that damages the Premises or Building and will take good care of the Premises, and will comply with all Legal Requirements affecting the Premises or the Tenant's use and/or occupancy of the Premises. Landlord will, at Tenant's expense, make all necessary repairs to the Premises. Landlord will make all necessary repairs to the Common Facilities. The cost of repairs to the Common Facilities will be included in Operating Costs, except where the repair has been made necessary by misuse or neglect by Tenant or Tenant's agents, employees, contractors, invitees, visitors or licensees (collectively, "**Tenant's Agents**"), in which event Landlord will nevertheless make the repair but Tenant will pay to Landlord, as Additional Rent, upon demand, the cost incurred by Landlord to complete such repairs. All improvements made by Tenant prior to or after the commencement of the Term which are attached to the Premises will, at Landlord's option, become the property of Landlord upon the expiration or sooner termination of this Lease. Not later than the last day of the Term, Tenant will, at Tenant's expense, remove from the Building all of Tenant's personal property and those improvements made by Tenant which Landlord has not elected by notice to Tenant to retain as Landlord's property, as well as all trade fixtures (other than built-in cabinet work), moveable partitions, telephone, computer, data and antenna wiring, cabling and related conduit and the like. Tenant will repair all injury done by or in connection with the installation or removal of said property, improvements, wiring and the like; cap or terminate all telephone, computer and data connections at service entry panels in accordance with Legal Requirements; and surrender the Premises in as good condition as they were at the beginning of the Term, except for reasonable wear and damage by casualty or other cause not due to the misuse or neglect by Tenant and/or Tenant's Agents. All properly of Tenant remaining on the Premises after the last day of the Term will be conclusively deemed abandoned and may be removed and discarded or stored at Tenant's risk by Landlord, and Tenant will pay Landlord for the cost of such removal, discarding and/or storage. Notwithstanding anything contained herein to the contrary, Tenant shall remove all installations that are "**non-standard office improvements**". For purposes hereof, "non-standard office improvements" shall mean raised flooring, interior staircases, vaults, elevators, modifications to the Building's utility and mechanical systems and unusual configuration for first class office space. Tenant shall repair any damage to the Premises resulting from such removal.

Tenant is responsible for alt costs related to the repair and maintenance of any additional or supplemental HVAC systems, appliances and equipment serving exclusively the Premises or installed to meet Tenant's specific requirements. Tenant will purchase and maintain throughout the Term an annual full maintenance and service contract for this equipment and will forward a copy of each proposed contract to Landlord for its approval prior to signing it.

5. ALTERATIONS, ADDITIONS OR IMPROVEMENTS:

Tenant will not, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld or delayed, make any alterations, additions or improvements (collectively, "**alterations**") in, to or about the Premises. Unless the alterations affect the Common Facilities or Building Systems or would otherwise require a building permit, Landlord wilt not unreasonably withhold or delay its consent Building Systems include the life safety, plumbing, electrical, heating, ventilation and air conditioning systems in the Building. Tenant may, upon prior notice to Landlord, perform minor cosmetic improvements, such as painting and wallpapering, without the prior consent of Landlord.

If Tenant shall request the consent or approval of Landlord to the making of any alterations or to any other thing, and Landlord shall seek and pay a separate fee for the opinion of Landlord's counsel, architect, engineer or other representative or agent as to the form or substance thereof, Tenant shall pay Landlord, as Additional Rent, within 30 days after demand, all reasonable costs and expenses of Landlord actually incurred in connection therewith, including, in case of any alterations, costs and expenses of Landlord in reviewing plans and specifications.

6. ASSIGNMENT AND SUBLEASE:

Tenant will not mortgage, pledge, assign or otherwise transfer this Lease or sublet all or any portion of the Premises in any manner except as specifically provided for in this Article 6:

a) If Tenant desires to assign this Lease or sublease all or part of the Premises, the terms and conditions of such assignment or sublease will be communicated by Tenant to Landlord in writing no less than thirty (30) days prior to the effective date of such sublease or assignment. Prior to such effective date, Landlord will have the option, upon notice to Tenant, to terminate the Lease, (i) in the case of subletting, solely as to that portion of the Premises to be sublet, or (ii) in the case of an assignment, as to all of the Premises, and in such event, Tenant will be fully released from its obligations with respect to the terminated space ("**Recapture Space**") accruing from and after the effective date. If Landlord terminates the Lease as to the Recapture Space, in no event will Landlord be liable for a brokerage commission in connection with the proposed assignment or sublet. If Landlord recaptures the Recapture Space, Tenant shall be solely responsible, at its cost and expense, for all alterations required to separate the Recapture Space from the balance of the Premises, including, but not limited to, construction of demising walls and separation of utilities.

b) In the event that the Landlord elects not to terminate the Lease as to the Recapture Space, Tenant may assign this Lease or sublet the whole or any portion of the Premises, subject to Landlord's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed, subject to the following terms and conditions and provided the proposed occupancy is in keeping with that of a first-class office building:

i) Tenant will provide to Landlord the name, address, nature of the business and evidence of the financial condition of the proposed assignee or sublessee;

ii) The assignee will assume, by written instrument all of the obligations of the Tenant under this Lease, and a copy of such assumption agreement will be furnished to Landlord within ten (10) days of its execution. No further assignment of this Lease or subletting all or any part of the Premises will be permitted;

iii) Each sublease will provide that sublessee's rights will be no greater than those of Tenant, and that the sublease is subject and subordinate to this Lease and to the matters to which this Lease is or will be subordinate, and that in the event of default by Tenant under this Lease, Landlord may, at its option, have such sublessee will attorn to Landlord provided, however, in such case Landlord will not (i) be liable for any previous act or omission of Tenant under such sublease or, (ii) be subject to any offset not expressly provided for in this Lease or by any previous prepayment of more than one month's rent;

iv) The liability of Tenant and each assignee will be joint, several and primary for the observance of all the provisions, obligations and undertakings of this Lease, including the payment of Fixed Basic Rent and Additional Rent through the entire Term, as the same may be renewed, extended or otherwise modified;

v) Tenant will promptly pay to Landlord fifty percent (50%) of any consideration received for any assignment or fifty percent (50%) of the rent (fixed basic rent and additional rent) and any other consideration payable by the subtenant to Tenant under or in connection with a sublease, as and when received, in excess of the Fixed Basic Rent required to be paid by Tenant for the area sublet;

vi) The acceptance by Landlord of any rent from the assignee or from any subtenant or the failure of Landlord to insist upon strict performance of any of the terms, conditions and covenants of this Lease will release neither Tenant nor any assignee assuming this Lease, from the Tenant's obligations set forth in this Lease;

vii) The proposed assignee or subtenant is not then an occupant of any part of the Building or any other building then owned by Landlord or its affiliates within a five-mile radius of the Building;

viii) The proposed assignee or subtenant is not an entity or a person or an affiliate of an entity with whom Landlord is or has been, within the preceding nine (9) month period, negotiating to lease space in the Building or any other building owned by Landlord or its affiliates within a five-mile radius of the Building;

ix) There will not be more than one (1) subtenant in the Premises;

x) Tenant will not advertise the subtenancy for less than Landlord's then current market rent for the Premises;

xi) Tenant will pay Landlord a TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLAR ($2,500.00) administrative fee for each request for consent to any sublet or assignment simultaneously with Tenant's request for consent to a specific sublet or assignment; and

xii) The proposed assignee or subtenant will use the Premises for the Permitted Use only.

c) If Tenant is a corporation (other than a corporation whose stock is listed and traded on a nationally recognized stock exchange), the transfer (however accomplished, whether in a single transaction or in a series of related or unrelated transactions) of a majority of the issued and outstanding stock [or any other mechanism such as, by way of example, the issuance of additional stock, a stock voting agreement or change in class(es) of stock which results in a change of control of Tenant], and if Tenant is a partnership, joint venture or limited liability company (collectively "**Entity**"), the transfer (by one or more transfers) of an interest in the distributions of profits and losses of such Entity (or other mechanism, such as, by way of example, the creation of additional partnership or limited liability company interests) which results in a change of control of such Entity will be deemed an assignment of this Lease, subject to provisions of this Article.

Notwithstanding anything contained in this Lease to the contrary. Tenant may assign this Lease or sublet all or any portion of the Premises to (i) any corporation or other Entity directly or indirectly controlling or controlled by Tenant or under common control with Tenant, or (ii) any successor by merger, consolidation, corporate reorganization or acquisition of all or substantially all of the assets of Tenant (any transaction referred to in clauses (i) or (ii) hereof will be a "**Permitted**

Transfer") provided that the net worth of any transferee of a Permitted Transfer will not be less than the net worth of Tenant as of the date of the execution and delivery of this Lease by both parties. Any other assignment or subleasing of Tenant's interest under this Lease will be subject to Landlord's approval, which approval will not be unreasonably withheld, conditioned or delayed.

d) Except as specifically set forth above, if any portion of the Premises or of Tenant's interest in this Lease is acquired by any other person or entity, whether by assignment, mortgage, sublease, transfer, operation of law or act of the Tenant, or if Tenant pledges its interest in this Lease or in any security deposit required hereunder, Tenant will be in default beyond all applicable notice and cure periods.

7. COMPLIANCE WITH RULES AND REGULATIONS:

Tenant will observe and comply with the rules and regulations set forth in Exhibit B and with such further reasonable rules and regulations as Landlord may prescribe from time to time.

8. DAMAGES TO BUILDING:

If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed twenty-five (25%) percent of the replacement value of the Building (exclusive of foundations) just prior to the occurrence of the damage, then Landlord may, no later than the sixtieth (60th) day following the damage, give Tenant a notice electing to terminate this Lease. In such event, this Lease will terminate on the thirtieth (30th) day after the giving of such notice, and Tenant will surrender possession of the Premises on or before such date. If this Lease is not terminated pursuant to this Article, Landlord will restore the Building and the Premises with reasonable promptness, subject to Force Majeure, as defined in Article 30 e) below, and subject to the availability and adequacy of the insurance proceeds, Landlord shall not be obligated to restore fixtures and improvements owned by Tenant.

In any case in which use of the Premises is affected by any damage to the Building, there will be either an abatement or an equitable reduction in Fixed Basic Rent, depending on the period for which and the extent to which the Premises are not reasonably usable for general office use. The words "restoration" and "restore" as used in this Article will include repairs.

9. EMINENT DOMAIN:

If Tenant's use of the Premises is materially affected due to the taking by eminent domain of (a) the Premises or any part thereof; or (b) any other part of the Building; then, in either event, this Lease will terminate on the date when title vests pursuant to such taking. The Fixed Basic Rent, and any Additional Rent, will be apportioned as of such termination date and any Fixed Basic Rent or Additional Rent paid for any period beyond said date, will be repaid to Tenant. Tenant will not be entitled to any part of the award for such taking or any payment in lieu thereof, but Tenant may file a separate claim for any taking of fixtures and improvements owned by Tenant which have not become the Landlord's property, and for moving expenses, provided the same will, in no way, affect or diminish Landlord's award. In the event of a partial taking which does not effect a termination of this Lease but does deprive Tenant of the use of a portion of the Premises, there will be either an abatement or an equitable reduction in Fixed Basic Rent, depending on the period for which and the extent to which the Premises are not reasonably usable for general office use.

10. LANDLORD'S REMEDIES ON DEFAULT:

If Tenant defaults in the payment of Fixed Basic Rent or any Additional Rent or in the performance of any of the other covenants and conditions of this Lease or permits the Premises to become deserted, abandoned or vacated, Landlord may give Tenant notice of such default, and if Tenant does not cure any Fixed Basic Rent of Additional Rent default within ten (10) days or other default within thirty (30) days after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Tenant does not commence such curing within such thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Landlord may terminate this Lease or Tenant's right to possession upon not less than ten (10) days notice to Tenant, and on the date specified in such notice Tenant's right to possession of the Premises will cease, but Tenant will remain liable as provided below in this Lease. If this Lease or Tenant's right to possession will have been so terminated by Landlord, Landlord may at any time thereafter recover possession of the Premises by any lawful means and remove Tenant or other occupants and their effects. Landlord may, at Tenant's expense, relet all or any part of the Premises and may make such alterations, decorations or other changes to the Premises as Landlord considers appropriate in connection with such reletting, without relieving Tenant of any liability under this Lease. Tenant shall pay to Landlord, on demand, such expenses as Landlord may incur, including, without limitation, court costs and reasonable attorney's fees and disbursements, in enforcing the performance of any obligation of Tenant under this Lease.

Tenant hereby waives all right of redemption to which Tenant or any person under Tenant might be entitled by any Legal Requirement Tenant hereby further waives any and all rights to invoke N.J.S.A. 2A:18-60.

Notwithstanding anything contained herein, Tenant's vacating of the Premises shall not be deemed a default of this Lease, if Tenant submits to Landlord then current financial statements, certified by Tenant's chief financial officer or a certified public accountant, evidencing to Landlord's reasonable satisfaction, that Tenant has the financial resources to meet its obligations under this Lease.

11. DEFICIENCY:

In any case where Tenant has defaulted beyond all applicable notice and cure periods and Landlord has recovered possession of the Premises or terminated this Lease or Tenant's right to possession, Tenant's obligation to pay Landlord all the Fixed Basic Rent and Additional Rent up to and including the Expiration Date will not be discharged or otherwise affected. Landlord will have all rights and remedies available to Landlord at law and in equity by reason of Tenant's default, and may periodically sue to collect the accrued obligations of the Tenant together with interest at Prime plus four percent per annum from the date owed to the date paid, but in no event greater than the maximum rate of interest permitted by law.

Alternatively, in any case where Landlord has recovered possession of the Premises by reason of Tenant's default, Landlord may at Landlord's option, and at any time thereafter, and without notice or other action by Landlord, and without prejudice to any other rights or remedies it might have hereunder or at law or equity, become entitled to recover from Tenant, as damages for such breach, in addition to such other sums herein agreed to be paid by Tenant, to the date of re-entry, expiration and/or dispossess, an amount equal to the difference between the Fixed Basic Rent and Additional Rent reserved in this Lease from the date of such default to the date of Expiration Date of the original Term and the then fair and reasonable rental value of the Premises for the same period. Said damages shall become due and payable to Landlord immediately upon such breach of this Lease and without regard to whether this Lease be terminated or not, and if this Lease be terminated, without regard to the manner in which it is terminated. In the computation of such damages, the difference between an installment of Fixed Basic Rent and Additional Rent thereafter becoming due and the fair and reasonable rental value of the Premises for the period for which such installment was payable shall be discounted to the date of such default at the rate of not more than six percent (6%) per annum.

12. SUBORDINATION:

This Lease will, at the option of any holder of any underlying lease or holder of any first mortgage or first trust deed, be subject and subordinate to any such underlying lease and to any first mortgage or first trust deed which may now or hereafter affect the Real Property, and also to all renewals, modifications, consolidations and replacements of such underlying leases and first mortgage or first trust deed. Although no instrument or act on the part of Tenant will be necessary to effectuate such subordination. Tenant will, nevertheless, within ten (10) days prior written request by Landlord, execute and deliver such further instruments confirming such subordination of this Lease as may be desired by the holders of such first mortgage or first trust deed or by any of the lessors under such underlying leases. If any underlying lease to which this Lease is subject terminates, Tenant will, on timely request, recognize and acknowledge the owner of the Real Property as Tenant's landlord under this Lease.

13. SECURITY DEPOSIT:

Tenant will deposit with Landlord on the signing of this Lease by Tenant, the Security Deposit for the performance of Tenant's obligations under this Lease, including the surrender of possession of the Premises to Landlord in the condition required under this Lease. If Landlord applies all or any part of the Security Deposit to cure any default of Tenant, Tenant will, on demand, deposit with Landlord the amount so applied so that Landlord will have the full Security Deposit on hand at all times during the Term. In the event of a bona fide sale of the Real Property, subject to this Lease, Landlord will transfer the Security Deposit to the purchaser, and Landlord will be considered released by Tenant from all liability for the return of the Security Deposit; and Tenant agrees to look solely to the new landlord for the return of the Security Deposit, and it is agreed that this will apply to every transfer or assignment made of the Security Deposit to a new landlord. Provided Tenant is not in default, the Security Deposit (less any portions of it previously used, applied or retained by Landlord), will be returned to Tenant after the expiration or sooner termination of this Lease and delivery of the entire Premises to Landlord in accordance with the provisions of this Lease. Tenant will not assign, pledge or otherwise encumber the Security Deposit, and Landlord will not be bound by any such assignment, pledge or encumbrance.

14. RIGHT TO CURE TENANT'S BREACH:

If Tenant breaches any covenant or condition of this Lease beyond all applicable notice and cure periods, Landlord may, on prior notice to Tenant (except that no notice need be given in case of emergency), cure such breach at the expense of Tenant, and the reasonable amount of all expenses, including attorney's fees, incurred by Landlord in so doing (whether paid by Landlord or not) will be deemed payable on demand as Additional Rent.

15. LIENS:

Tenant will not permit any lien or other encumbrance to be filed as a result of any act or omission (or alleged act or omission) of Tenant. Tenant will, within ten (10) days after notice from. Landlord, discharge or satisfy by bonding or otherwise any liens filed against Landlord or all or any portion of the Real Property as a result of any such act or omission, including any lien or encumbrance arising from contract or tort claims.

16. RIGHT TO INSPECT AND REPAIR:

Landlord or its designees may enter the Premises (but will not be obligated to do so) at any reasonable time on reasonable notice to Tenant (except that no notice need be given in case of emergency) for the purpose of: (i) inspection; (ii) performance of any work or the making of such repairs, replacements or additions in, to, on and about the Premises or the Building, as Landlord deems necessary or desirable; or (iii) showing the Premises to prospective purchasers, mortgages and tenants. Tenant will provide Landlord or its designees free and unfettered access to any mechanical or utility rooms, conduits, risers or the like located within the Premises. Landlord or any prospective tenant shall have the right to enter the space to perform inspections, surveys, measurements or such other reasonable activities as may be necessary to prepare the Premises for occupancy by the succeeding tenant. Tenant will have no claims, including claims for interruption of Tenant's business, or cause of action against Landlord by reason of entry for such purposes.

17. SERVICES TO BE PROVIDED BY LANDLORD:

a) Landlord will furnish to the Premises (i) electricity for normal lighting and ordinary office machines, (ii) during Building Hours, HVAC required for the reasonable use and occupancy of the Premises, and (iii) janitorial service (as set forth in Exhibit D), all in a manner comparable to that of similar buildings in the area. In addition, Landlord shall provide Common Facilities lighting at the Real Property during Building Hours and for such additional hours as, in Landlord's judgment, is necessary or desirable to insure proper operation of the Real Property.

b) Tenant will be entitled to make use of HVAC beyond the Building Hours, at Tenant's sole cost and expense, provided Tenant has notified Landlord by 3:00 p.m. on the day that Tenant will require said overtime use if said overtime use is required on any weekday, and by 3:00 p.m. on Friday for Saturday and/or Sunday overtime use. Tenant will pay Landlord the HVAC After Hours Charge (as defined in the Basic Lease Provisions) for HVAC beyond the Building Hours.

18. TENANT'S ESTOPPEL:

Tenant will, from time to time, on not less than ten (10) business days prior written request by Landlord, execute, acknowledge and deliver to Landlord an estoppel certificate containing such information as Landlord may reasonably request.

19. HOLDOVER TENANCY:

Tenant agrees that it must surrender possession of the Premises to Landlord on the Expiration Date or earlier termination of the Term. Tenant agrees to indemnify and hold Landlord harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including attorneys' fees, resulting from any delay by Tenant in so surrendering the Premises, including any claims made by any succeeding tenant based on such delay. Tenant agrees that if possession of the Premises is not surrendered to Landlord on the Expiration Date or earlier termination of the Term, then Tenant agrees to pay Landlord as liquidated damages for each month and for any portion of a month during which Tenant holds over in the Premises after the Expiration Date or earlier termination of the Term, a sum equal to 200% of the average Fixed Basic Rent and Additional Rent which was payable per month under this Lease during the last three months of the Term. Such liquidated damages shall not limit Tenant's indemnification obligation with respect to claims made by any succeeding tenant based on Tenant's failure or refusal to surrender the Premises to Landlord on the Expiration Date or sooner termination of the Term. Nothing contained herein shall be deemed to authorize Tenant to remain in occupancy of the Premises after the Expiration Date or sooner termination of the Term.

20. LANDLORD'S WORK; COMMENCEMENT:

Tenant shall accept the Premises "as is". Such term shall mean in the same condition and repair in which the prior tenant vacated such space, and Tenant shall be responsible for any demolition and removal of any improvements existing in the Premises in connection with the prior tenant's occupancy, and all other work as may be necessary to convert the Premises to Tenant's requirements. Landlord shall not be responsible for performing any work with respect to such space. Any work, changes or improvements made to such space shall be performed at Tenant's expense in accordance with the terms of this Lease.

21. OVERDUE RENT CHARGE/INTEREST:

a) Tenant will pay an "**Overdue Rent Charge**" of eight percent (8%) of any installment of Fixed Basic Rent or Additional Rent which Tenant fails to pay within five (5) days after the due date thereof, to cover the extra expense involved in handling non-payments and/or delinquent payments. The Overdue Rent Charge will constitute Additional Rent and an agreed upon amount of liquidated damages and not a penalty.

b) Any amount owed by Tenant to Landlord which is not paid when due will bear interest at the lesser of (i) the rate of two percent (2%) per month from the due date of such amount, or (ii) maximum legal interest rate permitted by law. The payment of interest on such amounts will not extend the due date of any amount owed.

22. INSURANCE:

a) Tenant's Insurance. On or before the Commencement Date or Tenant's prior entry into the Premises, Tenant will obtain and have in full force and effect, insurance coverage as follows:

(i) workers' compensation in an amount required by law; (ii) commercial general liability with a per occurrence limit of Three Million Dollars ($3,000,000) and a general aggregate of Five Million Dollars ($5,000,000) for bodily injury and property damage on an occurrence basis and containing an endorsement naming Landlord, its agents, designees and lender as additional insureds, and no modification that would make Tenant's policy excess or contributing with Landlord's liability insurance; (iii) all risk property insurance for the full replacement value of all of Tenant's furniture, fixtures, equipment, alterations, improvements or additions that do not become Landlord's property upon installation; and (iv) any other form or forms of insurance or any increase in the limits of any of the coverages described above or other forms of insurance as Landlord or the mortgagees or ground lessors (if any) of Landlord may reasonably require from time to time if in the reasonable opinion of Landlord or said mortgagees or ground lessors said coverage and/or limits become inadequate or less than that commonly maintained by prudent tenants with similar uses in similar buildings in the area, All policies obtained by Tenant will be issued by carriers having ratings in Best's Insurance Guide ("**Best**") of A and VIII, or better (or equivalent rating by a comparable rating agency if Best no longer exists) and licensed in the State. All such policies must be endorsed to be primary and noncontributing with the policies of Landlord being excess, secondary and noncontributing. No policy will be canceled, nonrenewed or materially modified without thirty (30) days' prior written notice by the insurance carrier to Landlord. If the forms of policies, endorsements, certificates, or evidence of insurance required by this Article are superseded or discontinued, Landlord may require other equivalent or better forms. Evidence of the insurance coverage required to be maintained by Tenant, represented by certificates of insurance issued by the insurance carrier, must be furnished to Landlord prior to Tenant occupying the Premises and at least thirty (30) days prior to the expiration of current policies. Copies of all endorsements required by this Article must accompany the certificates delivered to Landlord. The certificates will state the amounts of all deductibles and self-insured retentions and that Landlord will be notified in writing thirty (30) days prior to cancellation, material change, or non-renewal of insurance. If requested in writing by Landlord, Tenant will provide to Landlord a certified copy of any or all insurance policies or endorsements required by this Article.

b) Tenant will not do or allow anything to be done on the Premises which will increase the rate of fire insurance on the Building from that of a general office building. If any use of the Premises by Tenant results in an increase in the fire insurance rate(s) for the Building, Tenant will pay Landlord, as Additional Rent, any resulting increase in premiums. Tenant's insurance obligations set forth in Section 22 a) (i) and (ii) above shall continue in effect throughout the Term and after the Term as long as Tenant, or anyone claiming by, through or under Tenant, occupies all or any part of the Premises.

c) Waiver of Claims. Landlord and Tenant hereby waive all claims and release each other and each other's employees, agents, customers and invitees from any and all liability for any loss, damage or injury to property occurring in, on, about or to the Premises or the Building by reason of fire or other casualty, regardless of cause, including the negligence of Landlord or Tenant and their respective employees, agents, customers and invitees, and agree that the property insurance carried by either of them will contain a clause whereby the insurer waives its right of subrogation against the other party. Each party to this Lease will give to its insurance company notice of the provisions of this Section 22 c) and have such insurance policies properly endorsed, if necessary, to prevent the invalidation of such insurance by reason of the provisions of this Section c). Each party shall bear the risk of its own deductibles. Landlord and Tenant acknowledge that the insurance requirements of this Lease reflect their mutual recognition and agreement that each party will look to its own insurance and that each can best insure against loss to its property and business no matter what the cause. If Tenant fails to maintain insurance or self insures for loss including, without limitation, business interruption, Tenant shall be deemed to have released Landlord for all loss or damage which would have been covered if Tenant had so insured.

d) Building Insurance. Landlord will at all times during the Term carry a policy of insurance which insures the Building, including the Premises and the Work, if any, against loss or damage by fire or other casualty (namely, the perils against which insurance is afforded by a standard fire insurance policy); provided, however, that Landlord will not be responsible for, and will not be obligated to insure against, any loss of or damage to any personal property or trade fixtures of Tenant or any alterations which Tenant may make to the Premises or any loss suffered by Tenant due to business interruption. All insurance maintained by Landlord pursuant to this Article may be effected by blanket insurance policies.

23. INDEMNITY:

Tenant will defend, indemnify and hold Landlord and its agents harmless from and against any and all claims, actions or proceedings, costs, expenses and liabilities, including attorneys fees and disbursements incurred in connection with each such claim, action or proceeding, whether in contract or tort, arising from Tenant's use and occupancy of the Premises, including Tenant's negligent acts or omissions at the Real Property. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, will, at Tenant's expense, resist and defend such action or proceeding with counsel acceptable to Landlord.

24. BROKER:

Tenant represents and warrants to the Landlord that no broker brought about this transaction, except Tenant's Broker and Tenant agrees to indemnify and hold Landlord harmless from any and all claims of any broker(s) (other than Tenant's Broker) arising out of or in connection with the negotiations of or entering into of this Lease by Tenant and Landlord.

25. PERSONAL LIABILITY:

There will be no personal liability on the part of Landlord, its constituent members (including officers, directors, partners, members and trustees) and their respective successors and assigns or any mortgagee in possession, with respect to any of the terms, covenants and conditions of this Lease, and Tenant will look solely to the equity of Landlord in the Building for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms of this Lease to be performed by Landlord, such exculpation of liability to be absolute and without any exceptions whatsoever.

26. NOTICES:

Any notice by either party to the other shall be in writing and shall be deemed to have been duly given only if (i) delivered personally or (ii) sent by registered mail or certified mail return receipt requested in a postage paid envelope or (iii) sent by nationally recognized overnight delivery service, if to Tenant, at the Building; if to Landlord, at Landlord's address as set forth above to the attention of President and Chief Executive Officer, with a copy to the attention of the Executive Vice President and General Counsel; or, to either at such other address as Tenant or Landlord, respectively, may designate in writing. Notice shall be deemed to have been duly given, if delivered personally, on delivery thereof, if mailed, upon the seventh (7^{th}) day after the mailing thereof or if sent by overnight delivery service, the next business day.

27. AUTHORITY:

The signatories on behalf of Tenant represent and warrant that they are authorized to execute this Lease, and if Tenant is a corporation or other Entity, Tenant will, within fifteen (15) days of Landlord's request, provide Landlord with a resolution confirming the authorization. Tenant represents and warrants to Landlord (i) that neither Tenant nor any person or entity that directly owns a ten percent (10%) or greater equity interest in Tenant nor any of its officers, directors or managing members (collectively, "**Tenant and Others in Interest**") is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 signed on September 24, 2001 (the "**Executive Order**") and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (ii) that Tenant and Others in Interest's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "**Money Laundering Act**"), and (iii) that throughout the Term Tenant will comply with the Executive Order and the Money Laundering Act.

28. PARKING SPACES

Tenant's occupancy of the Premises will include the use of the parking spaces set forth in the Basic Lease Provisions. Tenant will, upon request, promptly furnish to Landlord the license numbers of the cars operated by Tenant and its subtenants, invitees, concessionaires, licensees and their respective officers, agents and employees. If any vehicle of Tenant, or of any subtenant, invitee, licensee, concessionaire, or their respective officers, agents or employees, is parked in any part of the Real Property other than those portions of the parking area(s) designated for this purpose by Landlord, or if Tenant shall exceed the number of parking spaces allocated to Tenant in the Basic Lease Provisions, then, in addition to Landlord's rights and remedies provided in this Lease, Tenant will pay to Landlord $100.00 per day.

29. RELOCATION:

Landlord, at its expense, at any time before or during the Term, but in no event during the last six (6) months of the Term, may relocate Tenant from the Premises to space of reasonably comparable size, utility and improvements ("Relocation Space") within the Building or business park of which the Building is a part upon sixty (60) days prior notice to Tenant, From and after the date of the relocation, the Fixed Basic Rent and Tenant's Percentage will be adjusted based upon the gross rentable area of the Relocation Space; but in no event will the Fixed Baste Rent or Tenant's Percentage increase as a result of such relocation. Landlord will pay Tenant the actual, reasonable out of pocket moving costs incurred by Tenant in connection with such relocation. Landlord will have no liability for any interference with Tenant's business resulting from such relocation.

30. MISCELLANEOUS:

a) If any of the provisions of this Lease, or the application of such provisions, will be invalid or unenforceable, the remainder of this Lease will not be affected, and this Lease will be valid and enforceable to the fullest extent permitted by law.

b) The submission of this Lease for examination does not constitute a reservation of, or option for, the Premises, and this Lease is submitted to Tenant for signature with the understanding that it wilt not bind Landlord unless and until it has been executed by Landlord and delivered to Tenant or Tenant's attorney or agent and until the holder of any mortgage will have unconditionally approved this Lease, to the satisfaction of Landlord, if such approval is required under the terms of such mortgage.

c) No representations or promises will be binding on the parties to this Lease except those representations and promises expressly contained in the Lease.

d) The article headings in this Lease are intended for convenience only and will not be taken into consideration in any construction or interpretation of this Lease or any of its provisions.

e) Force Majeure means and includes those situations beyond either party's reasonable control, including acts of God; strikes; inclement weather; or, where applicable, the passage of time while waiting for an adjustment of insurance proceeds. Any time limits required to be met by either party hereunder, whether specifically made subject to Force Majeure or not, except those related to the surrender of the Premises by the end of the Term or payment of Fixed Basic Rent or Additional Rent, will, unless specifically stated to the contrary elsewhere in this Lease, be automatically extended by the number of days by which any required performance is delayed due to Force Majeure.

f) Tenant consents to the receipt of electronic messages from Landlord or its affiliates.

g) No payment by Tenant or receipt by Landlord of a lesser amount than the Fixed Basic Rent and Additional Rent payable hereunder will be deemed to be other than a payment on account of the earliest stipulated Fixed Basic Rent and Additional Rent, nor will any endorsement or statement on any check or any letter accompanying any check or payment of Fixed Basic Rent or Additional Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Fixed Basic Rent and Additional Rent or to pursue any other remedy provided herein or by law. All obligations of Tenant under this Lease shall survive the expiration or earlier termination of this Lease.

h) No failure by either party to insist upon the strict performance of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedy upon a breach of any such covenant, agreement, term or condition, and no acceptance by Landlord of full or partial rent during the continuance of any such breach by Tenant, will constitute a waiver of any such breach or of such covenant, agreement, term or condition. No consent or waiver, express or implied, by either party to or of any breach of any covenant, condition or duty of the other party will be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty, unless such consent or waiver is in writing and signed by the party granting such consent or waiver.

i) Landlord covenants that if, and so long as, Tenant pays Fixed Basic Rent and any Additional Rent as required under this Lease, and performs Tenant's other covenants under the Lease, Landlord will do nothing to affect Tenant's right to peaceably and quietly have, hold and enjoy the Premises for the Term, subject to the provisions of this Lease.

j) The provisions of this Lease will apply to, bind and inure to the benefit of Landlord and its respective heirs, successors, legal representatives and assigns. The term "Landlord" as used in this Lease means only the owner or a master lessee of the Building, so that in the event of any sale of the Building or of any master lease thereof, the Landlord named herein will be and hereby is entirely freed and relieved of all covenants and obligations of Landlord under this Lease accruing after such sale, and it will be deemed without further agreement that the purchaser or the new master lessee of the Building has assumed and agreed to carry out any and alt covenants and obligations of Landlord accruing under this Lease after such sale.

k) Landlord reserves the right unilaterally to alter Tenant's ingress and egress to the Building or make any change in operating conditions to restrict pedestrian, vehicular or delivery ingress and egress to a particular location, or at any time close temporarily any Common Facilities to make repairs or changes therein or to effect construction, repairs or changes within the Building, or to discourage non-tenant parking, and may do such other acts in and to the Common Facilities as in Landlord's sole judgment may be desirable to improve their convenience.

l) To the extent such waiver is permitted by law, the parties waive trial by jury in any action or proceeding brought in connection with this Lease or the Premises. This Lease will be governed by the laws of the State (without the application of any conflict of laws principles), and any action or proceeding in connection with this Lease shall be decided in the courts of the State.

m) Tenant agrees not to disclose the terms, covenants, conditions or other facts with respect to this Lease, including the Fixed Basic Rent and Additional Rent, to any person, corporation, partnership, association, newspaper, periodical or

other entity, except to Tenant's accountants or attorneys (who shall also be required to keep the terms of this Lease confidential) or as required by law. This non-disclosure and confidentiality agreement will be binding upon Tenant without limitation as to time, and a breach of this paragraph will constitute a material breach under this Lease. In addition, Tenants employees, contractors, etc. shall keep any of the terms and conditions of this Lease, including any billing statements and/or any backup supporting those statements, confidential.

n) Any State statutory provisions dealing with termination rights due to casualty, condemnation, delivery of possession or any other matter dealt with by this Lease are superseded by the terms of this Lease.

o) Whenever it is provided that Landlord will not unreasonably withhold, condition or delay consent or approval or will exercise its judgment reasonably (such consent or approval and such exercise of judgment being collectively referred to as "consent"), if Landlord delays, conditions or refuses such consent, Tenant waives any claim for money damages (including any claim for money damages by way of setoff, counterclaim or defense) based upon any claim or assertion that Landlord unreasonably withheld, conditioned or delayed consent. Tenant's sole remedy will be specific performance. Failure on the part of Tenant to seek relief within 30 days after the date upon which Landlord has withheld, conditioned or delayed its consent will be deemed a waiver of any right to dispute the reasonableness of such withholding, conditioning or delaying of consent.

p) Notwithstanding anything to the contrary contained in this Lease, in no event will Landlord or Tenant be liable to the other for the payment of consequential, punitive or speculative damages, except as provided in Article 19 hereof.

EACH PARTY AGREES that it wilt not raise or assert as a defense to any obligation under this Lease, or make any claim that this Lease is invalid or unenforceable, due to any failure of this document to comply with ministerial requirements, including requirements for corporate seals, attestations, witnesses, notarizations or other similar requirements, and each party hereby waives the right to assert any such defense or make any claim of invalidity or unenforceability due to any of the foregoing.

THE PARTIES to this Lease have executed and delivered this Lease as of the date set forth above.

LANDLORD:

VAUGHN PRINCETON ASSOCIATES L.L.C.

By: Mack-Cali Property Trust, member

By: _____
Diane L. Chayes
Vice President, Leasing

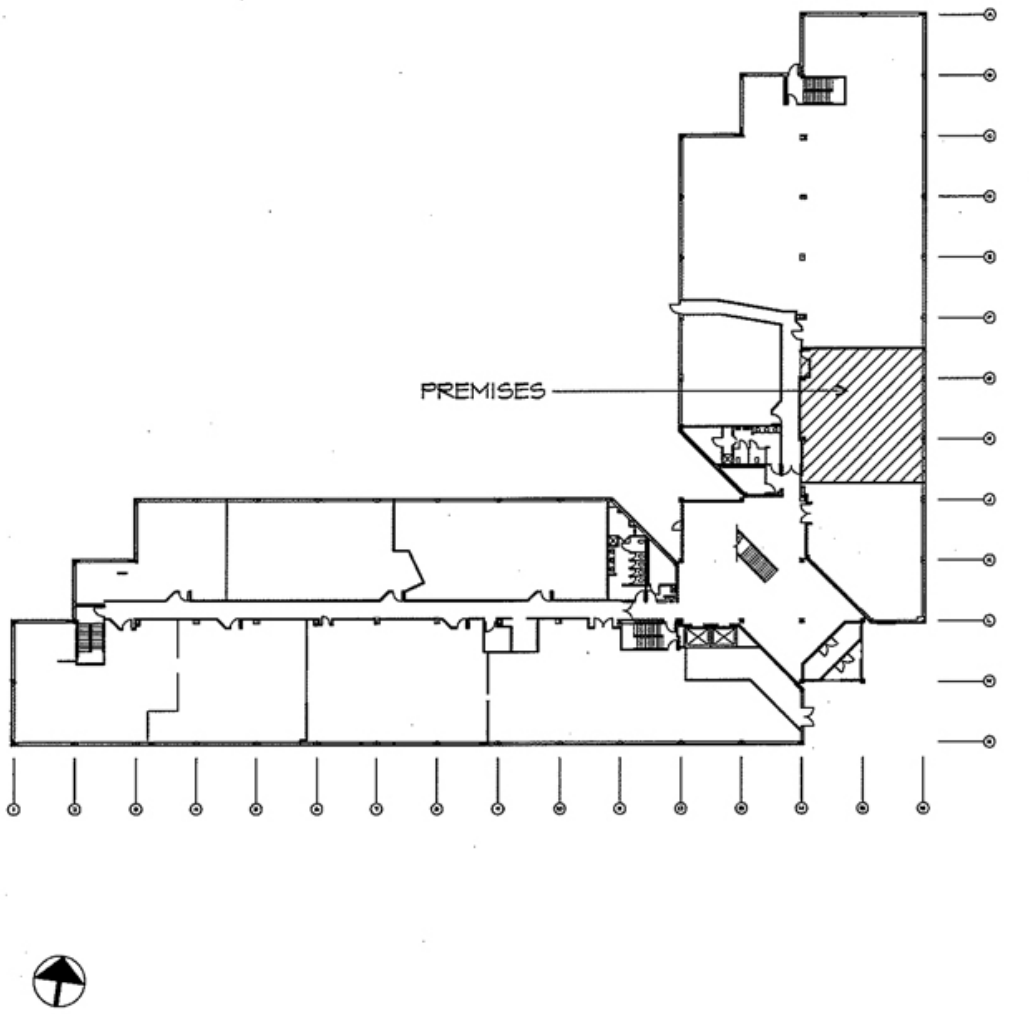
TENANT:

OPHTHOTECH CORP.

By: _____
Name: Thomas Biancardi
Title: VP Finance

APPROVED AS TO FORM
RS

Execution



MACK-CALI CORPORATE CENTER - PRINCETON JUNCTION METRO - PR
5 VAUGHN DRIVE
PRINCETON, NJ 08540

FIRST FLOOR

EXHIBIT B

RULES AND REGULATIONS

1. **OBSTRUCTION OF PASSAGEWAYS**: Tenant will not: (i) obstruct the sidewalks, entrance(s), passages, courts, elevators, vestibules, stairways, corridors and other public parts of the Building, or (ii) interfere with the ability of Landlord and other tenants to use and enjoy any of these areas, and (iii) use them for any purpose other than ingress and egress.

2. **WINDOWS**: Tenant will not cover or obstruct windows in the Premises. No bottles, parcels or other articles will be placed on the windowsills, in the halls, or in any other part of the Building other than the Premises. No article will be thrown out of the doors or windows of the Premises.

3. **PROJECTIONS FROM BUILDING**: No awnings, air-conditioning units or other fixtures will be attached to the outside walls or the window sills of the Building or otherwise affixed so as to project from the Building, without the prior written consent of Landlord.

4. **SIGNS**: Tenant will not affix any sign or lettering to any part of the outside of the Premises, or any part of the inside of the Premises so as to be visible from the outside of the Premises, without the prior written consent of Landlord. However, Tenant will have the right to place its name on any door leading into the Premises, the size, color and style thereof to be subject to the Landlord's approval. Tenant's name will be placed on the Building directory. Tenant will not have the right to have additional names placed on the Building directory without Landlord's prior written consent.

5. **FLOOR COVERING**: Tenant will not lay linoleum or other similar floor covering so that the same will come in direct contact with the floor of the Premises. If linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt will first be fixed to the floor by a paste or other material that may easily be removed with water. The use of cement or other similar adhesive material for this purpose is expressly prohibited

6. **INTERFERENCE WITH OCCUPANTS OF BUILDING**: Tenant will not make, or permit to be made, any unseemly or disturbing noises or odors and will not interfere with other tenants or those having business with them. Tenant will keep all mechanical apparatus in the Premises free of vibration and noise which may be transmitted beyond the limits of the Premises.

7. **LOCK KEYS**: No additional locks or bolts of any kind will be placed on any of the doors or windows by Tenant. Tenant will, on the expiration or earlier termination of Tenant's tenancy, deliver to Landlord all keys to any space within the Building either furnished to or otherwise procured by Tenant, and in the event of the loss of any keys furnished, Tenant will pay to Landlord the cost thereof. Tenant, before closing and leaving the Premises, will ensure that all windows are closed and entrance doors locked, Nothing in this Paragraph 7 will be deemed to prohibit Tenant from installing a security system within the Premises, provided: (I) Tenant obtains Landlord's consent which will not be unreasonably withheld or delayed; (2) Tenant supplies Landlord with copies of the plans and specifications of the system; (3) such installation will not damage the Building or any Common Facilities; (4) all costs of installation and removal (if required by Landlord) will be borne solely by Tenant; and (5) Landlord is afforded the security code or other means of access to the Premises for purposes permitted under the Lease.

8. **CONTRACTORS**: Tenant will not enter into any contract of any kind with any supplier of towels, water, toilet articles, waxing, rug shampooing, venetian blind washing, furniture polishing, lamp servicing, cleaning of electrical fixtures, removal of waste paper, rubbish or garbage, or other like service, nor will Tenant install or cause to be installed any machine of any kind (other than customary office equipment) in the Premises, other portions of the Building or the Real Property without the prior written consent of the Landlord. Tenant will not employ any persons other than Landlord's janitors for the purpose of cleaning the Premises without the prior written consent of Landlord. Landlord will not be responsible to Tenant for any loss of property from the Premises, however occurring, or for any damage to the effects of Tenant by such janitors or any of its employees, or by any other person or any other cause,

9. **PROHIBITED ON PREMISES**: Tenant will not conduct, or permit any other person to conduct, any auction upon the Premises, nor will Tenant manufacture or store, or permit others to manufacture or store, goods, wares or merchandise upon the Premises, without the prior written approval of Landlord, except the storage in customary amounts of ordinary office supplies to be used by Tenant in the conduct of its business. Tenant will not permit the Premises to be used for gambling. Tenant will not permit any portion of the Premises to be occupied as an office for a public stenographer or typewriter, or for the manufacture or sale of intoxicating beverages, narcotics, tobacco in any form or as a barber or manicure shop or for any medical use, including medical testing on humans or animals. Canvassing, soliciting and peddling at the Real Property are prohibited, and Tenant will cooperate to prevent the same. No bicycles, vehicles or animals of any kind will be brought into or kept in or about the Real Property, except guide dogs.

10. **PLUMBING, ELECTRIC AND TELEPHONE WORK**: Plumbing facilities will not be used for any purpose other than those for which they were constructed; and no sweepings, rubbish, ashes, newspaper or other substances of any kind will be thrown into them. Waste and excessive or unusual amounts of electricity or water use is prohibited. When electric or communications wiring of any kind is introduced, it must be connected as directed by Landlord, and no stringing or cutting of wires will be allowed, except by prior written consent of Landlord, and will be done by contractors approved by Landlord.

11. **MOVEMENT OF FURNITURE, FREIGHT OR BULKY MATTER**: The carrying in or out of freight, furniture or bulky matter of any description must take place during such hours as Landlord may from time to time reasonably determine and only after advance notice to the manager of the Building. The persons employed by Tenant for such work must be reasonably acceptable to Landlord and provide liability insurance reasonably satisfactory to Landlord. Tenant may, subject to these provisions, move freight, furniture, bulky matter, and other material into or out of the Premises on Saturdays between the hours of 9:00 a.m. and 1:00 p.m., provided Tenant pays additional costs, if any, incurred by Landlord for elevator operators or security guards, and for any other expenses occasioned by such activity of Tenant. If, at least three (3) days prior to such activity. Landlord requests that Tenant deposit with Landlord a sum which Landlord reasonably estimates to be the amount of such additional

cost, the Tenant will deposit such sum with Landlord as security for such cost. There will not be used in the Building or Premises, either by Tenant or by others, any hand trucks except those equipped with rubber tires and side guards, and no hand trucks will be allowed in the elevators without the consent of the superintendent of the Building.

12. **SAFES AND OTHER HEAVY EQUIPMENT**: Landlord reserves the right to prescribe the weight and position of all safes and other heavy equipment so as to distribute their weight properly and to prevent any unsafe condition from arising. Tenant will not place a load upon any floor of the Premises exceeding the floor load per square foot area which it was designed to carry or which is allowed by law.

13. **ADVERTISING**: Landlord may prohibit any advertising by Tenant which in Landlord's reasonable opinion tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, Tenant will refrain from or discontinue such advertising.

14. **NON-OBSERVANCE OR VIOLATION OF RULES BY OTHER TENANTS**: Landlord will not be responsible to Tenant for non-observance or violation of any of these rules and regulations by any other tenant

15. **AFTER HOURS USE**: Landlord reserves the right to exclude from the Building during Building Hours and at all hours on Saturdays, Sundays and Building Holidays, all persons who do not present a pass to the Building signed by the Tenant. Each Tenant will be responsible for all persons for whom such a pass is issued and will be liable to the Landlord for the acts of such persons.

16. **RESERVATION OF RIGHTS**: Landlord reserves to itself any and all rights not granted to Tenant hereunder, including the following:

    a) the exclusive right to the use of the name of the Building for all purposes, except that Tenant may use the name as its business address and for no other purposes;

    b) the right to change the name or address of the Building, without incurring any liability to Tenant for doing so;

    c) the right to install and maintain signs on the exterior of the Building;

    d) the exclusive right to use and/or allow others to use the roof of the Building;

    e) the right to limit the space on the directory of the Building to be allotted to Tenant; and

    f) the right to grant to anyone the right to conduct any particular business or undertaking in the Building.

17. **HEALTH AND SAFETY**: Tenant will be responsible for initiating, maintaining and supervising all health and safety precautions and/or programs required by Legal Requirements applicable to the Premises and/or Tenant's use and occupancy of the Premises.

– END –

EXHIBIT C

Intentionally omitted

EXHIBIT D

CLEANING SERVICES
(Five Nights Per Week)

TENANT'S PREMISES

1. Vacuum clean all carpeted areas.
2. Sweep and dust mop all non-carpeted areas. Wet mop whenever necessary.
3. All office furniture such as desks, chairs, files, filing cabinets, etc. will be dusted with a clean treated dust cloth whenever necessary and only if such surfaces are clear of Tenant's personal property including but not limited to plants.
4. Empty wastepaper baskets and remove waste to designated areas.
5. All vertical surfaces within arms reach will be spot cleaned to remove finger marks and smudges. Baseboard and window sills are to be spot cleaned whenever necessary.
6. All cleaning of cafeterias, vending areas and kitchen facilities are excluded. Tenant may make necessary arrangements for cleaning these areas directly with Landlord's cleaning maintenance company.
7. Cleaning hours will be Monday through Friday between 5:30 p.m. and 11:00 p.m.
8. No cleaning service is provided on Saturday, Sunday and Building Holidays.
9. Cartons or refuse in excess of that which can be placed in wastebaskets will not be removed. Tenant is responsible to place such unusual refuse in trash dumpster.
10. Cleaning maintenance company will neither remove nor clean tea, office cups or similar containers. If such liquids are spilled in wastebaskets, the wastebaskets will be emptied but not otherwise cleaned. Landlord will not be responsible for any stained carpet caused from liquids leaking or spilling from Tenant's wastebaskets.
11. Glass entrance doors will be cleaned nightly. Interior glass doors or glass partitions arc excluded. Tenant may make arrangements for cleaning interior glass doors and partitions with Landlord's cleaning maintenance company.

COMMON AREAS

1. Vacuum all carpeting in entrance lobbies, outdoor mats and all corridors.
2. Wash glass doors in entrance lobby with a clean damp cloth and dry towel.
3. Sweep and/or wet mop all resilient tile flooring. Clean hard surface floors such as quarry tile, etc..
4. Wash, clean and disinfect water fountains.
5. Clean all elevator cabs and stairwells.
6. Lavatories – Men and Women.
    a. Floors in all lavatories will be wet mopped with a germicidal detergent to ensure a clean and germ free surface.
    b. Wash and polish all mirrors, shelves, bright work including any piping and toilet seats.
    c. Wash and disinfect wash basins and sinks using a germicidal detergent.
    d. Wash and disinfect toilet bowls and urinals.
    e. Keep lavatory partitions, tiled walls, dispensers and receptacles in a clean condition using a germicidal detergent when necessary.
    f. Empty and sanitize sanitary disposal receptacles.
    g. Fill toilet tissue holders, towel dispensers and soap dispensers. Refills to be supplied by Landlord or its cleaning contractor.
7. Clean all air ventilation grill work in ceilings.

EXHIBIT E

BUILDING HOLIDAYS

BUILDING CLOSED

* NEW YEAR'S DAY *

* MEMORIAL DAY *

* INDEPENDENCE DAY *

* LABOR DAY *

* THANKSGIVING DAY *

* CHRISTMAS DAY *

– END –

EXHIBIT F

COMMENCEMENT DATE AGREEMENT

1.0 PARTIES

THIS AGREEMENT made the day of , 200 is by and between ("**Landlord**") whose address is c/o Mack-Cali Realty Corporation, 343 Thornall Street, P.O. Box 7817, Edison, New Jersey 08818-7817 and ("**Tenant**") whose address is .

2.0 STATEMENT OF FACTS

2.1 Landlord and Tenant entered into a Lease dated , 200 (referred to as the "**Lease**" in this Agreement) setting forth the terms of occupancy by Tenant of approximately gross rentable square feet on the ( ) floor (referred to as the "**Premises**" in this Agreement) at (referred to as "**Building**" in this Agreement); and

2.2 The Commencement Date of the Term of the Lease has been determined in accordance with the provisions of Article 20 of the Lease.

3.0 STATEMENT OF TERMS

The parties conclusively agree that they have received good and valuable consideration for making the following agreements:

3.1 The Commencement Date of the Term of the Lease is , 200 and the Expiration Date of the Term is , 20 , and Articles 4 and 6 of the Basic Lease Provisions are modified accordingly.

3.2 Tenant represents and warrants to Landlord that (i) there exists no default under the Lease cither by Tenant or Landlord; and (ii) there exists no offset, defense or counterclaim to Tenant's obligations under the Lease.

3.2 This Agreement is executed by the parties hereto for the purpose of providing a record of the Commencement and Expiration Dates of the Lease.

EXCEPT as modified in this Agreement, the Lease will remain in full force and effect as if the same were set forth in full in this Agreement, and Landlord and Tenant ratify and confirm all the terms and conditions of the Lease as modified by this Agreement.

THIS AGREEMENT will be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

EACH PARTY AGREES that it will not raise or assert as a defense to any obligation under the Lease or this Agreement or make any claim that the Lease or this Agreement is invalid or unenforceable due to any failure of this document to comply with ministerial requirements including, but not limited to, requirements for corporate seals, attestations, witnesses, notarizations or other similar requirements, and each party waives the right to assert any such defense or make any claim of invalidity or unenforceability due to any of the failures described above.

Landlord and Tenant have executed this Agreement as of the date and year first above written and represent and warrant to each other that the individual signing this Agreement on its behalf possesses the requisite authority to sign this Agreement.

LANDLORD	TENANT
By: _____	By: _____
Name:	Name:
Title:	Title:

EXHIBIT G

TAX AND OPERATING COST RIDER

Tenant will pay in addition to the Fixed Basic Rent provided in this Lease, Additional Rent to cover Tenant's Percentage of the increased cost to Landlord, for each of the categories enumerated in this Exhibit, over the "**Base Period Costs**" for these categories.

a. **Operating Cost Escalation** – If the Operating Costs incurred for the Real Property for any Lease Year or Partial Lease Year during the Term will be greater than the Base Operating Costs (reduced proportionately to correspond to the duration of periods less than a Lease Year), then Tenant will pay to Landlord, as Additional Rent, Tenant's Percentage of all such excess Operating Costs. Operating Costs will include, by way of illustration and not of limitation: personal property taxes; management fees; labor, including all wages and salaries; social security and other taxes which may be levied against Landlord upon such wages and salaries; supplies; repairs and maintenance; maintenance and service contracts; painting; wall and window washing; tools and equipment (which are not required to be capitalized for federal income tax purposes); trash removal; lawn care; snow removal and all other items properly constituting direct operating costs according to standard accounting practices (collectively referred to as the "**Operating Costs**" in this Lease); but not including depreciation of Building or equipment; interest; income or excess profits taxes; costs of maintaining the Landlord's corporate existence; franchise taxes; any expenditures required to be capitalized for federal income tax purposes, unless said expenditures are for the purpose of reducing Operating Costs at the Real Property, or those which under generally applied real estate practice are expensed or regarded as deferred expenses or are required under any Legal Requirement, in which event the costs thereof shall be included. Notwithstanding anything contained herein to the contrary, any additional costs incurred by Landlord during the Calendar Year by reason of Landlord or any of its vendors entering into new labor contracts or renewals or modifications of existing labor contracts will not be included in Base Operating Costs. In addition, Tenant will pay Landlord Tenant's Percentage of all costs and expenses incurred by Landlord in connection with complying with any "homeland security" requirements and such costs and expenses will not be included in Operating Costs.

b. **Fuel, Utilities and Electric Cost Escalation** – If utility and energy costs, including any fuel surcharges or adjustments with respect thereto, incurred for water, sewer, gas, electric, other utilities and heating, ventilating and air conditioning for the Building, including all leased and leasable areas (not separately billed or metered within the Building), and Common Facilities electric, lighting, water, sewer and other utilities for the Building and other portions of the Real Property (collectively referred to in this Lease as "**Utility and Energy Costs**"), for any Lease Year or Partial Lease Year during the Term will be greater than the Base Utility and Energy Costs (reduced proportionately to correspond to the duration of periods less than a Lease Year), then Tenant will pay to Landlord as Additional Rent, Tenant's Percentage of all such excess Utility and Energy Costs.

c. **Tax Escalation** – If the Real Estate Taxes for the Real Property for any Lease Year or Partial Lease Year during the Lease Term will be greater than the Base Real Estate Taxes (reduced proportionately to correspond to the duration of periods less than a Lease Year), then Tenant will pay to Landlord as Additional Rent, Tenant's Percentage of all such excess Real Estate Taxes.

As used in this Lease, "**Real Estate Taxes**" mean the property taxes and assessments imposed upon the Building and other portions of the Real Property, or upon the rent payable to the Landlord, including, hut not limited to, real estate, city, county, village, school and transit taxes, or taxes, assessments, or charges levied, imposed or assessed against the Real Property by any taxing authority, whether general or specific, ordinary or extraordinary, foreseen or unforeseen. If due to a future change in the method of taxation, any franchise, income or profit tax will be levied against Landlord in substitution for, or in lieu of, or in addition to, any tax which would otherwise constitute a Real Estate Tax, such franchise, income or profit tax will be deemed to be a Real Estate Tax for purposes of this Lease.

Real Estate Taxes exclude estate, gift inherence, late fees, penalties and interest.

Landlord, will have the exclusive right, but not the obligation, to contest or appeal any Real Estate Tax assessment levied on all or any part of the Real Property.

d. **Insurance Cost Escalation** – If the Insurance Costs for the Real Property for any Lease Year or Partial Lease Year during the Term will be greater than the Base Insurance Costs (reduced proportionately to correspond to the duration of periods less than a Lease Year), Tenant will pay to Landlord as Additional Rent for each Lease Year or Partial Lease Year, Tenant's Percentage of such excess Insurance Costs.

As used in this Lease, "**Insurance Costs**" mean all fire and other insurance costs, together with any deductibles, incurred by Landlord in connection with its operation and maintenance of the Real Property for any Lease Year or Partial Lease Year during the Term.

e. **Lease Year** – As used in this Lease, Lease Year will mean a calendar year. Any portion of the Term which is less than a Lease Year, that is, from the Commencement Date through the following December 31, and from the last January 1 falling within the Term to the end of the Term, will be deemed a "**Partial Lease Year**". Any reference in this Lease to a Lease Year will, unless the context clearly indicates otherwise, be deemed to be a reference to a Partial Lease Year if the period in question involves a Partial Lease Year.

f. **Payment** – Prior to each Lease Year, Landlord will give Tenant an estimate of amounts payable under this Rider for such Lease Year or Partial Lease Year. By the first day of each month during such Lease Year or Partial Lease Year, Tenant will pay Landlord one-twelfth (1/12th) of the estimated amount. If, however, the estimate is not given before such Lease Year or Partial Lease Year begins, Tenant will

continue to pay by the first day of each month on the basis of last year's estimate, if any, until the month after the new estimate is given. As soon as practicable after each Lease Year or Partial Lease Year ends, Landlord will give Tenant a statement (the "**Statement**") showing the actual amounts payable by Tenant under this Rider for such Lease Year. If the Statement shows that the actual amount Tenant owes for such Lease Year or Partial Lease Year is less than the estimated amount paid by Tenant during such Lease Year or Partial Lease Year, Landlord, at its option, will either return the difference or credit the difference against the next succeeding payment(s) of Additional Rent. If the Statement shows that the actual amount Tenant owes is more than the estimated Additional Rent paid by Tenant during such Lease Year or Partial Lease Year, Tenant will pay the difference within thirty (30) days after the Statement is delivered to Tenant.

g. **Books and Reports** – Landlord will maintain books of account which, provided that Tenant has not breached this Lease, will be open to Tenant and its representatives at all reasonable times so that Tenant can determine that such Operating, Utility and Energy, Insurance and Real Estate Tax Costs have, in fact, been paid or incurred. Tenant's representatives will mean only (i) Tenant's employees or (ii) a Certified Public Accounting firm, and neither Tenant's employees nor any Certified Public Accounting firm will be permitted to perform such inspection and/or audit on a contingency basis or for any other tenant in the Building. At Landlord's request, Tenant and/or Tenant's Certified Public Accounting firm will execute a confidentiality agreement reasonably acceptable to Landlord prior to any examination of Landlord's books and records. In the event Tenant disputes any one or more of such charges, Tenant will attempt to resolve such dispute with Landlord, provided that if such dispute is not satisfactorily settled between Landlord and Tenant within thirty (30) days, then upon request of either party, the dispute will be referred to an independent certified public accountant to be mutually agreed upon to arbitrate the dispute, and if such an accountant cannot be agreed upon, the American Arbitration Association may be asked by either party to select an arbitrator, whose decision on the dispute will be final and binding upon both parties, who will jointly share any cost of such arbitration. Pending resolution of the dispute, the Tenant will pay to Landlord the sum so billed by Landlord, subject to its ultimate resolution as set forth above. The arbitration mechanism set forth above shall be the sole process available to resolve such disputes.

h. **Right of Review** – Once Landlord will have finally determined the Operating, Utility and Energy, Insurance or Real Estate Tax Costs at the expiration of a Lease Year, then as to the item so established, Tenant will only be entitled to dispute such charge for a period of six (6) months after such charge is billed to Tenant, and Tenant specifically waives any right to dispute any such charge any time after the expiration of said six (6) month period.

i. **Occupancy Adjustment** – If the Building is less than eighty-five percent (85%) occupied during the Calendar Year or during any Lease Year or Partial Lease Year subsequent to the Calendar Year, then the Operating Costs will be adjusted during the Calendar Year and the Operating Costs and Utility and Energy Costs will be adjusted during any such Lease Year or Partial Lease Year so as to reflect eighty- five percent (85%) occupancy. The aforesaid adjustment will only be made with respect to those items that are in fact affected by variations in occupancy levels.

j. The parties agree that Tenant's Percentage, as defined in the Preamble, reflects and will be continually adjusted to reflect the ratio of the gross square feet of the area rented to Tenant (including an allocable share of all Common Facilities) [the numerator] as compared with the total number of gross square feet of the entire Building (or additional buildings that may be constructed within the Real Property) [the denominator] measured outside wall to outside wall, but excluding therefrom any storage areas. Landlord shall have the right to make changes or revisions in the Common Facilities of the Building so as to provide additional leasing area. Landlord shall also have the right to construct additional buildings in the Real Property for such purposes as Landlord may deem appropriate, and subdivide the lands for that purpose if necessary, and upon so doing, the Real Property shall become the subdivided lot on which the Building in which the Premises is located. However, if any service provided for in subparagraph a, or any utility provided for in subparagraph b. is separately billed or separately metered within the Building, then the square footage so billed or metered shall be subtracted from the denominator and the Tenant's proportionate share for such service and/or utility shall be separately computed, and the Base Period Costs for such item shall not include any charges attributable to said square footage. Tenant understands that as a result of changes in the layout of the Common Facilities from time to time occurring due to, by way of example and not by way of limitation, the rearrangement of corridors, the aggregate of all Building tenant proportionate shares may be equal to, less than or greater than one hundred percent (100%).

– END –

EXHIBIT H

ELECTRICITY RIDER

ELECTRICITY: The cost of electric current which is supplied by Landlord for use by Tenant in the Premises, other than for heating or air conditioning purposes, will be reimbursed to Landlord at the Electric Rate. The "**Electric Rate**" will mean the Service Classification pursuant to which Tenant would purchase electricity directly from the utility company servicing the Building, provided, however, at no time shall the amount payable by Tenant for electricity be less than Landlord's cost, and provided further that in any event, the Electric Rate shall include all applicable surcharges, and demand, energy, losses, fuel adjustment and time of day charges (if any), taxes and other sums payable in respect thereof.

a. From and after the Commencement Date, Tenant agrees to pay as Additional Rent an estimated electrical charge of $.15 per gross rentable square foot per month, payable on the first day of each and every month, until such time as an electrical survey can be performed pursuant to subparagraph b. below.

b. Landlord will have an electrical engineering consultant make a survey of the electric power used in the Premises to determine Tenant's average monthly electric consumption, and the costs of such survey will be borne by Tenant. The findings of the consultant will be conclusive and binding on Landlord and Tenant. After Landlord's consultant has submitted its report, Tenant will pay to Landlord, within ten (10) days after demand therefor by Landlord, the amount (based on the average monthly consumption found by such consultant and applying the Electric Rate thereto) owing from the Commencement Date through and including the then current month, adjusted for the estimated electrical charges already paid, and thereafter, on the first day of every month, in advance, the cost of the electricity used in the Premises based on the amount set forth as the average monthly consumption in the report. Such costs will constitute Additional Rent due under the Lease. Proportionate sums wilt be payable for periods less than a full month.

c. In the event that there will be an increase or decrease in the Electric Rate, the Additional Rent payable for electricity will be adjusted equitably to reflect the increase or decrease in the Electric Rate.

d. Tenant will notify Landlord immediately upon the introduction of any office equipment or lighting materially different from or in addition to that on the Premises as of Landlord's electrical survey. The introduction of any new or materially different equipment or lighting will, at Landlord's election, be cause for a resurveying of the Premises at Tenant's expense. Landlord reserves the right to inspect the Premises to insure compliance with this provision.

e. Landlord will not be liable in anyway to Tenant for any loss, damage or expense which Tenant may sustain or incur as a result of any failure, defect or change in the quantity or character of electrical energy available for redistribution to the Premises pursuant to this Exhibit H, nor for any interruption in the supply, and Tenant agrees that such supply may be interrupted for inspections, repairs and replacements and in emergencies. In no event will Landlord be liable for any business interruption suffered by Tenant.

f. Landlord, at Tenant's expense, will furnish and install all replacement lighting tubes, lamps, ballasts, starters and bulbs required in the Premises.

g. Tenant's use of electrical service in excess of Building Hours wilt, at Landlord's election, be cause for a resurveying of the Premises at Tenant's expense.

– END –

EXHIBIT I

SAMPLE FORM – LETTER OF CREDIT

[DATE]

TO:
[Name of Beneficiary]
[Address]

Re: Irrevocable Letter of Credit

Gentlemen:

By order of our client, , we hereby establish our irrevocable Letter of Credit No. in your favor for a sum or sums not to exceed $ -(U.S. Dollars) in the aggregate, effective immediately.

This Letter of Credit shall be payable in immediately available funds in U.S. Dollars. Funds under this credit are payable to you upon your presentation to us a sight draft drawn on us in the form annexed hereto. All drafts must be marked: "Drawn, under Letter of Credit No. of [Name of Issuing Bank].

This Letter of Credit shall expire twelve (12) months from the date hereof; but is automatically extendable, so that this Letter of Credit shall be deemed automatically extended, from time to time, without amendment, for one year from the expiration date hereof and from each and every future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by registered mail that we elect not to consider this Letter of Credit renewed for any such additional period. The final expiration date hereof shall be no earlier than [fill in suitable date after expiration of lease].

This Letter of Credit is transferable and may be transferred one or more times. However, no transfer shall be effective unless advice of such transfer is received by us in our standard form.

We hereby agree to honor each draft drawn under and in compliance with this Letter of Credit, if duly presented at our offices at or at any other of our offices.

Partial drawings are permitted.

This Letter of Credit is subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590.

[Name of Bank]

By:

[Annex Bank's Form of Sight Draft]

FIRST AMENDMENT TO LEASE

1. **PARTIES**

1.1 THIS AGREEMENT made the 24th day of May, 2011 is between VAUGHN PRINCETON ASSOCIATES L.L.C. ("Landlord") whose address is c/o Mack-Cali Realty Corporation, 343 Thornall Street, P.O. 7817, Edison, NJ 08818-7817 and OPHTHOTECH CORP. ("Tenant"), whose address is 5 Vaughn Drive, Princeton, New Jersey.

2. **STATEMENT OF FACTS**

2.1 Landlord and Tenant have previously entered into a Lease Agreement dated February 8, 2010 (hereinafter referred to as, the "Lease") covering 3,993 gross rentable square feet on the first (1st) floor ("Premises") in the building located at 5 Vaughn Drive, Princeton, New Jersey ("Building"); and

2.2 The Term of the Lease expires on July 31, 2011 ("Expiration Date"); and

2.3 The parties desire to extend the Term of the Lease for a period to commence on August 1, 2011; and

2.4 The parties desire to amend certain terms of the Lease as set forth below.

3. **AGREEMENT**

NOW, THEREFORE, in consideration of the Premises and the covenants hereinafter set forth, Landlord and Tenant agree as follows:

3.1 The above recitals are incorporated herein by reference.

3.2 All capitalized and non-capitalized terms used in this Agreement which are not separately defined herein but are defined in the Lease shall have the meaning given to any such term in the Lease.

3.3 The extension term shall be for a period commencing on August 1, 2011 and expiring at 11:59 P.M. on July 31, 2012 ("Extension Term") and Paragraph 6 of the Basic Lease Provisions and Paragraph 11 of the Definitions of the Lease shall be deemed amended accordingly.

3.4 Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the Premises in its "AS-IS" condition for the Extension Term, as defined herein, under the terms and conditions set forth herein. Landlord shall have no obligation to perform any tenant improvement work in the Premises

3.5 Commencing on August 1, 2011, the following shall be effective:

a. The Fixed Basic Rent applicable to the Premises shall be as follows and Paragraph 7 of the Basic Lease Provisions of the Lease shall be deemed amended accordingly:

Term	Annual Rate	Monthly Installments	Annual Per Sq. Ft. Rate
August 1, 2011 – July 31, 2012	$119,790.00	$9,982.50	$ 30.00

b. Tenant shall continue to pay Landlord, as Additional Rent, Tenant's Percentage applicable to the Premises of the cost to Landlord for each of the categories set forth in Exhibit G of the Lease Tax and Operating Cost Rider over the current Base Period Costs.

c. Tenant shall continue to pay the cost of electricity consumed within the Premises in accordance with Exhibit H of the Lease Electricity Rider.

3.6 Tenant hereby represents to Landlord that (i) there exists no default under the Lease either by Tenant or Landlord; (ii) Tenant is entitled to no credit, free rent or other offset or abatement of the rents due under the Lease; and (iii) there exists no offset, defense or counterclaim to Tenant's obligation under the Lease.

Execution

3.7 Tenant represents to Landlord that no broker brought about this transaction, and agrees to indemnify and hold Landlord harmless from any and all claims of any broker arising out of or in connection with negotiations of, or entering into of, this Agreement.

3.8 Tenant agrees not to disclose the terms, covenants, conditions or other facts with respect to this Agreement, including the Fixed Basic Rent, Additional Rent or additional rent, to any person, corporation, partnership, association, newspaper, periodical or other entity, except to Tenant's accountants or attorneys (who shall also be required to keep the terms of this Agreement confidential) or as required by law. This non-disclosure and confidentiality agreement will be binding upon Tenant without limitation as to time, and a breach of this paragraph will constitute a material breach under this Agreement and the Lease. In addition, Tenant's employees, contractors, etc. shall keep any of the terms and conditions of this Agreement, including any billing statements and/or any backup supporting those statements, confidential.

3.9 Except as expressly amended herein, the Lease, shall remain in full force and effect as if the same had been set forth in full herein, and Landlord and Tenant hereby ratify and confirm all of the terms and conditions thereof.

3.10 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

3.11 Each party agrees that it will not raise or assert as a defense to any obligation under the Lease or this Agreement or make any claim that the Lease or this Agreement is invalid or unenforceable due to any failure of this document to comply with ministerial requirements including, but not limited to, requirements for corporate seals, attestations, witnesses, notarizations, or other similar requirements, and each party hereby waives the right to assert any such defense or make any claim of invalidity or unenforceability due to any of the foregoing.

This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed counterparts will collectively constitute a single agreement. Tenant expressly agrees that if the signature of Landlord and/or Tenant on this Agreement is not an original, but is a digital, mechanical or electronic reproduction (such as, but not limited to, a photocopy, fax, e-mail, PDF, Adobe image, JPEG, telegram, telex or telecopy), then such digital, mechanical or electronic reproduction shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic and traditional ink-on-paper original wet signature penned manually by its signatory.

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands and seals the date and year first above written, and acknowledge one to the other that they possess the requisite authority to enter into this transaction and to sign this Agreement.

LANDLORD:	TENANT:
VAUGHN PRINCETON ASSOCIATES L.L.C.	OPHTHOTECH CORP.
By: Mack-Cali Property Trust	
By: _____	By: _____
Diane L. Chayes Vice President - Leasing	Name: Thomas Biancardi Title: VP Finance

APPROVED AS TO FORM

Execution

SECOND AMENDMENT TO LEASE

1. **PARTIES**

1.1 THIS AGREEMENT made the 22nd day of October, 2012 is between **VAUGHN PRINCETON ASSOCIATES L.L.C.** ("Landlord") whose address is c/o Mack-Cali Realty Corporation, 343 Thornall Street, P.O. 7817, Edison, NJ 08818-7817 and **OPHTHOTECH CORP.** ("Tenant"), whose address is 5 Vaughn Drive, Princeton, New Jersey.

2. **STATEMENT OF FACTS**

2.1 Landlord and Tenant have previously entered into a Lease Agreement dated February 8, 2010 as amended by a First Amendment to Lease dated May 24, 2011 (hereinafter referred to as, the "Lease") covering 3,993 gross rentable square feet on the first (1st) floor ("Premises") in the building located at 5 Vaughn Drive, Princeton, New Jersey ("Building"); and

2.2 The Term of the Lease expired on July 31, 2012 ("Expiration Date"); and

2.3 The parties desire to extend the Term of the Lease for a period to commence on August 1, 2012; and

2.4 The parties desire to amend certain terms of the Lease as set forth below.

3. **AGREEMENT**

NOW, THEREFORE, in consideration of the Premises and the covenants hereinafter set forth, Landlord and Tenant agree as follows:

3.1 The above recitals are incorporated herein by reference.

3.2 All capitalized and non-capitalized terms used in this Agreement which are not separately defined herein but are defined in the Lease shall have the meaning given to any such term in the Lease.

3.3 The extension term shall be for a period commencing on August 1, 2012 and expiring at 11:59 P.M. on September 30, 2013 ("Extension Term") and Paragraph 6 of the Basic Lease Provisions and Paragraph 11 of the Definitions of the Lease shall be deemed amended accordingly.

3.4 Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the Premises in its "AS-IS" condition for the Extension Term, as defined herein, under the terms and conditions set forth herein. Landlord shall have no obligation to perform any tenant improvement work in the Premises

3.5 Commencing on August 1, 2012, the following shall be effective:

a. The Fixed Basic Rent applicable to the Premises shall be as follows and Paragraph 7 of the Basic Lease Provisions of the Lease shall be deemed amended accordingly:

Term	Annual Rate	Monthly Installments	Annual Per Sq. Ft. Rate
August 1, 2012 – September 30, 2013	$119,790.00	$9,982.50	$ 30.00

Notwithstanding the foregoing, provided that the Lease is in full force and effect and Tenant has complied with each of its obligations hereunder, Tenant shall have no obligation to pay the Monthly Installments of Fixed Basic Rent for the months of November, 2012 and December, 2012.

b. Tenant shall continue to pay Landlord, as Additional Rent, Tenant's Percentage applicable to the Premises of the cost to Landlord for each of the categories set forth in Exhibit G of the Lease Tax and Operating Cost Rider over the current Base Period Costs.

c. Tenant shall continue to pay the cost of electricity consumed within the Premises in accordance with Exhibit H of the Lease Electricity Rider.

Execution

3.6 Tenant hereby represents to Landlord that (i) there exists no default under the Lease either by Tenant or Landlord; (ii) Tenant is entitled to no credit, free rent or other offset or abatement of the rents due under the Lease; and (iii) there exists no offset, defense or counterclaim to Tenant's obligation under the Lease.

3.7 Tenant represents to Landlord that no broker brought about this transaction, and agrees to indemnify and hold Landlord harmless from any and all claims of any broker arising out of or in connection with negotiations of, or entering into of, this Agreement.

3.8 Tenant agrees not to disclose the terms, covenants, conditions or other facts with respect to this Agreement, including the Fixed Basic Rent, Additional Rent or additional rent, to any person, corporation, partnership, association, newspaper, periodical or other entity, except to Tenant's accountants or attorneys (who shall also be required to keep the terms of this Agreement confidential) or as required by law. This non-disclosure and confidentiality agreement will be binding upon Tenant without limitation as to time, and a breach of this paragraph will constitute a material breach under this Agreement and the Lease. In addition, Tenant's employees, contractors, etc. shall keep any of the terms and conditions of this Agreement, including any billing statements and/or any backup supporting those statements, confidential.

3.9 Except as expressly amended herein, the Lease, shall remain in full force and effect as if the same had been set forth in full herein, and Landlord and Tenant hereby ratify and confirm all of the terms and conditions thereof.

3.10 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

3.11 Each party agrees that it will not raise or assert as a defense to any obligation under the Lease or this Agreement or make any claim that the Lease or this Agreement is invalid or unenforceable due to any failure of this document to comply with ministerial requirements including, but not limited to, requirements for corporate seals, attestations, witnesses, notarizations, or other similar requirements, and each party hereby waives the right to assert any such defense or make any claim of invalidity or unenforceability due to any of the foregoing.

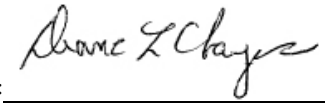
This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed counterparts will collectively constitute a single agreement. Tenant expressly agrees that if the signature of Landlord and/or Tenant on this Agreement is not an original, but is a digital, mechanical or electronic reproduction (such as, but not limited to, a photocopy, fax, e-mail, PDF, Adobe image, JPEG, telegram, telex or telecopy), then such digital, mechanical or electronic reproduction shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic and traditional ink-on-paper original wet signature penned manually by its signatory.

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands and seals the date and year first above written, and acknowledge one to the other that they possess the requisite authority to enter into this transaction and to sign this Agreement.

LANDLORD:

VAUGHN PRINCETON ASSOCIATES L.L.C.

By: Mack-Cali Property Trust

By: 

Diane L. Chayes
Senior Vice President of Leasing

TENANT:

OPHTHOTECH CORP.

By: 

Name: Tom Biancardi
Title: VP Finance

Execution

Exhibit 10.9

CONFIDENTIAL

Confidential Materials omitted and filed separately with the
Securities and Exchange Commission. Double asterisks denote omissions.

July 27, 2007

DIVESTITURE AGREEMENT

BETWEEN

OPHTHOTECH CORPORATION

AND

(OSI) EYETECH, INC.

EXECUTION VERSION

CONTENTS

DIVESTITURE AGREEMENT

THIS DIVESTITURE AGREEMENT (the "**Agreement**") is made and is effective as of July 27, 2007 (the "**Effective Date**") by and between:

(i) Ophthotech Corporation, a corporation organized and existing under the laws of the State of Delaware, whose principal place of business is at 66 Witherspoon Street, Box 214, Princeton, New Jersey 08542 ("**Ophthotech**");

and

(ii) (OSI) Eyetech, Inc., a corporation organized and existing under the laws of the State of Delaware, whose principal place of business is at 41 Pinelawn Road, Melville, New York 11747 ("**Eyetech**").

Eyetech and Ophthotech are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. Eyetech is engaged in the research, development, and marketing of pharmaceutical products and is the owner of or otherwise controls certain proprietary Transferred Technology (as such term is defined below) relating to the clinical compound E10030.

B. Ophthotech desires to obtain from Eyetech all right, title and interest in and to such Transferred Technology to develop and commercialize Products in the Field (as such terms are defined below).

C. Eyetech desires to transfer such rights to Ophthotech upon the terms and subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, the Parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

1.1 DEFINITIONS

When used and capitalized in this Agreement (other than the headings of the Articles and Sections), including the foregoing recitals, the following terms shall have the meanings assigned to them in this Article and include the plural as well as the singular.

1.1.1 "AFFILIATE" means any Person that directly (or indirectly through one or more intermediaries) controls, is controlled by, or is under common control with a Party. For purposes of this definition only, the terms "controls," "controlled," and "control" means: (i) the direct or indirect ability or power to direct or cause the direction of the management and policies of

an entity or otherwise direct the affairs of such entity, whether through ownership of equity, voting securities or beneficial interest, by contract, or otherwise: or (ii) the ownership, directly or indirectly, of at least fifty percent (50%) of the voting securities (or other comparable ownership interest for an entity other than a corporation) of a Party.

1.1.2 “APPLICABLE LAWS” means all applicable statutes, ordinances, regulations, rules or orders of any kind whatsoever of any Governmental Authority, including, without limitation, the Regulatory Laws, Prescription Drug Marketing Act, Generic Drug Enforcement Act of 1992 (21 U.S.C. Section 335a et seq.), and Anti-Kickback Statute (42 U.S.C. Section 1320a-7b et seq.), all as amended from time to time.

1.1.3 “ARCHEMIX” means Archemix Corp., a Delaware corporation, which is party to a Research and License Agreement with Eyetech dated as of April 8, 2004 as appended hereto at Appendix 1 (the “**Archemix Agreement**”).

1.1.4 “ASSUMED KNOW-HOW” means all Information that Ophthotech Controls on and after the Effective Date under the Assumed Agreements.

1.1.5 “ASSUMED PATENTS” means any Patents that Ophthotech Controls on and after the Effective Date under the Assumed Agreements. For the avoidance of doubt, the Assumed Patents include the ARCHEMIX Patents (as defined in the Archemix Agreement) and the Enzon Patents and Nektar AL Patents (as defined in the Nektar Agreement).

1.1.6 “ASSUMED TECHNOLOGY” means the Assumed Know-How and Assumed Patents.

1.1.7 “CALENDAR QUARTER” means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.1.8 “CALENDAR YEAR” means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.1.9 “cGCP” means the then current good clinical practices as defined in U.S. Regulations 21 CFR Sections 50, 54, 56, 312 and 314, (or in the case of foreign jurisdictions, comparable regulatory standards), and in any successor regulation, including those procedures expressed or implied in the Regulatory Materials with respect to any Product provided to Regulatory Authorities.

1.1.10 “cGLP” means the then current good laboratory practice standards promulgated or endorsed by the FDA (or in the case of foreign jurisdictions, comparable regulatory standards), including those procedures expressed or implied in the Regulatory Materials with respect to any Product provided to Regulatory Authorities.

1.1.11 “cGMP” or “GMP” means the then current good manufacturing practices for pharmaceuticals as described in regulations promulgated by Regulatory Authorities as applicable

to the Manufacture of Product, as such regulations are in effect at the time of the Manufacture of Product.

1.1.12 “CLOSING DATE” means the date and time as of which the Closing actually takes place.

1.1.13 “COMBINATION PRODUCT” means Product that contains, in addition to the Compound, at least one additional therapeutically effective active ingredient (whether coformulated or copackaged) that has biologic activity as a therapeutic agent when present alone.

1.1.14 “COMMERCIALIZATION” means all activities undertaken by Ophthotech before and after Marketing Approval for Product relating specifically to the marketing, sale and distribution of Product including, without limitation: (i) sales force detailing, advertising, education, planning, marketing, sales force training and distribution; (ii) scientific and medical affairs; (iii) Phase IIIB Trials and Post-Approval Trials; and (iv) the Manufacture of Product intended for commercial sale, including, without limitation, formulation, bulk API and/or drug product production, fill/finish, distribution, manufacturing process improvement and quality assurance technical support.

1.1.15 “COMMERCIALLY REASONABLE EFFORTS” means that level of effort and application of expertise and resource, typical in the pharmaceutical industry for a product or compound owned by a similarly situated Third Party or resulting from its own research efforts, that is of similar market potential and at a similar stage in its development or product life, taking into account issues of safety and efficacy, product profile, difficulty in developing the product, competitiveness of the marketplace for resulting products, the patent position of the compound or product, the regulatory situation involved, the potential total profitability and strategic value of the applicable products marketed or to be marketed, and other relevant factors based upon then-prevailing conditions affecting the cost, risk and timing of development and the total potential reward to be obtained if a product is commercialized. In determining whether Commercially Reasonable Efforts have been satisfied by Ophthotech, the fact that Ophthotech is required to comply with certain financial obligations hereunder, or under the Archemix Agreement or Nektar Agreement, shall not be a factor weighed (i.e., Ophthotech may not apply lesser resources or effort to Product because it has a financial obligation hereunder to Eyetech, Archemix and/or Nektar with respect to sales of Product, than it would to a product of its own).

1.1.16 “COMPOUND” means Eyetech’s class of anti-platelet derived growth factor (“**PDGF**”) aptamers, including without limitation the clinical compound E10030 (also known as ARC127) as more fully described in Schedule 1.1.16, its back-up compound known as ARC404, as well as any structural variations, modifications, derivatives, homologs, analogs or mimetics of such aptamers, including without limitation changes in the base sequence composition or backbone and conjugations that affect pharmacokinetics.

1.1.17 “CONFIDENTIAL INFORMATION” means the Eyetech Confidential Information or the Ophthotech Confidential Information, as applicable.

1.1.18 “CONTROL” or “CONTROLLED” means with respect to any intellectual property right, that the Party (or any Affiliate of such Party) owns or has a license to such intellectual property right and has the ability to grant access, a license, or a sublicense to such intellectual property right to the other Party without violating an agreement with a Third Party as of the time such Party would be first required to grant the other Party such access, license or sublicense; provided, however, that for rights acquired from Third Parties after the Effective Date, such access can be granted without additional cost.

1.1.19 “DEVELOPMENT” and “DEVELOP” means the conduct of all activities that are reasonably required to obtain Marketing Approval of Product, including, without limitation: (i) non-clinical studies (including, without limitation, pharmacology, toxicology and pharmacokinetics); (ii) regulatory affairs, project management, clinical operations, medical writing, bio-statistics, data management and drug safety, and clinical trials in accordance with the cGLPs, cGCPs and cGMPs or other designated quality standards and Applicable Laws; (iii) all activities relating to developing the ability to Manufacture such Product, including, without limitation, formulation, stability/analytical, packaging, delivery technologies and devices, bulk API and/or drug product production, Manufacturing fill/finish, Manufacturing process development, and quality assurance technical support, clinical supplies distribution and QC testing and release, until such time as Manufacturing of such Product intended for commercial sale commences; and (iv) any required post-Marketing Approval commitments.

1.1.20 “EMEA” means the European Medicines Agency for the European Union, or a successor agency, which has jurisdiction over Marketing Approval of a pharmaceutical product or device in the European Union.

1.1.21 “EU APPROVAL” means approval of Product for marketing in the European Union (“**EU**”) by the European Commission (“**EC**”) upon recommendation by the EMEA or, if Ophthotech seeks approval through a non-centralized procedure, for example the independent national procedure, mutual recognition procedure or de-centralized procedure, by the Ministry of Health of the United Kingdom, France, Germany, Italy or Spain (each a “**Major European Country**”), without the requirement for price having been approved. If Product is sold in a Major European Country without EC or Ministry of Health approval, EU Approval will be deemed to have been obtained on the date of Product Launch in a Major European Country.

1.1.22 “EYETECH CONFIDENTIAL INFORMATION” means all information (scientific, clinical, regulatory, marketing, financial, commercial, or otherwise) disclosed or provided by, or on behalf of, Eyetech to Ophthotech or Ophthotech’s designees in connection with this Agreement (including its Affiliates and Sublicensees), whether disclosed or provided prior to, or after, the Effective Date and whether provided orally, visually, electronically, or in writing, except such information that Ophthotech can show:

(a) was, prior to the date of Eyetech’s disclosure, known to it, as shown by competent written evidence, or already in the public domain;

(b) became part of the public domain, after Eyetech's disclosure hereunder, through no breach of this Agreement by Ophthotech or by any person or entity to whom Ophthotech disclosed such information;

(c) was subsequently disclosed to Ophthotech, without any restrictions, by a person or entity having lawful possession of, and a legal right to disclose, such information; or

(d) was developed by Ophthotech without use, and independent, of Eyetech Confidential Information, as shown by competent written evidence.

1.1.23 "EYETECH KNOW-HOW" means all Information that Eyetech Controls as of the Effective Date (but expressly excluding any Assumed Know-How) which is necessary or useful in connection with the Development, Manufacture, use or Commercialization of any Product. Eyetech Know-How does not include Eyetech Patents or the information contained therein.

1.1.24 "EYETECH PATENTS" means all Patents Controlled by Eyetech (and not Ophthotech) as of the Effective Date (but expressly excluding any Assumed Patents), relating to the Compound, including without limitation any such Patents (other than Assumed Patents) claiming the composition of matter or the use of Product, as set forth in Schedule 1.1.25, together with the Information contained therein.

1.1.25 "EYETECH TECHNOLOGY" means the Eyetech Patents and the Eyetech Know-How.

1.1.26 "FD&C ACT" means the U.S. Food, Drug and Cosmetic Act, as amended from time to time (21 U.S.C. Section 301 et seq.), together with any rules and regulations promulgated thereunder.

1.1.27 "FDA" means the U.S. Food and Drug Administration, or any successor federal agency in the U.S. having responsibility over U.S. Marketing Approvals.

1.1.28 "FIELD" means all fields of use.

1.1.29 "GOVERNMENTAL AUTHORITY" means any court tribunal, arbitrator, agency, commission, official or other instrumentality of any federal, state, or other political subdivision, or supranational body, domestic or foreign.

1.1.30 "IMPROVEMENT" means any findings, developments, discoveries, inventions, additions, modifications, enhancements, formulations, or changes to the composition of matter, or method of use of, Product, or its Manufacture made by, or coming under Control of Ophthotech or any of its Affiliates or Sublicensees during the Term which are necessary or useful in the PDGF Program and/or the Manufacture and Commercialization of Product, including without limitation, new or improved methods of synthesis, manufacture, ingredients, preparation, presentation, means of delivery, dosage, formulation, or analysis, whether or not patentable.

1.1.31 “INFORMATION” means: (a) any and all inventions, know-how, developments, Improvements, biological and/or chemical materials, data, analyses, and the like, regardless of whether the information is stored or transmitted in oral, documentary, or electronic form; and (b) information relating to research and development plans, experiments, results, compounds, therapeutic leads, candidates and products, clinical and preclinical data, trade secrets and manufacturing, marketing, financial, regulatory, personnel and other business information and plans, and all scientific, clinical, regulatory, marketing, financial and commercial information or data.

1.1.32 “LICENSEE” means any Third Party to which Ophthotech or any of its Affiliates licenses, sublicenses, grants, sells, assigns, transfers or otherwise conveys any right to make, have made, use, sell, have sold, offer for sale and import/export Product in accordance with Section 2.3. A Third Party who is granted only the right to distribute or promote Product (such as a contract sales organization) will not be considered a Licensee.

1.1.33 “MAJOR MARKET” means the European Union.

1.1.34 “MANUFACTURE” or “MANUFACTURING” or “MANUFACTURED” means all operations involved in the manufacturing, quality control testing (including in-process, release and stability testing, if applicable), releasing, packaging and shipping of Product.

1.1.35 “MARKETING APPROVAL” means the act of a Regulatory Authority necessary for the Manufacture, use, marketing and sale of Product in the Field for one or more indications in a country or regulatory jurisdiction in the Territory, including, without limitation, the approval of an NDA by the FDA, and EU Approval and satisfaction of all applicable regulatory and notification requirements.

1.1.36 “NDA” or “NEW DRUG APPLICATION” means an application or set of applications (and any other required registrations, notifications, forms, amendments or supplements) for Marketing Approval for Product and/or pre-market approval to make and sell commercially Product, filed with the FDA or with a Regulatory Authority anywhere in the Territory, including, without limitation, all documents, data and other information concerning a pharmaceutical product which are necessary for gaining Marketing Approval.

1.1.37 “NEKTAR” means Nektar Therapeutics AL, Corporation, an Alabama corporation, which is party to a License, Manufacturing and Supply Agreement with Eyetech dated as of September 30, 2006, as appended hereto as Appendix 2 (the “**Nektar Agreement**”).

1.1.38 “NET SALES” means, with respect to Product, the gross amount invoiced by Ophthotech (including an Ophthotech Affiliate) or any Licensee to unrelated Third Parties, excluding any Licensee, for such Product in the Territory, less good faith estimates of the following deductions to the extent specifically relating to sales of such Product, which will be adjusted to reflect actual deductions on a periodic basis (no less frequently than annually):

(a) Trade, quantity and cash discounts allowed (other than early payment cash discounts);

(b) Commissions, discounts, refunds, rebates, chargebacks, retroactive price adjustments, and any other allowances which effectively reduce the net selling price;

(c) Actual Product returns and allowances;

(d) That portion of the sales value associated with drug delivery systems;

(e) Any tax imposed on the production, sale, delivery or use of the Product, including, without limitation, sales, use or excise taxes, as well as import and custom duties;

(f) Transportation, freight, postage charges and other charges, such as insurance, relating thereto, in each case included as a specific line item on an invoice to such Third Parties; and

(g) Any other similar and customary deductions;

provided, however, that the aggregate of the foregoing deductions under clauses (f) and (g) shall not exceed [**] percent ([**]%) of the gross invoice price to which such deductions relate.

Such amounts shall be determined from the books and records of Ophthotech, its Affiliates or Licensees, maintained in accordance with U. S. Generally Accepted Accounting Principles ("**U.S. GAAP**") or, in the case of Licensees, such similar accounting principles, consistently applied.

In the event that the Product is sold as part of a Combination Product, the Net Sales of the Product, for the purposes of determining royalty payments, shall be determined by multiplying the Net Sales of the Combination Product by the fraction, A / (A+B) where A is the weighted average sale price of the Product when sold separately in finished form, and B is the weighted average sale price of the other product sold separately in finished form.

In the event that the weighted average sale price of the Product can be determined but the weighted average sale price of the other product cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by multiplying the Net Sales of the Combination Product by the fraction A / C where A is the weighted average sale price of the Product when sold separately in finished form and C is the weighted average sale price of the Combination Product.

In the event that the weighted average sale price of the other product can be determined but the weighted average sale price of the Product cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by multiplying the Net Sales of the Combination Product by the following formula: one (1) minus B / C where B is the weighted average sale price of the other product when sold separately in finished form and C is the weighted average sale price of the Combination Product.

In the event that the weighted average sale price of both the Product and the other product in the Combination Product cannot be determined, the Net Sales of the Product shall be deemed to be equal to fifty percent (50%) of the Net Sales of the Combination Product.

The weighted average sale price for Product, other product, or Combination Product shall be calculated once each Calendar Year and such price shall be used during all applicable royalty reporting periods for the entire following Calendar Year. When determining the weighted average sale price of Product, other product, or Combination Product, the weighted average sale price shall be calculated by dividing the sales dollars (translated into U.S. dollars) by the units of active ingredient sold during the twelve (12) months (or the number of months sold in a partial calendar year) of the preceding Calendar Year for the respective Product, other product, or Combination Product. In the initial Calendar Year, a forecasted weighted average sale price will be used for the Product, other product, or Combination Product. Any over or under payment due to a difference between forecasted and actual weighted average sale prices will be paid or credited in the first royalty payment of the following Calendar Year.

1.1.39 “OPHTHOTECH CONFIDENTIAL INFORMATION” means all Eyetech Know-How and all information (scientific, clinical, regulatory, marketing, financial, commercial, or otherwise) disclosed or provided by, or on behalf of, Ophthotech to Eyetech or Eyetech’s designees in connection with this Agreement whether disclosed or provided prior to, or after, the Effective Date and whether provided orally, visually, electronically, or in writing, except such information that Eyetech can show:

(a) was, prior to the date of Ophthotech’s disclosure, known to it (unless such Information is Eyetech Know-How), as shown by competent written evidence, or already in the public domain;

(b) became part of the public domain, after Ophthotech’s disclosure hereunder, through no breach of this Agreement by Eyetech or by any person or entity to whom Eyetech disclosed such information;

(c) was subsequently disclosed to Eyetech, without any restrictions, by a person or entity having lawful possession of, and a legal right to disclose, such information; or

(d) was developed by Eyetech without use, and independent, of Ophthotech Confidential Information, as shown by competent written evidence.

1.1.40 “OPHTHOTECH KNOW-HOW” means all Information that Ophthotech Controls as of the Effective Date or during the Term that arises from or is useful to the PDGF Program, including without limitation, any Ophthotech Improvements. Ophthotech Know-How does not include Ophthotech Patents or the Information contained therein.

1.1.41 “OPHTHOTECH PATENTS” means all Patents Controlled by Ophthotech (and not Eyetech) as of the Effective Date or during the Term that arise from or are useful to the

PDGF Program, including without limitation, any such Patents claiming the composition of matter or the use of Product or any Ophthotech Improvements.

1.1.42 “OPHTHOTECH RIGHTS” means Ophthotech Patents and Ophthotech Know-How.

1.1.43 “PATENT” or “PATENTS” means: (a) patent applications (including provisional applications and applications for certificates of invention); (b) any patents issuing from such patent applications (including certificates of invention); (c) all patents and patent applications based on, corresponding to, or claiming the priority date(s) of any of the foregoing; (d) any reissues, substitutions, confirmations, registrations, validations, re-examinations, additions, continuations, continued prosecution applications, continuations-in-part, or divisions of or to any of the foregoing; and (e) term extensions, supplementary protection certificates and other governmental action beyond the original patent expiration date.

1.1.44 “PATENT EXPENSES” means all costs and expenses incurred by a Party after the Effective Date for the preparation, filing, prosecution and maintenance of a Transferred Patent or Ophthotech Patent, as applicable, including, without limitation, costs and expenses related to Patent defense (e.g., the conduct of any interference or opposition).

1.1.45 “PDGF PROGRAM” means Ophthotech’s Research and Development activities relating to the Compound.

1.1.46 “PERSON” means a natural person, a corporation, a partnership, a trust, a joint venture, a limited liability company, any governmental authority or any other entity or organization.

1.1.47 “PHASE III TRIALS” means large scale human clinical trials conducted in patients anywhere in the world in accordance with cGCP and intended to demonstrate efficacy and a level of safety in the particular indication tested sufficient to obtain Marketing Approval of Product. Phase III Trials include “bridging studies” which allow submission in a target country of clinical data generated from Phase III studies completed in other countries to be submitted in lieu of repeating Phase III studies in the target country.

1.1.48 “PHASE IIIB TRIALS” means Phase III Trials commenced before receipt of Marketing Approval in the jurisdiction where such trials are being conducted, but which are not required for receipt of Marketing Approval and are conducted primarily for the purpose of Product support (i.e., providing additional drug profile data).

1.1.49 “POST-APPROVAL TRIALS” means all clinical trials which are conducted after Marketing Approval for Product has been obtained from an appropriate Regulatory Authority consisting of trials conducted voluntarily by one or both of the Parties for enhancing marketing or scientific knowledge of an approved indication and trials conducted due to request or requirement of a Regulatory Authority.

1.1.50 “PRODUCT” means any product which includes the Compound for use either alone or in combination with one or more other therapeutically active substances, including all formulations, line extensions and modes of administration thereof. For the avoidance of doubt, Product shall include Combination Product.

1.1.51 “PRODUCT LAUNCH” means the date on which Product is first shipped by Ophthotech, its Affiliates or Licensees for commercial sale to Third Parties in the Territory following Marketing Approval of the Product, including, if applicable, any necessary pricing approval.

1.1.52 “REGULATORY AUTHORITY” means, in a particular country or jurisdiction, any applicable government regulatory authority involved in granting Marketing Approval and/or, to the extent required in such country or jurisdiction, pricing approval of Product in such country or jurisdiction, including without limitation: (a) in the U.S., the FDA, and any other applicable governmental or regulatory authority in the U.S. having jurisdiction over such Product, and any successor government authority having substantially the same function; and (b) any foreign equivalent thereof in another jurisdiction.

1.1.53 “REGULATORY LAW” means the FD&C Act, together with any rules and regulations promulgated thereunder. “Regulatory Law” shall also mean any applicable statutes, ordinances, regulations, rules or orders of any kind whatsoever of any Governmental Authority governing the import, export, manufacture or distribution of Product (including, without limitation, Marketing Approval) or reporting obligations with respect to product complaints or adverse events related to Product, together with any rules and regulations promulgated thereunder.

1.1.54 “REGULATORY MATERIALS” means any regulatory submissions, notifications, registrations, approvals and/or other filings made to or with a Regulatory Authority that may be necessary or reasonably desirable to research, develop, make, have made, use, sell, have sold, offer for sale and import/export Product in the Field in the Territory and shall include without limitation, NDAs and INDs or their equivalents in other jurisdictions.

1.1.55 “REGULATORY SUBMISSION” means the submission by Ophthotech of Regulatory Materials to a Regulatory Authority for the purpose of seeking Marketing Approval.

1.1.56 “RESEARCH” means all activities undertaken with respect to the research and non-clinical evaluation of compounds (including the Compound) for the PDGF Program.

1.1.57 “TERRITORY” means worldwide.

1.1.58 “THIRD PARTY” means any Person other than Eyetech or Ophthotech and their respective Affiliates.

1.1.59 “TRANSFERRED PATENTS” means the Eyetech Patents and the Assumed Patents.

1.1.60 “TRANSFERRED TECHNOLOGY” means the Eyetech Technology, the Assumed Technology and the Assumed Agreements.

1.1.61 “U.S.” means the United States of America, including its territories and possessions and the commonwealth of Puerto Rico.

1.1.62 “VALID CLAIM” means a claim (a) of any issued, unexpired patent that has not been revoked or held unenforceable or invalid by a decision of a court or governmental agency of competent jurisdiction from which no appeal can be taken, or with respect to which an appeal is not taken within the time allowed for appeal, and that has not been disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise or (b) of any patent application that has not been cancelled, withdrawn or abandoned or been pending for more than [**] years from the original priority date.

1.2 FURTHER DEFINITIONS

In addition to the foregoing terms, the following terms are defined in the Sections cross-referenced below:

Defined Term	Section
Action	9.2(a)
Agreement	Preamble
Archemix Agreement	1.1.3
Assumed Agreements	2.1
Claim	12.2(a)
Closing	2.3
Damages	9.1(a)
Effective Date	Preamble
EC	1.1.21
Equity Agreements	6.1
Equity Documents	6.1
EU	1.1.21
Eyetech	Preamble
Eyetech Indemnitees	9.1(a)
Eyetech Third Party Claim	9.1(a)(ii)
Indemnifying Party	9.2(a)
Indemnitee	9.2(a)
Intellectual Property	11.6
Liabilities	8.9
Ophthotech	Preamble
Ophthotech Indemnitees	9.1(b)
Ophthotech Shares	6.1
Ophthotech Third Party Claim	9.1(b)(ii)
OSI	Preamble
Party/Parties	Preamble
Plan	3.3(a)
Progress Report	3.3(a)
Primary Contact	5.1(a)
Severed Clause	13.4
Term	11.1
Upfront Payment	6.1
U.S. GAAP	1.1.38

1.3 The singular includes the plural and vice versa, words denoting any gender include all genders.

1.4 Where the context so admits or requires, references to Ophthotech or Eyetech shall include their respective employees, officers, directors or agents.

1.5 Headings to Articles or Sections within this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

ARTICLE 2

DIVESTITURE OF ALL RIGHTS; ASSUMPTION OF ALL OBLIGATIONS; LICENSES

2.1 ASSIGNMENT AND ASSUMPTION OF ALL RIGHTS AND OBLIGATIONS.

As of the Closing Date, Eyetech will assign and transfer to Ophthotech all of Eyetech's right, title and interest in the Transferred Technology, including without limitation, the right to research, develop, make, have made, use, sell, have sold, offer for sale and import/export Product in the Field in the Territory, subject to the rights of Eyetech detailed hereinafter, together with the right to grant licenses thereunder in accordance with Section 2.2. In connection with such assignment and transfer, Eyetech will execute and deliver to Ophthotech on the Closing Date a Patent Assignment, in the form attached hereto as **Exhibit A**, which covers the Eyetech Patents.

In partial consideration for the assignment and transfer by Eyetech of the Transferred Technology, Ophthotech shall assume as of the Closing Date all liabilities and obligations under the Transferred Technology which arise on or after the Closing Date, including without limitation, all obligations and liabilities under each of the Nektar Agreement and the Archemix Agreement (collectively, the "**Assumed Agreements**"), and including further, without limitation, the obligation to make any and all royalties, license fees, milestone payments and other payments arising under the Assumed Agreements; provided, however, that Ophthotech shall not assume any such obligations arising but unfulfilled on or prior to the Closing Date.

2.2 LICENSES.

(a) Ophthotech shall be entitled to grant licenses to all or any portion of its rights granted pursuant to Section 2.1 to its Affiliates and Third Parties provided that any such licenses shall be consistent with, and shall obligate such licensee to comply with, the terms and obligations to which Ophthotech is subject under this Agreement to the extent consistent with the scope of such license.

(b) Ophthotech shall notify Eyetech of the identity of any Licensee prior to execution of a license and shall provide to Eyetech a true and complete copy of each license agreement and each amendment thereto within [**] days after the license or amendment has been executed and delivered.

(c) No license shall relieve Ophthotech of any of its obligations hereunder, and Ophthotech shall be responsible for the acts and/or omissions of its licensees and for compliance

by them with obligations related hereto. Ophthotech shall take all steps necessary to enforce such compliance to the extent required to allow Ophthotech to fully comply with all of its obligations under this Agreement.

(d) Any such license granted by Ophthotech shall contain provisions providing for, at the option of Eyetech, its termination or assignment to Eyetech of Ophthotech's interests therein if and as required pursuant to Section 11.4(a)(iii).

(e) Any license purported to be granted by Ophthotech and not complying with the terms of this Section 2.2 shall be deemed invalid and of no effect until such time as the discrepancies are remedied.

2.3 CLOSING.

(a) The assignment and assumption of the Transferred Technology provided in Section 2.1 together with the upfront payment and issuance of Ophthotech Shares by Ophthotech to Eyetech provided in Section 6.1 (the "**Closing**") will take place at the offices of Ophthotech's counsel, Faber Daeufer & Rosenberg PC, 950 Winter Street, Suite 4500, Waltham, MA 02451, at approximately 10:00 a.m. (local time) on August 24, 2007, or at such other time and place as the parties may agree. Subject to the provisions of Section 11.1, failure to consummate the Closing on the date and time and at the place determined pursuant to this Section 2.3 will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement.

2.4 CLOSING OBLIGATIONS.

(a) Ophthotech's obligation to assume certain liabilities and obligations under the Transferred Technology, make the upfront payment and issue the Ophthotech Shares as provided in Section 6.1 and take the other actions required to be taken by Ophthotech at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Ophthotech, in whole or in part):

(i) Each of Eyetech's representations and warranties in this Agreement must have been accurate in all material respects as of the Effective Date, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date;

(ii) Each of the covenants and obligations that Eyetech is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively) must have been duly performed and complied with in all respects;

(iii) Eyetech must have delivered to Ophthotech (i) a certificate executed by Eyetech's duly authorized officer representing and warranting to Ophthotech that each of the conditions specified in 2.4(a)(i)-(ii) has been satisfied and (ii) the Patent Assignment, executed by Eyetech; and

(iv) Since the Effective Date, there must not have been commenced or threatened against Ophthotech or any of its Affiliates, any legal proceeding (A) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions contemplated by this Agreement, or (B) that is reasonably likely to have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the transactions contemplated by this Agreement.

Between the Effective Date and the Closing Date, Eyetech will use its commercially reasonable efforts to preserve intact the Transferred Technology and otherwise cause the conditions in Section 2.4(a)(i)-(iii) to be satisfied.

(b) Eyetech's obligation to assign and transfer all of its right, title and interest in the Transferred Technology and take the other actions required to be taken by Ophthotech at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Eyetech, in whole or in part):

(i) Each of Ophthotech's representations and warranties in this Agreement must have been accurate in all material respects as of the Effective Date, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date;

(ii) Each of the covenants and obligations that Ophthotech is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively) must have been duly performed and complied with in all respects;

(iii) Ophthotech must have delivered to Eyetech (A) a certificate executed by Ophthotech's duly authorized officer representing and warranting to Eyetech that each of the conditions specified in 2.4(b)(i)-(ii) has been satisfied, (B) the Upfront Payment and (C) the Equity Documents; and

(iv) Since the Effective Date, there must not have been commenced or threatened against Eyetech or any of its Affiliates, any legal proceeding (A) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions contemplated by this Agreement, or (B) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the transactions contemplated by this Agreement.

Between the Effective Date and the Closing Date, Ophthotech will use its commercially reasonable efforts to cause the conditions in Section 2.4(a)(i)-(iii) to be satisfied.

ARTICLE 3

ROLE AND RESPONSIBILITIES OF OPHTHOTECH

3.1 SCOPE OF OPHTHOTECH'S RESPONSIBILITIES.

(a) SCOPE. After the Closing Date, Ophthotech shall be solely responsible for the PDGF Program and the Manufacture and Commercialization of Product in the Field in the Territory, in accordance with the Plan (as defined below) and as detailed herein.

(b) COSTS. Except as otherwise provided in this Agreement, Ophthotech shall be solely responsible for all costs and expenses arising from its activities hereunder and/or relating to the PDGF Program and the Manufacture and Commercialization of Product in the Field in the Territory from the Closing Date, including without limitation, all costs, expenses and payments arising under or relating to the Assumed Agreements.

(c) COMPLIANCE WITH LAWS. Ophthotech will conduct the PDGF Program and the Manufacture and Commercialization of Product in a good scientific manner and in compliance in all material respects with all requirements of Applicable Laws, including cGCPs, cGLPs and cGMPs.

3.2 REGULATORY ACTIVITIES.

Ophthotech shall be solely responsible for filing of Regulatory Materials in relation to the PDGF Program and for, and obtaining, all necessary Marketing Approvals in the Field in the Territory in respect of Product and for all ongoing communications with the Regulatory Authorities from the Closing Date, including, without limitation: (i) filing, maintaining and updating any INDs and NDAs for Product; (ii) reporting all adverse events and serious adverse events to the FDA or other Regulatory Authority; (iii) submitting Regulatory Materials to the FDA or other Regulatory Authority for Marketing Approval; (iv) handling medical and technical complaints and disputes with the FDA or other Regulatory Authority, patients and physicians; and (v) dealing with product recalls. Ophthotech shall own all such Regulatory Materials in relation to the PDGF Program and all Marketing Approvals in the Field in the Territory.

3.3 DILIGENCE OBLIGATIONS.

(a) PLAN AND PROGRESS REPORTS. Within [**] days after the Closing Date, Ophthotech shall provide Eyetech with its initial written plan for the PDGF Program, which shall be attached hereto as **Exhibit B** (the "**Plan**"). During the Term, Ophthotech shall provide Eyetech on no less than [**] basis, a summary of the activities of Ophthotech and its Affiliates and Licensees relative to the PDGF Program with reasonable detail to enable Eyetech to fairly assess Ophthotech's compliance with its obligations under Section 3.3(b) (a "**Progress Report**"), including but not limited to: such Research, Development and Commercialization activities; names, addresses and such actions of all Licensees and Affiliates; and the progress of obtaining Marketing Approvals of Product. Ophthotech shall deliver the first Progress Report to Eyetech on or before the date that is [**] months from the Closing Date. Further, Ophthotech shall notify Eyetech within [**] days after any achievements or other events at Ophthotech that are material to the PDGF Program taken as a whole.

(b) COMMERCIALLY REASONABLE EFFORTS. After the Closing Date, Ophthotech shall use Commercially Reasonable Efforts to conduct the PDGF Program and the

Manufacture of Product, so as to obtain Marketing Approval of Product and to Commercialize Product in the U.S. and in the Major Market.

(c) FAILURE TO USE COMMERCIALLY REASONABLE EFFORTS. In the event Ophthotech fails to use Commercially Reasonable Efforts after the Closing Date to meet the objectives set forth under Section 3.3(b), Eyetech shall notify Ophthotech thereof in writing, and Ophthotech shall have [**] days following such notification to notify Eyetech that (i) it has met such objectives; or (ii) the failure to meet such objectives occurred despite Ophthotech's use of Commercially Reasonable Efforts as required herein, which notification will include reasonable evidence of such efforts; or (iii) it has cured such failure to use Commercially Reasonable Efforts, and provide Eyetech with reasonable evidence of such cure. In the event Ophthotech fails to use Commercially Reasonable Efforts and does not cure such failure as per the foregoing, Eyetech shall have the right to terminate this Agreement with regard only to such countries with regard to which such failure has occurred, upon [**] days notice and the provisions of Section 11.4 shall apply.

3.4 NON-COMPETE.

During the Term, Ophthotech will not, alone or with any Third Party or Affiliate, research, develop or commercialize any compound other than Products which solely and specifically bind to PDGF for its mode of action.

ARTICLE 4

ROLE AND RESPONSIBILITIES OF EYETECH

4.1 TECHNICAL INFORMATION PROVISION.

Eyetech shall, for and within [**] days of the Closing Date, provide Ophthotech with access to, and copies of, all Eyetech Know-How (other than biological materials and/or chemical compounds) Controlled by Eyetech, its Affiliates or consultants at the Effective Date, and in its or their possession, that has not previously been provided to Ophthotech hereunder, including without limitation all materials filed with Regulatory Authorities and all materials related to Manufacturing, chemistry, stability and the like of the Compound, as well as copies of the Eyetech Patents and correspondence with patent offices in the Territory with respect to the Eyetech Patents and complete and correct copies of all collaborative and other agreements with Third Parties relating to Transferred Technology. During the Term, Eyetech shall promptly forward to Ophthotech any Information, including correspondence with Regulatory Authorities or patent offices, which comes into its possession relating to the Compound. Further, for up to [**] days after the Closing Date, Eyetech shall provide reasonable assistance to Ophthotech for the orderly transfer and transition of all research and Development activities relating to the Compound.

4.2 MATERIALS PROVISION.

Eyetech shall, within [**] days of the Closing Date, transfer to Ophthotech certain biological materials and/or chemical compounds related to the Compound Controlled by Eyetech, its Affiliates or consultants at the Effective Date and in its or their possession, for use by Ophthotech solely in relation to its activities regarding the PDGF Program hereunder. Such materials are provided "as is" and without any warranty, express, implied or statutory, including without limitation warranties of merchantability, title, non-infringement, exclusivity, or fitness for a particular purpose.

4.3 ASSISTANCE WITH ARCHEMIX

After the Effective Date, upon Ophthotech's request, Eyetech will use commercially reasonable efforts (which, for the avoidance of doubt, shall not require Eyetech to incur any out of-pocket cost or expense) to assist Ophthotech in obtaining confirmation from Archemix that Eyetech exercised its option in accordance with Section 3.3 of the Archemix Agreement with regard to clinical compound E10030 in all pegylated and non-pegylated variations; provided however, that Ophthotech's ability to obtain such confirmation shall not be a condition to Ophthotech's obligation to proceed with the Closing.

4.4 NO ONGOING RESPONSIBILITY BEYOND TRANSITIONAL PURPOSES.

For the avoidance of doubt, it is agreed between the Parties that Eyetech shall have no ongoing responsibility to Ophthotech hereunder to provide any technical assistance, advice or co-operation to Ophthotech other than as detailed in Sections 4.1, 4.2 and 4.3 in relation to transfer of activities from Eyetech to Ophthotech with regard to the Compound.

ARTICLE 5

INFORMATION REPORTING

5.1 INFORMATION REPORTING.

(a) PRIMARY CONTACTS. After the Closing Date, each Party will designate a senior member of management who will be the primary contact for that Party (the "**Primary Contact**").

(b) RESPONSIBILITIES. After the Closing Date, the Primary Contacts shall:

(i) periodically discuss the overall goals and strategy of the PDGF Program; and

(ii) coordinate disclosure of Confidential Information and review and approval of publicity and publications as provided in Article VII.

ARTICLE 6

PAYMENTS AND FINANCIAL REPORTING

6.1 UPFRONT PAYMENT; EQUITY CONSIDERATION.

In partial consideration of the Transferred Technology hereunder, Ophthotech will pay to Eyetech a non-refundable, non-creditable upfront payment of Four Million Dollars ($4,000,000) (the "**Upfront Payment**") on the Closing Date. Such payment will be made in immediately available funds via a Federal Reserve electronic wire transfer to a bank account designated by Eyetech. In addition to the cash payment, Ophthotech shall also issue to Eyetech on the Closing Date 3,000,000 shares of Series A Junior Preferred Stock of Ophthotech, par value $0.001 per share (the "**Ophthotech Shares**"), pursuant to the terms and conditions of a Junior Series A Preferred Rights Agreement, Voting Agreement and Junior Series A Preferred Stock Purchase Agreement for the Ophthotech Shares, substantially in the form attached hereto as **Exhibit C**, with such additional changes as the Parties shall negotiate in good faith (collectively, the "**Equity Agreements**"), which each Party shall execute and deliver to the other Party on the Closing Date, together with any deliverables required under the Equity Agreements, and possessing such rights and preferences as are set forth in the Amended and Restated Certificate of Incorporation for Ophthotech, substantially in the form attached hereto as **Exhibit D**, with such additional changes as the Parties shall negotiate in good faith (the Equity Agreements (including the deliverables thereunder) and Amended and Restated Certificate of Incorporation are referred to collectively herein as the "**Equity Documents**"). The capitalization of Ophthotech as of the Closing Date, and the expected changes in capitalization contemplated by the Series A Preferred Stock Purchase Agreement identified in the Equity Agreements, is set forth on Schedule 6.1

6.2 MILESTONE PAYMENTS.

(a) Ophthotech shall make the following one-time development milestone payments to Eyetech based on the achievement of the following milestone events by Ophthotech, its Affiliates or Licensees for Product in the Field upon first occurrence of the applicable milestone event: (i) Ten Million Dollars ($10,000,000) upon Marketing Approval in the U.S. for the Product in the Field; and (ii) Two Million Dollars ($2,000,000) upon Marketing Approval in the EU for the Product in the Field.

(b) For clarity, each milestone payment set forth above shall be payable only once with respect to each Product that is comprised of or based on a different aptamer (which constitutes a different drug for regulatory purposes), regardless of the number of times achieved by such Product. With respect to each milestone set forth above, Ophthotech shall notify Eyetech of the achievement of such milestone by it or its Affiliates within [**] days of such achievement and shall at such time or shortly thereafter provide Eyetech with reasonable substantiation of the achievement of the applicable milestone. Ophthotech shall have [**] days following such notification of the achievement of a milestone listed above in which to pay the corresponding amount to Eyetech in immediately available funds via a Federal Reserve electronic wire transfer to

an account designated by Eyetech. Notwithstanding any other provision in this Agreement, no milestone payments under this Section 6.2 shall be due or payable with respect to any diagnostic Product.

6.3 ROYALTIES.

(a) ROYALTY RATE. Ophthotech shall pay Eyetech a cash royalty equal to [**] percent ([**]%) on all Net Sales of Products by Ophthotech, its Affiliates and Licensees. Such royalty will be payable on a Product-by-Product and a country-by-country basis in the Territory.

(b) ROYALTY CONDITIONS. Royalties shall be subject to the following conditions:

(i) royalties shall be payable with respect to all Net Sales of Product;

(ii) only one royalty shall be due with respect to the same sales unit of Product;

(iii) no royalties shall be due upon the sale or other transfer of Product among Ophthotech, its Affiliates and/or Licensees, but in such cases the royalty shall be due and calculated upon Ophthotech's, its Affiliates and/ or Licensees' Net Sales to the first independent Third Party; and

(iv) no royalties shall accrue on the disposition of Product in reasonable quantities by Ophthotech, its Affiliates and/or its Licensees as samples (promotion or otherwise) or as donations (for example, to non-profit institutions or government agencies for a non-commercial purpose) or for use in conducting clinical trials of Product, including Phase IIIB Trials and Post-Approval Trials.

(c) ROYALTY TERM. Ophthotech's obligation to pay royalties on Net Sales of Product in any country in the Territory shall commence on Product Launch and will continue until the later of ten (10) years following Product Launch in such country and the expiration of the last to expire of any Valid Claim within the Transferred Patents covering the composition, manufacture or use of such Product in the Field in such country.

(d) ANTI-STACKING PROTECTIONS. If, at any time, Ophthotech reasonably determines that any Product or the use thereof in the Field may infringe an unexpired patent or patents other than the Transferred Patents, Ophthotech may negotiate with the owner of such patents for a license on such terms as Ophthotech deems appropriate. Should the license with the owner of such patents require the payment of royalties to such owner, then the royalties otherwise payable to Eyetech under this Agreement shall be reduced by an amount equal to [**] percent ([**]%) of the royalties paid to the owners of such patents on a country-by-country, Product-by-Product basis if, at the time any such additional royalties are due and payable, the total royalty obligations of Ophthotech relating to such Product equal or exceed the royalty obligations

set forth in the Assumed Agreements at the Closing Date; provided that in no event shall the royalty payable to Eyetech under this Agreement with respect to any Product be reduced to less than [**] percent ([**]%) of the Net Sales of such Product.

(e) REPORTS; PAYMENT OF ROYALTY. Following Product Launch, Ophthotech shall furnish to Eyetech a written report for the Calendar Quarter accounting for the Net Sales of Product subject to royalty obligations sold by Ophthotech, its Affiliates and/or its Licensees in the Territory on a country-by-country basis during the reporting period, and detailing the royalties payable under this Agreement. Reports shall be due on the [**] day following the close of each Calendar Quarter and on the [**] day following the end of the duration of Ophthotech's royalty obligations hereunder. Each such report shall be certified by an authorized officer of Ophthotech as being true, accurate and complete. Royalties shown to have accrued by each royalty report and all other payments due under this Agreement for that period or portion thereof shall be due and payable on the [**] day following the submission of the royalty report thereon. All payments due hereunder shall be deemed received when funds are credited to Eyetech's account at a bank designated by Eyetech for the purpose and shall be paid by wire transfer in U.S. dollars. Along with the last report for a Calendar Year provided hereunder, Ophthotech shall provide a final report for the entire such Calendar Year. In addition, an unofficial monthly sales report of estimated royalties payable shall be delivered to Eyetech within [**] days following the close of each calendar month.

(f) MAINTENANCE OF RECORDS. Ophthotech shall keep and maintain (and cause to be kept and maintained) complete and accurate records of the Net Sales by Ophthotech, its Affiliates and/or Licensees, in sufficient details to enable the royalties payable hereunder to be determined, and in accordance with U.S. GAAP. Ophthotech shall retain such records for at least [**] years after the close of any Calendar Quarter.

(g) ROYALTY AUDITS. Upon the written request of Eyetech, for the duration of Ophthotech's royalty obligations hereunder and [**], Ophthotech shall permit an independent certified public accounting firm of nationally recognized standing selected by Eyetech (and with Ophthotech's approval which it may not withhold unreasonably), at Eyetech's expense, to have access during normal business hours on reasonable notice to such of the records of Ophthotech, its Affiliates and Licensees as may be reasonably necessary to verify the accuracy of the royalty reports hereunder in relation to Net Sales and any royalties or other payments due thereon. Such inspections shall not be more frequent than [**] during each Calendar Year and may cover only the [**] Calendar Years immediately preceding the date of audit; provided, however, that such [**] Calendar Year limitation shall not apply if such accounting firm first determines that Ophthotech underpaid royalties by more than [**] percent ([**]%) of the amount that was due during such [**] Calendar Years. The accounting firm shall be under a duty to keep confidential any other information obtained from such reports. The fees charged by such accounting firm shall be paid by Eyetech; provided, however, that if such accounting firm determines that Ophthotech underpaid royalties by more than [**] percent ([**]%) of the amount that was due, then the fees charged by such accounting firm shall be paid by Ophthotech. If such accounting firm determines that Ophthotech paid more than the amount properly due in respect of

any Calendar Quarter, then any excess payments made by Ophthotech shall be credited against future amounts due to Eyetech from Ophthotech, or if no such future amounts are reasonably expected to be due to Eyetech from Ophthotech, then Eyetech shall reimburse Ophthotech for any overpayment by Ophthotech. If such accounting firm concludes that additional royalties were owed during such period, Ophthotech shall pay the additional royalties within [**] days of the date Eyetech delivers to Ophthotech such accounting firm's written report so correctly concluding.

(h) Ophthotech shall include in each license a provision requiring the Licensee to make reports to Ophthotech, to keep and maintain records of sales made pursuant to such License and to grant access and audit rights to such records by Eyetech's independent accountant to the same extent required of Ophthotech under this Agreement.

(i) Eyetech shall treat all financial information subject to review under this Section 6.3 or under any license, in accordance with the confidentiality provisions of this Agreement, and shall cause its accounting firm to enter into a reasonably acceptable confidentiality agreement with Ophthotech obligating it to retain all such financial information in confidence pursuant to such confidentiality agreement.

(j) INCOME TAX WITHHOLDING. Where any sum due to be paid to Eyetech hereunder shall be subject to any withholding tax, the Parties shall use all reasonable efforts to do all such acts and things and to sign all such documents as will enable them to take advantage of any applicable taxation treaty or agreement. In the event there is no applicable taxation treaty or agreement, or if an applicable taxation treaty or agreement reduces but does not eliminate such withholding or similar tax, Ophthotech shall pay such withholding or similar tax to the appropriate government authority, deduct the amount paid from the amount due to Eyetech and secure and send to Eyetech the best available evidence of such payment sufficient to enable Eyetech to obtain a deduction for such withheld taxes or obtain a refund thereof including, without limitation, when received a copy of the official tax receipt evidencing payment of such tax to the appropriate taxing authority.

(k) CURRENCY EXCHANGE. In the case of sales outside the United States, royalty payments under this Agreement shall be converted to U.S. dollars at the rate of currency conversion calculated using a simple average of mid-month and month-end rates as published in The Wall Street Journal, New York City Edition for such accounting period, or such other method of conversion as, at such time, is consistent with Ophthotech's then current methods. Ophthotech shall give Eyetech prompt written notice of any changes to Ophthotech's customary and usual procedures for currency conversion, which shall only apply after such notice has been delivered and provided that such changes continue to maintain a set methodology for currency conversion in accordance with U.S. GAAP.

(l) BLOCKED PAYMENTS. In the event that, by reason of Applicable Laws in any country, it becomes impossible or illegal for Ophthotech or its Affiliate or Licensee to transfer, or have transferred on its behalf, royalties or other payments to Eyetech, Ophthotech shall promptly notify Eyetech of the conditions preventing such transfer and such royalties or other

payments shall be deposited in local currency in the relevant country to the credit of Eyetech in a recognized banking institution designated by Eyetech or, if none is designated by Eyetech within a period of [**] days, in a recognized banking institution selected by Ophthotech or its Affiliate or Licensee, as the case may be, and identified in a notice given to Eyetech.

(m) RESOLUTION OF DISPUTES. In the event there is a dispute, claim or controversy relating to any financial obligation by one Party to the other Party pursuant to this Agreement, such Party shall provide such other Party with written notice setting forth in reasonable detail the nature and factual basis for such good-faith dispute and each Party agrees that it shall seek to resolve such dispute within [**] Business Days of the date such written notice is received. Notwithstanding any other provision of this Agreement to the contrary, the obligation to pay any reasonably disputed amount shall not be deemed to have been triggered until such dispute is resolved hereunder, provided that all amounts that are not in dispute shall be paid in accordance with the provisions of this Agreement.

ARTICLE 7

CONFIDENTIALITY AND PUBLICATION

7.1 OBLIGATIONS.

Except upon obtaining the other Party's prior written consent to the contrary, each Party agrees that it will:

(a) maintain in confidence, and not disclose to any person or entity (except as provided in Section 7.2), the other Party's Confidential Information for the Term of this Agreement and [**] years thereafter; and

(b) not use such Confidential Information for any purpose except as contemplated in this Agreement.

7.2 AUTHORIZED DISCLOSURES OF CONFIDENTIAL INFORMATION.

(a) PERMITTED PERSONS. Each Party may disclose Confidential Information of the other Party, without such other Party's prior written consent, to its and its Affiliates' (or the other Party's and its Affiliates') directors, employees, agents, consultants, permitted Licensees, suppliers, and other person or entities who:

(i) need to know such Confidential Information to assist the Party in fulfilling its obligations or exploiting its rights hereunder (or to determine their interest in providing such assistance); and

(ii) are bound by written confidentiality and non-use obligations no less stringent than those contained herein.

7.3 DISCLOSURES LEGALLY REQUIRED OR NECESSARY.

(a) LEGALLY REQUIRED DISCLOSURES. Each Party may also disclose the Confidential Information of the other Party, without such other Party's prior written consent, to any person, entity, or government or regulatory authority to the extent that the law or governmental regulation requires such disclosure. In addition, each Party may disclose the other Party's Confidential Information, without the other Party's prior written consent, to any person, entity, or government or Regulatory Authority to the extent that such disclosure is necessary for obtaining, maintaining, or amending any Regulatory Materials regarding Product or satisfying any other regulatory obligation regarding such Product.

(b) NOTICE. Prior to disclosing the other Party's Confidential Information under this Subsection, the disclosing Party, to the extent practicable, will give the other Party a copy of the Confidential Information to be disclosed and provide such Party a reasonable opportunity to comment on the necessity and the text of the proposed disclosure. The disclosing Party agrees to consider such comments in good faith and to reasonably avail itself of available means under the Applicable Law to minimize the disclosure of such Confidential Information.

(c) COURT ORDERS. Each Party may also disclose the Confidential Information of the other Party, without such other Party's prior written consent, pursuant to an order of a Regulatory Authority or court of competent jurisdiction, provided that it promptly notifies the other Party of the required disclosure in order to provide such Party an opportunity to take legal action to prevent or limit such disclosure and, if asked, reasonably assists the other Party in pursuing such action.

(d) LEGAL ACTIONS. Each Party may also disclose the Confidential Information of the other Party, without such other Party's prior written consent, as is necessary to pursue or defend against a legal or regulatory action by one Party against the other with respect to this Agreement. A Party disclosing the other Party's Confidential Information, pursuant to this Subsection, will use reasonable efforts to minimize the disclosure of the other Party's Confidential Information, including, without limitation, by seeking to file pleadings under seal.

7.4 DISCLOSURE OF THE TERMS OF THE AGREEMENT.

(a) REQUIRED DISCLOSURES. Each Party agrees that it will maintain in confidence, and not disclose, the terms of this Agreement without the prior written consent of the other Party, except as expressly authorized herein. If a Party receives a request from any Governmental Authority for a copy of the Agreement, that Party may provide a copy of the Agreement to such Governmental Authority without advance notice to, or the consent or cooperation of, the other Party, but the disclosing Party must notify the other Party of the disclosure as soon as practicable.

(b) DISCLOSURE TO AUTHORIZED PERSONS. Either Party may disclose information regarding the terms of this Agreement to: (i) its advisers, agents, consultants, permitted Licensees and suppliers who need to know such information to perform

their contractual obligations to such Party; and (ii) to a Third Party in relation to a due diligence exercise being conducted by such Third Party, who needs to know such information to perform such due diligence, and in relation to (i) and (ii) who agree to be bound by terms of confidentiality and non-use for at least [**] years from the date of disclosure to such Third Party and on other terms at least as strict as those set forth in this Agreement.

(c) DISCLOSURE ON ADVICE OF COUNSEL. If any Party, based on the advice of counsel, determines that a release of information regarding the existence or terms of this Agreement is required by Applicable Law or requirement of an applicable stock exchange or NASDAQ, then prior to any release of such information, that Party will notify the other Party as soon as practicable and provide as much detail as possible in relation to the proposed disclosure and will endeavor in good faith to provide the other Party with a minimum of [**] business days to review and provide comments on the proposed release. The disclosing Party will use its best efforts to incorporate comments of the other Party to the extent consistent with fulfilling its legal obligations.

(d) PUBLICITY. Upon the execution of this Agreement, either Party or both Parties may issue a press release regarding the subject matter of this Agreement. Each Party has the right to review and approve such press release for accuracy and confidentiality prior to its release. After such initial press release, Ophthotech shall be entitled to issue press releases and public announcements relating to the PDGF Program, including Product, without the prior written approval of Eyetech, including without limitation releases and announcements regarding clinical enrollment and Development, regulatory matters, collaborations, partnering or similar transactions, so long as any such releases or announcements do not contain Eyetech's name or Confidential Information. Following the initial press release, Eyetech may not issue any press releases or public announcements regarding Ophthotech, Products or this Agreement which contains information inconsistent with or in addition to the initial press release, unless Eyetech first receives Ophthotech's written approval within [**] days of Eyetech submitting the release to Ophthotech. Neither Party shall include the financial or other terms of this Agreement in any such press release or public announcement unless the other Party has previously approved such disclosure in writing, provided that Eyetech may provide Ophthotech with language that reasonably describes Eyetech or the Agreement and may request that Ophthotech include such language in any press release or public announcement that mentions the Agreement, Eyetech or Eyetech's interest in Products. Notwithstanding the above, either Party may issue any press release or public announcement if the contents of such press release or public announcement were included in the initial press release noted above in this Section 7.4 or have previously been made public other than through a breach of this Agreement by such Party. Once any public statement or disclosure has been approved in accordance with this Section, then either Party may appropriately communicate information contained in such permitted statement or disclosure.

7.5 PUBLICATIONS.

Ophthotech shall inform Eyetech of any publications related to the PDGF Program and/or Products authored by employees or consultants of Ophthotech, its Affiliates or Licensees.

Eyetech shall be entitled, after the Effective Date, to submit publications relating to its activities on the PDGF Program conducted prior to the Effective Date after obtaining Ophthotech's approval, which may not be withheld unreasonably. Eyetech shall inform Ophthotech of any publications related to the PDGF Program and/or Products authored by employees or consultants of Eyetech, its Affiliates or Licensees, and, to the extent that such publications relate to Products in the Field, shall submit such publications only after obtaining Ophthotech's approval, which may not be withheld unreasonably.

ARTICLE 8

REPRESENTATIONS, WARRANTIES AND DISCLAIMERS

8.1 CORPORATE EXISTENCE AND AUTHORITY.

Each Party hereby represents and warrants to the other Party that, as of the Effective Date, it:

(a) is a corporation duly organized, validly existing and in good standing under the laws of the state or country in which it is incorporated;

(b) has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and is contemplated in this Agreement (without making any representation as to the intellectual property rights); and

(c) has the corporate power and full authority and the legal right to enter into this Agreement and perform the obligations and duties contemplated under this Agreement.

8.2 AUTHORIZED EXECUTION; BINDING OBLIGATION.

Each Party represents and warrants to the other Party that, as of the Effective Date: (i) the execution, delivery, and performance of the Agreement and the consummation of the transactions contemplated thereby have been duly authorized and approved by all necessary corporate action on its part; and (ii) this Agreement has been duly executed and delivered by it and constitutes a legal, valid, and binding obligation enforceable against it in accordance with this Agreement's terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting creditors' rights generally and by general equity principles, including judicial principles affecting the availability of injunction and specific performance.

8.3 NO CONFLICTS.

Each Party represents and warrants to the other Party that its execution, delivery, and performance of this Agreement:

(a) does not contravene any Applicable Laws; and

(b) does not contravene the provisions of, nor constitute a default under, its articles of incorporation or bylaws or any indenture, mortgage, contract or other agreement or instrument to which it is a signatory (including without limitation the Assumed Agreements), or any permit, or governmental authorization or grant.

8.4 ALL CONSENTS AND APPROVALS OBTAINED.

Except as otherwise described in this Agreement, each Party represents and warrants to the other that: (i) all necessary consents, approvals and authorizations of; and (ii) all notices to, and filings by such Party with, all governmental authorities and other persons or entities (including without limitation Archemix and Nektar) required to be obtained or provided by such Party in connection with the execution, delivery and performance of this Agreement have been obtained and provided, except for those government approvals, if any, not required at the time of execution of this Agreement.

8.5 TRANSFERRED TECHNOLOGY.

Eyetech represents and warrants that:

(a) Schedule 1.1.25 lists all Patents Controlled by Eyetech (and not Ophthotech) as of the Effective Date (but expressly excluding any Assumed Patents) relating to the Compound, including without limitation any such Patents (other than Assumed Patents) claiming the composition of matter or the use of Product;

(b) Eyetech has not granted any license or rights to any Third Party under any of the Transferred Technology. Eyetech is not aware of any claim made against it challenging Eyetech's Control of the Transferred Technology or making any adverse claim of ownership or license of the Transferred Technology;

(c) neither Eyetech nor any of its Affiliates is or has been a party to any agreement with the U.S. federal government or any of its agencies pursuant to which the U.S. federal government or such agency provided funding for the Development of any Product;

(d) the Eyetech Patents are existing and, to the best of its knowledge, as of the Effective Date: (i) the Eyetech Patents are not invalid or unenforceable, in whole or in part; (ii) there is no claim, litigation or arbitration, either pending or threatened, alleging that any Eyetech Patent is invalid or unenforceable, or has been misused, anywhere in the Territory; and (ii) Eyetech is the sole owner of the Eyetech Patents. Eyetech's rights under the Transferred Technology are free and clear of any liens, charges and encumbrances. To the best of its knowledge, neither Eyetech nor any of its Affiliates or their respective current or former employees has misappropriated any of the Eyetech Know-How from any Third Party, and Eyetech is not aware of any claim by a Third Party that such misappropriation has occurred;

(e) No claim of infringement of the Patents, know-how or trademark rights of any Third Party has been made nor, to the best of Eyetech's knowledge, threatened against Eyetech or any of its Affiliates with respect to the Development, Manufacture or Commercialization of any Product. There are no other claims, judgments or settlements against or owed by Eyetech or any of its Affiliates, or to which Eyetech or any of its Affiliates is a party, or, to the best of Eyetech's knowledge, pending or threatened claims, litigation or arbitration, in either case relating to any Product;

(f) To the best of its knowledge, Eyetech has made available to Ophthotech all material information in its possession or control relating to the Compound and Product and/or the Development, Manufacture and Commercialization of the Compound and Product as conducted to date by Eyetech, its Affiliates and/or sublicensees, including without limitation copies of the following as received by Eyetech (to the extent there are any in Eyetech's possession or control):

(i) investigational new drug application and any similar applications filed with an Regulatory Authority outside of the U.S. such as a clinical trial application or clinical trial exemption;

(ii) adverse event reports;

(iii) clinical study reports and material study data; and

(iv) inspection reports, notices of adverse findings, warning letters, other Regulatory Approval filings, minutes of meetings and teleconferences, and letters and other correspondence with the FDA and other Regulatory Authorities;

(g) All of the studies, tests and pre-clinical and clinical trials of Products conducted by Eyetech or its Affiliates or sublicensees prior to the Effective Date have been conducted in material compliance with Applicable Laws. Neither Eyetech nor any of its Affiliates or sublicensees is currently conducting any human clinical trials with respect to any Product;

(h) except for the Archemix Agreement and the Nektar Agreement, there are no agreements as of the Effective Date between Eyetech (or any of its Affiliates) and any Third Party that impose an obligation to pay royalties or other consideration to a Third Party based on sales of Product or that provide any license or other right relating to the Transferred Technology;

(i) **Appendix 1** is a true, correct and complete copy of the Archemix Agreement, and **Appendix 2** is a true, correct and complete copy of the Nektar Agreement, in each case including all amendments and waivers and consents granted or obtained pursuant to such of the Assumed Agreements, and, in the case of Appendix 2, including the Prior Agreement and the Quality Agreement (as such terms are defined in the Nektar Agreement);

(j) No event has occurred, nor to the best of Eyetech's knowledge, is alleged to have occurred, which constitutes or with lapse of time or giving of notice or both, would constitute

a default or a basis for a claim of force majeure or other claim of excusable delay or non-performance under any Assumed Agreement, in each case by Eyetech, or that would give any other party the right to cancel, terminate or modify any of the Assumed Agreements. To the best of Eyetech's knowledge, neither Archemix, with respect to the Archemix Agreement, nor Nektar, with respect to the Nektar Agreement, is in default in the performance of any covenant or condition thereunder or has failed in performance thereunder by reason of a claim of force majeure or other claim of excusable delay or non-performance thereunder. There are no obligations of Eyetech arising but unfulfilled on or prior to the Effective Date under or relating to the Assumed Agreements, and Eyetech has received no notice of any breach or other default pursuant to the Archemix Agreement or the Nektar Agreement. The Assumed Agreements remain in full force an effect, except that the Research Program (as defined in the Archemix Agreement) was terminated effective by mutual agreement of Eyetech and Archemix as of April 19, 2006. Prior to the termination of such Research Program, OSI exercised its option in accordance with Section 3.3 of the Archemix Agreement with regard to clinical compound E10030. The clinical compound E10030 and the compound ARC404 were the only Lead Compound and Back-Up (as such terms are defined in the Archemix Agreement) identified during such Research Program prior to its termination and, as of the Effective Date. Eyetech has not abandoned either E10030 or ARC404, and has fulfilled in all material respects all of its obligations under the Archemix Agreement with regard to E10030 and ARC404 including without limitation compliance with its diligence obligations under Section 4.8 of the Archemix Agreement, and has paid all of the milestone payments that are due Archemix. Eyetech has fulfilled in all material respects all of its obligations under the Nektar Agreement with regard to E10030 including without limitation compliance with its diligence obligations under Section 3.7 of the Nektar Agreement and has paid all milestone payments that are due Nektar as of the Effective Date. Eyetech has paid Archemix $250,000 upon E10030 becoming a Lead Compound and $500,000 upon E10030 becoming a Development Compound (as such terms are defined in the Archemix Agreement), and has paid Nektar $250,000 upon the first delivery of a shipment of Reagent (as such term is defined in the Nektar Agreement). All conditions under Section 3.3 of the Nektar Agreement relating to the availability of the Licenses (as such term is defined in the Nektar Agreement) to Eyetech under Sections 3.1.1 and 3.1.2 of the Nektar Agreement have been satisfied. Eyetech has not assigned to any other party any rights with respect to the Assumed Agreements; and

(k) Eyetech and its Affiliates and its agents have incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement, except for a fee payable to Lazard Freres & Co. LLC, which will be paid in full by Eyetech.

8.6 NO DEBARMENT.

Neither Party nor any of its Affiliates has been debarred or is subject to debarment and neither Ophthotech nor any of its Affiliates will use in any capacity, in connection with the Development, Manufacture or Commercialization of any Product, any person or entity who has been debarred pursuant to Section 306 of the FD&C Act, or who is the subject of a conviction described in such section.

8.7 DISCLAIMER OF IMPLIED WARRANTIES.

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTE, OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED OR STATUTORY WARRANTIES INCLUDING WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE AND OF NON-INFRINGEMENT. EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE DEVELOPMENT, MANUFACTURE AND COMMERCIALIZATION OF ANY PRODUCT PURSUANT TO THIS AGREEMENT WILL BE SUCCESSFUL OR THAT ANY PARTICULAR SALES LEVEL WITH RESPECT TO ANY PRODUCT WILL BE ACHIEVED; PROVIDED THAT NOTHING IN THIS SECTION 8.7 SHALL BE CONSTRUED AS LIMITING OPHTHOTECH'S OBLIGATIONS UNDER SECTION 3.3 HEREIN.

8.8 LIMITATION OF LIABILITY.

NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. HOWEVER, NOTHING IN THIS SECTION IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER ARTICLE 8 WITH RESPECT TO THIRD PARTY CLAIMS.

8.9 GUARANTEE OF PERFORMANCE OF AFFILIATES.

Each Party absolutely, unconditionally and irrevocably guarantees to the other Party, prompt performance when due and at all times thereafter of the liabilities (including, without limitation, indemnity obligations and liabilities), obligations, covenants, warranties, representations and undertakings (collectively, the "**Liabilities**") of its Affiliates pursuant to this Agreement, and any and all modifications and amendments thereof.

ARTICLE 9

INDEMNIFICATION

9.1 INDEMNIFICATION OBLIGATIONS.

(a) OPHTHOTECH'S OBLIGATION. Ophthotech will defend, indemnify, and hold harmless Eyetech, Eyetech's Affiliates, and the respective directors, officers, shareholders, employees, and agents of Eyetech and Eyetech's Affiliates ("**Eyetech Indemnitees**"), from and against any and all liabilities, damages, losses, penalties, fines, costs, interest, and expenses, including, without limitation, reasonable attorneys' fees, ("**Damages**")

arising from or occurring as a result of a Third Party's claim, action, suit, judgment, or settlement against an Eyetech Indemnitee that is due to or based upon:

(i) any breach by Ophthotech of an obligation, agreement, condition, covenant, representation, or warranty of Ophthotech under this Agreement;

(ii) any negligent or more culpable act or omission of Ophthotech or an Ophthotech Affiliate, Licensee, or contractor or their respective directors, officers, shareholders, employees, and agents related to this Agreement ((i) and (ii) each, a "**Eyetech Third Party Claim**");

(iii) any product liability or other Third Party claim in connection with any claims, suits, liabilities, etc. arising out of the Manufacture, promotion, import/export, sale or use of Product by Ophthotech or an Ophthotech Affiliate, Licensee, or contractor or their respective directors, officers, shareholders, employees and agents; or

(iv) upon a reversion of the Reversion Rights to Eyetech pursuant to Section 11.4(a), any failure of Ophthotech to Manufacture the Product in accordance with the specifications of the Product as in effect at the time of such reversion, subject to such modifications as the Parties may agree, acting in good faith;

provided, however, that Ophthotech will not be obligated to indemnify or hold harmless Eyetech Indemnitees from Damages from an Eyetech Third Party Claim to the extent that such Damages are finally determined to have resulted from the negligent (or more culpable) act or omission of an Eyetech Indemnitee or any breach by Eyetech of an obligation, agreement, condition, covenant, representation, or warranty of Eyetech under this Agreement.

(b) EYETECH'S OBLIGATION. Eyetech will defend, indemnify, and hold harmless Ophthotech, Ophthotech's Affiliates and Licensees, and the respective directors, officers, shareholders, employees, and agents of Ophthotech and Ophthotech's Affiliates ("**Ophthotech Indemnitees**"), from and against any and all Damages arising from or occurring as a result of a Third Party's claim, action, suit, judgment, or settlement against an Ophthotech Indemnitee that is due to or based upon:

(i) any breach by Eyetech of an obligation, agreement, condition, covenant, representation, or warranty of Eyetech under this Agreement;

(ii) any negligent or more culpable act or omission of Eyetech or an Eyetech Affiliate or their respective directors, officers, shareholders, employees, and agents related to this Agreement prior to the Closing Date ((i) and (ii) each, a "**Ophthotech Third Party Claim**"); or

(iii) in the event that the Reversion Rights revert to Eyetech pursuant to Section 11.4(a) below, but subject to Ophthotech's indemnification obligation under Section 9.1(a)(iv) above, any product liability or other Third Party claim in connection with any claims,

suits, liabilities, etc. arising out of the Manufacture, promotion, import/export, sale or use of Product by Eyetech or an Eyetech Affiliate, licensee, sublicensee or contractor or their respective directors, officers, shareholders, employees and agents;

provided, however, that Eyetech will not be obligated to indemnify or hold harmless Ophthotech Indemnitees from Damages from an Ophthotech Third Party Claim to the extent that such Damages are finally determined to have resulted from the negligent (or more culpable) act or omission of an Ophthotech Indemnitee or any breach by Ophthotech of an obligation, agreement, condition, covenant, representation, or warranty of Ophthotech under this Agreement.

9.2 INDEMNIFICATION PROCEDURES.

(a) NOTICE. Promptly after an Eyetech Indemnitee or an Ophthotech Indemnitee (each, an "**Indemnitee**") receives notice of a pending or threatened Eyetech Third Party Claim or Ophthotech Third Party Claim, as the case may be (an "**Action**"), such Indemnitee shall give written notice of the Action to the Party to whom the Indemnitee is entitled to look for indemnification pursuant to this Article 9 (the "**Indemnifying Party**"). However, an Indemnitee's delay in providing or failure to provide such notice will not relieve the Indemnifying Party of its indemnification obligations, except to the extent it can demonstrate prejudice due to the delay or lack of notice.

(b) DEFENSE. Upon receipt of notice under Section 9.2(a) from the Indemnitee, the Indemnifying Party will have the duty to either compromise or defend, at its own expense and by counsel (reasonably satisfactory to Indemnitee), such Action. The Indemnifying Party will promptly (and in any event not more than [**] days after receipt of the Indemnitee's original notice) notify the Indemnitee in writing that it acknowledges its obligation to indemnify the Indemnitee with respect to the Action pursuant to this Article 9 and of its intention to either compromise or defend such Action. Once the Indemnifying Party gives such notice to the Indemnitee, the Indemnifying Party is not liable to the Indemnitee for the fees of other counsel or any other expenses subsequently incurred by the Indemnitee in connection with such defense, other than the Indemnitee's reasonable costs of investigation and cooperation. However, the Indemnitee will have the right to employ separate counsel and to control the defense of an Action (and the Indemnifying Party shall bear the reasonable fees, costs, and expenses of such counsel) if:

(i) the use of the counsel chosen by the Indemnifying Party would present such counsel with a conflict of interest;

(ii) the actual or potential defendants in, or targets of, such Action include both the Indemnifying Party and the Indemnitee, and the Indemnitee reasonably concludes that there may be legal defenses available to it that are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party will not have the right to assume the defense of such Action on the Indemnitee's behalf);

(iii) the Indemnifying Party does not employ counsel satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after the Indemnitee's notice of such Action;

(iv) the Indemnifying Party denies or fails to timely admit its obligation to defend and indemnify the Action; or

(v) in the reasonable opinion of counsel to the Indemnitee, the claim could result in the Indemnitee becoming subject to injunctive relief or relief other than the payment of Damages that could have a materially adverse effect on the ongoing business of the Indemnitee;

provided, however, that in no event shall the Indemnifying Party be obligated to bear the fees, costs and expenses of more than one (1) separate counsel for all of the other Party's Indemnitees in such Action.

(c) COOPERATION. The Indemnitee will cooperate fully with the Indemnifying Party and its legal representatives in the investigation and defense of an Action. The Indemnifying Party will keep the Indemnitee informed on a reasonable and timely basis as to the status of such Action (to the extent the Indemnitee is not participating in the defense of such Action) and conduct the defense of such Action in a prudent manner. If the Indemnitee assumes the defense of an Action pursuant to this Section 9.2, the Indemnitee will keep the Indemnifying Party informed on a reasonable and timely basis as to the status of such Action (to the extent the Indemnifying Party is not participating in the defense of such Action) and conduct the defense of such Action in a prudent manner.

(d) SETTLEMENT. If an Indemnifying Party assumes the defense of an Action, no compromise or settlement of such Action may be effected by the Indemnifying Party without the Indemnitee's written consent (which consent will not be unreasonably withheld or delayed), unless: (i) there is no finding or admission of any violation of law or any violation of the rights of any person and no effect on any other claims that may be made against the Indemnitee; (ii) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party; and (iii) the Indemnitee's rights under this Agreement are not adversely affected. If the Indemnifying Party fails to assume defense of an Action within a reasonable time, the Indemnitee may settle such Action on such terms as it deems appropriate with the consent of the Indemnifying Party (which consent shall not be unreasonably withheld), and Indemnifying Party will be obligated to indemnify the Indemnitee for such settlement as provided in this Article 9.

9.3 INDEMNIFICATION PAYMENT ADJUSTMENTS.

(a) INSURANCE PROCEEDS OR OTHER RECOVERY. The amount of any Damages for which indemnification is provided under this Article 9 will be reduced by the insurance proceeds received and any other amount recovered, if any, by the Indemnitee with respect to any Damages. However, an Indemnitee does not have an obligation to pursue an insurance claim relating to any Damages for which indemnification is sought hereunder.

(b) REFUND. If an Indemnitee receives a payment pursuant to this Article 9 and subsequently receives insurance proceeds or other amounts with respect to the same Damages, the Indemnitee will pay to the Indemnifying Party an amount equal to the difference (if any) between: (i) the sum of the insurance proceeds received, other amounts received, and the indemnification amount received from the Indemnifying Party pursuant to this Article 9; and (ii) the amount necessary to fully and completely indemnify and hold harmless the Indemnitee from and against such Damages. However, in no event will such refund ever exceed the Indemnifying Party's payment to the Indemnitee under this Article 9.

9.4 INDEMNIFICATION PAYMENT.

Any amount owed by an Indemnitee to a Third Party, for which the Indemnifying Party has an obligation under this Article 9 to indemnify, will be due from the Indemnifying Party when such amount is owed by the Indemnitee to the Third Party, whether upon entry of judgment, upon settlement, or otherwise.

9.5 INSURANCE.

Ophthotech shall maintain adequate and appropriate insurance or self-insurance (including commercial general liability insurance covering product liability claims) with respect to its activities and indemnity obligations under this Agreement during the Term and for a period of [**] years thereafter. Without limiting the generality of the preceding sentence, prior to the first enrollment in a clinical trial sponsored by Ophthotech of Product, Ophthotech shall initiate, and thereafter shall maintain during the Term and for a period of [**] years thereafter, a products liability insurance program with respect to the Product in amounts consistent with standard industry practice with respect to Product (but in no event having limits less than $[**] per claim and $[**] annual aggregate) and will name Eyetech as an additional insured with respect to such insurance. Ophthotech will provide certificates of insurance (or evidence of self-insurance) evidencing such coverage to Eyetech. In the events that the rights transferred hereunder revert to Eyetech pursuant to Section 11.4 hereof, the obligations set forth in this Section 9.5 shall be undertaken by Eyetech for the benefit of Ophthotech.

9.6 SURVIVAL.

The provisions of this Article 9 will survive any termination or expiration of this Agreement. Each Indemnitee's rights under this Article 9 will not be deemed to have been waived or otherwise affected by such Indemnitee's waiver of the breach of any obligation, agreement, condition, covenant, representation, or warranty contained in, or made pursuant to, this Agreement, unless such waiver expressly (and in writing) also waives any or all of the Indemnitee's rights under this Article 9.

ARTICLE 10

INTELLECTUAL PROPERTY

10.1 PATENT EXPENSES.

Ophthotech shall be responsible for all Patent Expenses relating to the PDGF Program from and after the Closing Date.

10.2 IMPROVEMENTS.

The entire right, title, and interest in and to all Improvements developed by employees, consultants or agents of Ophthotech during the Term will be the sole and exclusive property of Ophthotech.

10.3 OBLIGATIONS UNDER ASSUMED AGREEMENTS.

Ophthotech's obligations under this Article 10 with respect to the Eyetech Patents shall be in addition to, and not in lieu of, any obligations that it may have under the Assumed Agreements with respect to Assumed Patents.

ARTICLE 11

TERM AND TERMINATION

11.1 TERM; TERMINATION PRIOR TO CLOSING.

(a) This Agreement will remain in effect until Ophthotech ceases to have any financial obligations to Eyetech under Article 6 hereof (the **"Term"**). Thereafter, the rights granted to Ophthotech under Article 2 hereof shall become perpetual and fully paid-up.

(b) This Agreement may, by notice given prior to or at the Closing, be terminated:

(i) by either Ophthotech or Eyetech if a material breach of any provision of this Agreement has been committed by the other Party and such breach has not been waived;

(ii) by Ophthotech if any of the conditions in Section 2.4 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Ophthotech to comply with its obligations under this Agreement) and Ophthotech has not waived such condition on or before the Closing Date; or (ii) by Eyetech, if any of the conditions in Section 2.5 has not been satisfied of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Eyetech to comply with its obligations under this Agreement) and Eyetech has not waived such condition on or before the Closing Date;

(iii) by mutual consent of the Parties; or

(iv) by either Ophthotech or Eyetech if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before August 31, 2007, or such later date as the parties may agree upon.

(c) Each party's right of termination under Section 11.1(b) is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination under Section 11.1(b) will not be an election of remedies. If this Agreement is terminated pursuant to Section 11.1(b), all further obligations of the Parties under this Agreement will terminate, except that the obligations in Article 7 will survive; provided, however, that if this Agreement is terminated by a Party under Section 11.1(b) because of the breach of the Agreement

by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

11.2 TERMINATION FOR INSOLVENCY OR BREACH.

Each Party shall have the right to terminate this Agreement upon ninety (90) days' written notice to the other Party upon the occurrence of any of the following after the Closing Date:

(a) INSOLVENCY. In the event that the other Party makes a general assignment for the benefit of creditors, files an insolvency petition in bankruptcy, petitions for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its business or any substantial part of its assets, commences under the laws of any jurisdiction any proceeding involving its insolvency, bankruptcy, reorganization, adjustment of debt, dissolution, liquidation or any other similar proceeding for the release of financially distressed debtors or becomes a party to any proceeding or action of the type described above and such proceeding or action remains undismissed or unstayed for a period of more than ninety (90) days; or

(b) BREACH. Upon or after the material breach of any provision of this Agreement by the other Party (other than in relation to a breach of Section 3.3 for which the provisions of Section 3.3(c) shall apply) and if the breaching Party has not cured such breach within the [**] day period following written notice of termination by the non-breaching Party. Notwithstanding the foregoing, in the event of a non-monetary default, if the default is not reasonably capable of being cured within the [**] day cure period by the defaulting Party and such defaulting Party is making a good faith effort to cure such default, the cure period shall be extended and the notifying Party may not terminate this Agreement; provided, however, that no such extension shall exceed [**] days without the consent of the notifying Party. Further, in the event of a good faith dispute as to whether performance has been made by either Party pursuant to this Agreement, the relevant cure period with respect thereto shall be tolled pending resolution of such dispute in accordance with the applicable provisions of this Agreement. The right of either Party to terminate this Agreement as hereinabove provided shall not be affected in any way by its waiver of, or failure to take action with respect to, any previous default.

11.3 TERMINATION FOR OPHTHOTECH NON-COMPLIANCE WITH FINANCIAL OBLIGATIONS.

Notwithstanding the provisions of Section 11.2, in the event that Ophthotech fails to comply with any financial obligations arising under Article 6 after the Closing Date, Eyetech shall be entitled to terminate this Agreement on [**] days written notice to Ophthotech, unless Ophthotech cures such failure within such notice period. Further, in the event of a good faith dispute as to whether failure of such a financial obligation has occurred, the cure period with respect thereto shall be tolled pending resolution of such dispute in accordance with the applicable provisions of this Agreement.

11.4 EFFECT OF TERMINATION; SURVIVING OBLIGATIONS.

(a) REVERSION OF RIGHTS TO EYETECH. Upon termination of this Agreement by Eyetech as a result of a breach under Section 3.3(c) hereof, Ophthotech shall automatically grant, assign and transfer the following rights to Eyetech (the "**Reversion Rights**"):

(i) all of Ophthotech's right, title and interest in the Transferred Technology and Eyetech shall assume all obligations and liabilities thereunder; provided, however, that Eyetech shall not assume any obligations or liabilities arising but unfulfilled on or prior to the termination date of this Agreement under or relating to the Transferred Technology (including, without limitation, under any Assumed Agreements);

(ii) all of Ophthotech's right, title and interest in any Licenses to Eyetech, and Eyetech shall assume all obligations thereunder; provided that Eyetech shall not assume any obligations arising but unfulfilled on or prior to the termination date of this Agreement under or relating to the Licenses; and

(iii) an exclusive (even as to Ophthotech), perpetual, royalty free, fully paid-up license under the Ophthotech Rights (including, without limitation, the Ophthotech Improvements) to research, develop, make, have made, use, sell, have sold, offer for sale and import/export Products in the Field in the Territory.

In addition, Ophthotech shall: (A) transfer to Eyetech as soon as reasonably practicable all Ophthotech Know-How as may be necessary to enable Eyetech to practice the Reversion Rights, as applicable; (B) transfer and assign to Eyetech all of its right, title and interest in and to all INDs and NDAs with respect to Product (including all foreign equivalents thereof), all Regulatory Approvals with respect to Product, the Regulatory Materials (to the extent Controlled by Ophthotech) and all drug dossiers and master files with respect to Product; and (C) take such other actions and execute such other instruments, assignments and documents as may be necessary to effect the assignment and transfer of the Reversion Rights to Eyetech, including, without limitation, execute and deliver one or more patent assignments with respect to the Eyetech Patents.

(b) MANUFACTURE AND SUPPLY OF PRODUCTS. To the extent Ophthotech or its Affiliates are engaged directly in the Manufacture of Product as of the date notice of termination is given, upon Eyetech's request, Ophthotech shall Manufacture and supply Product to Eyetech from the effective date of such termination until such time as Eyetech is able to secure an equivalent alternative commercial manufacturing source and such site is qualified by the FDA, as requested by Eyetech or until [**] months from the effective date of termination, whatever is earlier, and upon such further customary terms and conditions as the Parties shall negotiate in good faith. To the extent that Ophthotech or its Affiliates are not engaged directly in the Manufacture of Product as of the date notice of termination is given, upon Eyetech's request, as of the effective date of such termination, all Third Party Manufacturing contracts to which Ophthotech or any of its Affiliates are a party shall be assigned to Eyetech to the extent that they relate to the Manufacture of Product, and in the event that assignment is not or cannot be

undertaken, Ophthotech shall use its commercially reasonable efforts to ensure that the rights and benefits under such Third Party Manufacturing contracts shall be transferred to Eyetech. Further, upon Eyetech's request, Ophthotech shall provide such technical assistance as Eyetech may reasonably request to facilitate the transfer of Product Manufacturing responsibility to Eyetech or its designee. All Product supplied to Eyetech by Ophthotech pursuant to this Section 11.4(b) shall be supplied at the same price at which Ophthotech supplied Product to Third Parties, their Affiliates or Licensees for resale immediately prior to such termination, subject to annual adjustment in accordance with the annual percentage change in the Pharmaceutical Producer Price Index (U.S. Bureau of Labor Statistics) on each anniversary of the effective date of such termination. With regard to all Product supplied to Eyetech by Ophthotech pursuant to this Section 11.4(b), Section 9.1(a)(iii) (indemnification by Ophthotech for products liability claims) shall not apply.

(c) SURVIVING OLIGATIONS. Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination. Except as set forth below or elsewhere in this Agreement, the obligations and rights of the Parties under the following provisions of this Agreement shall survive expiration or termination of this Agreement: Articles 1 and 9 and Sections 3.4, 7.1, 7.2, 7.3, 7.4, 11.1, 11.4, 11.5, 11.6, 13.5, 13.6, 13.7 and 13.14.

(d) RETURN OF CONFIDENTIAL INFORMATION. Within [**] days following the expiration or termination of this Agreement, each Party shall deliver to the other Party any and all Confidential Information of the other Party in its possession of which it is not entitled to retain hereunder.

11.5 NON-EXCLUSIVE RIGHTS.

The foregoing rights and remedies of the Parties set forth in Sections 11.2, 11.3, 11.4, 11.5 and 11.6 are non-exclusive and without prejudice to any rights that either Party may have arising under Applicable Law or equity.

11.6 RIGHTS IN BANKRUPTCY.

All rights and licenses granted under or pursuant to this Agreement by Eyetech and Ophthotech are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "**Intellectual Property**" as defined under Section 101 of the U.S. Bankruptcy Code. The parties agree that the parties, as licensees of such rights under this Agreement, will retain and may fully exercise all of their rights and elections under the U.S. Bankruptcy Code. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against a Party under the U.S. Bankruptcy Code, the Party hereto that is not a Party to such proceeding will be entitled to a complete duplicate of (or complete access to, as appropriate) any such Intellectual Property and all embodiments of such Intellectual Property, which, if not already in the non-subject Party's possession, will be promptly delivered to it: (a) upon any such commencement of a bankruptcy proceeding upon the non-subject Party's written

request therefor, unless the Party subject to such proceeding continues to perform all of its obligations under this Agreement; or (b) if not delivered under subsection (a) above, following the rejection of this Agreement by or on behalf of the Party subject to such proceeding upon written request therefor by the non-subject Party. Each Party acknowledges that (i) copies of research data, (ii) laboratory samples, (iii) product samples and inventory, (iv) formulas, (v) laboratory notes and notebooks, (vi) data and results related to clinical trials, (vii) regulatory filings and approvals, (viii) rights of reference in respect of regulatory filings and approvals, (ix) pre-clinical research data and results, and (x) marketing, advertising and promotional materials, constitute "embodiments" of Intellectual Property pursuant to Section 365(n) of the Bankruptcy Code.

ARTICLE 12

DISPUTE RESOLUTION

12.1 DISPUTES.

The Parties acknowledge that disputes as to certain matters may from time to time arise which relate to either Party's rights and obligations hereunder. It is the objective of the Parties to establish procedures to facilitate the resolution of such disputes in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in Section 12.2 if and when such a dispute arises between the Parties.

12.2 PROCEDURES.

(a) DISCUSSIONS BETWEEN THE PARTIES. If any claim, dispute, or controversy of any nature arising out of or relating to this Agreement, including, without limitation, any action or claim based on tort, contract or statute, or concerning the interpretation, effect, termination, validity, performance and/or breach of this Agreement (each, a "**Claim**"), arises between the Parties and the Parties cannot resolve the dispute within [**] days of a written request by either Party to the other Party, the Parties agree to refer the Claim to an executive officer of each of Ophthotech and Eyetech for resolution. If, after an additional [**] days, such officers have not succeeded in negotiating a resolution of the dispute, then, upon the written request of either Party, such dispute shall be submitted to non-binding arbitration to be facilitated by a mutually agreeable arbitrator with prior experience as an executive in the pharmaceutical industry.

(b) ARBITRATION. Subject to Section 12.2(c), the Parties agree that any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination, or invalidity thereof, shall be resolved through binding arbitration. If the dispute arises between the Parties, and if such dispute cannot be resolved pursuant to Section 12.1 above, any unresolved controversy or claim between the Parties shall be resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association as presently in effect, except as modified herein. Each such arbitration shall be conducted by a panel of three (3) arbitrators appointed in accordance with the Commercial Arbitration Rules as presently in effect; provided that at least one (1) such arbitrator shall have had, by the time of the

actual arbitration, at least ten (10) years of experience as an attorney and experience in the pharmaceuticals industry so as to better understand the legal, business and scientific issues addressed in the arbitral proceeding. A reasoned arbitration decision shall be rendered in writing within [**] days of the conclusion of the arbitration hearing and shall be binding and not be appealable to any court in any jurisdiction. The prevailing Party may enter such decision in any court having competent jurisdiction. Unless otherwise mutually agreed upon by the Parties, the arbitration proceedings shall be conducted at the location of the Party not originally requesting the resolution of the dispute. Each Party must bear its own attorneys' fees and associated costs and expenses. The arbitrators shall have the authority to grant specific performance and allocate costs between the Parties (excluding attorney's fees).

(c) DETERMINATION OF PATENTS AND OTHER INTELLECTUAL PROPERTY. Notwithstanding the foregoing, any dispute relating to the determination of validity of claims, infringement or claim interpretation relating to a Party's Patents shall be submitted exclusively to federal court.

(d) INJUNCTIVE RELIEF. Nothing in this Section 12.2 shall prohibit any Party from seeking immediate injunctive or other relief if such Party reasonably believes that it will suffer irreparable harm from the actions of the other.

ARTICLE 13

MISCELLANEOUS

13.1 FORCE MAJEURE.

Neither Party will be held liable or responsible to the other Party nor be deemed to have defaulted under or breached the Agreement for failure or delay in fulfilling or performing any term of the Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party including, without limitation, embargoes, acts of war (whether war be declared or not), insurrections, riots, civil commotions, or acts of God. Such excuse from liability and responsibility shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and provided that the affected Party has not caused such event(s) to occur. The affected Party will notify the other Party of such force majeure circumstances as soon as reasonably practicable and will make every reasonable effort to mitigate the effects of such force majeure circumstances.

13.2 ASSIGNMENT.

This Agreement will inure to the benefit and be binding upon each Party, its successors and assigns. Ophthotech may not assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of Eyetech; provided, however, that Ophthotech may, without such consent, assign the Agreement and its rights and obligations hereunder to an Affiliate of Ophthotech and/or in connection with a merger or sale or transfer of all or substantially all of Ophthotech's business or assets to which this Agreement relates. Eyetech may freely assign or

transfer this Agreement, or any of its rights and obligations hereunder, to an Affiliate or any Third Party. A Party shall promptly provide written notice of any permitted assignment to the other Party. Any attempted assignment not in accordance with this Section 13.2 will be void. For clarity, this Section 13.2 does not in any way limit Ophthotech's right to grant licenses as set forth in Section 2.2.

13.3 FURTHER ASSURANCES.

The Parties intend that this Agreement contain all consents, licenses and authorizations from one Party to the other necessary to enable each Party to perform its obligations hereunder. In the event any further such consents, licenses or authorizations are necessary, each Party agrees to take such further actions and execute such further agreements as may be reasonably necessary to carry out the intent and purposes of this Agreement.

13.4 SEVERABILITY.

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect (a "**Severed Clause**"), the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affect the substantive rights of the parties. The Parties will in such an instance use their reasonable efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practicable, provide a reasonable substitute for the Servered Clause in view of the intent of this Agreement.

13.5 NOTICES.

All notices which are required or permitted hereunder will be in writing and sufficient if delivered personally, sent by facsimile to current a fax number for the recipient (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to Eyetech, to: (OSI) Eyetech, Inc.
c/o OSI Pharmaceuticals, Inc.
41 Pinelawn Road
Melville, New York 11747
Attention: General Counsel
Fax No.: (631) 752-3869

if to Ophthotech, to:	Ophthotech Corporation 66 Witherspoon Street Princeton, New Jersey 08542 Attention: Samir Patel Fax No.: (773) 442-0404
with a copy to:	Faber Daeufer & Rosenberg PC 950 Winter Street, Suite 4500 Waltham, MA 02451 Attention: Joseph L. Faber Fax No.: (781) 795-4747

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice will be deemed to have been given when delivered if personally delivered or sent by facsimile or e-mail on a business day, on the business day after dispatch if sent by nationally-recognized overnight courier and on the third business day following the date of mailing if sent by mail.

13.6 APPLICABLE LAW.

The Agreement will be governed by and construed in accordance with the laws of the State of New York, excluding: (a) its conflict of laws principles; (b) the United Nations Conventions on Contracts for the International Sale of Goods; (c) the 1974 Convention on the Limitation Period in the International Sale of Goods (the "1974 Convention"); and (d) the Protocol amending the 1974 Convention, done at Vienna April 11, 1980.

13.7 JURISDICTION.

The Parties hereby submit to the exclusive jurisdiction of the courts of the U.S. federal or New York state courts within the New York counties of New York or Nassau, and the Parties hereby submit to, and waive any objection to, personal jurisdiction and venue in such courts for such purpose.

13.8 ENTIRE AGREEMENT.

This Agreement contains the entire understanding of the Parties with respect to the PDGF Program and the Manufacture and Commercialization of Product. All express or implied agreements and understandings, either oral or written, heretofore made by the parties on the same subject matter are expressly superseded by this Agreement. The Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both Parties hereto.

13.9 HEADINGS.

The captions to the several Articles and Sections hereof are not a part of the Agreement nor affect the interpretation of any of its provisions, but are merely a convenience to assist in locating and reading the several Articles and Sections hereof.

13.10 INDEPENDENT CONTRACTORS.

It is expressly agreed that Eyetech and Ophthotech will be independent contractors and that the relationship between the two parties will not constitute a partnership, joint venture or agency. Neither Eyetech nor Ophthotech will have the authority to make any statements, representations or commitments of any kind, or to take any action, which will be binding on the other, without the prior consent of the other Party.

13.11 WAIVER.

The waiver by either Party hereto of any right hereunder, or the failure to perform, or a breach by the other Party will not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

13.12 NO THIRD PARTY BENEFICIARIES.

This Agreement is neither expressly nor impliedly made for the benefit of any Person other than the Parties.

13.13 COUNTERPARTS; ELECTRONIC SIGNATURES.

The Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument even if both parties have not executed the same counterpart. Signatures provided by facsimile transmission or email shall be deemed to be original signatures.

13.14 WAIVER OF RULE OF CONSTRUCTION.

Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting Party will not apply.

IN WITNESS WHEREOF, the parties have executed this Divestiture Agreement as of the Effective Date.

OPHTHOTECH CORPORATION

By: /s/ Samir Patel

Name: Samir Patel
Title: President and Chief Executive Officer

(OSI) EYETECH, INC.

By: /s/ Michael G. Atieh

Name: Michael G. Atieh
Title: Vice President

EXHIBIT A

PATENT ASSIGNMENT

FORM OF PATENT ASSIGNMENT

WHEREAS, (OSI) EYETECH, INC., a corporation of the state of Delaware, having its principal place of business at 41 Pinelawn Road, Melville, New York 11747 U.S.A. (hereinafter designated as the Undersigned) have the entire right, title and interest in patent applications ("applications") and inventions ("inventions") disclosed therein, and in and to any patent(s), inventor's certificates, and other forms of protection ("patents") that may be granted therefore in all countries of the world, including the United States of America on the attached "SCHEDULE X" that have been filed; and

WHEREAS, XXX, a corporation of the state of XXX, having its principal place of business at XXX (hereinafter designated as the Assignee) wishes to acquire the entire right, title and interest in and to the applications, and in and to any patent(s) that may be granted from the applications thereof in all countries of the world, including the United States of America as listed on the attached "SCHEDULE X";

NOW THEREFORE, for valuable consideration to the Undersigned, the receipt and adequacy of which from the Assignee is hereby acknowledged, the Undersigned hereby sell, assign, transfer and convey unto the Assignee, its lawful successors and assigns the entire and exclusive right, title and interest (a) in and to said applications and said inventions; (b) in and to all rights to apply for foreign patents on said inventions pursuant to the International Convention for the Protection of Industrial Property or otherwise; (c) in and to any and all applications filed and any and all patents granted on said inventions in the United States or any foreign country, including each and every application filed and each and every patent granted on any application which is a divisional, substitution, continuation, or continuation-in-part of any of said applications; and (d) in and to each and every reissue or extensions of any of said patents.

The Undersigned hereby covenant and agree to cooperate with said Assignee to enable said Assignee to enjoy to the fullest extent the right, title and interest herein conveyed in the United States and foreign countries. Such cooperation by said Undersigned shall include prompt production of pertinent facts and documents, giving of testimony, execution of petitions, oaths, specifications, declarations or other papers, and other assistance all to the extent deemed necessary or desirable by said Assignee (a) for perfecting in said Assignee the right, title and interest herein conveyed; (b) for prosecuting any of said applications; (c) for filing and prosecuting substitute, divisional, continuing or additional applications covering said inventions; (d) for filing and prosecuting applications for reissuance of any said patents; (e) for interference or other priority proceedings involving said inventions; and (f) for legal proceedings involving said inventions and any applications therefor and any patents granted thereon, including without limitation reissues and reexaminations, opposition proceedings, cancellation proceedings, priority contests, public use proceedings, infringement actions and court actions.

The Undersigned agree to perform all affirmative acts, including testifying in any legal proceeding or executing any document with respect to the rights, title, and interest herein

conveyed in U.S. and foreign countries, which may be necessary to obtain and maintain proper patent protection in any country for the Assignee and to vest all rights in such patent(s) to the Assignee as fully and entirely as would have been held by the Undersigned if this Assignment and sale had not been made; and to communicate to the Assignee, their successors and assigns, any facts known to us with respect to said applications, inventions, and patents.

The Undersigned hereby authorize and request the Patent and Trademark Office Officials in the United States of America and in any other countries to issue any and all Patents resulting from the applications, or any regular, continuing, continuation-in-part, divisional, conversion, re-examination or reissue applications thereof to the Assignee, as Assignee of the entire interest, listed on EXHIBIT A; (Undersigned hereby authorizes attorney to fill in regular, continuing, and divisional application number(s) when known) and hereby covenants that the Undersigned have the full right to convey the entire interest herein assigned, and that have not executed, and will not execute, any agreement in conflict therewith.

The terms and covenants of this assignment shall inure to the benefit of said Assignee, its successors, assigns and other legal representatives, and shall be binding upon said Undersigned, their respective heirs, legal representatives and assigns.

The Undersigned hereby covenant that no assignment, sale, agreement or encumbrance has been or will be made or entered into which would conflict with this agreement.

For (OSI) EYETECH: SIGNATURE: _____

Name _____

Position: _____

Place of Signing: Melville, New York U.S. A.

On this date, , the above-named inventor(s) personally appeared before me and executed this document and acknowledged his/her free acts and deeds in and for the purpose set forth in this document.

_____

Notary Public (or Witness outside the U.S.)

My Commission Expires: _____

For XXX: SIGNATURE: _____

Name: _____

Position: _____

Place of Signing: _____

On this date, , the above-named inventor(s) personally appeared before me and executed this document and acknowledged his/her free acts and deeds in and for the purpose set forth in this document.

_____

Name of Witness

EXHIBIT B

INITIAL PLAN

EXHIBIT C

EQUITY AGREEMENTS

OPTHOTECH CORPORATION

JUNIOR SERIES A PREFERRED STOCK PURCHASE AGREEMENT

THIS JUNIOR SERIES A PREFERRED STOCK PURCHASE AGREEMENT (the "Agreement") is made as of , 2007, by and between Opththotech Corporation, a Delaware corporation (the "Company"), and (OSI) Eyetech, Inc. (the "Purchaser").

The parties agree as follows:

3.1 **Sale of Stock.** The Company hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase an aggregate of 3,000,000 shares of the Company's Junior Series A Preferred Stock, par value $0.001 per share (the "Shares"), at a purchase price of $1.00 per share, for an aggregate purchase price of $3,000,000.00 (the "Purchase Price").

3.2 **Payment of Purchase Price and Issuance of Stock Certificate.** The payment of the Purchase Price shall be deemed paid by the execution and performance of Purchaser's obligations pursuant to that certain [License Agreement] dated as of July , 2007, by and between the Company and Purchaser. The Company shall issue to Purchaser a stock certificate representing the Shares being purchased under the terms of this Agreement.

3.3 **Investment Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

3.4 Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

3.5 Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

3.6 Purchaser further acknowledges and understands that the Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the Shares. Purchaser understands that the certificate evidencing the Shares will be imprinted with a legend which prohibits the transfer of the Shares unless they are registered or such registration is not required in the opinion of counsel in a form satisfactory to the Company.

3.7 Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.8 **Stock Certificate Legends.** The share certificate evidencing the Shares issued hereunder shall be endorsed with the following legends:

3.9 THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

3.10 Any legend required by any applicable state securities laws.

3.11 General Provisions.

3.12 **Governing Law.** This Agreement shall be governed by the laws of the State of Delaware without regard to principles relating to conflicts of law.

3.13 **Notice.** Any notice, demand or request required or permitted to be given by either the Company or Purchaser pursuant to the terms of this Agreement shall be in writing and shall be deemed given when delivered personally or deposited in the United States mail, first class with postage prepaid, and addressed to the party at the address of the party set forth at the end of this Agreement or such other address as a party may request by notifying the other in writing.

3.14 **Assignability.** The rights and benefits of the Company under this Agreement shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company and any purported transfer otherwise shall be null and void.

3.15 **Waiver.** Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

3.16 **Counterparts.** This Agreement may be executed in counterparts and signatures may be delivered via facsimile, each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

3.17 **Titles.** The titles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.18 **Severability.** If one more provisions of this Agreement are held to be unenforceable, such provision(s) shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision we so excluded and shall be enforceable in accordance with its terms.

3.19 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. Any and all other written or oral agreements existing between the parties hereto are expressly cancelled.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date set forth above.

OPHTHOTECH CORPORATION

By
Title:

Address:

(OSI) EYETECH, INC.

By: Paul G. Chaney
Title: President

Address:

JUNIOR SERIES A PREFERRED RIGHTS AGREEMENT

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JUNIOR SERIES A PREFERRED RIGHTS AGREEMENT

THIS JUNIOR SERIES A PREFERRED RIGHTS AGREEMENT ("**Agreement**") is made as of the [ ] day of [ ], 2007, by and among Ophthotech Corporation, a Delaware corporation (the "**Company**"), each of the purchasers of the Company's Series A Preferred Stock (the "**Series A Preferred Stock**") listed on Schedule A hereto (the "**Investors**") and each of the holders of the Company's Junior Series A Preferred Stock (the "**Junior Series A Preferred Stock**") listed on Schedule B hereto (the "**Junior Series A Preferred Holders**").

RECITALS

WHEREAS, the Company and the Junior Series A Preferred Holders are party to that certain [license agreement] dated as of July , 2007 (the "**License Agreement**").

WHEREAS, in order to induce the Junior Series A Preferred Holders to enter into the License Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Junior Series A Preferred Holders to maintain their pro rata ownership interest in connection with future equity offerings by the Company and to participate along with the Investors under certain circumstances if the Investors propose to sell shares of the Series A Preferred Stock.

AGREEMENT

NOW, **THEREFORE**, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including without limitation any general partner, officer, director, or manager of such Person and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person.

1.2 "**Board**" means the Company's board of directors.

1.3 "**Capital Stock**" means (a) shares of Common Stock and Series A Preferred Stock (whether now outstanding or hereafter issued in any context), (b) shares of Common Stock issued or issuable upon conversion of Series A Preferred Stock and (c) shares of Common Stock issued or issuable upon exercise or conversion, as applicable, of stock options, warrants or other convertible securities of the Company, in each case now owned or subsequently acquired by any Junior Series A Preferred Holder, any Investor, or their respective successors or permitted transferees or assigns. For purposes of the number of shares of Capital Stock held by an Investor or Junior Series A Preferred Investor (or any other calculation based thereon), all shares of Series A Preferred Stock shall be deemed to have been converted into Common Stock at the then-applicable conversion ratio.

1.4 "**Common Stock**" means shares of the Company's common stock, par value $0.001 per share.

1.5 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.6 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.7 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.8 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities (but excluding Exempted Securities (as defined in the Company's Certificate of Incorporation) and securities issued in connection with a joint venture, corporate partnering transaction or licensing arrangement approved by the Board of Directors of the Corporation, including a majority of the Series A Directors (including, but not limited to, licenses contemplated by Section 1.3 of the Purchase Agreement)).

1.9 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.10 "**Proposed Transfer**" means any assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Transfer Stock (or any interest therein) proposed by any of the Investors (other than an exempt transfer pursuant to Section 4).

1.11 "**Proposed Transfer Notice**" means written notice from an Investor setting forth the terms and conditions of a Proposed Transfer.

1.12 "**Prospective Transferee**" means any person to whom an Investor proposes to make a Proposed Transfer.

1.13 "**Purchase Agreement**" means that certain Series A Preferred Stock Purchase Agreement among the Company and the Investors of even date herewith.

1.14 "**Qualified Public Offering**" means the closing of the sale of shares of the Company's Common Stock to the public at a price of at least $[**] per share (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), in an underwritten public offering pursuant to an effective registration statement under the Securities Act, resulting in at least $[**] of proceeds, net of the underwriting discount and commissions, to the Corporation.

1.15 "**Right of Co-Sale**" means the right, but not an obligation, of a Junior Series A Preferred Holder to participate in a Proposed Transfer on the terms and conditions specified in the Proposed Transfer Notice.

1.16 "**SEC**" means the Securities and Exchange Commission.

1.17 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.18 "**Transfer Stock**" means shares of Series A Preferred Stock owned by an Investor, or issued to an Investor after the date hereof (including, without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization, or the like), but does not include any shares of Common Stock issued or issuable upon conversion of Series A Preferred Stock.

2. Rights to Future Stock Issuances.

2.1 Right of First Offer.

(a) Subject to the terms and conditions of this Section 2.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall give notice (the "**Offer Notice**") to each Junior Series A Preferred Holder, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Junior Series A Preferred Holder may elect to purchase or otherwise acquire, at the price per share specified in the Offer Notice, up to that number of shares of a new series of junior preferred stock (the "**New Junior Preferred Stock**") which equals the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Junior Series A Preferred Stock and any other Derivative Securities then held, by such Junior Series A Preferred Holder bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). Each such election shall be accompanied by a representation letter that such Junior Series A Preferred Holder is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. The New Junior Preferred Stock shall have the same rights, preferences and privileges as the Junior Series A Preferred Stock, except that the Original Issue Price of the New Junior Preferred Stock shall be equal to the price per share set forth in the Offer Notice. The closing of any sale pursuant to this Section 2.1(b) shall occur within the later of one hundred twenty (120) days of the date that the Offer Notice is given and the date of initial sale of New Securities.

(c) The Company shall use commercially reasonable efforts to amend its Certificate of Incorporation so that a sufficient number of shares of New Junior Preferred Stock are authorized for issuance to the Junior Series A Preferred Holders pursuant to Section 2.1(b).

(d) The right of first offer in this Section 2.1 shall not be applicable to (i) Exempted Securities (as defined in the Company's Certificate of Incorporation); (ii) shares of Common Stock issued in the IPO; or (iii) the issuance of shares of Series A Preferred Stock to Additional Purchasers pursuant to Section 1.3 of the Purchase Agreement.

2.2 Termination. The covenants set forth in Section 2.1 shall terminate and be of no further force or effect upon the earlier of (i) immediately prior to the consummation of the Qualified Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, (iii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation; (iv) as to any Junior Series A Preferred Holder, after such Junior Series A Preferred Holders fails to fully exercise its rights pursuant to Section 2.1 or (v) as to any Junior Series A Preferred Holder, if such Junior Series A Preferred Holder (or its successors or Affiliates) develops, manufactures, markets, licenses, sells or provides any product or service that is, or may reasonably be expected to be, generally used as a substitute for any product or service being developed, intended to be developed (as evidenced by the current business plan and operating budget approved by the Board), distributed, manufactured, licensed, sold or provided by the Company in the field of ophthalmology, including all disorders of the eye, adnexa, orbit or optic nerve.

3. Right of Co-Sale.

3.1 Notice. Each Investor proposing to make a Proposed Transfer must deliver a Proposed Transfer Notice to each Junior Series A Preferred Holder not less than fifteen (15) days prior to the consummation of such Proposed Transfer.

3.2 Exercise of Right. If any Investor proposes to sell shares of Series A Preferred Stock to a Prospective Transferee, each Junior Series A Preferred Holder may elect to exercise its Right of Co-Sale and participate on a pro rata basis in the Proposed Transfer as set forth in Section 3.3 below and otherwise on the same terms and conditions specified in the Proposed Transfer Notice (except that the shares to be sold by the Junior Series A Preferred Holder shall be shares of Junior Series A Preferred Stock). Each Junior Series A Preferred Holder who desires to exercise its Right of Co-Sale must give the selling Investor written notice to that effect within ten (10) days after receipt of the Proposed Transfer Notice, and upon giving such notice such Junior Series A Preferred Holder shall be deemed to have effectively exercised the Right of Co-Sale.

3.3 Shares Includable. Each Junior Series A Preferred Holder who timely exercises such Junior Series A Preferred Holder's Right of Co-Sale by delivering the written notice provided for above in Section 3.2 may include in the Proposed Transfer all or any part of such Junior Series A Preferred Holder's Junior Series A Preferred Stock equal to the product obtained by multiplying (i) the aggregate number of shares subject to the Proposed Transfer by (ii) a fraction, the numerator of which is the number of shares of Junior Series A Preferred Stock owned by such Junior Series A Preferred Holder immediately before consummation of the Proposed Transfer and the denominator of which is the total number of shares of Capital Stock owned, in the aggregate, by all Investors immediately prior to the consummation of the Proposed Transfer.

3.4 Delivery of Certificates. Each Junior Series A Preferred Holder shall effect its participation in the Proposed Transfer by delivering to the transferring Investor, no later than ten (10) days after such Junior Series A Preferred Holder's exercise of the Right of Co-Sale, one or more stock certificates, properly endorsed for transfer to the Prospective Transferee, representing the number of shares of Junior Series A Preferred Stock that such Junior Series A Preferred Holder elects to include in the Proposed Transfer.

3.5 Purchase Agreement. The parties hereby agree that the terms and conditions of any sale pursuant to this Section 3 will be memorialized in, and governed by, a written purchase and sale agreement with customary terms and provisions for such a transaction and the parties further covenant and agree to enter into such an agreement as a condition precedent to any sale or other transfer pursuant to this Section 3.

3.6 Deliveries. Each stock certificate which a Junior Series A Preferred Holder delivers to the selling Investor pursuant to Section 3.4 above will be transferred to the Prospective Transferee against payment therefor in consummation of the sale of the Transfer Stock pursuant to the terms and conditions specified in the Proposed Transfer Notice and the purchase and sale agreement, and the selling Investor shall concurrently therewith remit or direct payment to each Junior Series A Preferred Holder the portion of the sale proceeds to which such Junior Series A Preferred Holder is entitled by reason of its participation in such sale. If any Prospective Transferee or Transferees refuse(s) to purchase securities subject to the Right of Co-Sale from any Junior Series A Preferred Holder exercising its Right of Co-Sale hereunder, no Investor may sell any Transfer Stock to such Prospective Transferee or Transferees unless and until, simultaneously with such sale, such Investor purchases all securities subject to the Right of Co-Sale from such Junior Series A Preferred Holder on the same terms and conditions (including the proposed purchase price) as set forth in the Proposed Transfer Notice.

3.7 Additional Compliance. If any Proposed Transfer is not consummated within forty-five (45) days after receipt of the Proposed Transfer Notice by the Junior Series A Preferred Holder, the Investors proposing the Proposed Transfer may not sell any Transfer Stock unless they first comply in full with each provision of this Section 3.

3.8 Effect of Failure to Comply.

(a) Transfer Void; Equitable Relief. Any Proposed Transfer not made in compliance with the requirements of this Agreement shall be null and void ab initio, shall not be recorded on the books of the Company or its transfer agent and shall not be recognized by the Company. Each party hereto acknowledges and agrees that any breach of this Agreement would result in substantial harm to the other parties hereto for which monetary damages alone could not adequately compensate. Therefore, the parties hereto unconditionally and irrevocably agree that any non-breaching party hereto shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity (including, without limitation, seeking specific performance or the rescission of purchases, sales and other transfers of Transfer Stock not made in strict compliance with this Agreement).

(b) Violation of Co-Sale Right. If any Investor purports to sell any Transfer Stock in contravention of the Right of Co-Sale (a "**Prohibited Transfer**"), each Junior Series A Preferred Holder who desires to exercise its Right of Co-Sale may, in addition to such remedies as may be available by law, in equity or hereunder, require such Investor to purchase from such Junior Series A Preferred Holder the number of shares of Junior Series A Preferred Stock that such Junior Series A Preferred Holder would have been entitled to sell to the Prospective Transferee under Section 3.3 had the Prohibited Transfer been effected pursuant to and in compliance with the terms of Section 3. The sale will be made on the same terms and subject to the same conditions as would have applied had the Investor not made the Prohibited Transfer, except that the sale (including, without limitation, the delivery of the purchase price) must be made within ninety (90) days after the Junior Series A Preferred Holder learns of the Prohibited Transfer, as opposed to the timeframe proscribed in Section 3. Such Investor shall also reimburse each Junior Series A Preferred Holder for any and all reasonable and documented out-of-pocket fees and expenses, including reasonable legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Junior Series A Preferred Holder's rights under Section 3.

3.9 Termination of Right of Co-Sale. The covenants set forth in Section 3 shall terminate and be of no further force or effect upon the earlier of (i) immediately before the consummation of the Qualified Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, (iii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first; or (iv) as to any Junior Series A Preferred Holder, if such Junior Series A Preferred Holders fails to fully exercise its rights pursuant to Section 3.

4. Exempt Transfers.

4.1 Exempted Transfers. Notwithstanding the foregoing or anything to the contrary herein, the provisions of Sections 3 shall not apply: (a) in the case of an Investor that is an entity, upon a transfer by such Investor to its stockholders, members, partners or other equity holders, (b) in the case of an Investor that is a natural person, upon a transfer of Transfer Stock by such Investor made for bona fide estate planning purposes, either during his or her lifetime or on death by will or intestacy to his or her spouse, child (natural or adopted), or any other direct lineal descendant of such Investor (or his or her spouse) (all of the foregoing collectively referred to as "family members"), or any other person approved by the Board of Directors of the Company (including a majority of the Series A Directors (as defined in the Company's Certificate of Incorporation)), or any custodian or trustee of any trust, partnership or limited liability company for the benefit of, or the ownership interests of which are owned wholly by, such Investor or any such family members, or (c) to the sale by any Investor of up to 15% of the Transfer Stock held by such Investor as of the date that such Investor first became party to this Agreement.

4.2 Exempted Offerings. Notwithstanding the foregoing or anything to the contrary herein, the provisions of Section 3 shall not apply to the sale of any Transfer Stock (a) to the public in an offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (a "**Public Offering**") or (b) pursuant to a Deemed Liquidation Event (as defined in the Company's Certificate of Incorporation).

5. Legend. Each certificate representing shares of Transfer Stock held by the Investors or issued to any permitted transferee in connection with a transfer permitted by Section 4 hereof shall be endorsed with the following legend:

> THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO, AND IN CERTAIN CASES PROHIBITED BY, THE TERMS AND CONDITIONS OF A CERTAIN RIGHTS AGREEMENT BY AND AMONG THE STOCKHOLDER, THE CORPORATION AND CERTAIN OTHER HOLDERS OF STOCK OF THE CORPORATION. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION.

Each Investor agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in this Section 4 above to enforce the provisions of this Agreement, and the Company agrees to promptly do so. The legend shall be removed upon termination of this Agreement at the request of the holder.

6. Lock-Up.

6.1 Agreement to Lock-Up. Each Junior Series A Preferred Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company's initial public offering (the "**IPO**") and ending on the date specified by the Company and the managing underwriter (such period not to exceed l80 days) or, if required by such underwriter, such longer period of time as is necessary to enable such underwriter to issue a research report or make a public appearance that relates to an earnings release or announcement by the Company within 15 days prior to or after the date that is one hundred eighty (180) days after the effective date of the registration statement relating to such offering, but in any event not to exceed two hundred ten (210) days following the effective date of the registration statement relating to such offering (a) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Capital Stock held immediately prior to the effectiveness of the registration statement for the IPO or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Capital Stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Capital Stock or other securities, in cash or otherwise. The foregoing provisions of this Section 6 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Junior Series A Preferred Holder if all officers, directors and holders of more than one percent (1%) of the outstanding Common Stock (after giving effect to the conversion into Common Stock of all outstanding Series A Preferred Stock) enter into similar agreements. The underwriters in connection with the IPO are intended third-party beneficiaries of this Section 6 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Junior Series A Preferred Holder

further agrees to execute such agreements as may be reasonably requested by the underwriters in the IPO that are consistent with this Section 6 or that are necessary to give further effect thereto.

6.2 Stop Transfer Instructions. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the shares of Capital Stock of each Junior Series A Preferred Holder (and transferees and assignees thereof) until the end of such restricted period.

7. Miscellaneous.

7.1 Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

7.2 Counterparts; Facsimile. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.3 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

7.4 Notices. All notices, requests, and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given, delivered and received (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, it shall be sent to [*Company Address*, Attention:]; and a copy (which shall not constitute notice) shall also be sent to Wilmer Cutler Pickering Hale and Dorr LLP, Attention: David E. Redlick, 60 State Street, Boston, MA 02109, and if notice is given to Investors, a copy shall also be given to Latham & Watkins LLP, Attention: Linda Lorenat, 140 Scott Drive, Menlo Park, CA 94025.

7.5 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the

Company, the Investors holding a majority of the shares of Series A Preferred Stock then outstanding and the Junior Series A Preferred Holder(s) holding a majority of the shares of Junior Series A Preferred Stock then outstanding; provided however, that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Section 7.5 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

7.6 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

7.7 Aggregation of Stock. All shares of Capital Stock held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

7.8 Entire Agreement. This Agreement (including any Schedules hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

7.9 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the Commonwealth of Massachusetts and to the jurisdiction of the United States District Court for the District of Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the Commonwealth of Massachusetts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the District of Massachusetts or any court of the Commonwealth of Massachusetts having subject matter jurisdiction.

7.10 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other

party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Junior Series A Preferred Rights Agreement as of the date first written above.

OPHTHOTECH CORPORATION

By: _____
Name: _____
Title: _____
Address: _____

Signature Page to Ophthotech Corporation Junior Series A Rights Agreement

IN WITNESS WHEREOF, the parties have executed this Junior Series A Preferred Rights Agreement as of the date first written above.

INVESTOR:

NOVO A/S

By: Thomas Dyrberg, Partner

Address:

41 Krogshoejvej
DK-2880 Bagsvaerd
Denmark

Signature Page to Ophthotech Corporation Junior Series A Rights Agreement

IN WITNESS WHEREOF, the parties have executed this Junior Series A Preferred Rights Agreement as of the date first written above.

INVESTOR:

HBM BIOVENTURES (CAYMAN) LTD.

By: John Arnold
Title: Chairman and Managing Director

Address:

Signature Page to Ophthotech Corporation Junior Series A Rights Agreement

IN WITNESS WHEREOF, the parties have executed this Junior Series A Preferred Rights Agreement as of the date first written above.

INVESTOR:

SV LIFE SCIENCES FUND IV, L.P.

By: SV Life Sciences Fund IV (GP), L.P., its sole General Partner

By: SVLSF IV, LLC, its sole General Partner

By: _____
Name: _____
Title: _____

Address:

SV LIFE SCIENCES FUND IV STRATEGIC PARTNERS, L.P.

By: SV Life Sciences Fund IV (GP), L.P., its sole General Partner,

By: SVLSF IV, LLC, its sole General Partner

By: _____
Name: _____
Title: _____

Address:

IN WITNESS WHEREOF, the parties have executed this Junior Series A Preferred Rights Agreement as of the date first written above.

INVESTOR:

SAMIR PATEL

Signature Page to Ophthotech Corporation Junior Series A Rights Agreement

IN WITNESS WHEREOF, the parties have executed this Junior Series A Preferred Rights Agreement as of the date first written above.

JUNIOR SERIES A PREFERRED HOLDER:

By: Paul G. Chaney
Title: President

Address:

Signature Page to Ophthotech Corporation Junior Series A Rights Agreement

SCHEDULE A

Investors

SERIES A PREFERRED STOCK:

Name	Number of Shares
SV Life Sciences Fund IV, L.P.	3,766,038
[Address]	
SV Life Sciences Fund IV Strategic Partners L.P.	106,921
[Address]	
Novo A/S	2,558,639
41 Krogshoejvej	
DK-2880 Bagsvaerd	
Denmark	
HBM BioVentures (Cayman) Ltd.	2,558,639
[Address]	
Samir Patel	262,864
[Address]	

SCHEDULE B

Junior Series A Preferred Holders

JUNIOR SERIES A PREFERRED STOCK:

Name	Number of Shares
(OSI) Eyetech, Inc.	3,000,000
[Address]	

VOTING AGREEMENT

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THIS VOTING AGREEMENT (the "**Agreement**") is made and entered into as of this [ ] day of [ ], 2007, by and among Ophthotech Corporation, a Delaware corporation (the "**Company**"), each holder of the Company's Series A Preferred Stock, $0.001 par value per share ("**Series A Preferred Stock**") listed on Schedule A (together with any subsequent investors, or transferees, who become parties hereto as "**Investors**" pursuant to Sections 7.1(a) and 7.2 below, the "**Investors**"), those certain stockholders of the Company and holders of options to acquire shares of the capital stock of the Company listed on Schedule B (together with any subsequent stockholders or option holders, or any transferees, who become parties hereto as "Key Holders" pursuant to Sections 7.1(b) and 7.2 below, the "**Key Holders**") and each holder of the Company's Junior Series A Preferred Stock, $0.001 par value per share ("**Junior Series A Preferred Stock**") (the "**Junior Stockholders**" and together collectively with the Investors and the Key Holders, the "**Stockholders**").

RECITALS

A. Concurrently with the execution of this Agreement, the Company and certain of the Investors are entering into a Series A Preferred Stock Purchase Agreement (the "**Purchase Agreement**") providing for the sale of shares of the Company's Series A Preferred Stock, and in connection with that agreement the parties desire to provide the Investors with the right, among other rights, to elect certain members of the board of directors of the Company (the "**Board**") in accordance with the terms of this Agreement.

B. The Company and (OSI) Eyetech, Inc. ("**OSI**") have entered into that certain [License Agreement], dated as of [ ], 2007, which provides for the issuance of shares of the Company's Junior Series A Preferred Stock to OSI, and in connection with that agreement the parties desire to provide that the holders of the Junior Series A Preferred Stock issued pursuant to such agreement shall vote their shares in accordance with the terms of this Agreement.

C. The Amended and Restated Certificate of Incorporation of the Company (the "**Restated Certificate**") provides that (a) the holders of record of the shares of the Company's Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect four (4) directors of the Company (the "**Series A Directors**"); (b) the holders of record of the shares of common stock of the Company, $0.001 par value ("**Common Stock**"), exclusively and as a separate class, shall be entitled to elect one (1) director of the Company; and (c) the holders of record of the shares of Common Stock and of any other class or series of voting stock (including Series A Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Company.

D. The parties also desire to enter into this Agreement to set forth their agreements and understandings with respect to how shares of the Company's capital stock held by them will be voted on, or tendered in connection with, an acquisition of the Company.

NOW, THEREFORE, the parties agree as follows:

1. Voting Provisions Regarding Board of Directors.

1.1 Board Composition. Each Stockholder agrees to vote, or cause to be voted, all Shares (as defined below) owned by such Stockholder, or over which such Stockholder

has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of stockholders at which an election of directors is held or pursuant to any written consent of the stockholders, the following persons shall be elected to the Board:

(a) At each election of directors in which the holders of the Series A Preferred Stock, voting as a separate class, are entitled to elect four directors of the Company, (i) one individual designated by SV Life Sciences, so long as SV Life Sciences, together with its affiliates continues to hold shares of Series A Preferred Stock, which individual shall initially be Henry Simon, (ii) one individual designated by Novo A/S, so long as Novo A/S, together with its affiliates continues to hold shares of Series A Preferred Stock, which individual shall initially be Thomas Dyrberg, (iii) one individual designated by HBM BioVentures (Cayman) Ltd., so long as HBM BioVentures (Cayman) Ltd., together with its affiliates continues to hold shares of Series A Preferred Stock, which individual shall initially be Axel Bolte and (iv) one individual who is not otherwise an Affiliate (as defined below) of the Company, who is designated by a majority of the Series A Directors;

(b) The Company's Chief Executive Officer, who shall initially be Samir Patel (the "**CEO Director**"), provided that if for any reason the CEO Director shall cease to serve as the Chief Executive Officer of the Company, each of the Stockholders shall promptly vote their respective Shares (i) to remove the former Chief Executive Officer from the Board if such person has not resigned as a member of the Board and (ii) to elect such person's replacement as Chief Executive Officer of the Company as the new CEO Director;

(c) One individual designated by the holders of a majority of the outstanding shares of Common Stock and Series A Preferred Stock, voting together as a single class, who is not otherwise an Affiliate of the Company and who is acceptable to SV Life Sciences, which individual shall initially be David Guyer; and

(d) One individual designated by the holders of a majority of the outstanding shares of Common Stock and Series A Preferred Stock, voting together as a single class, who is not otherwise an Affiliate of the Company or of any Investor and who is mutually acceptable to at least two of the Investors entitled to designate directors pursuant to Section 1.1(a).

For purposes of this Agreement, (1) the term "**Shares**" shall mean and include any securities of the Company the holders of which are entitled to vote, including without limitation, if applicable, all shares of Common Stock, Series A Preferred Stock and Junior Series A Preferred Stock by whatever name called, now owned or subsequently acquired by a Stockholder, however acquired, whether through stock splits, stock dividends, reclassifications, recapitalizations, similar events or otherwise; and (2) an individual, firm, corporation, partnership, association, limited liability company, trust or any other entity (collectively, a "**Person**") shall be deemed an "**Affiliate**" of another Person who, directly or indirectly, controls, is controlled by or is under common control with such Person, including, without limitation, any general partner, officer, director, or manager of such Person and any venture capital fund now or hereafter existing that is

controlled by one or more general partners of or shares the same management company with such Person.

1.2 Failure to Designate a Board Member. In the absence of any designation from the persons or groups with the right to designate a director as specified above, the director previously designated by them and then serving shall be reelected if still eligible to serve as provided herein.

1.3 Removal of Board Members. Each Stockholder also agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that:

(a) no director elected pursuant to Sections 1.1 or 1.2 of this Agreement may be removed from office other than for cause unless (i) such removal is directed or approved by the affirmative vote of the Person, or of the holders of a majority of the shares of stock, entitled under Section 1.1 to designate that director or (ii) the Person(s) originally entitled to designate or approve such director or occupy such Board seat pursuant to Section 1.1 is no longer so entitled to designate or approve such director or occupy such Board seat; and

(b) any vacancies created by the resignation, removal or death of a director elected pursuant to Sections 1.1 or 1.2 shall be filled pursuant to the provisions of this Section 1.

All Stockholders agree to execute any written consents required to perform the obligations of this Agreement, and the Company agrees at the request of any party entitled to designate directors to call a special meeting of stockholders for the purpose of electing directors.

1.4 No Liability for Election of Recommended Directors. No party, nor any Affiliate of any such party, shall have any liability as a result of designating a person for election as a director for any act or omission by such designated person in his or her capacity as a director of the Company, nor shall any party have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

2. Vote to Increase Authorized Common Stock. Each Stockholder agrees to vote or cause to be voted all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Stock from time to time to ensure that there will be sufficient shares of Common Stock available for conversion of all of the shares of Preferred Stock outstanding at any given time.

3. Junior Series A Preferred Stockholder Votes. If the Junior Series A Preferred Stock is entitled to vote pursuant to the Restated Certificate, as it may be amended from time to time, the Delaware General Corporation Law or other applicable law, each holder of Junior Series A Preferred Stock (including any Shares issued upon conversion thereof) agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to vote or act

with respect to its Shares in accordance with the vote or action of the holders of a majority of the Series A Preferred Stock (including the Shares issuable upon conversion thereof), including, without limitation, with respect to any action taken by the holders of the Series A Preferred Stock pursuant to any of the Transaction Agreements (as defined in the Purchase Agreement).

4. Drag-Along Right.

4.1 Definitions. A "**Sale of the Company**" shall mean either: (a) a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company (a "**Stock Sale**"); or (b) a transaction that qualifies as a "**Deemed Liquidation Event**" as defined in the Restated Certificate.

4.2 Actions to be Taken. In the event that (i) the holders of a majority of the outstanding shares of Common Stock issued or issuable upon conversion of the shares of Series A Preferred Stock (the "**Selling Investors**") approve a Sale of the Company in writing, specifying that this Section 4 shall apply to such transaction or (ii) the Company has not completed a Qualified Public Offering (as defined in the Restated Certificate) by [ ], 2012 and the holders of not less than a majority of the outstanding shares of Common Stock issued or issuable upon conversion of the shares of Series A Preferred Stock (the "**Selling Investors**") approve a Sale of the Company in writing, specifying that this Section 4 shall apply to such transaction, then each Stockholder hereby agrees:

(a) if such transaction requires stockholder approval, with respect to all Shares that such Stockholder owns or over which such Stockholder otherwise exercises voting power, to vote (in person, by proxy or by action by written consent, as applicable) all Shares in favor of, and adopt, such Sale of the Company (together with any related amendment to the Restated Certificate required in order to implement such Sale of the Company) and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale of the Company;

(b) if such transaction is a Stock Sale, to sell the same proportion of shares of capital stock of the Company beneficially held by such Stockholder as is being sold by the Selling Investors to the Person to whom the Selling Investors propose to sell their Shares, and, except as permitted in Section 4.3 below, on the same terms and conditions as the Selling Investors;

(c) to execute and deliver all related documentation and take such other action in support of the Sale of the Company as shall reasonably be requested by the Company or the Selling Investors in order to carry out the terms and provision of this Section 4, including without limitation executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances) and any similar or related documents;

(d) not to deposit, and to cause their Affiliates not to deposit, except as provided in this Agreement, any Shares of the Company owned by such party or Affiliate in a voting trust or subject any Shares to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested to do so by the acquiror in connection with the Sale of the Company;

(e) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company; and

(f) if the consideration to be paid in exchange for the Shares pursuant to this Section 4 includes any securities and due receipt thereof by any Stockholder would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities or (y) the provision to any Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Company may cause to be paid to any such Stockholder in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Stockholder, an amount in cash equal to the fair value (as determined in good faith by the Company) of the securities which such Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for the Shares.

4.3 Exceptions. Notwithstanding the foregoing, a Stockholder will not be required to comply with Section 4.2 above in connection with any proposed Sale of the Company (the "**Proposed Sale**") unless:

(a) any representations and warranties to be made by such Stockholder in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including but not limited to representations and warranties that (i) the Stockholder holds all right, title and interest in and to the Shares such Stockholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Stockholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Stockholder have been duly executed by the Stockholder and delivered to the acquirer and are enforceable against the Stockholder in accordance with their respective terms and (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Stockholder's obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency;

(b) the Stockholder shall not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Proposed Sale, other than the Company;

(c) the liability for indemnification, if any, of such Stockholder in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Company in connection with such Proposed Sale, is several and not joint with any other

Person, and is pro rata in proportion to the amount of consideration paid to such Stockholder in connection with such Proposed Sale (in accordance with the provisions of the Restated Certificate);

(d) liability shall be limited to such Stockholder's pro rata share (determined in proportion to proceeds received by such Stockholder in connection with such Proposed Sale in accordance with the provisions of the Restated Certificate) of a negotiated aggregate indemnification amount that applies equally to all Stockholders but that in no event exceeds the amount of consideration actually paid to such Stockholder in connection with such Proposed Sale, except with respect to claims related to fraud by such Stockholder, the liability for which need not be limited as to such Stockholder;

(e) upon the consummation of the Proposed Sale, (i) each holder of each series of the Company's Preferred Stock and each holder of Common Stock will receive the same form of consideration for their shares of Common and Preferred Stock, (ii) each holder of a series of Preferred Stock will receive the same amount of consideration per share of such series of Preferred Stock, (iii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock, and (iv) unless the holders of at least a majority of the Series A Preferred Stock elect otherwise by written notice given to the Company at least ten (10) days prior to the effective date of any such Proposed Sale, the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Stock and the holders of Common Stock are entitled in a Deemed Liquidation Event (assuming for this purpose that the Proposed Sale is a Deemed Liquidation Event) in accordance with the Company's Certificate of Incorporation in effect immediately prior to the Proposed Sale; and

(f) subject to clause (e) above, requiring the same form of consideration to be received by the holders of the Company's Common and Preferred Stock, if any holders of any capital stock of the Company are given an option as to the form and amount of consideration to be received as a result of the Proposed Sale, all holders of such capital stock will be given the same option.

4.4 Restrictions on Sales of Control of the Company. No Stockholder shall be a party to any Stock Sale unless all holders of Preferred Stock are allowed to participate in such transaction and the consideration received pursuant to such transaction is allocated among the parties thereto in the manner specified in the Company's Certificate of Incorporation in effect immediately prior to the Stock Sale (as if such transaction were a Deemed Liquidation Event), unless the holders of at least a majority of the Series A Preferred Stock elect otherwise by written notice given to the Company at least ten (10) days prior to the effective date of any such transaction or series of related transactions.

5. Remedies.

5.1 Covenants of the Company. The Company agrees to use its best efforts, within the requirements of applicable law, to ensure that the rights granted under this Agreement

are effective and that the parties enjoy the benefits of this Agreement. Such actions include, without limitation, the use of the Company's best efforts to cause the nomination and election of the directors as provided in this Agreement.

5.2 Irrevocable Proxy. Each party to this Agreement hereby constitutes and appoints the President and Treasurer of the Company, and a designee of the Selling Investors, and each of them, with full power of substitution, as the proxies of the party with respect to the matters set forth herein, including without limitation, election of persons as members of the Board in accordance with Section 1 hereof, votes to increase the number of authorized shares of Common Stock in accordance with Section 2 hereof, votes of the holders of Junior Series A Preferred Stock in accordance with Section 3 hereof and votes regarding any Sale of the Company pursuant to Section 4 hereof, and hereby authorizes each of them to represent and to vote, if and only if the party (i) fails to vote or (ii) attempts to vote (whether by proxy, in person or by written consent), in a manner which is inconsistent with the terms of this Agreement, all of such party's Shares in favor of the election of persons as members of the Board determined pursuant to and in accordance with the terms and provisions of this Agreement. The proxy granted pursuant to the immediately preceding sentence is given in consideration of the agreements and covenants of the Company and the parties in connection with the transactions contemplated by this Agreement and, as such, is coupled with an interest and shall be irrevocable unless and until this Agreement terminates or expires pursuant to Section 6 hereof. Each party hereto hereby revokes any and all previous proxies with respect to the Shares and shall not hereafter, unless and until this Agreement terminates or expires pursuant to Section 6 hereof, purport to grant any other proxy or power of attorney with respect to any of the Shares, deposit any of the Shares into a voting trust or enter into any agreement (other than this Agreement), arrangement or understanding with any person, directly or indirectly, to vote, grant any proxy or give instructions with respect to the voting of any of the Shares, in each case, with respect to any of the matters set forth herein.

5.3 Specific Enforcement. Each party acknowledges and agrees that each party hereto will be irreparably damaged in the event any of the provisions of this Agreement are not performed by the parties in accordance with their specific terms or are otherwise breached. Accordingly, it is agreed that each of the Company and the Stockholders shall be entitled to an injunction to prevent breaches of this Agreement, and to specific enforcement of this Agreement and its terms and provisions in any action instituted in any court of the United States or any state having subject matter jurisdiction.

5.4 Remedies Cumulative. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6. Term. This Agreement shall be effective as of the date hereof and shall continue in effect until and shall terminate upon the earliest to occur of (a) the consummation of a Qualified Public Offering; (b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, (c) the consummation of a Sale of the Company and distribution of proceeds to or escrow for the benefit of the Stockholders in accordance with the Restated Certificate, provided that the provisions of Section 4 hereof will continue after the closing of any Sale of the Company to the extent necessary to enforce the provisions of Section 4 with respect to such Sale of the Company and (d) termination of this Agreement in accordance with Section 7.8 below.

7. Miscellaneous.

7.1 Additional Parties.

(a) Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Series A Preferred Stock or Junior Series A Preferred Stock after the date hereof, as a condition to the issuance of such shares the Company shall require that any acquirer of shares of Series A Preferred Stock or Junior Series A Preferred Stock become a party to this Agreement by executing and delivering (i) the Adoption Agreement attached to this Agreement as Exhibit A, or (ii) a counterpart signature page hereto agreeing to be bound by and subject to the terms of this Agreement as an Investor and Stockholder hereunder. In either event, each such person shall thereafter shall be deemed an Investor and Stockholder for all purposes under this Agreement.

(b) In the event that after the date of this Agreement, the Company enters into an agreement with any Person to issue shares of capital stock to such Person (other than to an acquirer of Series A Preferred Stock or Junior Series A Preferred Stock described in Section 7.1(a) above), following which such Person shall hold Shares constituting two percent (2%) or more of the Company's then outstanding capital stock (treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities, as if exercised and/or converted or exchanged), then, the Company shall cause such Person, as a condition precedent to entering into such agreement, to become a party to this Agreement by executing an Adoption Agreement in the form attached hereto as Exhibit A, agreeing to be bound by and subject to the terms of this Agreement as a Stockholder and thereafter such person shall be deemed a Stockholder for all purposes under this Agreement.

7.2 Transfers. Each transferee or assignee of any Shares subject to this Agreement shall continue to be subject to the terms hereof, and, as a condition precedent to the Company's recognizing such transfer, each transferee or assignee shall agree in writing to be subject to each of the terms of this Agreement by executing and delivering an Adoption Agreement substantially in the form attached hereto as Exhibit A. Upon the execution and delivery of an Adoption Agreement by any transferee, such transferee shall be deemed to be a party hereto as if such transferee were the transferor and such transferee's signature appeared on the signature pages of this Agreement and shall be deemed to be an Investor and Stockholder, or Key Holder and Stockholder, as applicable. The Company shall not permit the transfer of the Shares subject to this Agreement on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this Section 7.2. Each certificate representing the Shares subject to this Agreement if issued on or after the date of this Agreement shall be endorsed by the Company with the legend set forth in Section 7.12.

7.3 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

7.5 Counterparts; Facsimile. This Agreement may be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.6 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

7.7 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after the business day of deposit with a nationally recognized overnight courier, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on Schedule A or Schedule B hereto, or to such email address, facsimile number or address as subsequently modified by written notice given in accordance with this Section 7.7. If notice is given to the Company, it shall be sent to [*Company Address*, Attention:]; and a copy (which shall not constitute notice) shall also be sent to Wilmer Cutler Pickering Hale and Dorr LLP, Attention: David E. Redlick, 60 State Street, Boston, MA 02109; and if notice is given to the holders of Series A Preferred Stock (or the Shares issuable upon conversion thereof), a copy shall also be given to Latham & Watkins LLP, Attention: Linda Lorenat, 140 Scott Drive, Menlo Park, CA 94025.

7.8 Consent Required to Amend, Terminate or Waive. This Agreement may be amended or modified and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument executed by (a) the Company, (b) the Key Holders holding a majority of the Shares then held by the Key Holders and (c) the holders of a majority of the shares of Common Stock issued or issuable upon conversion of the shares of Preferred Stock held by the Investors (voting as a single class and on an as-converted basis). Notwithstanding the foregoing:

(i) this Agreement may not be amended or terminated and the observance of any term of this Agreement may not be waived with respect to any Investor or Key Holder without the written consent of such Investor or Key Holder unless such amendment, termination or waiver applies to all Investors or Key Holders, as the case may be, in the same fashion;

(ii) the consent of the Key Holders shall not be required for any amendment or waiver if such amendment or waiver does not apply to the Key Holders;

(iii) Schedules A and B hereto may be amended by the Company from time to time (A) in accordance with Section 1.3 of the Purchase Agreement to add information regarding Additional Investors (as defined in the Purchase Agreement) or (B) to add information regarding acquirers of shares of Junior Series A Preferred Stock issued pursuant to joint venture, technology licensing or development activities involving corporate partners that are primarily for purposes other than raising capital, as approved by the Board of Directors, including a majority of the Series A Directors, in either case without the consent of the other parties hereto;

(iv) Section 4 of this Agreement may not be amended in a manner that is inconsistent with the provisions of Section 5.11 of that certain Investor' Rights Agreement of even date herewith without the consent of the Investors;

(v) any provision hereof may be waived by the waiving party on such party's own behalf, without the consent of any other party;

(vi) Section 1.1(a) of this Agreement shall not be amended or waived without the written consent of SV Life Sciences, Novo A/S, HBM BioVentures (Cayman) Ltd. (and the Additional Investor, if any) and Section 1.1(c) of this Agreement shall not be amended or waived without the written consent of SV Life Sciences; and

(vii) Section 3 of this Agreement shall not be amended or waived without the written consent of the holders of a majority of the Series A Preferred Stock (including the Shares issuable upon conversion thereof).

The Company shall give prompt written notice of any amendment, termination or waiver hereunder to any party that did not consent in writing thereto. Any amendment, termination or waiver effected in accordance with this Section 7.8 shall be binding on each party and all of such party's successors and permitted assigns, whether or not any such party, successor or assignee entered into or approved such amendment, termination or waiver.

7.9 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default previously or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

7.10 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

7.11 Entire Agreement. This Agreement (including the Exhibits hereto), and the Restated Certificate and the other Transaction Agreements (as defined in the Purchase Agreement) constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

7.12 Legend on Share Certificates. Each certificate representing any Shares issued after the date hereof shall be endorsed by the Company with a legend reading substantially as follows:

> "THE SHARES EVIDENCED HEREBY ARE SUBJECT TO A VOTING AGREEMENT, AS MAY BE AMENDED FROM TIME TO TIME, (A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST FROM THE COMPANY), AND BY ACCEPTING ANY INTEREST IN SUCH SHARES THE PERSON ACCEPTING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF THAT VOTING AGREEMENT, INCLUDING CERTAIN RESTRICTIONS ON TRANSFER AND OWNERSHIP SET FORTH THEREIN."

The Company, by its execution of this Agreement, agrees that it will cause the certificates evidencing the Shares issued after the date hereof to bear the legend required by this Section 7.12 of this Agreement, and it shall supply, free of charge, a copy of this Agreement to any holder of a certificate evidencing Shares upon written request from such holder to the Company at its principal office. The parties to this Agreement do hereby agree that the failure to cause the certificates evidencing the Shares to bear the legend required by this Section 7.12 herein and/or the failure of the Company to supply, free of charge, a copy of this Agreement as provided hereunder shall not affect the validity or enforcement of this Agreement.

7.13 Stock Splits, Stock Dividends, etc. In the event of any issuance of Shares of the Company's voting securities hereafter to any of the Stockholders (including, without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization, or the like), such Shares shall become subject to this Agreement and shall be endorsed with the legend set forth in Section 7.12.

7.14 Manner of Voting. The voting of Shares pursuant to this Agreement may be effected in person, by proxy, by written consent or in any other manner permitted by applicable law.

7.15 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

7.16 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the Commonwealth of Massachusetts and to the jurisdiction of the United States District Court for the District of

Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the Commonwealth of Massachusetts or the United States District Court for the District of Massachusetts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the District of Massachusetts or any court of the Commonwealth of Massachusetts having subject matter jurisdiction.

7.17 Costs of Enforcement. If any party to this Agreement seeks to enforce its rights under this Agreement by legal proceedings, the non-prevailing party shall pay all costs and expenses incurred by the prevailing party, including, without limitation, all reasonable attorneys' fees.

7.18 Spousal Consent. If any individual Stockholder is married on the date of this Agreement, such Stockholder's spouse shall execute and deliver to the Company a consent of spouse in the form of Exhibit B hereto ("**Consent of Spouse**"), effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in such Stockholder's Shares that do not otherwise exist by operation of law or the agreement of the parties. If any individual Stockholder should marry or remarry subsequent to the date of this Agreement, such Stockholder shall within thirty (30) days thereafter obtain his/her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by causing such spouse to execute and deliver a Consent of Spouse acknowledging the restrictions and obligations contained in this Agreement and agreeing and consenting to the same.

[SIGNATURE PAGES FOLLOW]

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

OPHTHOTECH CORPORATION

By: _____
Name: _____
Title: _____

Signature Page to Ophthotech Corporation Voting Agreement

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

KEY HOLDERS:

DAVID GUYER

Signature Page to Ophthotech Corporation Voting Agreement

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

KEY HOLDERS:

SAMIR PATEL

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

INVESTORS:

NOVO A/S

By: Thomas Dyrberg, Partner

Address:

41 Krogshoejvej
DK-2880 Bagsvaerd
Denmark

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

INVESTORS:

HBM BIOVENTURES (CAYMAN) LTD.

By: John Arnold
Title: Chairman and Managing Director

Address:

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

INVESTORS:

SV LIFE SCIENCES FUND IV, L.P.

By: SV Life Sciences Fund IV (GP), L.P.,
its sole General Partner
By: SVLSF IV, LLC, its sole General Partner

By: _____
Name: _____
Title: _____

Address:

SV LIFE SCIENCES FUND IV STRATEGIC PARTNERS, L.P.

By: SV Life Sciences Fund IV (GP), L.P.,
its sole General Partner
By: SVLSF IV, LLC, its sole General Partner

By: _____
Name: _____
Title: _____

Address:

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

INVESTORS:

SAMIR PATEL

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

JUNIOR STOCKHOLDERS:

(OSI) EYETECH, INC.

By: Paul G. Chaney
Title: President

Signature Page to Ophthotech Corporation Voting Agreement

SCHEDULE A

INVESTORS

SERIES A PREFERRED STOCK:

Name	Number of Shares
SV Life Sciences Fund IV, L.P. [Address]	3,766,038
SV Life Sciences Fund IV Strategic Partners, L.P. [Address]	106,921
Novo A/S 41 Krogshoejvej DK-2880 Bagsvaerd Denmark	2,558,639
HBM BioVentures (Cayman) Ltd. [Address]	2,558,639
Samir Patel [Address]	262,864

SCHEDULE B

KEY HOLDERS/JUNIOR STOCKHOLDERS

Name	Number of Shares
David Guyer	750,000 Common
Guyer Family Irrevocable Trust	750,000 Common
Samir Patel	2,500,000 Common
	262,864 Series A

JUNIOR SERIES A PREFERRED STOCK:

Name	Number of Shares
(OSI) Eyetech, Inc. [Address]	3,000,000

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement ("**Adoption Agreement**") is executed on , 20 , by the undersigned (the "**Holder**") pursuant to the terms of that certain Voting Agreement dated as of [ ], 2007 (the "**Agreement**"), by and among Ophthotech Corporation, a Delaware corporation (the "**Company**"), and certain of its Stockholders, as such Agreement may be amended or amended and restated hereafter. Capitalized terms used but not defined in this Adoption Agreement shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adoption Agreement, the Holder agrees as follows.

1.1 Acknowledgement. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the "**Stock**") or options, warrants or other rights to purchase such Stock (the "**Options**"), for one of the following reasons (Check the correct box):

☐ as a transferee of Shares from a party in such party's capacity as an "Investor" bound by the Agreement, and after such transfer, Holder shall be considered an "Investor" and a "Stockholder" for all purposes of the Agreement.

☐ as a transferee of Shares from a party in such party's capacity as a "Key Holder" bound by the Agreement, and after such transfer, Holder shall be considered a "Key Holder" and a "Stockholder" for all purposes of the Agreement.

☐ as a new Investor in accordance with Section 6.1(a) of the Agreement, in which case Holder will be an "Investor" and a "Stockholder" for all purposes of the Agreement.

☐ in accordance with Section 6.1(b) of the Agreement, as a new party who is not a new Investor, in which case Holder will be a "Stockholder" for all purposes of the Agreement.

1.2 Agreement. Holder hereby (a) agrees that the Stock [Options], and any other shares of capital stock or securities required by the Agreement to be bound thereby, shall be bound by and subject to the terms of the Agreement and (b) adopts the Agreement with the same force and effect as if Holder were originally a party thereto.

1.3 Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address or facsimile number listed below Holder's signature hereto.

HOLDER: _____

By: _____
Name and Title of Signatory

Address: _____

_____

Facsimile Number: _____

ACCEPTED AND AGREED:

Ophthotech Corporation

By: _____
Title: _____

EXHIBIT B

CONSENT OF SPOUSE

I, [ ], spouse of [ ], acknowledge that I have read that certain Voting Agreement dated as of [ ], 2007 (as the same may be amended or amended and restated hereafter, the "**Agreement**"), by and among Ophthotech Corporation, a Delaware corporation (the "**Company**"), and certain of its Stockholders, to which this Consent is attached as Exhibit B, and that I know the contents of the Agreement. I am aware that the Agreement contains provisions regarding the voting and transfer of shares of capital stock of the Company that my spouse may own, including any interest I might have therein.

I hereby agree that my interest, if any, in any shares of capital stock of the Company subject to the Agreement shall be irrevocably bound by the Agreement and further understand and agree that any community property interest I may have in such shares of capital stock of the Company shall be similarly bound by the Agreement.

I am aware that the legal, financial and related matters contained in the Agreement are complex and that I am free to seek independent professional guidance or counsel with respect to this Consent. I have either sought such guidance or counsel or determined after reviewing the Agreement carefully that I will waive such right.

Dated: _____

_____

[*Name of Key Holder's Spouse, if any*]

EXHIBIT D

OPHTHOTECH
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
OPHTHOTECH CORPORATION

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Ophthotech Corporation a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Ophthotech Corporation, and that this corporation was originally incorporated pursuant to the General Corporation Law on January 5, 2007 under the name Ophthotech Corporation.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is Ophthotech Corporation (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 52,000,000 shares of Common Stock, $0.001 par value per share ("**Common Stock**"), and (ii) 45,710,000 shares of Preferred Stock, $0.001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

1. Issuance and Reissuance.

Preferred Stock may be issued from time to time in one or more series, each of such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein. Any shares of Preferred Stock that may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law or by the terms of any series of Preferred Stock.

C. JUNIOR PREFERRED STOCK

3,000,000 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Junior Series A Preferred Stock**." The Junior Series A Preferred Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part C of this Article Fourth refer to sections and subsections of Part C of this Article Fourth.

1. General. The voting, dividend and liquidation rights of the holders of the Junior Series A Preferred Stock are subject to and qualified by the rights, powers and preferences of the holders of the Series A Preferred Stock set forth herein.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after full payment of the amount due to the holders of shares of Series A Preferred Stock pursuant to Section D.2.1 below, the holders of shares of Junior Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share of Junior Series A Preferred Stock equal to the Junior Series A Original Issue Price (as defined below), plus any

dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Junior Series A Preferred Stock the full amount to which they shall be entitled under this Section C.2, the holders of shares of Junior Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The "**Junior Series A Original Issue Price**" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Junior Series A Preferred Stock.

2.2 In the event of a Deemed Liquidation (as defined below), the holders of shares of Junior Series A Preferred Stock shall be treated as if such shares had been converted into Common Stock immediately prior to such Deemed Liquidation and the holders of shares of Junior Series A Preferred Stock shall not be entitled to receive any payment pursuant to Section 2.1.

3. Voting. Except as provided by this Certificate of Incorporation, by the General Corporation Law or other applicable law, the Junior Series A Preferred Stock shall be non-voting and shall not be entitled to receive notice of, or to vote at, any meetings of the stockholders of the Corporation.

4. Optional Conversion.

The holders of the Junior Series A Preferred Stock shall have conversion rights as follows (the "**Junior Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Junior Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Junior Series A Original Issue Price by the Junior Series A Conversion Price (as defined below) in effect at the time of conversion. The "**Junior Series A Conversion Price**" shall initially be equal to $1.00. Such initial Junior Series A Conversion Price, and the rate at which shares of Junior Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Junior Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation, the Junior Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Junior Series A Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Junior Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon

such conversion shall be determined on the basis of the total number of shares of Junior Series A Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Junior Series A Preferred Stock to voluntarily convert shares of Junior Series A Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Junior Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Junior Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Junior Series A Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Junior Series A Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Junior Series A Conversion Time, issue and deliver to such holder of Junior Series A Preferred Stock or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof, a certificate for the number (if any) of the shares of Junior Series A Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and payment of any declared but unpaid dividends on the shares of Junior Series A Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Junior Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Junior Series A Preferred Stock such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Junior Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Junior Series A Preferred Stock the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before

taking any action which would cause an adjustment reducing the Junior Series A Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Junior Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Junior Series A Conversion Price.

4.3.3 Effect of Conversion. All shares of Junior Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Junior Series A Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon. Any shares of Junior Series A Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Junior Series A Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Junior Series A Conversion Price shall be made for any declared but unpaid dividends on the Junior Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Junior Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Junior Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Junior Series A Original Issue Date (as defined below) effect a subdivision of the outstanding Common Stock, the Junior Series A Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Junior Series A Original Issue Date combine the outstanding shares of Common Stock, the Junior Series A Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective. For purposes of this Article FOURTH, the term “Junior Series A Original Issue Date” shall mean the date on which the first share of Junior Series A Preferred Stock was issued.

4.5 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Junior Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Junior Series A Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Junior Series A Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Junior Series A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Junior Series A Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Junior Series A Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Junior Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.6 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Junior Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property, then and in each such event the holders of Junior Series A Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Junior Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 2, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Junior Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.5 or 4.6), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Junior Series A Preferred

Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Junior Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Junior Series A Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Junior Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Junior Series A Preferred Stock.

4.8 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Junior Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Junior Series A Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Junior Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Junior Series A Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Junior Series A Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Junior Series A Preferred Stock.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least $3.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $35,000,000 of proceeds, net of the underwriting discount and commissions, to the Corporation (a "**Qualified Public Offering**") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), (i) all outstanding shares of Junior Series A Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Junior Series A Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Junior Series A Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the

Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Junior Series A Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Junior Series A Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Junior Series A Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Junior Series A Preferred Stock converted. Such converted Junior Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Junior Series A Preferred Stock accordingly.

6. Redemption. The Junior Series A Preferred Stock is not redeemable.

7. Waiver. Any of the rights, powers, preferences and other terms of the Junior Series A Preferred Stock set forth herein may be waived on behalf of all holders of Junior Series A Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Junior Series A Preferred Stock then outstanding.

8. Notices. Any notice required or permitted by the provisions of this Article FOURTH to be given to a holder of shares of Junior Series A Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

D. SERIES A PREFERRED STOCK

42,710,000 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**." The Series A Preferred Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part D of this Article Fourth refer to sections and subsections of Part D of this Article Fourth.

1. Dividends.

From and after the date of the issuance of any shares of Series A Preferred Stock, dividends at the rate per annum of $0.08 per share shall accrue on such shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) (the "**Accruing Dividends**"). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided however, that except as set forth in the following sentence of this Section 1 or in Subsections 2.1 and 6, such Accruing Dividends shall be payable only when, as and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Accruing Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Series A Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series A Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock dividend. The "**Series A Original Issue Price**" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series A Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Junior Series A Preferred Stock or Common Stock by reason of their ownership thereof, an amount per share of Series A Preferred Stock equal to the Series A Original

Issue Price, plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Series A Preferred Stock pursuant to Section D.2.1 and the holders of shares of Junior Series A Preferred Stock pursuant to Section C.2, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of the shares of Series A Preferred Stock, and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of the Certificate of Incorporation immediately prior to such dissolution, liquidation or winding up of the Corporation; provided, however, that if the aggregate amount which the holders of Series A Preferred Stock are entitled to receive under Subsections 2.1 and 2.2 shall exceed two times the Series A Original Issue Price per share (subject to appropriate adjustment in the event of a stock split, stock dividend, combination, reclassification, or similar event affecting the Series A Preferred Stock) (the "**Series A Maximum Participation Amount**"), each holder of Series A Preferred Stock shall be entitled to receive upon such dissolution, liquidation or winding up of the Corporation the greater of (i) the Series A Maximum Participation Amount and (ii) the amount such holder would have received if all shares of Series A Preferred Stock had been converted into Common Stock immediately prior to such dissolution, liquidation or winding up of the Corporation. The aggregate amount which a holder of a share of Series A Preferred Stock is entitled to receive under Subsections 2.1 and 2.2 is hereinafter referred to as the "**Series A Liquidation Amount**."

2.3 Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of at least a majority of the outstanding shares of Series A Preferred Stock elect otherwise by written notice sent to the Corporation:

(a) a merger, acquisition or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this Subsection 2.3.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 and Section C.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within 90 days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Series A Preferred Stock no later than the 90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Series A Preferred Stock and (ii) if the holders of at least a majority of the then outstanding shares of Series A Preferred Stock so request in a written instrument delivered to the Corporation not later than 120 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders (the "**Available Proceeds**"), to the extent legally available therefor, on the 160th day after such Deemed Liquidation Event, to redeem all outstanding shares of Series A Preferred Stock at a price

per share equal to the Series A Liquidation Amount. Within 10 days of the Corporation's receipt of such a written request for redemption from the holders of at least a majority of the then outstanding Series A Preferred Stock, the Corporation shall deliver written notice of its receipt of such request to all holders of Series A Preferred Stock who were not parties to such request. Notwithstanding the foregoing, in the event of a redemption pursuant to this Subsection 2.3.2(b), if the Available Proceeds are not sufficient to redeem all outstanding shares of Series A Preferred Stock as requested by the holders thereof pursuant to clause (ii) above, the Corporation shall redeem a pro rata portion of each holder's shares of Series A Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. The provisions of Subsections 6.2 through 6.4 shall apply, with such necessary changes in the details thereof as are necessitated by the context, to the redemption of the Series A Preferred Stock pursuant to this Subsection 2.3.2(b). Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation, including a majority of the Series A Directors.

2.3.4 Allocation of Escrow. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible as of

the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Series A Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Election of Directors. The holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect four (4) directors of the Corporation (the "**Series A Directors**") and the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Series A Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Series A Preferred Stock Protective Provisions. At any time when shares of Series A Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class:

(a) liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or consent to any of the foregoing;

(b) alter or change the rights, preferences or privileges of the Series A Preferred Stock;

(c) amend, waive, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A Preferred Stock;

(d) create, reclassify or authorize the creation or reclassification of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Series A Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and redemption rights;

(e) increase or decrease the authorized number of shares of Preferred Stock or Common Stock;

(f) in-license any material intellectual property (other than in connection with the Initial Closing or the First Milestone Closing, as defined in the Purchase Agreement);

(g) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series A Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof or (iv) as approved by the Board of Directors, including the approval of a majority of the Series A Directors; or

(h) increase or decrease the authorized number of directors constituting the Board of Directors.

4. Optional Conversion.

The holders of the Series A Preferred Stock shall have conversion rights as follows (the "**Series A Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the Series A Conversion Price (as defined below) in effect at the time of conversion. The "**Series A Conversion Price**" shall initially be equal to $1.00. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Series A Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Series A Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series A Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Series A Preferred Stock to voluntarily convert shares of Series A Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Series A Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Series A Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Series A Conversion Time, issue and deliver to such holder of Series A Preferred Stock or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof, a certificate for the number (if any) of the shares of Series A Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and payment of any declared but unpaid dividends (but not any undeclared Accruing Dividends) on the shares of Series A Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Stock such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the

conversion of all then outstanding shares of the Series A Preferred Stock the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Series A Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Series A Conversion Price.

4.3.3 Effect of Conversion. All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Series A Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon. Any shares of Series A Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Series A Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Series A Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Series A Original Issue Date**" shall mean the date on which the first share of Series A Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series A Original Issue Date, other than the following shares of Common Stock, and shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (collectively "**Exempted Securities**"):

(i) shares of Series A Preferred Stock issued pursuant to the Series A Preferred Stock Purchase Agreement dated on or about the date hereof between the Corporation and certain purchasers of the Series A Preferred Stock (the "**Purchase Agreement**");

(ii) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Series A Preferred Stock;

(iii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

(iv) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation, including a majority of the Series A Directors;

(v) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(vi) shares of Common Stock, Options or Convertible Securities issued in connection with a joint venture, corporate partnering transaction or licensing arrangement (including, but not limited to, the licenses contemplated by Section 1.3 of the Purchase Agreement) approved by the Board of Directors of

the Corporation, including a majority of the Series A Directors.

(vii) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation, including a majority of the Series A Directors.

4.4.2 No Adjustment of Series A Conversion Price. No adjustment in the Series A Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Series A Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Series A Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Series A Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of

increasing the Series A Conversion Price to an amount which exceeds the lower of (i) the Series A Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Series A Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series A Original Issue Date), are revised after the Series A Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4, the Series A Conversion Price shall be readjusted to such Series A Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Series A Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Series A Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for

purposes of calculating such adjustment to the Series A Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Series A Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series A Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Series A Conversion Price in effect immediately prior to such issue, then the Series A Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$P = \frac{P_1*Q_1+P_2*Q_2}{Q_1+Q_2}$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "P" shall mean the Series A Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

(b) "P_1" shall mean the Series A Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "P_2" shall mean the price per share of the Additional Shares of Common Stock;

(d) "Q_1" shall mean the number of equivalent shares of Common Stock outstanding prior to such issue of Additional Shares of Common Stock; and

(e) "O_2" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than 90 days from the first such issuance to the final such issuance, then, upon the final such issuance, the Series A Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series A Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series A Original Issue Date combine the outstanding shares of Common Stock, the Series A Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Series A Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Series A Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a

dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Series A Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series A Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series A Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock and Junior Series A Preferred Stock) for the purpose of entitling or

enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series A Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock, Junior Series A Preferred Stock and the Common Stock. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of a Qualified Public Offering or (b) the Mandatory Conversion Time, (i) all outstanding shares of Series A Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Series A Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to

surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends (but not any undeclared Accruing Dividends) on the shares of Series A Preferred Stock converted. Such converted Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

5A. Special Mandatory Conversion.

5A.1. Trigger Events.

(a) In the event that any holder of shares of Series A Preferred Stock does not participate in a Qualified Financing (as defined below) by purchasing in the aggregate, in such Qualified Financing and within the time period specified by the Corporation (provided that the Corporation has sent to each holder of Series A Preferred Stock at least 10 days written notice of, and the opportunity to purchase its Pro Rata Amount (as defined below) of, the Qualified Financing), such holder's Pro Rata Amount, then each share of Series A Preferred Stock held by such holder shall automatically, and without any further action on the part of such holder, be converted into shares of Common Stock at the Series A Conversion Price in effect immediately prior to the consummation of such Qualified Financing, effective upon, subject to, and concurrently with, the consummation of the Qualified Financing. For purposes of determining the number of shares of Series A Preferred Stock owned by a holder, and for determining the number of Offered Securities (as defined below) a holder of Series A Preferred Stock has purchased in a Qualified Financing, all shares of Series A Preferred Stock held by Affiliates (as defined below) of such holder shall be aggregated with such holder's shares and all Offered Securities purchased by Affiliates of such holder shall be aggregated with the Offered Securities purchased by such holder (provided that no shares or securities shall be attributed to more than one entity or person within any such group of affiliated entities or persons).

(b) In the event that any holder of Series A Preferred Stock who is required to purchase shares of the Corporation's Series A Preferred Stock in the Milestone Closings (as defined in the Purchase Agreement) fails to purchase the Milestone Shares (as defined in the Purchase Agreement), such holder of Series A Preferred Stock is required to purchase under the Purchase Agreement, then the outstanding shares of Series A Preferred Stock held by such holder shall, immediately upon the applicable Milestone Closing at which such holder does not purchase the required number of shares, be converted into that number of shares of Common Stock equal to the product of (a) the number of shares of Common Stock such shares of Series A Preferred Stock are convertible into immediately following such Milestone Closing, multiplied by (b) 0.10.

(c) The conversions referred to in Sections 5A.1(a) and 5A.1(b) are referred to herein as a "**Special Mandatory Conversion**."

5A.2. Procedural Requirements. Upon a Special Mandatory Conversion, each holder of shares of Series A Preferred Stock converted pursuant to Subsection 5A.1 shall be sent written notice of such Special Mandatory Conversion and the place designated for mandatory conversion of all such shares of Series A Preferred Stock pursuant to this Section 5A. Upon receipt of such notice, each holder of such shares of Series A Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock converted pursuant to Subsection 5A.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the time of the Special Mandatory Conversion (notwithstanding the failure of the holder or holders thereof to surrender the certificates for such shares at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Subsection 5A.2. As soon as practicable after the Special Mandatory Conversion and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock so converted, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2, in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends (but not any undeclared Accruing Dividends) on the shares of Series A Preferred Stock converted. Such converted Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

5A.3. Definitions. For purposes of this Section 5A, the following definitions shall apply:

5A.3.1 "**Affiliate**" shall mean, with respect to any holder of shares of Series A Preferred Stock, any person, entity or firm which, directly or indirectly, controls, is controlled by or is under common control with such holder, including, without limitation, any entity of which the holder is a partner or member, any partner, officer, director, member or employee of such holder and any venture capital fund now or hereafter existing of which the holder is a partner or member which is controlled by or under common control with one or more general partners of such holder or shares the same management company with such holder.

5A.3.2 "**Offered Securities**" shall mean the equity securities of the Corporation set aside by the Board of Directors of the Corporation for purchase by holders of

outstanding shares of Series A Preferred Stock in connection with a Qualified Financing, and offered to such holders.

5A.3.3 "**Pro Rata Amount**" shall mean, with respect to any holder of Series A Preferred Stock, the lesser of (a) a number of Offered Securities calculated by multiplying the aggregate number of Offered Securities by a fraction, the numerator of which is equal to the number of shares of Series A Preferred Stock owned by such holder, and the denominator of which is equal to the aggregate number of outstanding shares of Series A Preferred Stock, or (b) the maximum number of Offered Securities that such holder is permitted by the Corporation to purchase in such Qualified Financing, after giving effect to any cutbacks or limitations established by the Board of Directors and applied on a pro rata basis to all holders of Series A Preferred Stock.

5A.3.4 "**Qualified Financing**" shall mean any transaction involving the issuance or sale of Additional Shares of Common Stock after the Series A Original Issue Date that would result in the reduction of the Series A Conversion Price pursuant to the terms of the Certificate of Incorporation (without giving effect to the operation of Subsection 4.4.2) or any bridge financing, unless the holders of at least a majority of the Series A Preferred Stock elect, by written notice sent to the Corporation at least ten (10) days prior to the consummation of the Qualified Financing, that such transaction not be treated as a Qualified Financing for purposes of this Section 5A.

6. Redemption. The Series A Preferred Stock is not redeemable except in accordance with the Deemed Liquidation provisions of Subsection 2.3.2(b).

7. Redeemed or Otherwise Acquired Shares. Any shares of Series A Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Series A Preferred Stock following redemption.

8. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Series A Preferred Stock then outstanding.

9. Notices. Any notice required or permitted by the provisions of this Article FOURTH to be given to a holder of shares of Series A Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by the Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: The following indemnification provisions shall apply to the persons enumerated below.

1. Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnified Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article Tenth, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article Tenth or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article Tenth is not paid in full within 30 days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorney's fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorney's fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

6. Non-Exclusivity of Rights. The rights conferred on any person by this Article Tenth shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, other provisions of this Amended and Restated Certificate of Incorporation, the bylaws of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.

7. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8. Insurance. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article Tenth; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article Tenth.

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this [ ] day of [ ], 2007.

By: _____
President

SCHEDULE 1.1.16

COMPOUND

Chemical Name: [**]

SCHEDULE 1.1.25

EYETECH PATENTS

Eyetech Patents are the following Patents pending or issued as of the Effective Date:

Patents

IMATTERNO	COUNTRYID	SERIALNO	TITLE	FILE
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]

Patents

IMATTERNO	COUNTRYID	SERIALNO	TITLE	FILE
			DISORDERS	
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]

SCHEDULE 6.1

CAPITALIZATION OF OPHTHOTECH AS OF THE EFFECTIVE DATE

Ophthotech Cap table

Investors	Current	Convertible note			Series A (Tranche-1)			Post Tranche 1			Series A (Tranche-2)			Post Tranche 2			Series A (Tranche 3)			Series A total		
	#	$	#	%	$	#	%	$	#	%	$	#	%	$	#	%	$	#	%	$	#	%
[**]		[**]	[**]		[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]		[**]	[**]		[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]		[**]	[**]		[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]					[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
Common																							
[**]	[**]								[**]	[**]					[**]	[**]					[**]	[**]
[**]	[**]								[**]	[**]					[**]	[**]					[**]	[**]
[**]	[**]								[**]	[**]					[**]	[**]					[**]	[**]
[**]																							
[**]						[**]	[**]		[**]	[**]					[**]	[**]					[**]	[**]
[**]												[**]	[**]		[**]	[**]					[**]	[**]
																					[**]	[**]
Option Pool									[**]	[**]					[**]	[**]						
	[**]	[**]			[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
Series A												[**]	[**]					[**]	[**]				
Pre					[**]			[**]															
Raise					[**]																		
Post					[**]																		

Share Price					Options available in each tranche		
Series A	$1.00	[**]	Tranche 1	[**]	[**]	**1st**	[**]
		[**]	Tranche 2	[**]	[**]	**2nd**	[**]
		[**]	Tranche 3	[**]	[**]	**3rd**	[**]
				[**]	[**]		[**]
Option pool	[**]						
				[**]	[**]		
				[**]			

Series A Prefd ownership	
[**]	[**]%
[**]	[**]
[**]	[**]
[**]	[**]
TOTAL	**100%**

APPENDIX 1

ARCHEMIX AGREEMENT

RESEARCH AND LICENSE AGREEMENT

BETWEEN

EYETECH PHARMACEUTICALS, INC.

AND

ARCHEMIX CORP.

Dated April 8, 2004

RESEARCH AND LICENSE AGREEMENT

This Research and License Agreement (the "Agreement") is made and entered into as of this 8th day of April 2004 (the "Effective Date") between Archemix Corp., a Delaware corporation with offices at One Hampshire Street, Cambridge, MA 02139 ("ARCHEMIX"), and Eyetech Pharmaceuticals, Inc., a Delaware corporation with offices at 500 Seventh Avenue, 18th Floor, New York, New York 10018 ("EYETECH").

WITNESSETH:

WHEREAS, ARCHEMIX has developed expertise to undertake the identification and optimization of Aptamers using the SELEX Process and owns or holds licenses covering the use of Aptamers other than the Aptamer known as NX1838 for treating, preventing or delaying human diseases or conditions;

WHEREAS, EYETECH is engaged in the research and development of pharmaceutical compounds that are safe and effective in treating, preventing or delaying the progress of ophthalmologic diseases and conditions;

WHEREAS, both Parties desire to enter into a research program the objective of which will be for ARCHEMIX to identify and optimize Aptamers against Targets that fulfil certain criteria in order to be developed and marketed by EYETECH for the prevention and treatment of ophthalmologic diseases or conditions;

WHEREAS, ARCHEMIX would like to license to EYETECH Aptamers so identified by ARCHEMIX, and to provide EYETECH with samples of such Aptamers, and EYETECH would like to accept and receive such licenses and samples for purposes of pre-clinical and clinical testing and (if appropriate) commercial use, all under the terms and conditions of this Agreement.

WHEREAS, EYETECH desires the right to obtain licenses to Aptamers so identified by ARCHEMIX.

WHEREAS, the Parties each are parties to agreements with Gilead under which they have certain rights or are subject to certain restrictions concerning Aptamers against VEGF and wish to individually negotiate, or jointly if mutually agreed upon, certain changes in such agreements with Gilead with respect to VEGF and to grant each other certain licenses with respect to Aptamers against VEGF, all under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

For the purpose of this Agreement, the following terms, whether used in singular or plural form, shall have the respective meanings set forth below:

1.1 "Affiliate". Affiliate shall mean, with respect to any Person, any other Person, which directly or indirectly, by itself or through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with, such Person. As used in this Section 1.1 only, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Control will be presumed if one Person owns, either of record or beneficially, more than 50% of the voting stock or other equity interest of any other Person.

1.2 "Annual Research Plan". Annual Research Plan shall mean the research and development plan for the Research Program to be developed and approved by the JRC for each Contract Year.

1.3 “Aptamer”. Aptamer shall mean an oligonucleotide identified through the SELEX Process.

1.4 “Aptamer Equivalent”. Aptamer Equivalent shall mean any structural variations, modifications, derivatives, homologs, analogs, or mimetics of an Aptamer having a different chemical composition than the original Aptamer, including without limitation changes in the base sequence composition of backbone and conjugations that affect pharmacokinetics. The Parties acknowledge that the required difference in chemical composition for an Aptamer to become an Aptamer Equivalent is intended to avoid a finding by the FDA or other Regulatory Authority that an Aptamer and its Aptamer Equivalent constitute the same drug for regulatory purposes. Each Party shall consider such intention at the time it commences activities to develop or commercialize an Aptamer Equivalent to an Aptamer being developed or commercialized by the other Party. If a Party in good faith determines that an Aptamer is an Aptamer Equivalent with respect to the original Aptamer, then such Aptamer shall constitute an Aptamer Equivalent with respect to the original Aptamer even if the FDA or other Regulatory Authority subsequently finds that such Aptamer Equivalent and the original Aptamer constitute the same drug for regulatory purposes; provided that the Aptamer Equivalent meets the criteria set forth in the first sentence of this Section with respect to the original Aptamer.

1.5 “ARCHEMIX Additional Compound”. ARCHEMIX Additional Compound shall have the meaning set forth in Section 3.2.

1.6 “ARCHEMIX Early Decision Initial Compound”. ARCHEMIX Early Decision Initial Compound shall have the meaning set forth in Section 3.2.

1.7 “ARCHEMIX Initial Compound”. ARCHEMIX Initial Compound shall have the meaning set forth in Section 3.2.

1.8 "ARCHEMIX Know-How". ARCHEMIX Know-How shall mean all Know-How Controlled by ARCHEMIX, whether disclosed in a pending patent application or not, as of the Effective Date or during the Research Term relating to a Compound or the use thereof, ARCHEMIX Proprietary Targets or the use thereof or the SELEX Process, excluding ARCHEMIX Program Technology and ARCHEMIX's interest in Joint Program Technology.

1.9 "ARCHEMIX Patents". ARCHEMIX Patents shall mean any Patents Controlled by ARCHEMIX as of the Effective Date or during the Collaboration Term, claiming a Compound or the use thereof, ARCHEMIX Proprietary Targets, or the SELEX Process, excluding ARCHEMIX Program Patents and ARCHEMIX's interest in Joint Program Patents. Provided, however, that ARCHEMIX Patents shall not include Patents claiming ARCHEMIX Proprietary Targets discovered, reduced to practise or obtained after the Research Term.

1.10 "ARCHEMIX Program Patents". ARCHEMIX Program Patents shall mean Patents claiming ARCHEMIX Program Technology.

1.11 "ARCHEMIX Program Technology". ARCHEMIX Program Technology shall mean all Program Technology other than formulations and methods of use relating (A) solely to ARCHEMIX Technology or ARCHEMIX Proprietary Targets; or (B) solely to Aptamers, Aptamer Equivalents, or the SELEX Process.

1.12 "ARCHEMIX Proprietary Target". ARCHEMIX Proprietary Target shall mean a Target the use of which to select an Aptamer, or the use of which as a target for therapeutic and preventive intervention, is covered by an ARCHEMIX Valid Claim or pending patent application.

1.13 "ARCHEMIX Technology". ARCHEMIX Technology shall mean all ARCHEMIX Patents and ARCHEMIX Know-How.

1.14 “ARCHEMIX Valid Claim”. ARCHEMIX Valid Claim shall mean a claim of an issued and unexpired ARCHEMIX Patent, ARCHEMIX Program Patent or Joint Program Patent, which has not been revoked or held permanently unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, which decision is unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through re-issue or disclaimer or otherwise.

1.15 “Back-Up”. Back-Up shall have the meaning set forth in Section 3.5.1 hereof.

1.16 “Bankruptcy Code”. Bankruptcy Code shall have the meaning set forth in Section 4.9.1.

1.17 “Collaboration Term”. Collaboration Term shall mean the Term of this Agreement that commences on the Effective Date and continues until the end of the Royalty Term as defined in Section 9.2.

1.18 “Collaborator”. Collaborator shall mean any third party who has been granted a sublicense by ARCHEMIX under Section 4.3.2 of this Agreement for the development and/or commercialization of Refused Candidates and Aptamer Equivalents of Compounds outside the Field and Aptamers against VEGF outside the Field and the Local Delivery Field.

1.19 “Commercialization” or “Commercialize”. Commercialization or Commercialize shall mean any and all activities directed to commercial scale manufacturing (including assays and validation, testing development and manufacturing scale-up), marketing, promoting, distributing, importing and selling a product.

1.20 “Compound”. Compound shall mean any ARCHEMIX Initial Compound, Program Compound, ARCHEMIX Additional Compound or Back-Up, it being understood that all the aforementioned categories of Compounds can include compounds against VEGF, so long as the

Parties obtain any necessary rights covering VEGF from Gilead, unless and until it becomes a Refused Candidate pursuant to Section 3.7, 4.5, or 4.8.1 hereof.

1.21 "Compound Candidate". Compound Candidate shall mean a Program Compound that (A) fulfils the Early Selection Criteria for such Program Compound with respect to a Target or (B) which is selected by EYETECH, through written notice to ARCHEMIX, to be a Compound Candidate pursuant to Section 3.4.

1.22 "Compound Product". Compound Product shall mean a finished form of product that comprises, contains or is a Compound and which (i) the manufacture, use or sale of which would infringe any ARCHEMIX Valid Claim; and/or (ii) embodies ARCHEMIX Know How or ARCHEMIX Program Technology.

1.23 "Confidential Information". Confidential Information shall mean all Know-How or other information, including, without limitation, proprietary information and materials (whether or not patentable) regarding a Party's technology, products, business information or objectives, which is designated as confidential in writing by the disclosing Party, whether by letter or by the use of an appropriate stamp or legend, prior to or at the time any such material, trade secret or other information is disclosed by the disclosing Party to the other Party. Notwithstanding anything in the foregoing to the contrary, materials, know-how or other information which is orally, electronically or visually disclosed by a Party, or is disclosed in writing without an appropriate letter, stamp or legend, shall constitute Confidential Information of a Party if the disclosing Party, within [**] business days after such disclosure, delivers to the other Party a written document or documents describing the materials, know-how or other information and referencing the place and date of such oral, visual, electronic or written disclosure and the names of the persons to whom such disclosure was made. Notwithstanding the foregoing, EYETECH Know-How or ARCHEMIX

Know-How, as the case may be, that is disclosed to the other Party in the course of the Research Program shall constitute Confidential Information of a Party whether or not designated as confidential in writing.

1.24 "Contract Year". Contract Year shall mean the period beginning on the Effective Date and ending on December 31, 2004 (the "First Contract Year"), and each succeeding twelve (12) month period thereafter during the Research Term (referred to as the "Second Contract Year," "Third Contract Year," etc.).

1.25 "Controlled". Controlled shall mean the legal authority or right of a Party hereto or an Affiliate of a Party to grant a license or sublicense of intellectual property rights to the other Party hereto which is consistent with the terms of this Agreement, or to otherwise disclose proprietary or trade secret information to such other Party, without breaching the terms of any agreement with a Third Party.

1.26 "Damages". Damages shall mean any and all costs, losses, claims, liabilities, fines, penalties, damages and expenses, court costs, and reasonable fees and disbursements of counsel, consultants and expert witnesses incurred by a Gilead Indemnitee (as defined in Section 7.2(b)) (including any interest payments which may be imposed in connection therewith).

1.27 "Development" or "Develop". Development or Develop shall mean any activity with respect to a Lead Compound, including without limitation, preclinical and clinical drug development activities, including test method development and stability testing, toxicology, formulation, quality assurance/quality control development, statistical analysis, clinical studies and regulatory affairs, product approval and registration.

1.28 "Development Compound". Development Compound shall mean a Lead Compound for which EYETECH has completed all the activities described in Appendix 3 hereof,

as such appendix may be amended or updated by JRC or by the provisions of the Annual Research Plan.

1.29 "Development Information". Development Information shall have the meaning set forth in Section 3.2(d).

1.30 "Diligent Efforts". Diligent Efforts shall mean efforts at least equal to those normally used by a Party for a compound or product owned by it or to which it has rights, which is of similar market potential, at a similar stage in its product life, taking into account the competitiveness of the marketplace, the regulatory structure involved, the profitability of the applicable products and other relative factors.

1.31 "Early Selection Criteria" or "ESC". Early Selection Criteria or ESC shall mean guideline selection criteria for identifying Compounds which are sufficiently promising to warrant_Development set forth in Appendix 1 hereof, as such Appendix shall be adjusted by mutual agreement of the Parties with respect to each individual Target to be included in the Research Program before any activities with respect to such Target are initiated. The specific ESC for each Target must be consistent with the guidelines in Appendix 1 and be adopted by the formal written resolution of the JRC duly signed by the Program Director of each Party.

1.32 "Excluded Aptamers". Excluded Aptamers shall mean (a) [**], (b) *[**]*, and (c) any Aptamer or Aptamer Equivalent directed to any of the following targets:

i. [**];

ii. [**];

iii. [**];

iv. [**];

v. [**];

vi. [**];

vii. [**];

viii. [**];

ix. [**];

x. [**];

xi. [**]; or

xii. [**].

1.33 "Executive Officers". Executive Officers shall mean the Chief Executive Officer of EYETECH (or an executive officer of EYETECH designated by such Chief Executive Officer and the Chief Executive Officer of ARCHEMIX (or an executive officer of ARCHEMIX designated by such Chief Executive Officer).

1.34 "Exercise Notice". Exercise Notice shall have the meaning set forth in Section 3.4.

1.35 "EYETECH Development Program". EYETECH Development Program shall mean the product development program to be undertaken by EYETECH during or after the Research Term to develop Lead Compounds into Compound Products.

1.36 "EYETECH Development Program Technology". EYETECH Development Program Technology shall mean all Know-How conceived, reduced to practice or developed by EYETECH during and in the conduct of the EYETECH Development Program specifically relating to any Compound, ARCHEMIX Proprietary Target or EYETECH Proprietary Target or methods of use of any Compound, ARCHEMIX Proprietary Target or EYETECH Proprietary Target.

1.37 "EYETECH Development Program Patents". EYETECH Development Program Patents shall mean Patents claiming EYETECH Development Program Technology.

1.38 "EYETECH Diligence Goal". EYETECH Diligence Goal shall have the meaning set forth in Section 2.4(b)(iii).

1.39 "EYETECH Know-How". EYETECH Know-How shall mean all Know-How Controlled by EYETECH, whether disclosed in a pending patent application or not, as of the Effective Date or during the Research Term relating to a Compound or the use thereof or an EYETECH Proprietary Target or the use thereof, excluding EYETECH Program Technology and EYETECH's interest in Joint Program Technology.

1.40 "EYETECH Patents". EYETECH Patents shall mean any Patents Controlled by EYETECH as of the Effective Date or during the Research Term, claiming a Compound or the use thereof or a Target or the use thereof, excluding EYETECH Program Patents and EYETECH's interest in Joint Program Patents.

1.41 "EYETECH Program Patents". EYETECH Program Patents shall mean Patents claiming EYETECH Program Technology.

1.42 "EYETECH Program Technology". EYETECH Program Technology shall mean all Program Technology relating (A) solely to EYETECH Proprietary Targets or EYETECH Technology, and/or (B) solely to formulations or methods of use of any Compound. Notwithstanding anything to the contrary herein, any methods of use of any Compound discovered or reduced to practise during the course of the Research Term shall be deemed to be EYETECH Program Technology.

1.43 "EYETECH Proprietary Target". EYETECH Proprietary Target shall mean a Target the use of which to select an Aptamer, or the use of which as a target for therapeutic intervention, is covered by an EYETECH Valid Claim or pending patent application.

1.44 "EYETECH Technology". EYETECH Technology shall mean all EYETECH Patents and EYETECH Know-How.

1.45 "EYETECH Valid Claim". EYETECH Valid Claim shall mean a claim of an issued and unexpired EYETECH Patent, EYETECH Program Patent or Joint Program Patent which has not been revoked or held permanently unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, which decision is unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through re-issue or disclaimer or otherwise.

1.46 "FDA". FDA shall mean the United States Food and Drug Administration.

1.47 "Field". Field shall mean the treatment, prevention and/or delay of any and all opthamological diseases and conditions in humans, including, without limitation, diseases and conditions of the eye and/or the ocular adnexa (orbit and its contents, eyelids and lacrimal system).

1.48 "First Commercial Sale". First Commercial Sale shall mean, for each Compound Product or VEGF Product, the first commercial sale in a country as part of a nationwide introduction by EYETECH or its Affiliates, or for a VEGF Product by ARCHEMIX or its Affiliates. Sales for test marketing, clinical trial purposes or compassionate or similar use shall not be considered to constitute a First Commercial Sale.

1.49 "Force Majeure". Force Majeure shall have the meaning set forth in Section 11.9 hereof.

1.50 "FTE". FTE shall mean a full time (meaning a total of at least [**] hours per year) equivalent employee (which may consist of hours spent by more than one person) dedicated to scientific, technical or managerial work on or directly related to the Research Program with a Bachelor of Science or greater qualifications, as contemplated in Section 2.4(a)(i) hereof; provided

that, in no event shall such FTEs be responsible for any overhead, laboratory operational or other non-scientific functions unrelated to the Research Program.

1.51 "FTE Rate". FTE Rate shall mean an annual rate of $[**] during the first Contract Year, and thereafter will mean such rate increased at the beginning of each subsequent Contract Year to reflect any increase in the Consumer Price Index for Boston, Massachusetts during the prior Contract Year.

1.52 "Gilead". Gilead shall mean Gilead Sciences, Inc.

1.53 "Gilead-Archemix License". Gilead-Archemix License shall mean that certain license agreement dated October 23, 2001, as amended, between ARCHEMIX and Gilead.

1.54 "Gilead-Eyetech License". Gilead-Eyetech License shall mean that certain license agreement dated March 30, 2000, as amended, between EYETECH and Gilead.

1.55 "Gilead-Eyetech Patent Portfolio". Gilead-Eyetech Patent Portfolio shall mean those patent applications and patents licensed to EYETECH under the Gilead-Eyetech License, including without limitation those listed on Appendix 5 attached hereto.

1.56 "IND". IND shall mean an application submitted to a Regulatory Authority to initiate human clinical trials, including (a) an Investigational New Drug application or any successor application or procedure filed with the FDA of the United States, (b) except where otherwise specifically provided in this Agreement, any foreign equivalent of a U.S. Investigational New Drug application, and (c) all supplements and amendments that may be filed with respect to the foregoing.

1.57 "Indication". Indication shall mean any human indication, disease or condition (i) in the Field with respect to Compound Products, (ii) in the Field and/or the Local Delivery Field for Aptamers against VEGF developed or commercialized for or by EYETECH, and (iii) outside

the Field and the Local Delivery Field for Aptamers against VEGF developed or commercialized for or by ARCHEMIX which can be treated, prevented, cured or the progression of which can be delayed.

1.58 "Invalidity Claim". Invalidity Claim shall have the meaning set forth in Section 8.5 hereof.

1.59 "In Vitro Diagnostics". In Vitro Diagnostics shall mean the use of Aptamers or Aptamer Equivalents in the assay, testing or determination outside of a living organism, of a substance in a test material.

1.60 "In Vivo Diagnostic Agent". In Vivo Diagnostic Agent shall mean any product containing one or more Aptamers or Aptamer Equivalents that is used for any human in vivo diagnostic purpose related to, inter alia, the identification, quantification or monitoring of the propensity toward, or actual existence of, any disease state.

1.61 "Joint Program Patents". Joint Program Patents shall mean Patents claiming Joint Program Technology.

1.62 "Joint Program Technology". Joint Program Technology shall mean all Program Technology conceived, reduced to practice or developed jointly by employees, agents, consultants or subcontractors of both Parties during, and in the conduct of, the Research Program that is neither ARCHEMIX Program Technology nor EYETECH Program Technology.

1.63 "JRC". JRC shall have the meaning set forth in Section 2.1 hereof.

1.64 "Know-How". Know-How shall mean all proprietary material and information, including data, technical information, know-how, experience, inventions, discoveries, trade secrets, compositions of matter and methods, whether existing at the Effective Date or developed or obtained during the Research Term and whether or not patentable or confidential, that are

Controlled by a Party to this Agreement and that relate to the discovery, development, utilization, manufacture or use of any Compound, Compound Product, SELEX Process or Target, including but not limited to processes, techniques, methods, products, materials and compositions.

1.65 "Lead Compound". Lead Compound shall mean a Compound for which EYETECH has exercised the License Option as set forth in Section 3.4 hereof.

1.66 "Lead Compound Equivalent". Lead Compound Equivalent shall mean any Aptamer directed to the same Target or Target Binding Partner as a Lead Compound.

1.67 "License Option". License Option shall have the meaning set forth in Section 3.1 hereof.

1.68 "Local Delivery Field". Local Delivery Field shall mean any delivery of an Aptamer whose intended mode of action is solely to treat tissue in the proximity of the delivery site of such Aptamer, for example by topical application to treat the skin at the point of application, or injection into or in proximity of a joint or tumor to treat only that joint or tumor.

1.69 "Loss". Loss shall have the meaning set forth in Section 7.1 hereof.

1.70 "NDA". NDA shall mean an application submitted to a Regulatory Authority for marketing approval of a product, including (a) a New Drug Application, Product License Application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) or Biologics License Application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) filed with the FDA or any successor applications or procedures, (b) except where otherwise specifically provided in this Agreement, any foreign equivalent of a U.S. New Drug Application, Product License Application or Biologics License Application, and (c) all supplements and amendments that may be filed with respect to the foregoing.

1.71 "Net Sales". Net Sales shall mean the gross amount received by a Party, its Affiliates and/or its Sublicensees on Sales of Compound Products or VEGF Products in the case of EYETECH or VEGF Products only in the case of ARCHEMIX less the following deductions:

(a) Trade, cash and/or quantity discounts actually allowed and taken with respect to such sales to wholesalers, hospitals or other buying institutions, as reflected in the amount invoiced;

(b) Excises, sales taxes, value-added taxes or other taxes imposed upon and paid directly with respect to the production, sale, delivery or use of the Compound Product or VEGF Product (excluding national, state or local taxes based on such Party's or its Affiliates' income), as reflected in the amount invoiced;

(c) Import and export duties paid by a Party or its Affiliates or Sublicensees;

(d) Amounts repaid or credited by reason of rejections, defects, recalls or returns or because of governmental charges, chargebacks, refunds, rebates or retroactive price reductions; and

(e) Freight, insurance and other transportation charges incurred in shipping Compound Product or VEGF Product to Third Parties, as reflected in the amount invoiced.

Such amounts shall be determined from the books and records of the relevant Party, its Affiliates, and/or its Sublicensees maintained in accordance with U.S. generally accepted accounting principles, consistently applied. In the case of any sale of Compound Products or VEGF Products for consideration other than cash, such as barter or counter-trade, Net Sales shall be calculated on the fair market value of the consideration received.

In the event the Compound Product or VEGF Product is sold as part of a Combination Product (as defined below), the Net Sales from the Combination Product or VEGF Product, for the purposes of

determining royalty payments, shall be determined by multiplying the Net Sales of the Combination Product, during the applicable royalty reporting period, by the fraction, A/A+B, where A is the average sale price of the Compound Product or VEGF Product when sold separately in finished form and B is the average sale price of the other product(s) having independent and/or synergistic efficacy in the Indication for which the product is sold included in the Combination Product when sold separately in finished form, in each case in the same country as the Combination Product during the applicable royalty reporting period or, if sales of both the Compound Product or VEGF Product and such other product(s) did not occur in the same country as the Combination Product in such period, then in the most recent royalty reporting period in which sales of both occurred in the same country as the Combination Product. In the event that such average sale price cannot be determined for both the Compound Product or VEGF Product and all such other products(s) included in the Combination Product, Net Sales for the purposes of determining royalty payments shall be calculated by multiplying the Net Sales of the Combination Product by the fraction, C/C+D, where C is the fair market value of the Compound Product or VEGF Product and D is the fair market value of all other pharmaceutical product(s) having independent and/or synergistic efficacy in the Indication for which the product is sold included in the Combination Product. In such event, the Party not selling the product shall in good faith make a determination of the respective fair market values of the Compound Product or VEGF Product and all other such pharmaceutical products included in the Combination Product, and shall notify the other Party of such determination and provide the other Party with data to support such determination. The other Party shall have the right to review such determination and supporting data, and to notify the Party not selling the product if it disagrees with such determination. If the other Party does not agree with such determination and if the Parties are unable to agree in good

faith as to such respective fair market values, then such matter shall be referred to the Executive Officers for determination.

As used above, the term “Combination Product” means any pharmaceutical product, which consists of a Compound Product or VEGF Product and other active compounds and/or active ingredients having independent efficacy and/or synergistic benefit in the Indication for which the product is sold together in one package. For avoidance of doubt, if a Combination Product is comprised of a Compound Product and a VEGF Product the royalties shall be calculated separately for the Compound Product and the VEGF Product each pursuant to the formula set forth above and the royalty rates set forth in Sections 5.2.1 and 5.2.2.

1.72 “Option Period”. Option Period shall have meaning set forth in Section 3.3.1.

1.73 “NX1838”. NX1838 shall mean the anti-VEGF aptamer known as NX1838, together with all anti-VEGF Aptamers comprising a sequence identity greater than [**]% over the entire length of NX1838, whether or not such Aptamers incorporate [**], or have [**], including without limitation [**] to alter the pharmacokinetic properties of the molecule.

1.74 “Party”. Party shall mean either ARCHEMIX or EYETECH, as applicable, and “Parties” shall mean both ARCHEMIX and EYETECH.

1.75 “Patent Prosecution”. Patent Prosecution shall mean the filing, prosecution, maintenance or extension of a Patent, including without limitation, interferences, nullity suits and re-examinations.

1.76 “Patents”. Patents shall mean all patents and patent applications existing at the Effective Date and all patent applications hereafter filed during the Term, including any continuation, continuation-in-part, division, provisional or any substitute applications, any patent issued with respect to any such patent applications, any reissue, re-examination, black box

application, renewal or extension (including any supplementary protection certificate) of any such patent, and any confirmation patent or registration patent or patent of addition based on any such patent, and all foreign counterparts of any of the foregoing.

1.77 "Person". Person shall mean any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, other business entity or government or political subdivision thereof.

1.78 "Phase 1 Clinical Study". Phase 1 Clinical Study shall mean a study of a Compound in human volunteers or patients with the endpoint of determining initial tolerance, safety and/or pharmacokinetic information in a single dose, single ascending dose, multiple dose and/or multiple ascending dose regimen.

1.79 "Phase 2 Clinical Study". Phase 2 Clinical Study shall mean a study of a Compound in patients to determine additional safety information and initial efficacy and dose range finding.

1.80 "Phase 3 Clinical Study". Phase 3 Clinical Study shall mean a clinical study in patients, conducted in accordance with a protocol designed to ascertain efficacy and safety of a Compound for the purpose of preparing and submitting an NDA to the competent Regulatory Authorities in the Territory.

1.81 "Program Compound". Program Compound shall mean any Aptamer (other than Excluded Aptamers), including, without limitation, an Aptamer which has not yet met the Early Selection Criteria, that has been demonstrated to have an affinity for, to bind to, inhibit or otherwise modulate the activity of any Target that is being investigated in the Research Program.

1.82 "Program Director". Program Director shall mean a research executive appointed by each Party to serve as such Party's principal coordinator and liaison for the Research Program. The Program Director appointed by EYETECH is referred to as the EYETECH Program Director,

and the Program Director appointed by ARCHEMIX is referred to as the ARCHEMIX Program Director.

1.83 "Program Patent Rights". Program Patent Rights shall mean ARCHEMIX Program Patents, EYETECH Program Patents or Joint Program Patents.

1.84 "Program Technology". Program Technology shall mean all Know-How (whether or not patentable and whether or not copyrightable) conceived, reduced to practice or developed by a Party or jointly by the Parties during, and in the conduct of, the Research Program.

1.85 "Radio Therapeutic". Radio Therapeutic shall mean any product for human therapeutic use that contains one or more Aptamers or Aptamer Equivalents that target specifically any diseased tissue, cells or disease-specific molecules or any tissue or cells which are affected by a disease or located in the close neighborhood of a disease process and is linked to or incorporates (a) radio nucleotides or (b) any structure or elements which develop therapeutic effects similar, to the effect of linking or incorporating radio nucleotides after submission of any kind of radiation.

1.86 "Refused Candidate". Refused Candidate shall have the meaning set forth in Sections , 3.7, 4.5, and 4.8.1 hereof.; provided that notwithstanding anything to the contrary in the aforesaid Sections, Compounds that ARCHEMIX has not disclosed to EYETECH pursuant to Section 3.2 and compounds which ARCHEMIX discovers following termination or expiration of this Agreement shall not constitute, or be deemed to be Refused Candidates for any purposes under this Agreement, including without limitation for purposes of Section 8.7.6.

1.87 "Refused Target". Refused Target shall mean any Target or proposed Target that becomes a Refused Target as set forth in Section 2.5, 3.7, 4.2.5.3, 4.5, or 4.8.1 other than VEGF and its two (2) Target Binding Partners (FLT1 and KDR).

1.88 "Regulatory Approval". Regulatory Approval shall mean, with respect to any country, all authorizations by the appropriate governmental entity or entities necessary for commercial sale of a Compound Product or VEGF Product in that country (or in the case of the European Union, group of countries) including, without limitation and where applicable, approval of labelling, and manufacturing. "Regulatory Approval" in the United States shall mean final approval of an NDA pursuant to United States Code as published at 21 USC 355 and corresponding regulations at 21 CFR Part 314, permitting marketing of the applicable Compound Product or VEGF Product in interstate commerce in the United States. "Regulatory Approval" in the European Union shall mean marketing authorization for the applicable Compound Product or VEGF Product pursuant to Council Directive 2001/83/EC, as amended, or Council Regulation 2309/93/EEC, as amended.

1.89 "Regulatory Authority". Regulatory Authority shall mean any federal, national, supranational, state, provincial or local regulatory agency, department, bureau or other governmental entity with authority over the testing, manufacture, use, storage, import, promotion, marketing and sale of a therapeutic product in a country or countries, including, but not limited to, the FDA.

1.90 "Regulatory Filings". Regulatory Filings shall have the meaning set forth in Section 9.7 hereof.

1.91 "Research Program". Research Program shall mean all research and discovery activities undertaken by the Parties under this Agreement according to an Annual Research Plan, associated with the identification and design of Compounds, Compound Candidates for Indications as provided herein, including Compounds directed against VEGF in the Field and/or the Local Delivery Field; including but not limited to identification and initial testing of Program

Compounds; selection of Compound Candidates from Compounds and preparation for preclinical assessment of such Compounds. For purposes of clarity, the Research Program does not include any Development activities performed in the course of the EYETECH Development Program.

1.92 "Research Program Data". Research Program Data shall mean all data and information pertaining to Compounds, Compound Candidates, Back-Ups, Lead Compounds, Development Compounds, including Compounds directed against VEGF in the Field or the Local Delivery Field obtained by the Parties in the course of the Research Program.

1.93 "Research Term". Research Term shall have the meaning set forth in Section 9.1 hereof.

1.94 "Royalty Term". Royalty Term shall have the meaning set forth in Section 9.2 hereof.

1.95 "Sales". Sales shall mean with respect to a Compound Product or a VEGF Product, the gross amounts invoiced by either Party or its Affiliates or sublicensees (including, but not limited to, transfers to wholesale distributors but excluding subsequent sales by such distributors) on account of sales or use of such Compound Product or a VEGF Product.

1.96 "Sales Report". Sales Report shall mean a written report or written reports showing each of (i) the Net Sales of each Compound Product or VEGF Product in each country in the Territory during the reporting period by EYETECH or ARCHEMIX and each of their respective Affiliates and Sublicensees; (ii) the royalties, payable in US Dollars, which shall have accrued under Section 5.2 hereof in respect of such sales and the basis of calculating_those royalties; (iii) withholding taxes, if any, required by law to be deducted in respect of any such sales; (iv) the exchange rates used in converting into US Dollars, from the currencies in which sales were made,

any payments due which are based on Net Sales; and (v) dispositions of Compound Products or VEGF Products other than pursuant to sale to a Third Party exclusively for cash.

1.97 "SELEX Portfolio". SELEX Portfolio shall mean those patent applications and patents licensed by Gilead to ARCHEMIX pursuant to the Gilead-Archemix License, including without limitation those set forth in Appendix _5_ attached hereto.

1.98 "SELEX Process". SELEX Process shall mean any process for identification or use of a nucleic acid, which process is disclosed in or falls within the claimed scope of U.S. Patent Nos. [**] or [**], including any continuations, divisionals continuations-in-part, or any substitute applications, any patent issued with respect to any such patent applications, any reissue, re-examination, black box application, renewal or extension (including any supplementary protection certificate) or foreign equivalents.

1.99 "Service Providers". Service Provider shall mean Third Parties who execute a confidentiality agreement with a Party that is at least as restrictive as the provisions hereof and who provide assistance, consultation, advice, guidance, recommendation, and training to a Party for the purpose of improving or enhancing the Party's ability to meet the objectives of this Agreement.

1.100 "Sublicensee". Sublicensee shall mean a Third Party to whom EYETECH or ARCHEMIX grants a sublicense of any or all of the rights granted hereunder to it by the other Party or from Gilead in respect of VEGF.

1.101 "Target". Target shall mean any non-intracellular enzyme, receptor, transducer, transcription factor or other molecule approved by the JRC or proposed by EYETECH unless the JRC determines that there is a compelling scientific reason for refusing the Target proposed by EYETECH, for use in identifying Compounds meeting the ESC for use in the Field under the

Research Program. For avoidance of doubt, Target shall not include any intracellular target, but shall include extra-cellular and membrane-bound targets.

1.102 "Target Binding Partner". Target Binding Partner shall mean the primary natural ligand that binds to a Target, as designated pursuant to Section 2.5. However, the Parties acknowledge that in some cases the Target Binding Partner will be comprised of two primary ligands (for example with respect to VEGF the primary natural ligands are FLT1 and KDR).

1.103 "Target Criteria". Target Criteria shall mean the criteria set forth on Appendix 4 hereto.

1.104 "Term". Term shall have the meaning set forth in Section 9.3 hereof.

1.105 "Territory". Territory shall mean worldwide.

1.106 "Third Party''. Third Party shall mean any person or entity, which is not a Party or an Affiliate of any Party.

1.107 "USD" or "US Dollars". USD or US Dollars shall mean the legal tender in the United States of America.

1.108 "URC License Agreement". URC License Agreement shall mean the Restated Assignment and License Agreement, dated July 17, 1991, by and between University Research Corporation and Gilead, as successor in interest to NeXstar (as defined therein).

1.109 "UTC". UTC shall mean the University Technology Corporation, the successor to the University Research Corporation (as defined there).

1.110 "VEGF". VEGF shall mean vascular endothelial growth factor.

1.111 "VEGF Product". VEGF Product shall mean a finished dosage form usable for administration to a patient as a pharmaceutical containing, as an active ingredient, an Aptamer against VEGF that is not NX 1838.

ARTICLE 2 RESEARCH PROGRAM

2.1 Joint Research Committee (JRC).

(a) Composition; Responsibilities. The Parties shall establish a joint research committee (the "JRC"), comprised of [**] representatives of ARCHEMIX (including the ARCHEMIX Program Director) and [**] representatives of EYETECH (including the EYETECH Program Director). Each Party shall make its designation of its representatives prior to the Effective Date. The JRC shall meet within [**] days after the Effective Date and, thereafter, at least [**] during the Research Term to (i) subject to Section 2.5, select Targets and develop the ESC for each such Target and the activities to be set forth in Appendix 3 which will establish that an Aptamer against such Target is a Development Compound, (ii) review the efforts of the Parties in the conduct of the Research Program, (iii) review and approve amendments to the Annual Research Plan, (iv) address such other matters as either Party may bring before the JRC, (v) perform such other tasks and undertake such other responsibilities as may be set forth in this Agreement, and (vi) attempt to resolve any disputes relating to this Agreement that may arise between the Parties. For purposes of clarity, (i) the JRC shall not review, oversee or have any jurisdiction with respect to Development of Lead Compounds and the EYETECH Development Program and (ii) the JRC may request but shall not have the right to require ARCHEMIX to perform any work on an Aptamer after it becomes a Lead Compound.

(b) Administrative Matters. The JRC shall appoint [**] co-chairpersons, [**]from among the representatives of EYETECH and [**] from among the representatives of ARCHEMIX (the "Chairpersons"). The Chairpersons shall be responsible for calling meetings of the JRC and for leading the meetings at their respective facilities. A JRC member of the Party hosting a meeting of the JRC shall serve as secretary of that meeting. The secretary of the meeting

shall prepare and distribute to all members of the JRC minutes of the meeting within [**] days following the meeting to allow adequate review and comment. Such minutes shall provide a description in reasonable detail of the discussions held at the meeting and a list of any actions, decisions or determinations approved by the JRC. Minutes of each JRC meeting shall be approved or disapproved, and revised as necessary, at the next meeting.

(c) The location of meetings of the JRC shall alternate between ARCHEMIX's principal place of business and EYETECH's principal place of business, or as otherwise agreed by the Parties. The JRC may also meet by means of a telephone conference call or videoconference. Each Party may change any one or more of its representatives to the JRC at any time upon notice to the other Party. Each Party shall use reasonable efforts to cause its representatives to attend the meetings of the JRC. If a representative of a Party is unable to attend a meeting, such Party may designate an alternate to attend such meeting in place of the absent representative. In addition, each Party may, at its discretion, invite non-voting employees, and, with the consent of the other Party, consultants or scientific advisors, to attend the meetings of the JRC to, among other things, review and discuss the Research Program and its results. Either Party may convene a special meeting of the JRC for the purpose of resolving disputes.

(d) Decision Making. Until the time a Compound becomes a Lead Compound, the goal of all decision making as to such Compound shall be to achieve consensus, recognizing ARCHEMIX's expertise in the identification and optimization of Aptamers and EYETECH's right to select Targets for consideration by the JRC. Prior to the Lead Compound designation each Party (acting through its designated members) shall have one vote on the JRC to be cast by its Co-Chairperson and unanimous agreement shall be required for any action, except as set forth in Section 2.5.

(e) Term. The JRC shall function during the Research Term.

2.2 Management of Research Program.

(a) Program Directors. ARCHEMIX and EYETECH shall each appoint a Program Director prior to the Effective Date. Each Party shall have the right, after consultation with the other Party, to designate a different Program Director. The Program Directors shall jointly oversee the conduct of the Research Program, shall report to the JRC and shall be responsible for recommending to the JRC any changes to the Annual Research Plan.

(b) Project Teams. The Program Directors shall appoint one or more appropriate Project Teams, in each case consisting of representatives from ARCHEMIX and EYETECH, to facilitate the conduct of elements of the Research Program in (i) the areas set forth in the Annual Research Plan and (ii) such other areas as may be agreed upon by the Program Directors.

(c) Dispute Resolution. The Program Directors shall decide matters appropriate to the scope of their responsibilities on a consensus basis. In the event that the Program Directors are unable to reach agreement on any matter within [**] business days after the matter is first considered by them, the issue may be referred to the JRC by either Program Director for resolution thereby.

2.3 Annual Research Plan.

(a) Annual Research Plan. The JRC shall prepare and approve the Annual Research Plan for first Contract Year within [**] days of the Effective Date. Thereafter the JRC shall prepare and approve the Annual Research Plan for each Contract Year during the Research Term (other than the First Contract Year) at least [**] days prior to the commencement of such Contract Year. At EYETECH's request, the JRC shall include in the Annual Research Plan a plan

to discover and develop Compounds against the Targets PDGF and VEGF, so long as the Parties obtain any necessary rights covering VEGF from Gilead. In the event the JRC fails to approve an Annual Research Plan due to a dispute over the contents of such Annual Research Plan, each Party shall have the right to refer such dispute to resolution pursuant to Section 11.2.

(b) Updates and Amendments. The JRC shall review and approve updates and amendments, as appropriate, to the current Annual Research Plan during the course of the applicable Contract Year.

(c) Content. Each Annual Research Plan shall be consistent with the other terms and conditions of this Agreement. Each Annual Research Plan shall specify, among other things, (i) specific research objectives and priorities, (ii) specific activities to be performed, (iii) the Party responsible for performance of an activity, (iv) the number and types of FTEs expected to be assigned to specific activities by each Party, (v) timelines for performance and (vi) specific deliverables. The Annual Research Plan shall not require ARCHEMIX to perform any research other than the identification and optimization of Aptamers using the SELEX Process but ARCHEMIX agrees to reasonably consider requests to perform such other work related to the identification of Lead Compounds as may be requested by EYETECH. The number of FTEs to be provided by ARCHEMIX may not be increased without at least [**] months prior notice to ARCHEMIX and may never be reduced below [**] and for any reduction ARCHEMIX must be given at least [**] months prior written notice.

(d) Implementation. The Parties shall undertake the Research Program in accordance with the Annual Research Plan.

2.4 Obligations under the Research Program

(a) ARCHEMIX Obligations and Restrictions. Subject to the oversight of the JRC, during the Research Term, ARCHEMIX agrees that:

(i) with respect to the Annual Research Plan, (A) ARCHEMIX shall undertake the responsibilities assigned to it, as set forth in the Annual Research Plan, and (B) ARCHEMIX shall make available for the conduct of the Research Program, as needed, those resources to be provided by ARCHEMIX as set forth in the Annual Research Plan;

(ii) as of the Effective Date, ARCHEMIX shall have disclosed to EYETECH all ARCHEMIX Initial Compounds; and

(iii) during the Research Term ARCHEMIX shall use Diligent Efforts to perform the activities assigned to ARCHEMIX in the Annual Research Plan in a professional and timely manner(the "ARCHEMIX Diligence Goal"). In the event ARCHEMIX fails to meet the ARCHEMIX Diligence Goal within a [**] month period, EYETECH shall have no obligation to meet its Diligence Goal pursuant to Section 2.4 (b) (iii) within such period.

(b) EYETECH Obligations. Subject to the oversight of the JRC, EYETECH agrees that:

(i) during the Research Term, to pay the FTE Rate per FTE per annum, quarterly in advance based on the number of FTEs set forth in the Annual Research Plan for the quarter;

(ii) with respect to the Annual Research Plan, EYETECH shall undertake the responsibilities assigned to it in the Annual Research Plan, including, but not limited to, the dedication of resources to such efforts as set forth in the Annual Research Plan; and

(iii) during the Research Term, EYETECH shall use Diligent Efforts to meet the EYETECH Diligence Goal. The "EYETECH Diligence Goal" shall be to (A) approve at

least [**] Lead Compound (in accordance with Section 3.4) which is ARC127 in its pegylated or non-pegylated form, a Compound against VEGF, a Program Compound that was not originally an ARCHEMIX Initial Compound or an ARCHEMIX Additional Compound or a Program Compound that was originally an ARCHEMIX Initial Compound or an ARCHEMIX Additional Compound but which was designated as a Program Compound prior to achieving the ESC in each [**] month period, (B) move at least one such Lead Compound to Development Compound status in each [**] month period and (C) commence at least [**] IND for a Development Compound which is ARC127, a Compound against VEGF, a Program Compound that was not originally an ARCHEMIX Initial Compound or an ARCHEMIX Additional Compound or a Program Compound that was originally an ARCHEMIX Initial Compound or an ARCHEMIX Additional Compound but which was designated as a Program Compound Prior to achieving the ESC in each [**] year period, except, without limitation in each of (A), (B) and (C), for any delays caused by ARCHEMIX's failure to meet the ARCHEMIX Diligence Goal, an inconsequential delay by EYETECH or Force Majeure. In addition, in the event of a deadlock of the JRC continuing for more than [**] months with respect to inclusion of a target in the Research Program, and the dispute is resolved in EYETECH's favour, then EYETECH's diligence requirement in (A) shall be extended by the duration of the deadlock and dispute resolution.

(c) Failure to meet Diligence Goals. ARCHEMIX may terminate the Research Program, but not this Agreement and the licenses granted hereunder, if EYETECH fails to achieve any aspect of the EYETECH Diligence Goal, provided, that such failure is not caused by ARCHEMIX' failure to meet the ARCHEMIX Diligence Goal; provided, however, that (i) EYETECH Diligence Goal "A" shall be waived for any [**]-month period in which EYETECH has paid for [**] FTEs per year at ARCHEMIX; (ii) EYETECH Diligence Goal "B" shall be

waived for any [**]-month period in which EYETECH has paid for [**] FTEs per year at ARCHEMIX during the entire period; and (iii) EYETECH Diligence Goal "C" shall be waived for any [**] year period for which EYETECH has paid for [**] FTEs per year at ARCHEMIX during the entire period.

2.5 Target Selection. The JRC shall determine which Targets shall be utilized for identification of Compounds under the Research Program; provided that in no event will any of the targets listed in Section 1.32 be utilized as a Target under this Agreement except as set forth in Section 8.7.2. ARCHEMIX and EYETECH each may propose Targets to be used for identification of Compounds under the Research Program. If any Target is presented by either Party, the JRC will consider such Target and such Target may be included in the Research Program, or deferred for later consideration until the Parties agree in writing that such Target shall become a Refused Target; provided, however that Targets proposed by EYETECH shall be included in the Research Program unless there is a compelling scientific reason to exclude such Target. In the event the JRC refuses to accept, or can not reach consensus on the acceptance of a proposed Target for inclusion into the Research Program and EYETECH believes there exists no compelling scientific reason for excluding such Target from inclusion into the Research Program, then EYETECH shall have the right to refer such matter to dispute resolution pursuant to Section 11.2. If the JRC determines that such Target does not have potential utility in the Field, such Target shall be a Refused Target. Once a Target is selected, (i) the JRC will promptly develop the ESC for such Target and the activities which will establish that an Aptamer against such Target is a Development Compound to be set forth in Appendix 3, and (ii) EYETECH will propose a molecule to be designated as the Target Binding Partner for such Target and will present to the JRC the data supporting such designation and the JRC will determine the Target Binding Partner for such Target. For the

avoidance of doubt, nothing in this Agreement shall give ARCHEMIX any right to utilize any EYETECH Proprietary Target, (excluding any Target that is within the definition of EYETECH Proprietary Target solely because it is covered by claims in a Joint Program Patent), for any purpose other than in the performance of its obligations or the exercise of its rights under this Agreement and nothing in this Agreement shall give EYETECH any right to utilize any ARCHEMIX Proprietary Target, (excluding any Target that is within the definition of ARCHEMIX Proprietary Target solely because it is covered by claims in a Joint Program Patent), for any purpose other than in the performance of its obligations or the exercise of its rights under this Agreement.

2.6 Compliance with Laws. Each Party agrees to use commercially reasonable efforts to carry out all work assigned to such Party in the Annual Research Plan in material compliance with all applicable federal, supranational, state or local laws, regulations and guidelines governing the conduct of such work, including, without limitation, all applicable export and import control laws.

2.7 Product Labelling. All Compound Products and all VEGF Products sold by a Party shall carry that Party's name and logo. A Party shall have no rights to have its name and logo incorporated on the label or otherwise associated with the other Party's Compound Products or VEGF Products (as applicable).

2.8 Progress Reports. Within [**] business days after the end of each calendar quarter, each Party shall provide to the other Party a written report summarizing the activities undertaken by the reporting Party during the preceding calendar quarter in connection with the Research Program. ARCHEMIX's report shall include details on the number of FTEs dedicated to and

actually working on the Research Program, and ARCHEMIX shall maintain adequate records to verify such work.

2.9 Research Records. ARCHEMIX shall maintain complete and accurate records, in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, that fully and properly reflect in all material respects all work done and results achieved in the performance of the Research Program. Such records shall include, but not be limited to, as appropriate in the particular circumstances, all books, reports, research notes, charts, graphs, comments, computations, analyses, recordings, photographs, computer programs, databases, and documentation thereof, samples of materials and other graphic, written or tangible data or material generated in connection with the Research Program, including any data required to be maintained pursuant to all requirements of applicable laws and regulations, and records of the number, qualifications and job responsibilities of FTEs working on the Research Program. All of such books and records related to the Research Program shall be subject to audit by EYETECH. EYETECH shall have the right, during normal business hours and with reasonable notice, to inspect and copy all such records of ARCHEMIX. Notwithstanding the foregoing, EYETECH shall not have the right to audit or copy any materials that relate to Aptamers that do not, or have been determined not to, have utility in the Field or that become Refused Candidates or are ARCHEMIX Initial Compounds or ARCHEMIX Additional Compounds that have not been designated as Program Compounds.

ARTICLE 3 LICENSE OPTION

3.1 Exclusive Option. During the Option Period, EYETECH shall have the exclusive right and option to select for further Development and Commercialization hereunder (the “License

Option") (i) Program Compounds based on its own analysis of information provided by ARCHEMIX hereunder, and/or (ii) Compound Candidates.

3.2 Process for Determining Compound Candidate.

(a) ARCHEMIX Initial Compounds. As of the Effective Date, ARCHEMIX shall have disclosed in writing to EYETECH and the JRC all Aptamers (other than Excluded Aptamers) Controlled by ARCHEMIX including without limitation, ARC 127 in its pegylated and non-pegylated variations ("ARCHEMIX Initial Compounds"). Of the ARCHEMIX Initial Compounds, ARCHEMIX will identify up to [**] ARCHEMIX Initial Compounds against up to [**] targets for immediate consideration by the JRC ("ARCHEMIX Early Decision Initial Compounds"). If the JRC elects to have any such Aptamer included in the Research Program, which the JRC cannot refuse to do for ARCHEMIX Initial Compounds selected by EYETECH for up to [**] Initial Compounds per target, unless there exists a compelling scientific basis for such refusal, the JRC will modify the Annual Research Plan accordingly and will establish the ESC and activities to be set forth in Appendix 3 for such Aptamer, and such Aptamer shall thereafter be a Program Compound hereunder. If the JRC does not select an ARCHEMIX Initial Compound for inclusion in the Research Program within [**] days, or an ARCHEMIX Early Decision Initial Compound on or before April 26, 2004, such Aptamer will not be a Program Compound, but ARCHEMIX may request the JRC to establish ESC for no more than [**] ARCHEMIX Initial Compounds per [**] and the JRC will do so within [**] days. At any time during the Research Term upon EYETECH'S request, ARCHEMIX shall provide updates to EYETECH with respect to the development status of the ARCHEMIX Initial Compounds which have not become Program Compounds, and EYETECH and ARCHEMIX may, at ARCHEMIX's sole option, agree through the JRC to include into the Program such ARCHEMIX Initial Compounds. In addition at any time

during the Research Term, EYETECH shall have the right to request the JRC to include into the Research Program an effort to discover Aptamer Equivalents of ARCHEMIX Initial Compounds that have not become Program Compounds, and the JRC shall approve the inclusion of such Aptamer Equivalents which then becomes a Program Compound unless there exists a compelling scientific reason to refuse such approval.

(b) Program Compounds. Within [**] business days of the end of each calendar quarter (ending each March 31, June 30, September 30 and December 31) during the Research Term ARCHEMIX will notify EYETECH and the JRC of each Program Compound identified in such calendar quarter.

(c) Archemix Additional Compounds. In addition, ARCHEMIX may, in its sole discretion, notify EYETECH of any Aptamer identified by ARCHEMIX outside the Research Program believed by ARCHEMIX to have potential application in the Field and for Aptamers against VEGF in the Field ("ARCHEMIX Additional Compounds"). If the JRC elects to have any ARCHEMIX Additional Compound included in the Research Program, the JRC will modify the Annual Research Plan accordingly and will establish the ESC and activities to be set forth in Appendix 3 for such Aptamer and such Aptamer shall thereafter be a Program Compound hereunder. If the JRC does not elect to have an ARCHEMIX Additional Compound included in the Research Program within [**] days after disclosure thereof, such Aptamer will not be a Program Compound, but ARCHEMIX may then request the JRC to establish ESC for such Aptamer and the JRC will do so within [**] days. The JRC shall not be obligated to consider more than [**] ARCHEMIX Additional Compounds for inclusion in the Research Program per calendar quarter.

(d) Development Information. ARCHEMIX will provide EYETECH and the JRC on a quarterly basis during the Research Term, with notice of all material information

applicable to the Field known to ARCHEMIX about any Program Compound (the "Development Information"), including analysis results and raw data which the JRC should reasonably require to assess whether a given Program Compound meets the Early Selection Criteria or which EYETECH should reasonably require in order for EYETECH (i) to exercise its rights under this Agreement, and (ii) to decide, in EYETECH's sole discretion, whether to exercise the License Option with respect to such Program Compound or Compound Candidate, as applicable. The Development Information shall also include any previously undisclosed information with respect to ARCHEMIX Technology, which is important for a scientific and commercial evaluation of the Program Compound. EYETECH expects to utilize evaluation criteria such as those set forth on Appendix 1, without limitation, in its assessment of whether to license Program Compounds or Compound Candidates.

(e) In addition to the Development Information, at the request of EYETECH given within [**] days of the notice under Section 3.2(b) hereof, ARCHEMIX shall supply EYETECH with up to [**] of the Program Compound or Compound Candidate (the "Material") at ARCHEMIX's direct manufacturing cost of production (which includes (i) direct and indirect labor (salaries, wages and employee benefits) and (ii) direct and indirect materials) thereof for EYETECH's use in connection with determining whether to exercise the License Option with respect to such Program Compound or Compound Candidate (the "Evaluation"). ARCHEMIX will use commercially reasonable efforts to deliver the Material to EYETECH no later than [**] days following EYETECH's request and shall be accompanied by a document setting forth the sequence of the Program Compound or Compound Candidate and any analytic information with respect thereto which ARCHEMIX has available. ARCHEMIX shall make no warranty. At the request of EYETECH, ARCHEMIX will provide additional quantities of the Material at

ARCHEMIX's fully loaded cost of production thereof. EYETECH's use of the Material shall be subject to the following provisions:

(i) EYETECH agrees to use the Material only for noncommercial internal research in the conduct of the Evaluation. EYETECH shall not (i) provide access to or distribute the Material to any third party other than employees of EYETECH who are working on the Evaluation and who are bound by the requirements of this Agreement, (ii) otherwise use such Material in research outside of the Evaluation, nor (iii) modify or change in any way the Material, in any case without the express prior written consent of ARCHEMIX. Any Material delivered pursuant to this Agreement (x) is understood to be experimental in nature and may have hazardous properties (and EYETECH agrees to handle the Material accordingly), (y) is supplied solely for use in animals used exclusively for testing and/or in vitro testing, and (z) is not to be used for in vivo testing in humans. If the relevant License Option is not exercised in accordance with its terms, then upon expiration thereof, EYETECH shall at the instruction of ARCHEMIX either destroy or return any unused Material;

(ii) EYETECH shall use the Material only in compliance with all applicable Federal, state, and local laws, regulations and guidelines; and

(iii) EYETECH acknowledges and agrees that, subject to EYETECH's rights following exercise of the relevant License Option, all Material is and shall be owned by ARCHEMIX and EYETECH has no right to ownership of the Material and ARCHEMIX reserves all intellectual property rights therein and thereto.

(f) If ARCHEMIX reasonably believes any Program Compound, or any ARCHEMIX Additional Compound or ARCHEMIX Initial Compound that has been presented by ARCHEMIX but has not become a Program Compound has met the ESC and thus should be

designated as a Compound Candidate, ARCHEMIX shall notify the JRC and EYETECH in writing (the "Compound Candidate Notice"), and shall provide to the JRC the data and information demonstrating that the Program Compound, ARCHEMIX Initial Compound or ARCHEMIX Additional Compound satisfies the relevant ESC. At the request of the JRC, ARCHEMIX shall provide the JRC with such additional data as the JRC shall reasonably request. Within [**] days after its receipt of the Compound Candidate Notice, or (as applicable) its receipt of the requested additional data, the JRC shall (i) review the data and information using the relevant ESC, (ii) determine whether such Program Compound, ARCHEMIX Initial Compound or ARCHEMIX Additional Compound satisfies such ESC and (iii) notify the Parties in writing of such determination. If the determination is positive, such Program Compound, ARCHEMIX Initial Compound or ARCHEMIX Additional Compound shall be deemed to have been so designated as a Compound Candidate as of the date of the Compound Candidate determination. Any negative determination shall be accompanied by a detailed explanation of the reasons therefor.

In the Event that the JRC fails to determine if the Program Compound, ARCHEMIX Initial Compound or ARCHEMIX Additional Compound is a Compound Candidate within such [**] day period, the matter will be resolved in accordance with Section 11.2.1 hereof.

If it is determined by the JRC or under Section 11.2.1 hereof that the Program Compound, ARCHEMIX Initial Compound or ARCHEMIX Additional Compound does not meet the ESC, the JRC may amend the Annual Research Plan to add performance by ARCHEMIX, as a part of the Research Program and using the resources set forth in the Annual Research Plan, any activities, identified by the JRC as necessary and reasonable to determine if the Program Compound, ARCHEMIX Initial Compound or ARCHEMIX Additional Compound fulfils the ESC, that are

susceptible of being performed and resubmit the resulting information to the JRC, whereupon the procedure set forth above shall again apply.

3.3 Option and Review Periods.

3.3.1 Option Period. The option period (the "Option Period") for each Compound Candidate and its Back-Up, as applicable, commences when it is determined that the Compound is a Compound Candidate and ends, on a Compound Candidate -by-Compound Candidate basis, upon the later of (i) [**] days in the case of a Program Compound identified in the Research Program, and [**] days in the case of a Program Compound that was initially an ARCHEMIX Initial Compound or an ARCHEMIX Additional Compound, after the date of the relevant Compound Candidate determination or the determination pursuant to Section 11.2.1 hereof that a Program Compound meets the ESC and (ii) [**] days after the date of receipt by EYETECH of the initial quantity of Material and all of the Development Information that has been developed as of the date of delivery of the initial quantity of Material for that Compound Candidate or Back-Up, as applicable, contemplated in Section 3.2 above.

3.4 Exercise of Option. EYETECH may exercise a License Option and accept a Program Compound for further Development and Commercialization, either for itself or on behalf of any of its Affiliates, by delivery to ARCHEMIX, within the relevant Option Period for such License Option, of a written notice of exercise (an "Exercise Notice"), specifying the Program Compound as to which such License Option is being exercised and by paying (i) the entire payment for Milestone (A) set forth in Section 5.3.1 for each Exercise Notice; it being understood that for VEGF Products the Milestones and Payments set forth in Section 5.4.1 shall apply. In addition, EYETECH may designate a Program Compound as a Compound Candidate at any time and may exercise its License Option with respect to an ARCHEMIX Initial Compound that has

become a Program Compound, Program Compound, or ARCHEMIX Additional Compound that has become a Program Compound at any time before the Option Period begins, regardless of whether the Compound meets the ESC, unless it has become a Refused Candidate or is directed to a Refused Target.

3.5 Back-Ups.

3.5.1 Delivery of a Back-Up for each Compound Candidate. As directed by the JRC, for each Compound Candidate provided to EYETECH by ARCHEMIX, ARCHEMIX will use diligent and commercially reasonable efforts, consistent with those customary in the industry, to deliver to EYETECH an Aptamer in addition to the Compound Candidate as a follow-up Aptamer against the Target, which is distinct in chemical structure from the Compound Candidate ("Back-Up"). ARCHEMIX's activities to identify a Back-Up shall be performed as a part of the Research Program using the resources set forth therein and the Annual Research Plan shall be amended accordingly. The rights and obligations of the Parties relating to a Back-Up shall be identical to those applicable to the accompanying Compound Candidate, except as otherwise expressly provided herein.

3.6 Back-Up Notices. EYETECH shall notify ARCHEMIX in writing in the event EYETECH chooses to replace a Compound Candidate, Lead Compound or Development Compound with the applicable Back-Up or to develop the Back-Up in addition to the Compound Candidate, Lead Compound or Development Compound. Subsequent to such notice, as applicable, any reference to the Compound Candidate, Lead Compound or Development Compound shall be deemed to include or to be made to the Back-Up for the purposes of this Agreement.

3.7 Refused Candidate. If EYETECH does not exercise its License Option with respect to a particular Compound Candidate or its Back-Up within the Option Period for such Compound

Candidate, then the applicable License Option shall expire and such Compound Candidate and its Back-Up shall be a Refused Candidate, and ARCHEMIX will thereafter, subject to its obligations under Sections 4.2.3 and 4.2.5.1, be free to exercise all of its rights with respect to the Refused Candidate at is own costs and expense; provided, however, that nothing contained in this Section 3.7 shall be deemed to constitute a license under any EYETECH Technology or EYETECH Program Technology. In addition, if there are no other Program Compounds directed to the Target against which the Refused Candidate is directed and Aptamers against such Target are not the subject of activities in the Research Program or the EYETECH Development Program, then the Target against which the Refused Candidate is directed shall be a Refused Target without further action by the Parties. However, Refused Candidates directed against VEGF can only be used by Archemix outside of the Field and the Local Delivery Field. Nothing in this Agreement shall provide Archemix with the right, and ARCHEMIX hereby covenants not to use Aptamers directed against VEGF in the Field or in the Local Delivery Field.

ARTICLE 4 LICENSES; DEVELOPMENT AND COMMERCIALIZATION

4.1 Evaluation License to EYETECH. Solely for the purpose of evaluating the efficacy of Compounds for Indications, during the Research Term, ARCHEMIX hereby grants to EYETECH a non-exclusive, royalty-free license, sublicensable only to its Affiliates and Service Providers, in the Territory under the ARCHEMIX Technology, ARCHEMIX Program Technology, ARCHEMIX Program Patents, ARCHEMIX's interest in the Joint Program Technology and Joint Program Patents, and any ARCHEMIX Valid Claim covering an ARCHEMIX Proprietary Target to which such Compounds are directed, to use and practice the ARCHEMIX Technology, ARCHEMIX Program Technology, Joint Program Technology, ARCHEMIX Proprietary Target and manufacture or have manufactured such Compounds,;

provided, however, that no license is granted to EYETECH (i) under any ARCHEMIX Valid Claim relating to any ARCHEMIX Proprietary Target, except as expressly provided in this Section 4.1 or (ii) to use or practice the SELEX Process.

4.2 Development and Commercialization License Grants to EYETECH; Exclusivity.

4.2.1 License. Effective upon each exercise of a License Option by EYETECH for a Program Compound or Compound Candidate hereunder, ARCHEMIX hereby grants to EYETECH an exclusive, royalty-bearing (during the applicable Royalty Term only) license in the Territory, with the right to grant sublicenses as set forth in Section 4.2.2 below, under the ARCHEMIX Technology, ARCHEMIX Program Technology, ARCHEMIX Program Patents and ARCHEMIX's interest in the Joint Program Technology and Joint Program Patents, and under any ARCHEMIX Valid Claim covering an ARCHEMIX Proprietary Target to which such Lead Compound is directed, to Develop, modify, manufacture, have manufactured, export, import, use, sell and offer to sell, Compound Products in the Field incorporating such Lead Compound and all Back Ups relating to such Lead Compound; provided, however, that no license is granted to EYETECH under any claim of any ARCHEMIX Patent or ARCHEMIX Program Patent (i) under any ARCHEMIX Valid Claim relating to any ARCHEMIX Proprietary Target, except as expressly provided in this Section 4.2.1 or (ii) to use or practice the SELEX Process. The foregoing license is granted for an unlimited number of Lead Compounds for which the License Option is duly exercised and an unlimited number of instances during the Term. Upon each exercise of a License Option by EYETECH, ARCHEMIX will provide a complete list of all patents it controls that, but for the grant of the license, would be infringed by the manufacture, use, sale, offer for sale or import of the anticipated Compound Products in the Field to which such Lead Compound is directed. ARCHEMIX shall provide updates to such list as requested by EYETECH.

4.2.2 Sublicense Rights. Subject to the terms of this Agreement, EYETECH shall have the right to grant sublicenses solely under the license granted pursuant to Section 4.2.1 above and Section 4.13.1 below. EYETECH shall give ARCHEMIX prompt written notice of each sublicense under this Agreement along with a true, correct and complete copy of such sublicense promptly following execution thereof by the parties thereto with financial and other information redacted that is not required to enable ARCHEMIX to fulfill its reporting obligations to Gilead under the Gilead-Archemix License. Any such sublicense shall contain provisions for the assignment to ARCHEMIX of EYETECH's interest therein upon termination of this Agreement, subject to the last sentence of this Section 4.2.2, unless the termination of this Agreement arises out of the action or inaction of such Sublicensee or the Sublicensee is then in breach of its obligations under such sublicense, in which case ARCHEMIX, at its option, may terminate such sublicense. Each sublicense shall also contain provisions which obligate such Sublicensee to comply with terms, conditions, agreements and obligations that are consistent with the terms, conditions, agreements and obligations to which EYETECH is subject under this Agreement. ARCHEMIX hereby agrees to accept such assignment and that such sublicense, as assigned, will remain in full force and effect, provided that ARCHEMIX shall have no obligation thereunder except to maintain the continued effectiveness of the sublicense.

4.2.3 Exclusivity for Compounds. ARCHEMIX hereby agrees that (A) neither ARCHEMIX nor its Affiliates will use, make, have made, offer to sell, sell, import, license or otherwise distribute any Compound Candidate, Lead Compound or Back-Ups anywhere in the Territory, regardless of whether inside or outside the Field unless the same shall have become a Refused Candidate, (B) so long as EYETECH meets or is excused from making Diligent Efforts to Develop and Commercialize a Development Compound or Compound Product under Section

4.8.1, neither ARCHEMIX nor its Affiliates will at any time during the Collaboration Term, even if this Agreement has been terminated, use, license, import, manufacture, have manufactured, offer to sell or sell any Lead Compound Equivalent to such Development Compound or Compound Product, which was in its Control on the Effective Date or over which it later obtains Control, in the Field, unless such Development Compound or Compound Product has become a Refused Candidate and (C) neither ARCHEMIX nor its Affiliates will at any time use, make, have made, offer to sell, sell, import, license or otherwise distribute NX1838. Nothing contained in this Agreement shall restrict ARCHEMIX from using, licensing, importing, making, selling or otherwise dealing with (i) any Aptamer Equivalent of any Compound or Back-Up outside the Field, (ii) any Aptamer or Aptamer Equivalent in the Field directed to a Refused Target or its ligands, subject to EYETECH's enforcement rights set forth in Section 8.3.1 or (iii) Aptamers against a target that has been deferred by EYETECH for inclusion in the Research Program and its ligands for any indication in the Field if EYETECH confirms in writing that it is contractually restricted from researching, Developing or Commercializing Aptamers directed to such target, which written confirmation shall be provided by EYETECH upon ARCHEMIX's request without undue delay, subject to EYETECH's enforcement rights set forth in Section 8.3.1.

4.2.4 Negative Covenant. Without limiting any of the other terms, conditions or limitations contained herein, EYETECH shall not (a) develop, modify, manufacture, have manufactured, export, import, use, sell or offer to sell any products containing any Excluded Aptamer (other than NX1838), (b) develop, modify, manufacture, have manufactured, export, import, use, sell or offer to sell any Excluded Aptamer (other than NX1838), or (c) develop, modify, manufacture, have manufactured, export, import, use, sell or offer any Aptamer for In Vitro Diagnostics, as In Vivo Diagnostic Agents or as Radio Therapeutics or (d) develop, modify,

manufacture, have manufactured, export, import, use, sell or offer to sell any Aptamer outside the Field, except for a VEGF Product in the Local Delivery Field. For the avoidance of any doubt, nothing in this Section 4.2.4 shall limit EYETECH's ability to develop, modify, manufacture, have manufactured, import, use, sell or offer to sell any products (other than VEGF Products outside the Field and the Local Delivery Field) for which EYETECH has obtained rights from a third party under the SELEX Portfolio.

4.2.5 Exclusivity between the Parties in the Field. In addition to the restrictions set forth in Sections 2.5, 3.2(a), 4.2.3 and 4.2.4:

4.2.5.1 ARCHEMIX Obligation. During the Research Term and so long as EYETECH meets or is excused from meeting the EYETECH Diligence Goal and is fulfilling its obligations under Section 4.8.1, (A) ARCHEMIX shall not commence a research program (other than as contemplated by the Research Program) in collaboration with any Third Party involving the identification, optimization, research, development, licensing or sale of Aptamers in the Field, and (B) ARCHEMIX shall not grant rights in the Field to any Third Party with respect to Aptamers directed to a target that is not a Refused Target and (C) ARCHEMIX shall not grant rights in the Field to any Third Party with respect to Aptamers directed to a Target that is selected for work in the Research Program or its Target Binding Partner as long as any Aptamer against such Target, or efforts to identify such Aptamer, is included in the Research Program. During the Collaboration Term and thereafter for as long as EYETECH is under a current obligation to pay royalties to ARCHEMIX, or is making Diligent Efforts to Develop a Lead Compound, Development Compound or Compound Product which if Commercialized would result in a future obligation to pay royalties to ARCHEMIX, if EYETECH meets or is excused from making Diligent Efforts to Develop and Commercialize a Lead Compound, Development Compound or Compound Product

under Section 4.8.1, ARCHEMIX shall not, alone or in collaboration with Third Parties, Develop or Commercialize or grant rights to Third Parties to Develop or Commercialize any Aptamers in the Field directed against the same Target or Target Binding Partner against which such Lead Compound, Development Compound or Compound Product is directed. The preceding sentence of this Section 4.2.5.1 shall survive the termination or expiration of this Agreement.

4.2.5.2 EYETECH Obligation. Except as set forth in Section 4.2.5.3, during the Research Term EYETECH will not conduct any research in the Field or enter into any agreement in the Field with a Third Party with respect to research, development or commercialization of any Alternate Therapy (defined below) directed to a prospective Target unless EYETECH has first presented such Target to the JRC pursuant to Section 2.5 and ARCHEMIX's representatives to the JRC have elected not to include such Target in the Research Program. For purposes of this Section 4.2.5.2, an Alternate Therapy is any molecule or combination of molecules directed to a Target other than VEGF, including, without limitation, any antibody and antibody fragment.

4.2.5.3 Exceptions to EYETECH Obligations. Notwithstanding the foregoing, EYETECH may conduct research or enter into an agreement in the Field with a Third Party (i) to develop any molecule against any potential target that JRC determines is a target not amenable to intervention using an Aptamer, or (ii) to develop any molecule against any potential Target proposed by EYETECH and refused by ARCHEMIX for inclusion in the Research Program pursuant to Section 2.5 or (iii) to develop a small molecule compound against any potential Target, or (iv) to license any molecule against any potential Target if EYETECH reasonably believes that such molecule is at least a year closer to the filing of an NDA than any Aptamer against such potential Target being researched or Developed in the Research Program or

the EYETECH Development Program (it being understood that a lead compound candidate against a target available for licensing shall be deemed a year closer to NDA filing if no Lead Compound against the same target has been entered into the Research Program), or (v) if EYETECH has established an internal research program against a target as of the Effective Date provided however, that if EYETECH takes any action described in the preceding clauses (i), (iii), (iv) and (v), EYETECH will notify ARCHEMIX of the potential Target involved and the indication for which EYETECH is developing or licensing such molecule and (a) the potential Target involved and the ligands that bind to it will become a Refused Target, and (b) ARCHEMIX will be free to discover, develop and commercialize any Aptamer for such indication against such potential Target and its Target Binding Partner, notwithstanding any other provision of this Agreement, all without any further action of the Parties. In addition, if EYETECH confirms in writing that it is contractually restricted from researching, Developing or Commercializing Aptamers directed to such target which written confirmation shall be provided upon ARCHEMIX's request without undue delay, then the target of such Aptamer and ligands that bind to it shall become a Refused Target.

4.2.6 Technology Transfer. During the Term, promptly after the effectiveness of the applicable licenses under Section 4.2.1, ARCHEMIX shall disclose to EYETECH all ARCHEMIX Technology which is necessary or useful for EYETECH and licensed to EYETECH under Section 4.2.1 relating to the Compound Candidate, as applicable, whether in human or machine readable form, all such information to be included in the ARCHEMIX Technology; provided that the information to be disclosed shall not include the SELEX Process or any ARCHEMIX Patents, ARCHEMIX Know-How or ARCHEMIX Program Patents covering or embodied in the SELEX Process. ARCHEMIX acknowledges that the information that

EYETECH desires to receive pursuant to this Section 4.2.6 is information that would be necessary or useful to EYETECH in maximizing the value of the Compound Candidate, Lead Compound and the resulting Compound Products.

4.3 Grant to ARCHEMIX.

4.3.1 Research License. EYETECH hereby grants to ARCHEMIX a nonexclusive, royalty-free, license, sublicensable solely to its Affiliates and Service Providers, in the Territory under the ARCHEMIX Technology that is exclusively licensed to EYETECH hereunder and a royalty-free, non-exclusive license in the Territory under the EYETECH Technology, EYETECH Program Technology, EYETECH Program Patents and any EYETECH interest in the Joint Program Technology and Joint Program Patents to use and practice the EYETECH Technology, EYETECH Program Technology and Joint Program Technology, in each case only in the Field and solely to perform ARCHEMIX'S obligations and responsibilities under this Agreement during the Research Term.

4.3.2 ARCHEMIX Option. Subject to the restrictions of Section 4.2.3 hereof, EYETECH hereby grants to ARCHEMIX: (1) an option for a royalty-free, non-exclusive license (the "ARCHEMIX License Option") in the Territory, with the right to grant sublicenses to Collaborators, under the EYETECH Program Technology, EYETECH Program Patents, any EYETECH interest in the Joint Program Technology and Joint Program Patents, the EYETECH Development Program Technology and the EYETECH Development Program Patents to make, use, sell, offer to sell and import Refused Candidates and Aptamer Equivalents of Compounds outside the Field and Aptamer Equivalents of Compounds against VEGF outside the Field and the Local Delivery Field. Notwithstanding the foregoing, EYETECH shall have no obligation to

disclose EYETECH Development Program Technology that is not covered by EYETECH Development Program Patents to ARCHEMIX.

4.3.3 Exercise of Option. ARCHEMIX may exercise an ARCHEMIX License Option by delivery to EYETECH of a written notice of exercise (an "Exercise Notice"), specifying the Refused Candidate or Aptamer Equivalent of a Compound or Aptamer Equivalents of Compounds against VEGF outside the Field and Local Delivery Field as to which such License Option is being exercised. In the event ARCHEMIX will be responsible for any payment to EYETECH pursuant to the last two sentences of Section 4.3.4 or under the last sentence of Section 4.13.2, Eyetech will so notify ARCHEMIX in writing within ten (10) days of receipt of the Exercise Notice, including the details of all said payments and the technology to which it pertains, and ARCHEMIX will have the option to exclude any technology subject to such payment from the license grant by written notice to EYETECH given within thirty (30) days of EYETECH's notice to ARCHEMIX. Eyetech shall only grant a sublicense to ARCHEMIX under any Third Party license to the extent the grant of such sublicense is permitted under EYETECH's license.

4.3.4 Payment. ARCHEMIX shall make the following payments to EYETECH in consideration of the licenses obtained through exercise of options under Section 4.3.3: (1) a one-time payment of U.S. $[**] upon the first exercise of such option; (2) U.S. $[**] annual maintenance fee upon each anniversary of the first license grant until the first commercial sale of the first product covered by any such license; and (3) U.S. $[**] upon the first commercial sale of the first product covered by any such license. ARCHEMIX hereby agrees to pay to EYETECH in full any and all Third Party royalties and all other payments which EYETECH owes to its licensors with respect to any license or sublicense granted by EYETECH to ARCHEMIX under this

Agreement. Such payments shall be due and payable by ARCHEMIX on or before the date they are payable by EYETECH.

4.4 Commencement of the Development Program. As soon as practicable after the effectiveness of a license under Section 4.2 hereof relating to a Lead Compound, but in no event later than [**] days thereafter, EYETECH shall commence an EYETECH Development Program with respect to such Lead Compound. EYETECH will have sole authority and responsibility for, and bear the cost of, conducting the EYETECH Development Program with respect to the Lead Compound. The Parties will agree on reasonable and appropriate measures by which manufacturing or synthesis, if any, of the Lead Compound previously being undertaken by ARCHEMIX shall be transitioned to EYETECH following the effective date of such license. The objective of both Parties will be to accomplish a smooth and timely transition. At ARCHEMIX's fully loaded cost determined in accordance with ARCHEMIX's normal accounting practices and United States generally accepted accounting principles ("GAAP"), and upon EYETECH's request ARCHEMIX shall provide all or part of the amounts of such Lead Compound substance then in its possession accompanied by a document setting forth the sequence of the Lead Compound and any analytic information with respect thereto which ARCHEMIX has available. ARCHEMIX shall make no warranty other than as expressly set forth in such document.

4.5 Abandonment of a Lead Compound. EYETECH shall have the right to abandon a Lead Compound and/or all of its Back-up Compounds, in which event its licenses thereto shall automatically terminate. In such case, no further milestone or other payments shall be due and payable with respect to that Lead Compound and/or its Back-ups, as applicable, hereunder and such Lead Compound and/or its Back-ups shall collectively become a Refused Candidate. For clarity, unless EYETECH abandons the Lead Compound as well as all of its Back-ups none of the

aforesaid Compounds shall become a Refused Candidate. The provisions of Section 9.7 shall apply to any Lead Compound and its Back-ups for which EYETECH's license is terminated, except that the license grant for EYETECH Technology shall not be free of charge, and instead shall be on commercially reasonable terms to be agreed upon. In addition, if there are no other Program Compounds directed to the Target of the Refused Candidate and Aptamers against such Target are not the subject of activities in the Research Program or the EYETECH Development Program, then the Target of the Refused Candidate shall be a Refused Target without further action by the Parties.

4.6 Registration Dossiers for Regulatory Approvals; ARCHEMIX Data. EYETECH shall be solely responsible for and authorized to prepare and submit registration dossiers for Regulatory Approval of the Lead Compound (and any resulting Development Compound and/or Compound Product). ARCHEMIX shall provide EYETECH with all information in its Control relating to such Lead Compound and EYETECH shall have the right to use and reference that information in connection with preparation and submission of regulatory dossiers. All Regulatory Approvals shall be held by and in the name of EYETECH, and EYETECH shall own all submissions in connection with them and such submissions shall constitute the Confidential Information of EYETECH regardless of the absence of any markings thereon.

4.6.1 Principal Interface. All formulary or marketing approvals shall be obtained by and in the name of EYETECH, and EYETECH will be the principal interface with and will otherwise handle all interactions with Regulatory Authorities concerning any Development Compound and/or Compound Product including, to the extent legally possible, being the sole contact with such agencies.

4.6.2 Regulatory Meetings. EYETECH will have sole control as to the regulatory strategy and regulatory decision-making for any Development Compound and/or Compound Product.

4.7 Manufacturing and Supply. EYETECH is exclusively authorized and responsible for the manufacture and supply of all Development Compound and/or Compound Product as necessary for the conduct of the EYETECH Development Program and for all commercial purposes in the Territory. Further, EYETECH is exclusively authorized and responsible for formulation, packaging and labeling including but not limited to package inserts and leaflets for Compound Products.

4.8 Diligence in Development and Commercialization.

4.8.1 Diligence. EYETECH shall use Diligent Efforts to Develop, obtain Regulatory Approval, and Commercialize each Lead Compound in all commercially significant parts of the Territory, including, without limitation maintaining sufficient facilities, resources and personnel to fulfil its obligations under this Agreement. Without limiting the generality of the foregoing, EYETECH will diligently conduct the activities set forth in Appendix 3, as amended from time-to-time, and will notify ARCHEMIX when such activities are completed. If EYETECH abandons the Development or Commercialization of a Lead Compound, it will so notify ARCHEMIX, whereupon the license for such Lead Compound will terminate and, unless EYETECH is pursuing a Back-up, such Lead Compound will become a Refused Candidate for all purposes of this Agreement and the provisions of Section 9.7 shall apply to any Lead Compound and its Back-ups for which a license is terminated; except that the license grant for EYETECH Technology shall not be free of charge, and instead shall be on commercially reasonable terms to be agreed upon . In addition, if there are no other Program Compounds directed to the Target of the

Refused Candidate and Aptamers against such Target are not the subject of activities in the Research Program or the EYETECH Development Program, then the Target of the Refused Candidate shall be a Refused Target without further action by the Parties, unless the Target is VEGF, in which event VEGF will not become a Refused Target. Nothing in this Section 4.8.1 shall be deemed to give ARCHEMIX any rights in the Field or the Local Delivery Field to Refused Candidates directed against VEGF.

4.8.2 Gilead Reversion of Rights. EYETECH acknowledges and agrees that under the URC License Agreement and the Gilead-Archemix License, ARCHEMIX's rights in the ARCHEMIX Technology may revert to Gilead or the UTC if ARCHEMIX, its Affiliates and all assignees and sublicensees cease reasonable efforts to develop the commercial applications of products and services utilizing the technology licensed to ARCHEMIX under the Gilead-Archemix License, including, the ARCHEMIX Technology.

4.8.3 Reporting. EYETECH shall keep ARCHEMIX fully informed with respect to its diligence obligations, including without limitation, thorough reports to ARCHEMIX as described below, providing ARCHEMIX with copies of all Regulatory Filings and by meeting with ARCHEMIX at ARCHEMIX's request, but no more than once semi-annually. On or before February 15 and August 15, commencing August 15, 2004, EYETECH shall provide a semi-annual progress report to ARCHEMIX, each report covering the six (6) month period preceding the due date of the report. Each report shall describe the progress made by EYETECH, its Affiliates or Sublicensees toward the commercial development of any Compound Products. Such report shall include at a minimum, information reasonably sufficient to enable ARCHEMIX to satisfy its reporting obligations to Gilead under the Gilead-Archemix License with respect to

this Agreement, including any reporting obligations of the U.S. Government, and to assess the progress made by EYETECH toward meeting the diligence requirements of this Section 4.8

4.9 Section 365(n) of the Bankruptcy Code.

4.9.1 Intellectual Property; Embodiments. All rights and licenses granted under or pursuant to any Section of this Agreement, including this Article 4, are rights to "intellectual property" as defined in Section101 (35A) of Title 11 of the United States Code, as amended (such Title 11, the "Bankruptcy Code"). Each Party hereby acknowledges that (i) copies of research data, (ii) laboratory samples, (iii) product samples, (iv) formulas, (v) laboratory notes and notebooks, (vi) data and results related to clinical trials, (vii) regulatory filings and approvals, (viii) rights of reference in respect of regulatory filings and approvals, (ix) preclinical research data and results, and (x) marketing, advertising and promotional materials, in each case, that relate to such intellectual property, constitute "embodiments" of such intellectual property pursuant to Section 365(n) of the Bankruptcy Code, and each Party hereby grants to the other a right of access and right to obtain possession of and to benefit from such embodiments in the event of any rejection of this Agreement in any proceeding by or against such Party under the Bankruptcy Code. Each such Party agrees not to interfere with the other's exercise, pursuant to Section 365(n) of the Bankruptcy Code, of rights and licenses to intellectual property licensed hereunder and embodiments thereof and agrees to use reasonable efforts, at the other's expense, to assist the other to obtain such intellectual property and embodiments thereof in the possession or control of Third Parties as reasonably necessary for the other to exercise, pursuant to Section 365(n) of the Bankruptcy Code, such rights and licenses.

4.9.2 Royalty Payments. The Parties acknowledge and agree that the royalty payments payable by EYETECH and ARCHEMIX under Sections 5.2.1 and 5.2.2 and the

milestone payments payable under Sections 5.3 and 5.4 constitute “royalty payments” under Section 365(n) of Title 11 of the United States Code with respect to the licenses granted by ARCHEMIX to EYETECH under Sections 4.1, 4.2 and 4.13 and by EYETECH to ARCHEMIX pursuant to Section 4.13 and that such licenses are otherwise royalty-free. All other payments due from EYETECH to ARCHEMIX hereunder, for purposes of Section 365(n) of the Bankruptcy Code, constitute payments in consideration of ARCHEMIX’s performance of its obligations hereunder.

4.10 Use of Compound Supplied by ARCHEMIX. Notwithstanding any other provision of this Agreement, EYETECH acknowledges that any Compound supplied by ARCHEMIX, including without limitation the Materials, hereunder will not have been manufactured under cGMP or cGLP. The restrictions under of Section 3.2(e) hereof pertaining to Materials, will also govern EYETECH’s use of any Compound provided by ARCHEMIX.

4.11 URC License. The Parties acknowledge and agree that, in the event of any termination of the URC License Agreement, the licenses granted to EYETECH hereunder shall remain in full force and effect in accordance with Section 3.4 of the URC License Agreement, provided that EYETECH is not then in breach of this Agreement and EYETECH agrees to be bound to UTC as the licensor under the terms and conditions of this Agreement.

4.12 Gilead-Archemix License. The Parties further acknowledge and agree that, in the event of any termination of the Gilead-Archemix License, the licenses granted to EYETECH hereunder shall remain in full force and effect in accordance with Section 2.3 of the Gilead-Archemix License provided that EYETECH agrees to be bound to Gilead as the licensor under the terms and conditions of this Agreement and provided that if the termination of the

Gilead-Archemix License arises out of the action or inaction of EYETECH, Gilead, at its option, may terminate such license.

4.13 Cross Licenses for VEGF. The Parties agree that, as between them, EYETECH shall have the exclusive right to Develop and Commercialize Aptamers against VEGF in the Field and in the Local Delivery Field, and that ARCHEMIX shall have the exclusive right to Develop and Commercialize Aptamers (other than NX1838) against VEGF in all other fields. To achieve this agreement: Furthermore, the Parties agree that the licenses granted under this Section 4.13 shall not be subject to any diligence requirement (including without limitation any obligation to use Diligent Efforts to develop or commercialize any Product) otherwise set forth in this Agreement.

4.13.1 To the extent that ARCHEMIX has, as of the Effective Date, or acquires during the Term of this Agreement the right to do so, ARCHEMIX shall and hereby does grant to EYETECH an exclusive, royalty-bearing (during the applicable Royalty Term only) license in the Territory, with the right to grant sublicenses, under the ARCHEMIX Patents, ARCHEMIX Program Patents and ARCHEMIX's interest in Joint Program Patents to discover, Develop, modify, manufacture, have manufactured, export, import, use, sell and offer to sell, VEGF Products in the Field and the Local Delivery Field. For the avoidance of doubt, 1) the royalty due to ARCHEMIX on any EYETECH VEGF Product will be independent of the extent of ARCHEMIX's specific contribution to such VEGF Product and 2) the prohibition on the use of the SELEX Process set forth in Section 4.1 and 4.2.1 do not apply to this Section 4.13.1. EYETECH hereby agrees to pay to ARCHEMIX in full any and all Third Party royalties and all other payments which ARCHEMIX owes to its licensors with respect to any license or sublicense

granted by ARCHEMIX to EYETECH under this Agreement. Such payments shall be due and payable by EYETECH on or before the date they are payable by ARCHEMIX.

4.13.2 To the extent that EYETECH has, as of the Effective Date, or acquires during the Term of this Agreement the right to do so, EYETECH shall and hereby does grant to ARCHEMIX an exclusive, royalty-bearing (during the applicable Royalty Term only) license in the Territory, with the right to grant sublicenses, under the EYETECH Patents, EYETECH Program Patents and EYETECH's interest in Joint Program Patents to discover, Develop, modify, manufacture, have manufactured, export, import, use, sell and offer to sell, VEGF Products outside the Field and the Local Delivery Field, excluding NX1838. For the avoidance of doubt, the royalty due to EYETECH on any ARCHEMIX VEGF Product will be independent of the extent of EYETECH's specific contribution to such VEGF Product. ARCHEMIX hereby agrees to pay to EYETECH in full any and all Third Party royalties and all other payments which EYETECH owes to its licensors with respect to any license or sublicense granted by EYETECH to ARCHEMIX under this Agreement. Such payments shall be due and payable by ARCHEMIX on or before the date they are payable by EYETECH.

4.13.3 To the extent that it has or acquires the right to do so, EYETECH hereby grants to ARCHEMIX a non-exclusive, non-royalty bearing, research license, sublicensable only to its Affiliates and Service Providers, solely to discover and optimize VEGF Aptamers, excluding NX1838, for use in the Field and the Local Delivery Field as directed by the JRC.

4.13.4 In order to assure the exclusivity of the rights granted in Sections 4.13.1 and 4.13.2, ARCHEMIX agrees it will not develop or sell any VEGF Product for use in the Field or the Local Delivery Field and EYETECH agrees it will not develop or sell any VEGF Product,

excluding NX1838, unless such VEGF Product is for use in the Field or in the Local Delivery Field.

ARTICLE 5 PAYMENTS

5.1 Up-front Fees. Within ten (10) business days of the Effective Date, EYETECH shall deliver to ARCHEMIX One Million and five hundred thousand U.S. Dollars ($1,500,000).

5.2 Royalties.

5.2.1 Royalty Rates for Compound Products. During the Royalty Term applicable to a Compound Product that is not a VEGF Product, EYETECH shall pay to ARCHEMIX the following royalties on Net Sales of such Compound Product, other than VEGF Products, during each Contract Year:

Range of Net Sales applicable to such Compound Product in such Contract Year	Royalty Percentage applicable to such Range
Less than or equal to $[**]	[**] percent ([**]%)
Greater than $[**] and less than or equal to $[**]	[**] percent ([**]%)
Greater than $[**]	[**] percent ([**]%)

For example, if worldwide Net Sales in a Contract Year totaled $[**] for Compound Product A and $[**] for Compound Product B, EYETECH would pay ARCHEMIX (A) $[**] in royalties for Compound Product A arising in that Contract Year (calculated as $[**] multiplied by [**], plus $[**] multiplied by [**], plus $[**] multiplied by [**]) and (B) $[**] in royalties for Compound Product B arising in that Contract Year (calculated as $[**] multiplied by [**]). The same calculation would be performed again for the subsequent Contract Years.

Royalty payments under this Section 5.2.1 shall continue on a country-by-country basis for the applicable Royalty Term; provided, however, that the royalty payments otherwise payable under this Section 5.2.1 as to such country shall be reduced by [**] percent ([**]%) during portions of any Royalty Term in which (1) no ARCHEMIX Valid Claim exists with respect to (i) the use of the SELEX Process necessary to identify such Compound Product in the country in which such Compound Product is manufactured or sold; or (ii) the use, manufacture, sale or import of a Compound Product in the country in which such Compound Product is manufactured or sold and (2) there exists no pending claim of an ARCHEMIX Patent, ARCHEMIX Program Patent or Joint Program Patent, with respect to (i) the use of the SELEX Process necessary to identify such Compound Product in the country in which such Compound Product is manufactured or sold; or (ii) the use, manufacture, sale or import of such Compound Product in the country in which such Compound Product is manufactured or sold that has been pending for less than [**] years since the earliest priority date of the patent application containing such claim. In no event shall such a pending claim extend the Royalty Term beyond [**] years from the earliest priority date of the application in which such claim is pending.

5.2.2 Royalty Rates for VEGF Products. During the Royalty Term applicable to a VEGF Product,

(a) EYETECH shall pay to ARCHEMIX the following royalties on Net Sales of such VEGF Product during each Contract Year:

[**]	[**] percent ([**]%)
[**]	[**] percent ([**]%)

(b) ARCHEMIX shall pay to EYETECH the following royalties on Net Sales of such VEGF Product during each Contract Year:

[**] [**] percent ([**]%)

[**]

Royalty payments under this Section 5.2.2 shall continue on a country-by-country basis for the applicable Royalty Term; provided, however, that the royalty payments otherwise payable under this Section 5.2.2 as to such country shall be reduced by [**] percent ([**]%) during portions of any Royalty Term in which no ARCHEMIX Valid Claim exists with respect to the use, manufacture, sale or import of a VEGF Product in the country in which such VEGF Product is manufactured or sold and there exists no pending claim of an ARCHEMIX Patent, ARCHEMIX Program Patent or Joint Program Patent, with respect to the use, manufacture, sale or import of such VEGF Product in the country in which such VEGF Product is manufactured or sold that has been pending for less than [**] years since the earliest priority date of the patent application containing such claim.

5.2.3 Third Party Royalties. Each of EYETECH and ARCHEMIX, at is respective sole expense, shall pay all royalties or fees owing to any Third Party that such Party determines, in its reasonable business judgment, are necessary in order to exercise its rights hereunder to develop, modify, manufacture, have manufactured, export, import, use, sell and offer to sell, Compound Products or VEGF Products as set forth herein. Each Party shall obtain and pay for any Third Party licenses necessary to practice the rights granted to it herein [**] milestone payments or royalties payable hereunder. Notwithstanding the above, (A) ARCHEMIX shall obtain or pay for any Third Party licenses which, in its sole discretion, it believes are specifically necessary to perform the

SELEX Process as required to carry out its obligations under the Research Program, including paying any royalty payments due to the University of Colorado resulting from payments made by EYETECH to ARCHEMIX, (B) subject to EYETECH's notice obligation under Section 4.3.3, ARCHEMIX hereby agrees to pay to EYETECH in full any and all Third Party royalties which EYETECH owes to its licensors with respect to any sublicense granted by EYETECH to ARCHEMIX pursuant to Section 4.3 above and (C) EYETECH hereby agrees to pay to ARCHEMIX in full any and all Third Party royalties which ARCHEMIX owes to its licensors with respect to any sublicense granted by ARCHEMIX to EYETECH for ARCHEMIX Proprietary Targets under licenses granted to ARCHEMIX after the Effective Date. Archemix shall only grant a sublicense to EYETECH under any Third Party license to the extent the grant of such sublicense is permitted under ARCHEMIX's license.

In the event EYETECH will be responsible for any payment to ARCHEMIX pursuant to the preceding sentence or the last sentence of Section 4.13.1, ARCHEMIX will so notify EYETECH in writing within [**] days of the proposal of the relevant ARCHEMIX Proprietary Target pursuant to Section 2.5, including the details of all said payments and the technology to which it pertains, and EYETECH will have the option to exclude any technology subject to such payment from the license granted under Sections 4.1 and 4.2 by written notice to ARCHEMIX given within thirty (30) days of ARCHEMIX's notice to EYETECH.

5.2.4 Sales Reports. During the Royalty Term for a Compound Product or VEGF Product, the licensed Party shall furnish or cause to be furnished to the licensing Party on a quarterly basis a sales report covering sales by the licensed Party, its Affiliates and its Sublicensees during each calendar quarter (each such calendar quarter being sometimes referred to herein as a "reporting period") and including the gross amount received and an itemization of deductions

permitted by Section 1.71 on a country-by-country basis. With respect to Sales of the Compound Products or VEGF Products invoiced in US Dollars, the Net Sales amounts and the amounts due to the licensing Party hereunder shall be expressed in US Dollars. With respect to sales of the Compound Products or VEGF Products invoiced in a currency other than US Dollars, the Net Sales and amounts due to the licensing Party hereunder shall be expressed in the currency in which they are invoiced, together with the US Dollar equivalent of the amount payable to the licensing Party, calculated using the licensed Party's then-current standard exchange rate methodology for the translation of foreign currency sales into US Dollars. In each Sales Report, the methodology will be disclosed and will be identical to that employed by the licensed Party, generally, in its external financial reporting, as reviewed and approved by its independent auditors and will be in accordance with U.S. generally accepted accounting standards (GAAP) as consistently applied at the licensed Party. The licensed Party shall furnish to the licensing Party appropriate evidence of payment of any tax or other amount required by applicable laws or regulations to be deducted from any royalty payment, including any tax or withholding levied by a foreign taxing authority in respect of the payment or accrual of any royalty. The licensed Party shall not make any other deduction from such payment. Sales Reports shall be due on the [**] day following the close of each reporting period. Each Sales Report will be accompanied by payment of all royalties due.

5.2.5 Recordkeeping. Each Party, as licensed Party, shall keep, and shall cause its Affiliates and Sublicensees to keep, complete and accurate records of Net Sales and other data relating to Sales Reports and payments required under this Article 5. The licensing Party may, at its own expense, except as specified below, have an independent, certified public accountant, selected by it and reasonably acceptable to the licensed party, review any such records of the licensed Party and its Affiliates and Sublicensees, in the location(s) where such records are

maintained by the licensed party or its Affiliates or Sublicensees, upon reasonable notice and during regular business hours and under obligations of confidence, [**] per entity per [**] month period, for the sole purpose of verifying the basis and accuracy of payments made under this Article 5 within the prior [**] month period. If the review of such records reveals that any of the licensed Party, its Affiliates or its Sublicensees has failed to accurately report information pursuant to this Section 5.2, then the licensed Party shall promptly pay to the licensing Party any corresponding unpaid amounts due under this Article 5, together with interest calculated in the manner provided in Section 5.6 below and if the error exceeds the lesser of $[**] or [**]% of the amount reported by the licensed Party, then the licensed Party shall reimburse the licensing Party for the cost of the audit. Nothing contained herein is intended to waive or limit the licensed Party's right to contest the accuracy of any review undertaken by the licensing Party.

5.3 Development Milestone Payments by EYETECH for Compounds.

5.3.1 Milestones and Payments. EYETECH will make the following payments to ARCHEMIX upon the first achievement of the following milestone events with respect to each Compound or Back-Up, other than Compounds or Back-ups against VEGF:

Milestone	**Payment** (in U.S. Dollars)
(A) [**] .	$ [**]
(B) [**]	$ [**]
(C) [**]	$ [**]
(D) [**]	$ [**]
(E) [**]	$ [**]

(F) [**]	$[**]
(G) [**]	$[**]
(H) [**]	$[**]

EYETECH shall immediately notify ARCHEMIX of the achievement of the above milestone events with respect to each Compound; provided that if a payment is made for Milestone (B), (C), (D), (E) or (F) with respect to a Compound and any of the preceding Milestone payments were not made with respect to such Compound, such earlier Milestone payments shall be made concurrently therewith (e.g. if Milestone (F) is achieved, but Milestone (E) was never achieved or paid, the payments for Milestone (E) and (F) shall be made concurrently). For the avoidance of doubt, in no event shall any of the foregoing milestones be paid more than once for any Compound, even if such Compound is approved or utilized for different Indications than first approved or utilized.

5.3.2 Attainment of Milestones for Development Compounds. The milestone payments specified above shall be payable at the first achievement of a milestone by each Compound. Except as provided in Section 5.3.3 below, multiple payments for achieving the milestone events specified above shall be payable if EYETECH develops both the Lead Compound and a Back-Up; provided, however, that (i) EYETECH shall pay [**] milestone payment upon the occurrence of the milestone event specified in [**] of Section 5.3.1 above with respect to any Lead Compound and all of the Back-Ups related thereto; and (ii) if EYETECH develops both the Lead Compound and a Back-Up, EYETECH shall pay [**] of each of the milestone payments specified above until such time as the second of the Lead Compound or the Back-Up achieves the milestone event specified in [**] of Section 5.3.1 above, at which time EYETECH shall pay [**] for such second Compound to the extent those payments were not

previously made or applicable and subsequently pay the [**] for such second Compound, as those milestones are satisfied with respect to such second Compound.

5.3.3 Abandonment of a Compound; Effect on Back-Up Milestone Payments. If the Development or Commercialization of a Compound is abandoned during the Term for any reason (in which event, the provisions of Section 4.5 hereof would apply) after any one or more of the foregoing milestone payments are made, and a Back-Up is developed to replace the abandoned Compound, then no milestone payment shall be required with respect to the Back-Up to the extent that that milestone payment has already been made with respect to the abandoned Compound.

5.4 Development Milestone Payments for VEGF Products.

5.4.1 Milestones and Payments. EYETECH and ARCHEMIX will each make the following payments to the other upon the first achievement by it of the following milestone events with respect to each VEGF Product:

Milestone	**Payment** (in US Dollars)
(a) [**]	$ [**]
(b) [**]	$ [**]
(c) [**]	$ [**]
(d) [**]	$ [**]
(e) [**]	$ [**]
(f) [**]	$ [**]

The Party developing the VEGF Product shall immediately notify the other Party of the achievement of the above milestone events with respect to each VEGF Product; provided that

if a payment is made for Milestone (b), (c), (d), (e) or (f) with respect to a VEGF Product and any of the preceding Milestone payments were not made with respect to such VEGF Product, such earlier Milestone payments shall be made concurrently therewith (e.g., if Milestone (d) is achieved, but Milestone (c) was never achieved or paid, the payments for Milestone (c) and (d) shall be made concurrently). For the avoidance of doubt, in no event shall any of the foregoing milestones be paid [**] by either Party for any VEGF Product, even if such VEGF Product is approved or utilized for different Indications than first approved or utilized.

5.4.2 Attainment of Milestones for VEGF Products. The milestone payments specified above shall be payable by a Party at the first achievement of a milestone by each VEGF Product. Except as provided in Section 5.4.3 below, multiple payments for achieving the milestone events specified above shall be payable if a Party develops both the Lead Compound and a Back-Up; provided, however, that if the Party develops both the Lead Compound and a Back-Up, the Party shall pay to the other Party [**] of the milestone payments specified above until such time as the second of the Lead Compound or the Back-Up achieves the milestone event specified in [**] of Section 5.4.1 above, at which time the Party shall pay to the other Party [**] of milestones (a), (b) and (c) for [**] Compound to the extent those payments were not previously made or applicable and subsequently pay the [**] for such second Compound, as those milestones are satisfied with respect to such second Compound.

5.4.3 Abandonment of a VEGF Product. If the Development or Commercialization of a VEGF Product is abandoned by a Party during the Term for any scientific, medical or commercial reason after any one or more of the foregoing milestone payments are made, and another Aptamer against VEGF for use in the same indication is developed to replace the abandoned VEGF Product, then no milestone payment shall be required with respect to the

replacement Aptamer to the extent that that, milestone payment has already been made with respect to the abandoned VEGF Product.

5.4.4 Equity Investment Option. On or after the Effective Date, ARCHEMIX and EYETECH agree that it is their mutual intent that EYETECH will purchase [**] dollars ($ [**]) of Stock of ARCHEMIX on terms that are pari passu with terms granted to other investors in the first round of financing to occur following September 1, 2004; provided, however, that neither Party shall have any obligation with respect to such obligation unless it is mutually agreed at the time.

5.5 Currency. All payments shall be made in the United States in US Dollars, regardless of the country in which products are sold.

5.6 Invoices; Late Payments. Payments of milestones shall be due within [**]business days of the achievement of the milestone. In case of any delay in payment by either Party to the other Party not occasioned by Force Majeure or a good faith dispute regarding the amount due, interest on the unpaid amount at the lesser of (i) the Prime Rate in effect at the close of business on the date the applicable payment was due, as reported in The Wall Street Journal, plus [**] percent ([**]%), compounded annually, or (ii) the highest rate permitted by applicable law shall be payable by the paying Party from the due date through the date of payment in full.

ARTICLE 6 CONFIDENTIALITY

6.1 Confidential Information. All Confidential Information disclosed by a Party to the other Party during the Term of this Agreement shall not be used by the receiving Party except in connection with the activities contemplated by this Agreement, shall be maintained in confidence by the receiving Party (except to the extent reasonably necessary for Regulatory Approval of products developed by EYETECH or ARCHEMIX or any of their respective Affiliates or for Patent Prosecution), and shall not otherwise be disclosed by the receiving Party to any other

person, firm, or agency, governmental or private, without the prior written consent of the disclosing Party, except to the extent that the Confidential Information (as determined by competent documentation):

(a) was known or used by the receiving Party prior to its date of disclosure to the receiving Party; or

(b) either before or after the date of the disclosure to the receiving Party is lawfully disclosed to the receiving Party by sources other than the disclosing Party without such source violating its confidentiality obligations, if any, to the disclosing Party; or

(c) either before or after the date of the disclosure to the receiving Party becomes published or generally known to the public (including information known to the public through the sale of products in the ordinary course of business) through no fault or omission on the part of the receiving Party; or

(d) is independently developed by or for the receiving Party without reference to or reliance upon the Confidential Information.

6.2 Permitted Disclosures

(a) The provisions of Section 6.1 shall not preclude a Party or its Affiliates from disclosing Confidential Information to the extent such Confidential Information is required to be disclosed by such Party or its Affiliates to comply with applicable law or legal process, including without limitation the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States or of any stock exchange, including without limitation Nasdaq, or to defend or prosecute litigation, provided that such Party provides prior written notice of such disclosure to the disclosing Party and takes reasonable and lawful actions to avoid and/or minimize the degree of such disclosure.

(b) Subject to Sections 6.2(c) and 11.10, the Parties agree that the material financial terms of this Agreement will be considered Confidential Information of both Parties. Notwithstanding the foregoing, (a) either Party may disclose such terms to bona fide potential or actual sublicensees, as reasonably necessary in connection with a permitted sublicense under the licenses granted in this Agreement, and (b) either Party may disclose the material financial terms of this Agreement to bona fide potential or actual investors, lenders, investment bankers, acquirors, acquirees, merger partners or other potential financial partners, and to such Party's consultants and advisors, as reasonably necessary in connection with a proposed equity or debt financing of such Party or as reasonably necessary in connection with a proposed acquisition or business combination. In connection with any permitted disclosure of Confidential Information pursuant to this Section 6.2(b), each Party agrees to use all reasonable efforts to inform each disclosee of the confidential nature of such information and cause each disclosee to treat such information as confidential.

(c) Notwithstanding any provision to the contrary in this Agreement, either Party may disclose to any and all Persons, without limitation of any kind, the United States federal tax treatment and tax structure of the transactions set forth in this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to the Parties relating to such tax treatment and tax structure.

6.3 Employee and Advisor Obligations. EYETECH and ARCHEMIX each agree that they shall provide Confidential Information received from the other Party only to their respective employees, consultants and advisors, and to the employees, consultants and advisors of such Party's Affiliates, who have a need to know and have an obligation to treat such information and materials as confidential.

6.4 Term. All obligations of confidentiality imposed under this Article 6 shall expire [**] years following termination or expiration of this Agreement.

6.5 Publications. Neither ARCHEMIX nor EYETECH shall publish any Research Program Data or any other information regarding the Research Program without the other's prior written consent, provided, however, that nothing in this Agreement shall restrict EYETECH's right to publish information and data regarding Lead Compounds. ARCHEMIX shall not publish information regarding Compound Candidates, Back-Ups, Lead Compounds or Development Compounds without EYETECH's prior written consent. The foregoing restriction on ARCHEMIX shall not apply to Refused Candidates.

ARTICLE 7 INDEMNIFICATION

7.1 Indemnification by ARCHEMIX. ARCHEMIX will indemnify and hold EYETECH and its Affiliates, and their employees, officers and directors (each, an "EYETECH Indemnitee") harmless against any loss, damages, action, suit, claim, demand, liability, cost or expense (including reasonable fees and expenses of legal counsel) (a "Loss"), including, without limitation, product liability claims, that results from a Third Party claim, other than any claim of patent infringement, that is based on or arises out of the Development, testing, production, manufacture, use, Commercialization, import or sale of any Aptamer Equivalent to a Compound Product, Refused Candidate or VEGF Product which is used, manufactured or sold by ARCHEMIX or any of its Affiliates or sublicensees; provided, however, that the foregoing indemnification of EYETECH and the EYETECH Indemnitees shall not apply to any Loss to the extent such Loss is caused by the negligent or wilful misconduct of EYETECH and its Affiliates, and their employees, officers and directors or as to which EYETECH is obligated to indemnify ARCHEMIX pursuant to Section 7.2.

7.2 Indemnification by EYETECH.

(a) ARCHEMIX Indemnitees. EYETECH will indemnify and hold ARCHEMIX, and its Affiliates, and their employees, officers and directors (each, an "ARCHEMIX Indemnitee") harmless against any loss, damages, action, suit, claim, demand, liability, cost or expense (including reasonable fees and expenses of legal counsel) (a "Loss"), including, without limitation, product liability claims, that results from a Third Party claim, other than any claim of patent infringement, that is based on or arises out of the Development, testing, production, manufacture, Commercialization, use, import or sale of any Compound, Compound Product or VEGF Product which is used, manufactured or sold by EYETECH or any of its Affiliates or sublicensees; provided, however, that the foregoing indemnification of ARCHEMIX and the ARCHEMIX Indemnitees shall not apply to any Loss to the extent such Loss is caused by the negligent or wilful misconduct of ARCHEMIX and its Affiliates, and their employees, officers and directors or as to which ARCHEMIX is obligated to indemnify EYETECH pursuant to Section 7.1.

(b) Gilead Indemnitees. EYETECH will indemnify and hold Gilead Sciences, Inc., its Affiliates and UTC and any of their respective directors, officers, employees and agents (each, a "Gilead Indemnitee") from and against any Damages that are incurred by a Gilead Indemnitee as a result of Third Party claims, demands, actions or proceedings (collectively, the "Claims") to the extent such Claims arise out of:

(i) the breach or alleged breach of any representation or warranty by EYETECH hereunder;

(ii) failure to perform any of EYETECH's covenants or undertakings under this Agreement, including, without limitation EYETECH's covenants in Sections 4.2.4 and 4.12 hereof; and

(iii) the possession, research, Development, manufacture, use, offer for sale, sale or other Commercialization, distribution, administration, storage or transport, by EYETECH or its Affiliates or Sublicensees of any Aptamer sublicensed from ARCHEMIX, or product developed by EYETECH relating to the ARCHEMIX Technology, including any Compound Product or VEGF Product, sublicensed from ARCHEMIX.

7.3 Claims Procedures as to Third Party Claims. Each EYETECH Indemnitee or ARCHEMIX Indemnitee entitled to be indemnified by EYETECH or ARCHEMIX (an "Indemnified Party") pursuant to Section 7.1 or 7.2 hereof shall give written notice to EYETECH or ARCHEMIX, as the case may be (an "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any threatened or asserted Third Party claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided that:

(a) The Indemnifying Party may so assume the defense of any such claim or any litigation resulting therefrom only if it shall give written notice to the Indemnified Party of the Indemnifying Party's decision to so assume such defense within thirty (30) days after the date of the written notice from the Indemnified Party of the Third Party claim as to which indemnity is sought;

(b) Counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom (if such defense is assumed by the Indemnifying Party), shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld)

and the Indemnified Party may participate in such defense with the Indemnified Party's own counsel at the Indemnified Party's own expense (unless (i) the employment of counsel by such Indemnified Party has been authorized by the Indemnifying Party; (ii) the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party in the defense of such action; or (iii) the Indemnifying Party shall have failed to assume the defense as provided herein, in each of which cases the Indemnifying Party shall pay the reasonable fees and expenses of one law firm serving as counsel for the Indemnified Party, which law firm shall be subject to approval, not to be unreasonably withheld, by the Indemnifying Party);

(c) The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Agreement to the extent that the failure to give notice did not result in prejudice to the Indemnifying Party;

(d) No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the express written consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which (i) would result in injunctive or other relief being imposed against the Indemnified Party; or (ii) does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation; provided that the Indemnifying Party is otherwise free to enter into any settlement in its sole discretion so long as such settlement does not affect the Indemnified Party;

(e) If the Indemnifying Party assumes the defense of the Third Party claim or litigation, each Indemnified Party shall furnish such information regarding itself or the claim in

question as an Indemnifying Party may reasonably request in writing in connection with the defense of such claim and litigation resulting therefrom;

(f) If the Indemnifying Party assumes the defense of the Third Party claim or litigation, the Indemnified Party shall not settle or agree to a judgment with respect to such claim or litigation without the consent of the Indemnifying Party; and

(g) If the Indemnifying Party does not assume the defense of the Third Party claim or litigation, the Indemnified Party shall apprise the Indemnifying Party on at least an annual basis of major developments relating to such claim or litigation; provided, however, that the Indemnified Party shall not be required to disclose any information to the Indemnifying Party that would entail a waiver of, or otherwise jeopardize, the attorney-client privilege.

7.4 Compliance. The Parties shall comply with all applicable laws and regulations in connection with their respective activities under this Agreement.

ARTICLE 8 INTELLECTUAL PROPERTY OWNERSHIP, PROTECTION AND RELATED MATTERS

8.1 Ownership of Program Technology and Data Retention.

8.1.1 Ownership of Program Technology. Except as otherwise set forth herein, all inventions and discoveries acquired or developed solely by agents, employees, consultants or subcontractors of a Party during the Research Term ("Sole Inventions") shall be the property of such Party. Regardless of inventorship, EYETECH shall own all EYETECH Program Technology and EYETECH Development Program Technology and ARCHEMIX shall own all ARCHEMIX Program Technology. Joint Program Technology shall be jointly owned by the Parties, with no duty to account or pay royalties relating thereto, except as specifically set forth herein. Each Party's right to practice and license Joint Program Technology and Joint Program Patents is set

forth in Section 4 hereof. Each Party agrees to negotiate in good faith with the other Party upon request for a non-exclusive license (in the Field for licenses requested by EYETECH and outside the Field for licenses requested by ARCHEMIX) to such Party's Sole Inventions. Each Party shall execute such assignments and other instruments reasonably requested by the other Party in order to effectuate all filings of patent applications pursuant to this Section 8.1.1.

8.1.2 Determination of Program Technology Ownership. Either Party (the "Notifying Party") may give notice (the "Prosecution Notice") to the other Party that it believes Patent Prosecution should be sought for any Program Technology at any time during the Term, which in any event will be prior to either Party filing a patent application claiming such Program Technology. The Prosecution Notice will state the opinion of the Notifying Party as to whether the Program Technology belongs in the ARCHEMIX Program Technology, EYETECH Program Technology or Joint Program Technology category of ownership and will provide all relevant information reasonably available to the Notifying Party with regard to such opinion. The Notifying Party will also provide all additional information, available to such Notifying Party, with respect thereto that is reasonably requested by the other Party. Within [**] days of receipt of the Prosecution Notice, the other Party shall provide a written response (the "Response") stating its ownership category opinion to the Notifying Party.

(a) If the other Party fails to provide the Response within the [**] day period or if the other Party provides the Response and affirms the Notifying Party's opinion of ownership, then the relevant Program Technology will be deemed to belong to the category asserted in the Prosecution Notice and the Party responsible for Patent Prosecution in that category shall promptly take action with regard thereto.

(b) If the other Party provides a Response within the [**] day period and states that it does not agree with the Notifying Party's opinion of ownership category, then the Parties will in good faith seek to resolve the disagreement for a period of up to [**] days from the date of receipt of the Response. If the Parties agree that the Program Technology is Joint Program Technology, the Party responsible pursuant to Section 8.2.3 hereof shall promptly take action with regard thereto. If the Parties fail to agree upon an ownership category within such [**] day period, then the Parties will retain a mutually acceptable patent attorney who has not represented either Party on any matter to determine the ownership category.

(c) Each Party shall execute such assignments and other instruments reasonably requested by the other Party in order to effectuate all determinations of ownership made under this Section 8.1.2.

8.1.3 Data Retention Policy. In order to protect the Parties' rights in Program Technology under United States law, each Party agrees to maintain a policy which requires its employees and consultants to record and maintain all data and information developed during the Research Program or EYETECH Development Program, as applicable, in such a manner as to enable the Parties to use such records to establish the earliest date of invention and/or diligence to reduction to practice. At a minimum, the policy shall require such individuals to record all inventions generated by them in standard laboratory notebooks, which are dated and corroborated by non-inventors on a regular, contemporaneous basis.

8.2 Prosecution and Maintenance of Patents.

8.2.1 EYETECH. EYETECH shall have the exclusive right and option to undertake the Patent Prosecution of any EYETECH Program Patents and EYETECH Development Program Patents, keeping ARCHEMIX reasonably informed with respect to

EYETECH Program Patents and any EYETECH Development Program Patents licensed to ARCHEMIX.

8.2.2 ARCHEMIX. ARCHEMIX shall have the exclusive right and option to undertake the Patent Prosecution of any ARCHEMIX Program Patents, keeping EYETECH reasonably informed. Specifically with regard to ARCHEMIX Program Patents, in each case wherein EYETECH has exercised a License Option for a Lead Compound, ARCHEMIX agrees to use diligent efforts in: (1) maintaining until expiration any issued Patents; (2) considering in good faith the reasonable comments or requests from EYETECH; (3) providing EYETECH with at least [**] days written notice of its intention, in the exercise of diligence, to cease their Patent Prosecution efforts. In this event, EYETECH, at its sole discretion and expense, shall have the right, but not the obligation, to assume responsibility for such Patent Prosecution. Should EYETECH elect to assume responsibility for Patent Prosecution under this section, EYETECH shall notify ARCHEMIX in writing of its decision within [**] days of receipt of notice. ARCHEMIX shall assist EYETECH in the Patent Prosecution at EYETECH's sole expense. If EYETECH shall thereafter decide to cease Patent Prosecution of any such Patent, EYETECH will give ARCHEMIX [**] days notice thereof, and ARCHEMIX, at its sole discretion and expense, shall have the right, but not the obligation, to reassume responsibility for such Patent Prosecution.

8.2.3 Joint Program Technology. Within [**] days after it is determined pursuant to Section 8.1.2 that any particular Program Technology is Joint Program Technology, the Parties will determine whether one Party or the other (the "Controlling Party") should undertake the Patent Prosecution of Joint Program Patents with respect thereto, based on the relative utility of such Program Technology to, and the respective expertise of, the Parties. If the Parties fail to agree, then Patent Prosecution of such Joint Program Patents shall be alternately assigned to each

Party beginning with ARCHEMIX. The Controlling Party shall keep the other Party reasonably informed of the status of such activities, including, without limitation, (A) by providing the other Party with copies of all communications received from or filed in patent offices with respect to such filing, and (B) by providing the other Party, a reasonable time prior to taking or failing to take any action that would affect the scope or validity of any such filing (including the substantially narrowing, cancellation or abandonment of any claims without retaining the right to pursue such subject matter in a separate application, or the failure to file or perfect the filing of any claims in any country), with prior written notice of such proposed action or inaction so that the other Party has a reasonable opportunity to review and comment. The non-Controlling Party shall have a right to control Patent Prosecution of Joint Program Patents if the Controlling Party decides to abandon such Patent Prosecution.

8.2.4 Each Party agrees that for all Program Technology for which it assumes responsibility under Section 8.2 for Patent Prosecution of, it will give good faith consideration to all comments from the other Party with regard thereto and will use commercially reasonable efforts to obtain claims with application both inside and outside the Field.

8.2.5 Costs and Expenses. Except as expressly stated herein to the contrary, each Party shall bear its own Patents, ARCHEMIX Program Patents, EYETECH Patents and EYETECH Program Patents and the Controlling Party shall be reimbursed by the other Party for [**] percent ([**]%) of the costs and expenses incurred by the Controlling Party in Patent Prosecution of Joint Program Patents. The non-Controlling Party shall have the right to elect not to pay such costs and expenses in which case the non-Controlling Party shall assign its rights to the Joint Program Patents to the Controlling Party.

8.2.6 Cooperation. Each Party agrees to cooperate with the other with respect to Patent Prosecution pursuant to this Section 8.2, including, without limitation:

(a) the execution of all documents and instruments reasonably necessary to carry out such Patent Prosecution;

(b) the performance of such acts as may be reasonably necessary in order to permit the other Party to continue any Patent Prosecution that such Party has elected not to pursue, as provided for in Section 8.2.2 and 8.2.3, as applicable;

(c) making its employees, agents and consultants reasonably available to the other Party (or to the other Party's authorized attorneys, agents or representatives), to the extent reasonably necessary to enable the prosecuting Party to undertake Patent Prosecution;

(d) to provide the other Party with copies of all material correspondence pertaining to Patent Prosecution of Program Patent Rights with the United States Patent and Trademark Office or its foreign counterparts;

(e) to cooperate, if necessary and appropriate, with the other Party in gaining patent term extensions wherever applicable to Program Patent Rights; and

(f) to endeavour in good faith to coordinate its efforts with the other Party to minimize or avoid interference with the Patent Prosecution of the other Party's patent applications

8.3 Third Party Infringement.

8.3.1 Infringement Action. Each Party shall promptly notify the other if it becomes aware of any infringement of any (a) ARCHEMIX Program Patents in the Field; (b) ARCHEMIX Patents in the Field; (c) Joint Program Patents inside the Field; (d) EYETECH Program Patents licensed to ARCHEMIX outside the Field; or (e) EYETECH Development Program Patents

licensed to ARCHEMIX outside the Field (any of (a), (b), (c), (d) or (e) an “Infringement”). The notice shall set forth the facts of such Infringement in sufficient detail and the following shall apply:

(i) Within [**] days of such notice of an Infringement, the Responsible Party (as defined below) shall decide whether to institute an infringement suit or take other appropriate action that it believes is reasonably required to enforce the relevant Patents in the Field. With respect to infringements described in clauses (a), (b), or (c) if the Responsible Party fails to institute such suit or take such action within such [**]-day period, then the other Party shall have the right at its sole discretion to institute such suit or other appropriate action in the name of either or both Parties. In such event, the Responsible Party shall cooperate with the other Party to the extent reasonably possible, including the joining of suit if necessary or desirable. EYETECH shall have the sole right to enforce EYETECH Program Patents and EYETECH Development Program Patents.

(ii) Nothing contained in this Agreement shall in any way limit or be deemed to limit EYETECH’s rights under Section 6.15 (b) or 6.15 (c) under the Gilead-Eyetech License with respect to infringing activities inside the Field.

(iii) Subject to EYETECH’s rights under Section 6.15 (b) of the Gilead Eyetech License, with respect to an Infringement described in clause 8.3.1(a) or (b) above, with regard to any ARCHEMIX Program Patent or ARCHEMIX Patent, EYETECH shall be the Responsible Party and shall have the first right to decide whether to institute an infringement suit or take other appropriate action that it believes is reasonably required to cease the infringement; if, but only if (1) the alleged Third Party infringer is selling an oligonucleotide directed to the same Target or Target Binding Partner as a Lead Compound, Development Compound or Compound

Product, and (2) (i) in the reasonable opinion of both Parties there is an ARCHEMIX Program Patent or an ARCHEMIX Patent that contains claims directed to a specific Aptamer or to Aptamers that bind to a specified Target species (e.g., "PDGF" but not "proteins") and that is infringed by the sale of such oligonucleotide; provided, that in the case of this clause (i), with respect to ARCHEMIX Patents, EYETECH may only assert infringement of any ARCHEMIX Patent that contains claims directed to a specific Aptamer or to Aptamers that bind to a specified Target genus (e.g., "PDGF" but not "protein"); or (ii) in the reasonable opinion of both Parties there is no ARCHEMIX Program Patent or ARCHEMIX Patent that contains claims directed to a specific Aptamer or to Aptamers that bind to a specified Target species (e.g., "PDGF" but not "proteins") and that is infringed by the sale of such oligonucleotide; provided that in the case of this clause (ii) EYETECH may only assert infringement of any ARCHEMIX Patent after consulting with ARCHEMIX regarding assertion of any such ARCHEMIX Patent and giving good faith consideration to the reasonable requests of ARCHEMIX regarding assertion of such ARCHEMIX Patents If EYETECH fails to institute such suit or take such action within such 90-day period, then ARCHEMIX shall have the right at its sole discretion to institute such suit or other appropriate action in its own name or that of both Parties.

(iv) Notwithstanding any right to do so granted to EYETECH under the Gilead Eyetech License EYETECH shall in no event, without the prior written consent of ARCHEMIX, institute an infringement suit or take any other action with respect to its enforcement rights as a Secondary Party (as defined in the Gilead Eyetech License) under Section 6.15 (c) of the Gilead Eyetech License with regard to infringement outside the Field and outside the Local Delivery Field of any ARCHEMIX Patents within the SELEX Portfolio. Notwithstanding the foregoing, nothing contained in this Agreement shall in any way limit or be deemed to limit

EYETECH's rights under Section 6.15(c) of the Gilead-Eyetech License regarding infringing activities of any third party outside the Field that are specific to the manufacture, use, sale, offer for sale or importation of NX1838.

8.3.2 Responsible Party. Subject to Section 8.3.1(i), (ii) and (iii) above, as used herein, the term "Responsible Party" means (i) EYETECH, with respect to EYETECH Program Patents, EYETECH Patents and Joint Program Patents for which EYETECH is the Controlling Party under Section 8.2.3 above; and (ii) ARCHEMIX, with respect to ARCHEMIX Patents, ARCHEMIX Program Patents and Joint Program Patents for which ARCHEMIX is the Controlling Party under Section 8.2.3 above.

8.3.3 Costs. Each Party shall assume and pay all of its own out-of-pocket costs incurred in connection with any litigation or proceedings described in this Section 8.3, including, without limitation, the fees and expenses of that Party's counsel.

8.3.4 Recoveries. Any recovery obtained by any Party as a result of any proceeding described in this Section 8.3 or from any counterclaim or similar claim asserted in a proceeding described in Section 8.4, by settlement or otherwise, shall be applied in the following order of priority:

(a) first, to reimburse each Party for all litigation costs (including attorneys' fees) in connection with such proceeding paid by that Party and not otherwise recovered (on a pro rata basis based on each Party's respective litigation costs, to the extent the recovery was less than all such litigation costs); and

(b) second, the remainder of the recovery shall be paid [**] percent ([**]%) to the Party bringing the action and [**] percent ([**]%) to the other Party.

8.3.5 Cooperation; Settlements. In the event that either EYETECH or ARCHEMIX takes action pursuant to Section 8.3.1 above, the other Party shall cooperate with the Party so acting to the extent reasonably possible, including the joining of suit if necessary or desirable. Neither Party shall settle or compromise any claim or proceeding relating to Program Technology or Program Patent Rights without obtaining the prior written consent of the other Party, EYETECH shall not settle or compromise any claim or proceeding relating to ARCHEMIX Patents without obtaining the prior written consent of ARCHEMIX, in either case, such consent not to be unreasonably withheld.

8.4 Claimed Infringement. In the event that a Party becomes aware of any claim that the practice by either Party of ARCHEMIX Technology or Program Technology in the Field infringes the intellectual property rights of any Third Party, such Party shall promptly notify the other Party. In any such instance, the Parties shall cooperate and shall mutually agree upon an appropriate course of action. Each Party shall provide to the other Party copies of any notices it receives from Third Parties regarding any patent nullity actions, any declaratory judgment actions, any alleged infringement in the Field of ARCHEMIX Patents or Program Patents or any alleged misappropriation in the Field of intellectual property with respect to ARCHEMIX Technology or Program Technology. Such notices shall be provided promptly, but in no event after more than [**] days following receipt thereof.

8.5 Patent Invalidity Claim. If a Third Party at any time asserts a claim that any ARCHEMIX Program Patent, Joint Program Patent or ARCHEMIX Patent covering the manufacture, use, sale or import of a Compound Product, is invalid or otherwise unenforceable (an “Invalidity Claim”), either as a defense in an infringement action brought by EYETECH or ARCHEMIX pursuant to Section 8.3 or in an action brought against EYETECH or ARCHEMIX

under Section 8.4, the Parties shall cooperate with each other in preparing and formulating a response to such Invalidity Claim; provided, however, if the Parties fail to agree upon such response, Archemix shall have the right, at its discretion, to assume control of such response and any subsequent action, including without limitation all aspects of claim construction, with counsel of its own choice. Neither Party shall settle or compromise any Invalidity Claim without the consent of the other Party, which consent shall not be unreasonably withheld.

8.6 Patent Term Extensions. The Parties shall cooperate, if necessary and appropriate, with each other in gaining patent term extensions wherever applicable to a Program Patent that covers Compound Products. The Parties shall, if necessary and appropriate, use reasonable efforts to agree upon a joint strategy relating to patent term extensions, but, in the absence of mutual agreement with respect to any extension issue, a patent shall be extended if either Party elects to extend such patent. All filings for such extension shall be made by the Party to whom the patent is assigned, provided, however, that in the event that the Party to whom the patent is assigned elects not to file for an extension, such Party shall (i) inform the other Party of its intention not to file and (ii) grant the other Party the right to file for such extension.

8.7 Relationship with Gilead with respect to VEGF.

8.7.1 Acknowledgement of EYETECH. EYETECH acknowledges that the effectiveness of the rights granted by ARCHEMIX to EYETECH hereunder with respect to Aptamers against VEGF and VEGF Products may require the Parties to obtain the consent of Gilead with respect to such grants.

8.7.2 Negotiation with Gilead. ARCHEMIX and EYETECH will individually negotiate with GILEAD (unless both Parties mutually agree to negotiate jointly) to obtain any necessary consents and rights from Gilead required for (i) EYETECH to discover, make, use and

sell Aptamers against VEGF in the Field and the Local Delivery Field and (ii) ARCHEMIX to discover, make, use and sell Aptamers against VEGF for use outside the Field and the Local Delivery Field. Upon obtaining any necessary rights from Gilead, the definition of Excluded Aptamers hereunder shall be amended, without further action by the Parties, to delete VEGF from the list of Targets in clause (c) of such definition. ARCHEMIX hereby covenants that ARCHEMIX will not seek, negotiate or otherwise try to obtain rights to VEGF from Gilead in the Field and the Local Delivery Field. EYETECH hereby covenants that EYETECH will not seek, negotiate or otherwise try to obtain rights to VEGF from Gilead outside the Field or the Local Delivery Field. Each Party agrees to cooperate with the other Party in the negotiation with Gilead whether such negotiation occurs jointly or individually among the Parties and Gilead. For purposes of clarification, the rights of each Party as set forth in this Section 8.7.2 shall be independent of each other and nothing in this Section, or any other portion of this Agreement, shall be construed to mean that the survival or enforcement of such rights are dependent upon the outcome of either Party's negotiations, if any and whether conducted separately or jointly, with Gilead. For further clarification, other than the rights and obligations set forth in this Agreement, neither ARCHEMIX nor EYETECH shall be obligated to negotiate on behalf of the other Party nor shall they be obligated to enter into any agreement with Gilead to grant the rights for Aptamers against VEGF and VEGF Products.

8.7.3 Waiver of Rights and Covenants By EYETECH. EYETECH agrees that at any time after the Effective Date of this Agreement and upon written request by ARCHEMIX it will:

(a) notify Gilead that it has provided to ARCHEMIX any and all rights it has to discover, make, use and sell VEGF Aptamers (other than NX1838) outside of the Field and the Local Delivery Field,

(b) waives the protections Gilead inserted into the Gilead-Archemix License restricting ARCHEMIX's rights to discover, make, use and sell VEGF Aptamers (other than NX1838) outside of the Field and the Local Delivery Field. Eyetech will request that Gilead remove from the Gilead-Archemix License all restrictions to ARCHEMIX's rights to discover, make, use and sell VEGF Aptamers (other than NX1838) outside of the Field and the Local Delivery Field, including without limitation the following restrictions with respect to ARCHEMIX's rights outside the Field and the Local Delivery Field: the inclusion of VEGF on the "Excluded Aptamer" list (Section 1.11 of the Gilead-Archemix Agreement), the negative covenant against the use of VEGF Aptamers (other than NX 1838) (Section 2.2 of the Gilead-Archemix Agreement) and restrictions included in the "Licensed Field" (Section 1.18 of the Gilead-Archemix Agreement),

(c) at EYETECH's sole option, EYETECH may request that Gilead remove from the Gilead-Archemix License any restrictions to ARCHEMIX's rights to discover, make and use VEGF Aptamers inside of the Field and the Local Delivery Field as necessary for ARCHEMIX to discover Compounds for EYETECH's use in the Field or the Local Delivery Field. For purposes of clarity, a) it is EYETECH's sole responsibility to obtain the removal of such restrictions and b) ARCHEMIX will have no obligation under Section 2.3(a) if EYETECH is unable to obtain the removal of such restrictions, and

(d) provide to Gilead its consent to enter into direct negotiations with ARCHEMIX regarding rights to discover, make, use and sell VEGF Aptamers (other NX1838) outside of the Field and the Local Delivery Field.

8.7.4 Waiver of Rights by ARCHEMIX. ARCHEMIX agrees that at any time after the Effective Date of this Agreement and upon written request by EYETECH it will:

(a) notify Gilead that it has provided to EYETECH any and all rights it has to discover, make, use and sell VEGF Aptamers in the Field and the Local Delivery Field, and

(b) provide to Gilead its consent to enter into direct negotiations with EYETECH regarding rights to discover, make, use and sell VEGF Aptamers in the Field and the Local Delivery Field.

8.7.5 Waivers of Enforcement Rights Under Gilead-Eyetech License. To the extent that it does not conflict with any rights EYETECH may have granted to Third Parties as of the Effective Date, including specifically Pfizer, Inc., EYETECH hereby, except in the event of an intentional breach committed by ARCHEMIX for the sole purpose of obtaining the rights set forth in this Section 8.7.5, irrevocably waives any and all rights, other than those related to or covering the development, manufacture, use, sale, offer for sale or import of NX 1838, EYETECH may have under the Gilead-EYETECH License, including without limitation, rights under Section 6.15(c) thereof, to enforce the Gilead-Eyetech Patent Portfolio solely against ARCHEMIX, its Affiliates, or its Sublicensees other than (i) in the Field or (ii) in the Local Delivery Field. For the avoidance of doubt, nothing in this Agreement, including without limitation this Section 8.7.5, shall constitute or be deemed to constitute a sublicense of any nature whatsoever to any rights held by EYETECH to NX 1838.

8.7.6 Waiver of Rights to Challenge Pre-existing Gilead Agreements. ARCHEMIX and EYETECH each represents and warrants that it has received a copy of the other Party's agreement with Gilead (The Gilead-Archemix Agreement and the Gilead-Eyetech Agreement) and hereby agrees to irrevocably waive the right to challenge the validity of the other Party's agreement with Gilead outside the Field and with respect to Refused Candidates inside and outside the Field. EYETECH acknowledges that Gilead has properly and validly granted to Archemix under the Gilead-Archemix agreement the right to discover, develop, manufacture, sell and import Aptamers other than Excluded Aptamers as defined in the Gilead-Archemix Agreement outside the Field and with respect to Refused Candidates inside and outside the Field. Nothing in this Section 8.7.6 shall be deemed (i) to waive on behalf of any Third Party any rights granted to such Third Party before the Effective Date or (ii) to waive or grant to ARCHEMIX any rights in the Field or the Local Delivery Field to Refused Candidates directed against VEGF.

ARTICLE 9 .. TERM AND TERMINATION

9.1 Research Term. Unless the Research Program is terminated earlier in accordance with this Agreement, the research term ("Research Term") shall commence on the Effective Date and continue until the fifth (5th) anniversary thereof; provided that EYETECH may, in its sole discretion, extend the Research Term for one additional two (2) year period upon written notice to ARCHEMIX at least one hundred-eighty (180) days prior to the expiration of the then-current Research Term, so long as EYETECH is in compliance with the EYETECH Diligence Goal at the end of the Research Term immediately prior to the applicable extension period.

9.2 Royalty Term. The royalty term ("Royalty Term") for a Compound Product or VEGF Product, on a country-by-country basis, shall commence on the date of First Commercial Sale of such Compound Product or VEGF Product in the applicable country and expire on the later

of (i) the ten (10) year anniversary of the First Commercial Sale of such Compound Product or VEGF Product in the applicable country and (ii) the latest date on which the Compound Product or VEGF Product is covered by an ARCHEMIX Valid Claim in the country of manufacture or sale, if no ARCHEMIX Valid Claim exists, a pending claim of an ARCHEMIX Patent, ARCHEMIX Program Patent or Joint Program Patent in the country in which such Compound Product or VEGF Product is manufactured or sold that has been pending for less than seven (7) years since the earliest priority date of the patent application containing such claim.

9.3 Term. Unless earlier terminated as set forth in this Article 9, this Agreement shall be effective as of the Effective Date and shall extend until the end of the Research Term and, if applicable, thereafter until the later of (A) the Option Period for all Compound Candidates shall have expired and (B) the Royalty Term shall have expired for each Compound Product and VEGF Product in all applicable countries, at which time this Agreement shall expire (the "Term").

9.4 Termination by EYETECH for Cause. Upon written notice to ARCHEMIX, EYETECH may at its sole discretion unilaterally terminate this Agreement upon the occurrence of any of the following events:

(a) ARCHEMIX shall materially breach any of its material obligations under this Agreement and (i) shall not have remedied such material breach within [**] days ([**] business days in the case of any payment breach) after EYETECH sends written notice of breach to ARCHEMIX or (ii) if the breach is not a payment breach and is of the nature that is susceptible of remedy, but not within such [**] day period, shall not have initiated within such [**] day period all reasonable steps to remedy such breach and thereafter diligently continued such steps to remedy until the breach is remedied in full; or

(b) ARCHEMIX shall cease to function as a going concern by suspending or discontinuing its business for any reason except for merger or acquisition or interruptions caused by Force Majeure (as specified in Section 11.9).

In the event of any valid termination under this Section 9.4, EYETECH shall have the right with respect to any Compound Candidate, to exercise the applicable License Option within ten (10) business days of such termination. Notwithstanding the foregoing, any license under Section 4 then in effect, and all of EYETECH's payment obligations hereunder relating thereto, shall survive the termination and continue in full force and effect pursuant to the terms of this Agreement.

9.5 Termination by ARCHEMIX for Cause. ARCHEMIX may terminate this Agreement upon written notice to EYETECH upon the occurrence of any of the following events:

(a) EYETECH shall materially breach any of its material obligations under this Agreement and (i) shall not have remedied such material breach within [**] days ([**] business days in the case of any payment breach) after ARCHEMIX sends written notice of breach to EYETECH or (ii) if the breach is not a payment breach and is of the nature that is susceptible of remedy, but not within such [**] day period, shall not have initiated within such [**] day period all reasonable steps to remedy such breach and thereafter diligently continued such steps to remedy until the breach is remedied in full;

(b) EYETECH shall cease to function as a going concern by suspending or discontinuing its business for any reason except for merger or acquisition or interruptions caused by Force Majeure (as specified in Section 11.9).

9.6 Termination at Will. EYETECH may terminate the Research Term at any time for any or no reason upon six (6) months prior written notice to ARCHEMIX and payment of a

termination fee equal to the greater of (i) six months of FTE funding at the FTE level then approved by the JRC or (ii) five hundred thousand dollars $500,000.

9.7 Rights of ARCHEMIX following ARCHEMIX's termination pursuant to Section 9.5 (cause) or EYETECH's termination of the Research Term pursuant to Section 9.6 (at will). If this Agreement is terminated by ARCHEMIX pursuant to Section 9.5 or the Research Term is terminated by EYETECH pursuant to Section 9.6, EYETECH shall (a) lose all License Options not exercised as of the date of termination (b) retain its rights and licenses hereunder with respect to all Lead Compounds, Development Compounds and Compound Products; provided that EYETECH continues to exercise commercially reasonable efforts to Develop and/or Commercialize such lead Compounds, Development Compounds and Compound Products. In the event that EYETECH fails to continue exercising commercially reasonable efforts to Develop and/or Commercialize any such Lead Compound, Development Compound or Compound Product other than a VEGF Product or VEGF Aptamer, its rights to such Lead Compound, Development Compound or Compound Product shall terminate upon [**] days' prior written notice from ARCHEMIX; provided that if EYETECH cures such failure within such [**] day notice period, such rights and licenses shall not terminate, and provided further that if EYETECH disputes ARCHEMIX' assertion of failure, such rights and licenses shall not terminate until such time as such dispute is resolved in accordance with the procedures set forth herein. If EYETECH's rights and licenses hereunder to any Lead Compound, Development Compound or Compound Product are terminated after this Agreement is terminated by ARCHEMIX pursuant to Section 9.5 or the Research Term is terminated by EYETECH pursuant to Section 9.6, then upon request of ARCHEMIX, EYETECH shall (a) transfer to ARCHEMIX all of its rights, title and interest in all filings with Regulatory Authorities ("Regulatory Filings"), including without limitation all INDs

and NDAs, and all Regulatory Approvals then in its name for all such Lead Compound, Development Compound or Compound Product and all Confidential Information Controlled by it as of the date of termination relating to such Regulatory Filings and Regulatory Approvals, (b) notify the appropriate Regulatory Authorities and take any other action reasonably necessary to effect such transfer of ownership (c) deliver to ARCHEMIX all correspondence between EYETECH and such Regulatory Authorities relating to such Regulatory Filings and Regulatory Approvals, and (d) unless expressly prohibited by any Regulatory Authority, transfer control to ARCHEMIX of all clinical trials being conducted as of the date of termination which relate to the Lead Compound, Development Compound or Compound Product. EYETECH shall cooperate fully with ARCHEMIX to facilitate an orderly transition of the conduct of such trials to ARCHEMIX or its designee. To the extent EYETECH has the right, EYETECH shall be deemed to have granted to ARCHEMIX a worldwide license with the right to grant sublicenses, under EYETECH Program Technology, EYETECH Program Patents, EYETECH's interest in Joint Program Patents and EYETECH Development Program Technology and EYETECH Development Program Patents actually used by EYETECH for the Development, manufacture or Commercialization of any Lead Compound, Development Compound or Compound Product with respect to which EYETECH's rights and licenses hereunder are terminated after this Agreement is terminated by ARCHEMIX pursuant to Section 9.5 or the Research Term is terminated by EYETECH pursuant to Section 9.6, and under any product trademark used in the Commercialization of such lead Compound, Development Compound or Compound Product, solely to Develop, use, manufacture and Commercialize such Lead Compound, Development Compound or Compound Product, itself or in collaboration with, or through a license to, Third Parties. Furthermore, to the extent EYETECH has the right, EYETECH agrees to negotiate in

good faith the grant of a license to EYETECH Technology existing as of the date of termination by ARCHEMIX actually used by EYETECH for the Development, manufacture or Commercialization of any Lead Compound, Development Compound or Compound Product to ARCHEMIX on reasonable terms and conditions and, further, EYETECH agrees not to unreasonably withhold the grant of such license from ARCHEMIX. For the avoidance of any doubt and notwithstanding anything to the contrary in Section 1.39 or 1.40, the grant by EYETECH to ARCHEMIX under EYETECH Technology pursuant to the immediately preceding sentence shall include any technology which would be within the definition of EYETECH Technology if it existed as of the end of the Research Term actually used by EYETECH for the Development, manufacture or Commercialization of any Lead Compound, Development Compound or Compound Product existing as of the date of termination by ARCHEMIX and is not limited to EYETECH Technology existing only at the end of the Research Term. In the event the Parties fail to agree on such license within [**] days of the termination, then at the request of either Party the remaining disagreements will be submitted for binding resolution to a single arbitrator with experience and expertise in biotechnology licensing mutually agreed upon by the parties (or if the Parties fail to agree, selected by the American Arbitration Association). Said licenses and the transfer of EYETECH's Regulatory Filings and Regulatory Approvals shall be free of charge with the exception that ARCHEMIX hereby agrees to pay to EYETECH in full any and all Third Party royalties and all other payments which EYETECH owes to its licensors with respect to any license or sublicense granted by EYETECH to ARCHEMIX under this Agreement. Such payments shall be due and payable by ARCHEMIX on or before the date they are payable by EYETECH. Additionally, EYETECH shall cooperate fully with ARCHEMIX to ensure an orderly transition of all manufacturing activities.

9.8 Effect of Termination. Termination or expiration of this Agreement for any reason will not affect the rights and obligations of the parties hereunder with respect to Aptamers against VEGF, VEGF Products and the enforcement of the Gilead-Eyetech Patent Portfolio. Without limiting the generality of the foregoing, except where explicitly provided elsewhere herein, termination of this Agreement for any reason, or expiration of this Agreement, will not affect: (i) obligations which have accrued as of the date of termination or expiration, (ii) obligations and rights pursuant to Sections 2.7, 2.9, 4.2.1, 4.2.2, 4.2.3 (with respect to Lead Compounds only), 4.2.4, 4.2.5.1 (last sentence only), 4.3.2, 4.3.3, 4.3.4, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 5.2.2, 5.2.3, and 5.2.4 and Articles 6, 7, 8, 9, 10 and 11, and (iii) any other provision of this Agreement that, by its terms, survives termination or expiration which shall survive in full force and effect.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Representations of Authority. EYETECH and ARCHEMIX each represents and warrants to the other that as of the Effective Date (i) it has full right, power and authority to enter into this Agreement and to perform its respective obligations under this Agreement, and (ii) that it has the right to grant to the other Party the licenses and sublicenses granted pursuant to this Agreement, and that it has, as of the Effective Date, access to and the right to use the technology necessary to perform its obligations hereunder.

10.2 Consents. EYETECH and ARCHEMIX each represents and warrants that all necessary consents, approvals and authorizations of all government authorities and other persons required to be obtained by such Party in connection with execution, delivery and performance of this Agreement have been and shall be obtained.

10.3 No Conflict. EYETECH and ARCHEMIX each represents and warrants that notwithstanding anything to the contrary in this Agreement, the execution and delivery of this Agreement, the performance of such Party's obligations hereunder and the conduct of the Research Program (a) do not conflict with or violate any requirement of applicable laws or regulations and (b) do not and will not conflict with, violate or breach or constitute a default or require any consent under, any contractual obligations of such Party, except such consents as shall have been obtained prior to the Effective Date.

10.4 Employee Obligations. EYETECH and ARCHEMIX each represents and warrants that, to the extent required to support such Party's obligations under this Agreement, all of its employees, officers, and consultants have executed agreements or have existing obligations under law requiring, in the case of employees and officers, assignment to such Party of all inventions made during the course of and as the result of their association with such Party and obligating the individual to maintain as confidential such Party's Confidential Information as well as confidential information of a Third Party which such Party may receive, and ARCHEMIX represents and covenants that each FTE is or will be subject to similar obligations even if such FTEs are not employees of ARCHEMIX.

10.5 Intellectual Property. ARCHEMIX represents that, to the best of its knowledge and except as disclosed to EYETECH in writing, as of the Effective Date, the practice by ARCHEMIX of the SELEX Process does not infringe or conflict with the rights of any Third Party in respect of issued patents owned by such Third Party and there is no claim or demand of any person asserted in any proceeding which is pending or threatened, that challenges the rights of ARCHEMIX in respect of ARCHEMIX Technology or ARCHEMIX Patents.

10.6 Fees Payable. ARCHEMIX and EYETECH each represents and warrants that there are no broker's commissions, finder's fees or other amounts payable with regard to this transaction, and ARCHEMIX and EYETECH agree to mdernnify and hold the other harmless from and against all liabilities, claims, demands, damages or costs of any kind arising from or connected with any broker's or finder's commission, fee or other amount claimed to be due any person arising from the indemnitor's conduct with respect to this Agreement and the transactions contemplated by this Agreement.

10.7 No Warranties. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN , THE PARTIES MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND PARTICULARLY THAT PRODUCTS WILL BE SUCCESSFULLY DEVELOPED HEREUNDER, AND IF DEVELOPED, WILL HAVE COMMERCIAL UTILITY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER RIGHTS OF ANY THIRD PARTY.

ARTICLE 11 MISCELLANEOUS PROVISIONS

11.1 Governing Law. This Agreement, and any disputes between the Parties relating to the subject matter of this Agreement, shall be construed and the respective rights of the Parties hereto determined according to the substantive laws of the State of New York notwithstanding the provisions governing conflict of laws under such State of New York law to the contrary, except matters of intellectual property law which shall be determined in accordance with the national intellectual property laws relevant to the intellectual property in question.

11.2 Dispute Resolution.

11.2.1 Disputes relating to certain Decisions of the JRC. If the JRC cannot agree on (i) the ESC, (ii) the inclusion into the Research Program of a proposed Aptamer or target, (iii) an Annual Research Plan, (iv) the activities to be set forth in Appendix 3 which will establish that an Aptamer against such Target is a Development Compound, (v) whether a Compound meets the ESC, or (vi) whether a molecule is designated as the Target Binding Partner for a Target, then such matter shall be referred to the Executive Officers for attempted resolution by good faith negotiation. If the Executive Officers cannot resolve any such matter within [**] days, the matter will be determined by binding arbitration pursuant to this Section 11.2.1 by one (1) independent, neutral arbitrator who is (i) mutually acceptable to the Parties, and (ii) an expert in the pharmaceutical or biotechnology industry. If the Parties are unable to agree upon a mutually acceptable arbitrator, the arbitrator shall be an independent expert as described in the preceding sentence selected by the AAA office encompassing Boston, Massachusetts. Any arbitration of a Dispute pursuant to this Section 11.2.1 shall be governed by the Commercial Arbitration Rules and Supplementary Procedures for Large Complex Disputes of the AAA. The place of arbitration shall be Boston, Massachusetts, and all proceedings and communications shall be in English.

(a) Either Party may apply to the arbitrator for interim relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any injunctive or provisional relief necessary to protect the rights or property of that Party pending the arbitration award.

(b) The Parties hereby agree that any disputed performance or suspended performances pending the resolution of the arbitration that the arbitrator determines to

be required to be performed by a Party must be completed within a reasonable time period following the final decision of the arbitrator.

(c) The Parties further agree that the decision of the arbitrator shall be the sole, exclusive and binding remedy between them regarding determination of the matters presented to the arbitrator.

(d) For arbitration of Disputes subject to this Section 11.2.1, each Party to the arbitration shall prepare and submit a written proposal setting forth its proposed resolution of the matter within fifteen (15) business days of the selection of the arbitrator, together with a written explanation setting forth the reasons for its position. After the arbitrator has received written proposals from both Parties, the arbitrator shall forward a copy of the other Party's proposal to each. Each Party shall have [**] business days to prepare and submit a written rebuttal to such proposal and may then amend its original proposal. Each Party shall have the right to make oral presentations or present evidence as determined by the arbitrator during the arbitration proceeding. The arbitrator shall select the proposal of one of the Parties as his/her decision, and shall not have the authority to render any substantive decision other than to so select in its entirety the summary or proposal of one Party or the other. Each Party shall bear its own costs and expenses and attorneys' fees. The administrative and arbitrator's fees shall be paid by the non-prevailing Party. The arbitrator shall be directed that any arbitration subject to this Section 11.2.1 shall be completed within [**] business days from the appointment of the arbitrator. Except to the extent necessary to confirm an award or as may be required by law, the arbitration proceedings and the decision shall not be made public without the joint consent of the Parties and each Party shall maintain the confidentiality of such proceedings and decision unless otherwise permitted by the other Party.

11.2.2 Disputes Not Relating To Decisions Of The JRC. For disputes other than those relating to certain decisions by the JRC as described in Section 11.2.1. above, the Parties shall not be bound to arbitrate such disputes, but may agree to do so.

11.3 Assignment. Neither ARCHEMIX nor EYETECH may assign this Agreement in whole or in part without the consent of the other, except if such assignment occurs in connection with a merger or consolidation of such Party or the sale or transfer of all or substantially all of the business or assets (any such transaction, an "Acquisition") of ARCHEMIX, on the one hand, or EYETECH, on the other, to which the subject matter of this Agreement pertains, in which event no consent shall be required; provided, however, that the Party proposing to engage an Acquisition shall notify the other Party at least [**] days prior to the expected closing of the Acquisition and the Party receiving such notice may terminate the Research Program effective upon closing of the Acquisition by notice to the Party engaging in the Acquisition given within [**] days of its receipt of the notice. Notwithstanding the foregoing, any Party may assign its rights (but not its obligations) pursuant to this Agreement in whole or in part to an Affiliate of such Party.

11.4 Limitation on Liability. EXCEPT AS EXPLICITLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY WILL BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, MULTIPLE OR OTHER INDIRECT DAMAGES, OR FOR LOSS OF PROFITS, LOSS OF DATA OR LOSS OF USE DAMAGES, ARISING OUT OF THE MANUFACTURE, SALE, SUPPLYING OR FAILURE OR DELAY IN SUPPLYING ANY PRODUCTS OR SERVICES HEREUNDER, WHETHER BASED UPON WARRANTY, CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES.

11.5 Registration of License. EYETECH may, at its expense, register the license granted under this Agreement in any country where the use, sale or manufacture of a Compound Product in such country would be covered by an ARCHEMIX Valid Claim. Upon request by EYETECH, ARCHEMIX agrees promptly to execute any reasonable "short form" licenses submitted to it by EYETECH required to effect the foregoing registration in such country, but such licenses shall in no way alter or affect the obligations of the Parties hereunder.

11.6 Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all previous arrangements with respect to the subject matter hereof, whether written or oral. Any amendment or modification to this Agreement shall be made in writing signed by both Parties.

11.7 Notices.

Notices to ARCHEMIX shall be addressed to:

ARCHEMIX Corp.
One Hampshire Street
Cambridge, MA 02139
Attention: Chief Executive Officer
Facsimile No.: (617) 621-9300

with a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
Attention: Jeffrey M. Wiesen, Esq.
Facsimile No.: (617) 542-2241

Notices to EYETECH shall be addressed to:

EYETECH Pharmaceuticals, Inc.
500 Seventh Avenue, 18th floor
New York, New York 10018
Attention: General Counsel
Facsimile No.: (212) 997 9251

Any Party may change its address by giving notice to the other Party in the manner herein provided. Any notice required or provided for by the terms of this Agreement shall be in writing and shall be (a) sent by registered or certified mail, return receipt requested, postage prepaid, (b) sent via a reputable overnight courier service providing evidence of delivery, or (c) sent by facsimile transmission confirmed by hard copy sent in accordance with (a) or (b), in each case properly addressed in accordance with the paragraph above. The effective date of notice shall be the actual date of receipt by the Party receiving the same.

11.8 Exports. The Parties acknowledge that the export of technical data, materials or products is subject to the exporting Party receiving any necessary export licenses and that the Parties cannot be responsible for any delays attributable to export controls that are beyond the reasonable control of either Party. The Parties agree not to export or reexport, directly or indirectly, any information, technical data, the direct product of such data, samples or equipment received or generated under this Agreement in violation of any governmental regulations that may be applicable. The Parties agree to obtain similar covenants from their Affiliates, sublicensees and contractors with respect to the subject matter of this Section.

11.9 Force Majeure. No failure or omission by the Parties hereto in the performance of any obligation of this Agreement shall be deemed a breach of this Agreement or create any liability if the same shall arise from any cause or causes beyond the control of the Parties (such causes, “Force Majeure”), including, but not limited to, the following: acts of God; acts or omissions of any government; any rules, regulations or orders issued by any governmental authority or by any officer, department, agency or instrumentality thereof; fire; storm; flood; earthquake; accident; war; rebellion; insurrection; riot; and invasion and provided that such failure or omission resulting from one of the above causes is cured as soon as is practicable after the occurrence of one or more

of the above-mentioned causes. The Party claiming Force Majeure shall notify the other Party of the Force Majeure event as soon as practicable, but in no event longer than ten (10) business days after its occurrence, which notice shall reasonably identify such obligations under this Agreement and the extent to which performance thereof will be affected. In such event, the Parties shall meet promptly to determine an equitable solution to the effects of any such event.

11.10 Public Announcements.

(a) Announcements; Publicity. Any announcements or similar publicity with respect to this Agreement shall be agreed upon between the Parties in advance of such announcement. Once any item of information has been disclosed in accordance with this Section 11.10, the further announcement or disclosure thereof shall not require further agreement of the Parties.

(b) SEC Filings. Notwithstanding anything in Section 11.10 (a) above to the contrary, either Party may disclose the terms of this Agreement to the extent required, in the reasonable opinion of such Party's legal counsel, to comply with applicable laws, including without limitation the rules and regulations promulgated by the United States Securities and Exchange Commission or by any stock exchange or interdealer quotation system (such as NASDAQ) on which its securities are traded. Notwithstanding the foregoing, before disclosing this Agreement or any of the terms hereof pursuant to this Section 11.10, the Parties will consult with one another on the terms of this Agreement to be redacted in making any such disclosure. If a Party discloses this Agreement or any of the terms hereof in accordance with this Section 11.10, such Party agrees, at its own expense, to seek confidential treatment of portions of this Agreement or such terms, as may be reasonably requested by the other Party.

11.11 Independent Contractors. It is understood and agreed that the relationship between the Parties hereunder is that of independent contractors and that nothing in this Agreement shall be construed as authorization for either ARCHEMIX or EYETECH to act as agent for or partner of the other. The Program Directors and members of Project Teams shall remain employees of EYETECH or ARCHEMIX, as the case may be.

11.12 No Strict Construction. This Agreement has been prepared jointly and shall not be strictly construed against any Party.

11.13 Headings. The captions or headings of the sections or other subdivisions hereof are inserted only as a matter of convenience or for reference and shall have no effect on the meaning of the provisions hereof.

11.14 No Implied Waivers; Rights Cumulative. No failure on the part of either Party to exercise, and no delay in exercising, any right, power, remedy or privilege under this Agreement, or provided by statute or at law or in equity or otherwise, shall impair, prejudice or constitute a waiver of any such right, power, remedy or privilege or be construed as a waiver of any breach of this Agreement or as an acquiescence therein, nor shall any single or partial exercise of any such right, power, remedy or privilege preclude any other or further exercise thereof or the exercise of any other right, power, remedy or privilege.

11.15 Severability. If any provision hereof should be held invalid, illegal or unenforceable in any respect in any jurisdiction, then, to the fullest extent permitted by law, (a) all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties as nearly as may be possible and (b) such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction. To the extent permitted by applicable

law, ARCHEMIX and EYETECH hereby waive any provision of law that would render any provision hereof prohibited or unenforceable in any respect.

11.16 Execution in Counterparts. This Agreement may be executed in counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

11.17 No Third Party Beneficiaries. Except as set forth in Article 7, no person or entity other than ARCHEMIX, EYETECH and their respective Affiliates and permitted assignees hereunder shall be deemed an intended beneficiary hereunder or have any right to enforce any obligation of this Agreement.

[The remainder of this page is intentionally left blank, signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Research and License Agreement to be executed by their duly authorized representatives in duplicates as of the day, month and year first above written.

ARCHEMIX CORP.

By: /s/ Errol B. De Souza
Name: Errol B. De Souza
Title: President & CEO

EYETECH PHARMACEUTICALS, INC.

By: /s/ David Gage
Name: David Gage
Title: CEO

Appendix 1

Sample Early Selection Criteria

- Aptamer has a [**]; If [**] for [**] to [**] from the [**] as [**] by [**].
- [**] are [**] to [**] aptamer with [**], as [**] at the [**] of the [**].
- Aptamer has [**] in [**].
- Aptamer is [**] and/or [**] to by [**], and the [**].
- [**] has [**]
  - [**] and [**]
  - [**]

Appendix 2 Annual Research Plan

To be completed within 30 days of Effective Date

Appendix 3

Sample Development Compound Criteria

- [**]
- [**]

  [**] is [**] for [**]
- [**] in [**]
-
- [**] has [**] for [**]
  - [**] for [**] to [**]
  - [**] by [**]
- [**]

Appendix 4

Sample Target Criteria

- [**] is [**] to [**]
  - [**]
  - [**]
- Aptamer[**] is [**]
  - [**] of [**], and [**] to [**]
  - [**] of [**] to [**]
- [**] is [**]
  - [**] can be [**] and [**] for [**]
  - Aptamer [**] at [**]
  - [**] for Aptamer [**] are [**]
  - – [**] are [**]
  - [**] are [**]
  - [**] and [**] are [**]

Appendix 5

Gilead-Eyetech Patent Portfolio

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of three pages were omitted. [**]

APPENDIX 2

NEKTAR AGREEMENT

Incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1

IN WITNESS WHEREOF, the parties have executed this Divestiture Agreement as of the Effective Date.

OPHTHOTECH CORPORATION

By: /s/ Samir Patel

Name: Samir Patel
Title: President and Chief Executive Officer

(OSI) EYETECH, INC.

By: /s/ Paul G. Chaney

Name: Paul G. Chaney
Title: President

Confidential Materials omitted and filed separately with the
Securities and Exchange Commission. Double asterisks denote omissions.

LICENSE, MANUFACTURING AND SUPPLY AGREEMENT

This Agreement ("AGREEMENT") is made and entered into effective as of September 30, 2006 ("EFFECTIVE DATE") by and between:

1. **NEKTAR THERAPEUTICS AL, CORPORATION**, an Alabama corporation ("NEKTAR AL"), having its principal place of business at 490 Discovery Drive, Huntsville, Alabama, 35806, U.S.A.; and

2. **(OSI) EYETECH, INC.**, (formerly known as Eyetech Pharmaceuticals, Inc.) a Delaware corporation and wholly-owned subsidiary of OSI Pharmaceuticals, Inc. (together with its Affiliates, "OSI"), having offices at 3 Times Square, 12th Floor, New York, New York, 10036, U.S.A.

WHEREAS

A. OSI is the owner of Macugen®, an anti-VEGF aptamer product approved for therapeutic use and is in the business of developing pharmaceutical products, including in particular a pegylated anti-PDGF aptamer designated as El0030, as defined below.

B. NEKTAR AL has PEGylation technology, including in particular the LICENSED TECHNOLOGY, for the formulation of pharmaceutical products for the treatment of human and animal disease, which can have, among other benefits, increased circulating lifetimes and enhanced therapeutic utility.

C. NEKTAR AL has certain rights and rights to sublicense under ENZON PATENTS to make, have made, use, offer for sale, sell, have sold and import products pursuant to a Cross-License Agreement ("CROSS-LICENSE AGREEMENT") entered into with Enzon, Inc. ("ENZON'') on January 7, 2002.

D. OSI wishes to use the LICENSED TECHNOLOGY and may wish to practice technology covered by NEKTAR AL's rights under the CROSS-LICENSE AGREEMENT in order to apply the REAGENT to the THERAPEUTIC AGENT to produce the formulation of the PRODUCT.

E. OSI desires to obtain an exclusive license to the LICENSED TECHNOLOGY from NEKTAR AL to develop, manufacture, market and sell the PRODUCT throughout the TERRITORY, and NEKTAR AL desires to grant such license to OSI under the terms and conditions specified herein.

F. Furthermore, NEKTAR AL is also engaged in the business of manufacturing bulk quantities of pharmaceutical raw materials, and possesses the requisite plant, equipment and personnel to produce the REAGENT in accordance with the SPECIFICATIONS and all applicable governmental regulations, including, without limitation, U.S. Food and Drug Administration regulations.

G. OSI desires NEKTAR AL to manufacture and supply bulk quantities of the REAGENT to OSI for the sole purpose of permitting OSI to make, use, import, offer for sale and sell the

PRODUCT, and NEKTAR AL agrees to undertake the manufacture and supply of the REAGENT specified under this AGREEMENT in accordance with the terms and conditions specified under this AGREEMENT.

AGREEMENT

1. Definitions.

1.1. “ACTIVE MOLECULE” shall mean any molecule that has not been conjugated to polyethylene glycol, and that has potential or actual preventive or therapeutic activity.

1.2. “AFFILIATE” shall mean, with respect to any PERSON, any other PERSON which controls, is controlled by, or is under common control with, such PERSON. A PERSON shall be regarded as in “control” of another PERSON (for purposes of this definition only) if it owns, or controls, at least fifty percent (50%) of the voting stock or other ownership interest of the other PERSON, or if it possesses the power to direct or cause the direction of the management and policies of the other PERSON by any means whatsoever.

1.3. “AFFIRMATIVE DECISION” shall have the meaning set forth in Section 3.3.1.

1.4. “BATCH” or “BATCHES” shall mean, as of the EFFECTIVE DATE, approximately [**] gram lots of REAGENT, and thereafter, such other quantities as may be determined and adopted pursuant to the QUALITY AGREEMENT.

1.5. “CALENDAR QUARTER” shall mean any period of three (3) consecutive calendar months beginning on January l, April], July l or October l.

1.6. “CEILING RATE” shall have the meaning and value given in SCHEDULE VI.

1.7. “COMMERCIALLY REASONABLE EFFORTS” shall mean a level of effort in performing and carrying out OSI’s obligations and activities under this AGREEMENT that is consistent with the level of effort that OSI would use in carrying out similar obligations and activities for its or its AFFILIATES’ products other than PRODUCT, but in no event a level less than those that a leading biopharmaceutical company in a similar position as OSI (or, for any SUBLICENSEE with greater expertise and resources than OSI, such SUBLICENSEE) with expertise in the development, manufacture and commercialization of biopharmaceutical products would devote to a product at a similar state in its development or product life, as applicable, which product is of similar market potential, taking into account efficacy, safety, the competitiveness of alternative products in the marketplace, the patent and other proprietary positions of the product, the likelihood of regulatory approval and the profit margin and/or return on investment from pursuing such product, provided that OSI shall not be required to: (a) act in a manner inconsistent with OSI’s overall business strategy; (b) take action which results in a material adverse change to this AGREEMENT; (c) act in a manner contrary to its normal commercial practices; or (d) commence any litigation.

1.8. “CONFIDENTIAL INFORMATION” shall have the meaning set forth in Section 9.1.

1.9. “CONTRACT MANUFACTURER” shall have the meaning set forth in Section 4.8.

1.10. “CONTROLLED” shall mean having ownership of or licenses to intellectual property or data and the ability to grant a license or sublicense to such intellectual property or data as contemplated in this AGREEMENT without violating the terms of any agreement or other arrangement with any THIRD PARTY.

1.11. “CROSS LICENSE AGREEMENT” shall have the meaning set forth in the Recitals.

1.12. “DISCLOSER” shall have the meaning set forth in Section 9.1.

1.13. “DOLLARS” shall mean U.S. dollars.

1.14. “EMEA’’ shall mean the European Medicines Agency, and any successor agency thereto, having the administrative authority to regulate the marketing of human pharmaceutical products or biological therapeutic products, delivery systems and devices in the European Union.

1.15. “ENZON” shall have the meaning set forth in the Recitals.

1.16. “ENZON AFFILIATES” shall have the meaning set forth in Section 1.16.

1.17. “ENZON PATENTS” shall mean [**]. The ENZON PATENTS include those listed on SCHEDULE V.

1.18. “FAILURE” shall have the meaning set forth in Section 4.8.1.

1.19. “FDA” shall mean the U.S. Food and Drug Administration, and any successor agency thereto, having the administrative authority to regulate the marketing of human pharmaceutical products or biological therapeutic products, delivery systems and devices in the United States.

1.20. “FIRST COMMERCIAL SALE” shall mean, with respect to any PRODUCT, the first sale for use or consumption by or administration to end-users of such PRODUCT in the applicable jurisdiction(s). A transfer of the PRODUCT by OSI, its AFFILIATES or its SUBLICENSEES (a) solely for research and development purposes and for the purpose of directly enabling OSI, its AFFILIATES and its permitted SUBLICENSEES to research and develop PRODUCTS under this AGREEMENT and (b) prior to approval of a NDA from the FDA (or from the governing health authority of any other country), shall not be considered a FIRST COMMERCIAL SALE, except in the case of (b) to the extent such PRODUCT is purchased for sale to a THIRD PARTY end user after such NDA approval is obtained.

1.21. “FLOOR RATE” shall have the meaning and value given in SCHEDULE VI.

1.22. “GOOD MANUFACTURING PRACTICES” or “GMP” shall mean the current good manufacturing practices required by the FDA and set forth in the Guidance for Industry, Q7A Good Manufacturing Practice Guidance for Active Pharmaceutical Ingredients, Section

XIX and all subsections thereunder, as developed within the Expert Working Group ("Q7A") of the International Conference on Harmonization ("ICH") and the requirements thereunder imposed by the FDA, to the extent applicable to the manufacture of pharmaceutical raw materials.

1.23. "ICH" shall have the meaning set forth in Section 1.12.

1.24. "INDEMNIFIED PARTY" shall have the meaning set forth in Section 10.2.

1.25. "INDEMNIFYING PARTY" shall have the meaning set forth in Section 10.2.

1.26. "INDEPENDENT COUNSEL" shall have the meaning set forth in Section 3.3.1.

1.27. "INQUIRIES" shall have the meaning set forth in Section 15.3.

1.28. "INVENTION" shall have the meaning set forth in Section 4.10.

1.29. "INVENTION IP" shall have the meaning set forth in Section 4.10.

1.30. "JOINT INVENTIONS" shall have the meaning set forth in Section 4.10.3.

1.31. "KNOW-HOW" means know-how, trade secrets, discoveries, methods, inventions and techniques, in each case that are not inventions claimed by a PATENT or a pending PATENT APPLICATION.

1.32. "LAW" means any local, state or federal rule, regulation, statute or law in any jurisdiction relevant to the activities undertaken pursuant to this AGREEMENT or applicable to either of the PARTIES with respect to any matters set forth in this AGREEMENT.

1.33. "LICENSES" shall mean the licenses granted by NEKTAR AL to OSI pursuant to Sections 3.1.1, 3.1.2, 3.1.3 and 3.1.4.

1.34. "LICENSED TECHNOLOGY" shall mean, collectively, the NEKTAR AL PATENT RIGHTS and the NEKTAR AL KNOW-HOW.

1.35. "MAJOR MARKET(S)" means the United States, Japan, United Kingdom, France, Germany, Italy and Spain.

1.36. "MSDS" shall have the meaning set forth in Section 15.2.

1.37. "NDA'' shall mean a New Drug Application filing with the FDA, a marketing authorization application filing with the European Medicines Agency, or any equivalent filed with the regulatory authorities in any other jurisdiction to obtain approval for marketing PRODUCT in such country or territory, but excluding any pricing or reimbursement approvals.

1.38. "NEKTAR AL CORE TECHNOLOGY" shall mean: (i) the composition of PEG reagents (including the REAGENT); (ii) methods of using PEG reagents (including the REAGENT) by themselves or in combination with other PEG reagents or other substances; (iii) methods of making, processing, analyzing or characterizing PEG reagents (including the REAGENT); (iv) methods of attaching one or more PEG reagents (including the REAGENT) to

or associating one or more PEG reagents (including the REAGENT) with or to any therapeutic agent (including the THERAPEUTIC AGENT); (v) methods of directing or determining the point of attachment of one or more PEG reagents (including the REAGENT) to or associating one or more PEG reagents (including the REAGENT) with any therapeutic agent (including the THERAPEUTIC AGENT); (vi) the composition or formulation of any product (other than the PRODUCT) obtained by attaching or associating one or more PEG reagents (including the REAGENT and including by PEGYLATION) to or with any therapeutic agent (excluding PEGYLATION of the THERAPEUTIC AGENT with the REAGENT); and (vi) methods of making, formulating, combining, processing, using, analyzing or characterizing two (2) or more PEG reagents (including the REAGENT) in combination.

1.39. "NEKTAR AL CORE TECHNOLOGY INVENTIONS" shall have the meaning set forth in Section 4.10.1.

1.40. "NEKTAR AL KNOW-HOW" shall mean all KNOW-HOW CONTROLLED by NEKTAR AL that (i) pertains to either or both of the REAGENT and PEGYLATION of the THERAPEUTIC AGENT with the REAGENT, and (ii) is necessary or useful for OSI to develop, make, have made, use, offer for sale, sell, have sold and import the PRODUCT pursuant to the LICENSE. NEKTAR AL PATENT RIGHTS are excluded from the definition of NEKTAR AL KNOW-HOW.

1.41. "NEKTAR AL PATENT RIGHTS" shall mean all of the PATENTS and PATENT APPLICATIONS CONTROLLED by NEKTAR AL that pertain to PEGYLATION and that, but for the grant of the LICENSES, would necessarily be infringed by the manufacture (including the use of the REAGENT therefor), use, import, offer for sale or sale of the PRODUCT. SCHEDULE IV sets forth the status of the PATENTS included in the NEKTAR AL PATENT RIGHTS as of the EFFECTIVE DATE. SCHEDULE IV may be updated from time to time to list any other PATENTS or PATENT APPLICATIONS which become included in the NEKTAR AL PATENT RIGHTS.

1.42. "NET INVOICED SALES" means the actual amount invoiced for PRODUCT sold by OSI or its AFFILIATES or SUBLICENSEES, less the following (a) standard quantity discounts actually allowed and taken in such amounts as are customary in the trade; (b) commissions or rebates paid or allowed in compliance with LAW to distributors and agents who are independent THIRD PARTIES; (c) amounts repaid or credited by reason of timely rejection returns or retroactive price reductions; (d) transportation, insurance and delivery charges (to the extent separately stated on the invoice and billed to the purchaser); (e) applicable taxes (other than franchise or income taxes on the income of OSI) and other customs and duties assessed directly on sales of the PRODUCT to the extent identified specifically on the invoice, and (f) cost of insurance billed to and paid by THIRD PARTY purchasers. In addition, NET INVOICED SALES are subject to the following:

1.42.1 In the case of pharmacy incentive programs, hospital performance incentive program charge backs, disease management programs, similar programs or discounts on "bundles" of products, each of which must be in compliance with LAW, all discounts and the like shall be allocated among products on the basis on which such discounts and the like were accrued, or if such basis cannot be determined, proportionately to the list prices of such products;

1.42.2 In the case of any sale or other disposal of PRODUCT by OSI to an AFFILIATE, for resale, the NET INVOICED SALES shall be calculated as above on the value charged or invoiced on the first arm's length sale to a THIRD PARTY other than a SUBLICENSEE);

1.42.3. [**]

1.42.4. [**].

1.43. "NET SALES" shall mean the aggregate of the NET INVOICED SALES of all PRODUCT sold by or on behalf of OSI, its AFFILIATES and SUBLICENSEES to THIRD PARTIES (other than SUBLICENSEES).

1.44. "OSI INVENTIONS" shall have the meaning set forth in Section 4.10.2.

1.45. “PARTNERING REVENUES” means any and all of the following that OSI, its AFFILIATES, or its SUBLICENSEES (other than the SUBLICENSEE paying such revenues) receive in consideration of a PARTNERING TRANSACTION (including without limitation pursuant to any agreements or contracts entered into in connection with such PARTNERING TRANSACTION): up-front or initial license fees or other payments, license renewal, maintenance or similar payments, milestone and success payments, royalties of any kind (including without limitation royalties payable as a percentage of net or gross sales or on a per unit sold basis and annual minimum royalties), any premiums or amounts in excess of fair market value on purchases of securities of EYETECH, its AFFILIATES or SUBLICENSEES (other than the paying SUBLICENSEE) or, as set forth in PARTNERING TRANSACTION documentation, premiums (beyond those standard or reasonable in the industry) over fully burdened full-time equivalent rates or other incurred expenses paid to EYETECH or its AFFILIATES as reimbursements of expenses incurred, and any discounts from fair market value for any loans or credit extended to EYETECH, its AFFILIATES or SUBLICENSEES (other than the paying SUBLICENSEE), and any discounts from fair market value for any purchases of securities of the relevant SUBLICENSEE or its affiliated entities.

1.46. “PARTNERING ROYALTIES” shall mean royalties of any kind (including without limitation royalties payable as a percentage of net or gross sales or on a per unit sold basis and annual minimum royalties) included within PARTNERING REVENUES.

1.47. “PARTNERING TRANSACTION” shall mean, with respect to the PRODUCT, that OSI grants to a SUBLICENSEE a sublicense under the LICENSES to offer for sale, sell and/or otherwise market, promote, distribute or commercialize the PRODUCT in all or part of the TERRITORY or otherwise grants a THIRD PARTY any right(s) to market, promote, distribute, offer for sale and/or sell the PRODUCT.

1.48. “PARTNERING UPFRONT REVENUES” shall mean, with respect to any PARTNERING TRANSACTION, any PARTNERING REVENUES that OSI or its AFFILIATES have the non-contingent right (which include any such rights where the only contingency is the election of OSI or its AFFILIATES) to receive within [**] days of the effective date (or, if later, entry date) of the first definitive agreement that effects such PARTNERING TRANSACTION.

1.49. “PARTY” means either of OSI or NEKTAR AL.

1.50. “PATENT” means: (i) any letters patent and utility models including any extension, substitution, registration, confirmation, reissue, supplemental protection certificate, re-examination or renewal thereof; and (ii) any counterpart in any jurisdiction to (i).

1.51. “PATENT APPLICATION” means an application for a PATENT, including a provisional application, converted provisional application, continuation application, a continued prosecution application, a continuation-in-part application, a divisional application, a re-examination application, and a reissue application (and in each case any foreign counterpart thereto).

1.52. “PEG” shall mean poly (ethylene glycol).

1.53. “PEGYLATION”, with correlative meanings “PEGYLATED” or to “PEGYLATE”, means covalent chemical bonding of any poly (ethylene glycol) reagent (including the REAGENT and including covalent chemical bonding through linking groups) with or to another material or materials. Such materials include, without limitation, proteins, peptides, oligonucleotides, other biomolecules, small molecules, therapeutic agents (including the THERAPEUTIC AGENT), diagnostic agents, imaging agents and detectable labels. Additional materials that may be PEGYLATED include without limitation, polymers, liposomes, films, chemical separation and purification surfaces, solid supports, metal/metal oxide surfaces and other surfaces such as, by way of example but not limitation, those on implanted devices, and equipment, where a poly (ethylene glycol) reagent (including the REAGENT) is covalently chemically bonded to one or more reactive molecules on the surface of such device or equipment. “PEGYLATION” shall include the synthesis, derivatization, characterization, and modification of PEG for such purposes, together with the synthesis, derivatization, characterization, and modification of the raw materials and intermediates for the manufacture of poly (ethylene glycol) reagents (including the REAGENT) or products (including the PRODUCT) incorporating such poly (ethylene glycol) reagent by means of covalent chemical bonding, and all methods of making and using each and all of the foregoing.

1.54. “PERSON” shall mean 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 in this definition.

1.55. “PPI” shall have the meaning set forth in Section 7.5.2.

1.56. “PRIOR AGREEMENT” shall mean the License, Manufacturing and Supply Agreement by and between OSI (as successor in interest to Eyetech Pharmaceuticals, Inc.) and Nektar dated as of February 5, 2002 as amended

1.57. “PRODUCT” shall mean OSI’s lead compound known as of the Effective Date as El0030, the structure of which is set forth in Schedule II and which is, a product produced by linking the THERAPEUTIC AGENT to the REAGENT by means of PEGYLATION.

1.58. “PURCHASE PRICE” shall have the meaning set forth in Section 7.5.1.

1.59. “Q7A” shall have the meaning set forth in Section 1.20.

1.60. “QUALITY AGREEMENT” means that quality agreement entered into by the PARTIES January 23, 2006 as amended.

1.61. “REAGENT” shall mean N-Hydroxysuccinimide ester of bis-(Methoxypoly(ethylene glycol) MW 20,0000)-modified lysine (mPEG2NHS 40K).

1.62. “REAGENT WARRANTIES” shall mean the warranties for the REAGENT set forth in Section 5.2.

1.63. “RECIPIENT” shall have the meaning set forth in Section 9.1.

1.64. “ROYALTY TERM” shall mean, with respect to the PRODUCT in each country in the TERRITORY, the period from the FIRST COMMERCIAL SALE in such country until the later of (a) [**], or (b) ten (10) years from the date of the FIRST COMMERCIAL SALE in such country with respect to licenses granted under 3.1.1, or (c) the expiration of the last to expire NEKTAR AL PATENT RIGHTS containing a VALID PATENT CLAIM that, but for the LICENSES, would be infringed by the manufacture, use, import, offer for sale or sale of the PRODUCT by OSI in that country.

1.65. “SPECIFICATIONS” shall mean the specifications of the REAGENT and test methods therefor set forth in the QUALITY AGREEMENT. For convenience, such specifications as of the EFFECTIVE DATE are set forth in Schedule I, which the parties may update from time to time when such specifications change in the QUALITY AGREEMENT.

1.66. “SUBLICENSEE” shall mean any PERSON to which OSI grants a sublicense to develop, make, have made, use, import, export, offer for sale and/or sell the PRODUCT. SUBLICENSEE shall not include distributors or other PERSONS to which OSI sells the PRODUCT in the ordinary course of business, or manufacturers or contract synthesis facilities which produce the ACTIVE MOLECULE in the THERAPEUTIC AGENT for OSI.

1.67. “TERRITORY” shall mean the world.

1.68. “THERAPEUTIC AGENT” shall mean OSI’s proprietary anti-PDGF aptamer E10030 in non-pegylated form.

1.69. “THIRD PARTY” shall mean any PERSON other than NEKTAR AL, OSI, and their respective AFFILIATES.

1.70. “VALID PATENT CLAIM” shall mean either: (a) a claim of an issued and unexpired PATENT covering the manufacture, use, import or sale of REAGENT or the PRODUCT, that is a NEKTAR AL PATENT RIGHT, an ENZON PATENT, or is a PATENT owned or CONTROLLED jointly by NEKTAR AL and OSI and has not (i) expired or been canceled, (ii) been declared invalid by an unreversed and unappealable decision of a court or other appropriate body of competent jurisdiction, (iii) been admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise, or (iv) been abandoned; or (b) a claim covering the manufacture, use, import or sale of the PRODUCT in any PATENT APPLICATION pending for [**] years or less from its earliest claimed priority date that is a NEKTAR AL PATENT RIGHT, an ENZON PATENT, or is a PATENT or PATENT APPLICATION owned or CONTROLLED jointly by NEKTAR AL and OSI.

1.71. The following schedules are attached hereto and incorporated in and are deemed to be an integral part of this AGREEMENT:

Schedule I	THE SPECIFICATIONS
Schedule II	PRODUCT CHEMICAL NAME
Schedule III	NON-ROYALTY REMUNERATION AND INITIAL FORECAST

Schedule IV	NEKTAR AL PATENT RIGHTS
Schedule V	ENZON PATENTS
Schedule VI	ROYALTY, FLOOR, AND CEILING RATES

2. Representations and Warranties

2.1. By Both Parties. Each PARTY represents and warrants to the other that: (a) it has the full right, power and authority to enter into and perform this AGREEMENT; (b) this AGREEMENT constitutes its legal, valid and binding obligation; (c) to the best of its knowledge, there are no agreements or arrangements between such PARTY and any THIRD PARTY which could prevent it from, or conflict with such PARTY's carrying out all of its obligations under this AGREEMENT, including (without limitation), in the case of NEKTAR AL, its grant to OSI of the LICENSES; (d) to the best of its knowledge, it has sufficient legal and/or beneficial title under its intellectual property rights to grant the licenses that it grants pursuant to this AGREEMENT; (e) all of its employees, officers and consultants (and, in the case of OSI, its AFFILIATES, SUBLICENSEES, agents and contractors) have entered into or, prior to performing activities with respect to this AGREEMENT, will enter into, binding agreements requiring assignment to the PARTY of all inventions made during the course of and as a result of their association with such PARTY and obligating the individual to maintain as confidential the CONFIDENTIAL INFORMATION of such PARTY, as set forth in Article 9. Moreover, OSI represents and warrants that its AFFILIATES, SUBLICENSEES, agents and contractors shall be subject to the following provisions of this AGREEMENT to the same extent as OSI: Sections 3.6 and Article 9.

2.2. By NEKTAR AL. In addition to the REAGENT WARRANTIES, NEKTAR AL represents and warrants to OSI that:

2.2.1. As of the EFFECTIVE DATE, NEKTAR AL is not aware of any existing and pending THIRD PARTY CLAIMS alleging that the practice of the inventions described in the NEKTAR AL PATENT RIGHTS would infringe the PATENTS or misappropriate the trade secrets of a THIRD PARTY; or

2.2.2. NEKTAR AL has made or will make available to OSI all material technical information in its possession of which it is aware that pertains to the development or manufacture of the PRODUCT, and substantially useful or necessary to enable OSI to exploit the LICENSED TECHNOLOGY under this AGREEMENT; provided however that NEKTAR AL's failure to meet the obligation set forth in this Section 2.2.2 shall not be deemed a breach of this AGREEMENT unless OSI can prove such failure was due to bad faith on the part of NEKTAR AL.

2.3. Limitation of Liability. Except for indemnity obligations pursuant to Section 10.1.1, in no event shall NEKTAR AL's liability to OSI arising out of the manufacture, testing, supply, shipment, use or sale or of a quantity of REAGENT or PRODUCT, exceed the total PURCHASE PRICE that OSI pays to NEKTAR AL under this AGREEMENT for the purchase of such quantity of REAGENT or the amount of REAGENT used by OSI to manufacture such quantity of PRODUCT.

2.4. Exclusion of Damages. Except as expressly provided in this AGREEMENT other than in this Section 2.4, neither PARTY shall be liable to the other for special, indirect,

incidental, consequential, punitive or exemplary damages (including without limitation, damages resulting from loss of use, loss of profits, interruption or loss of business or other economic loss) arising out of any of the performance or non-performance under this AGREEMENT, [**], and provided that nothing in this Section 2.4 shall, or is intended to, limit either PARTY's obligations under Article 10.

2.5. Applicability. The limitation on liability and exclusion of damages under Sections 2.3 and 2.4: (i) apply even if a PARTY had or should have had knowledge, actual or constructive, of the possibility of such damages; (ii) are a fundamental element of the basis of the bargain between the PARTIES, and the PARTIES would not enter into this AGREEMENT without such limitations and exclusions and (iii) shall apply whether a claim is based on breach of contract, breach of warranty, tort (including negligence), product liability, strict liability or otherwise, and notwithstanding any failure of essential purpose of any limited remedy in this AGREEMENT. Moreover, the remedies under this AGREEMENT are intended to be exclusive, and the limitation on liability and exclusion of damages under Sections 2.3 and 2.4 are intended to apply even if there is a total and fundamental breach of this AGREEMENT, and the essential purpose of these provisions is to limit the PARTIES' respective liabilities under this AGREEMENT.

2.6. Disclaimer. Except as expressly set forth in Sections 2.1 and 2.2 , Nektar and OSI disclaim all other warranties, express, implied, statutory or otherwise, including, without limitation, the implied warranties of merchantability, fitness for a particular purpose and non-infringement.

3. Grant of Licenses

3.1. Grants.

3.1.1. Subject to the terms and conditions of this AGREEMENT, NEKTAR AL hereby grants to OSI, for the term of this AGREEMENT, an exclusive license (with the right to grant sublicenses as set forth in Section 3.2) under the LICENSED TECHNOLOGY to make and have made (including through use of the REAGENT), develop, use, import, offer for sale and sell the PRODUCT in the TERRITORY.

3.1.2 Subject to the terms and conditions of this AGREEMENT, NEKTAR AL shall grant to OSI, until the last-to-expire VALID PATENT CLAIM of [**], a sole license (with the right to grant sublicenses as set forth in Section 3.2) under those rights NEKTAR AL has to the [**], solely to develop, make, have made, use, import, offer for sale and sell in the TERRITORY that version of the PRODUCT that incorporates REAGENT as [**] to the THERAPEUTIC AGENT and has a [**]. Such license shall be subject to the retained rights of [**] and the [**] to practice all the inventions described and claimed in the [**] for the conduct of research and development (such purposes not including in connection with human clinical trials) of pharmaceutical products that it is developing either itself, with its [**], or in conjunction with a THIRD PARTY.

3.1.3 Subject to the terms and conditions of this AGREEMENT, NEKTAR AL shall grant to OSI, for the sole purpose of, and with respect to and only with respect to, the manufacture, use, sale, offer for sale, and importation in the TERRITORY of that version of the PRODUCT that uses REAGENT to [**] to the ACTIVE MOLECULE in the THERAPEUTIC AGENT and has a [**], a non-exclusive license under those rights NEKTAR AL has:

(a) to PATENTS or PATENT APPLICATIONS (other than the [**]) owned or CONTROLLED by [**] or the [**]; and

(b) all patent claims owned or CONTROLLED by [**] or the [**] that (x) are not within the [**] or the PATENTS in Section 3.1.3(a); (y) issue from any PATENT APPLICATION filed after January 7, 2002; and (z) claim the composition, manufacture, or use of that version of the PRODUCT that uses REAGENT to [**] to the ACTIVE MOLECULE in the THERAPEUTIC AGENT and has a [**].

The LICENSE under this Section 3.1.3 excludes patent claims owned or CONTROLLED by [**] or the [**] that claim the composition of matter of an un-PEGYLATED ACTIVE MOLECULE, methods of making an un-PEGYLATED ACTIVE MOLECULE, or methods of using an un-PEGYLATED ACTIVE MOLECULE (other than a claim to a method of PEGYLATING an unPEGYLATED ACTIVE MOLECULE), even if such ACTIVE MOLECULE is contained in or is part of the PRODUCT. The LICENSE under this Section 3.1.3 shall remain in effect on a country-by-country basis until the longer of (1) the twelfth (12th) anniversary of the FIRST COMMERCIAL SALE of the PRODUCT in a particular country, or (2) the expiration of the last-to-expire VALID PATENT CLAIM of the [**] claiming the composition, manufacture, or use of such PRODUCT in such country.

3.1.4. Notwithstanding anything to the contrary in this AGREEMENT and without limiting any other retained rights, the LICENSES shall be subject to the retained rights of NEKTAR AL and its AFFILIATES: (a) to practice the LICENSED TECHNOLOGY for the conduct of research and development of products that they are developing either themselves or with others, and in connection with the sale of PEG reagents through NEKTAR AL's catalog for research purposes; (b) to develop, make, have made, use, sell, offer for sale, import and license products other than the PRODUCT or the THERAPEUTIC AGENT, including products containing REAGENT; and (c) to perform their respective obligations to THIRD PARTIES set forth in agreements existing as of the EFFECTIVE DATE.

3.2. Sublicenses.

3.2.1. OSI shall have the right to grant sublicenses under the LICENSES to any SUBLICENSEE or any AFFILIATE, provided that, under each sublicense, each such SUBLICENSEE or AFFILIATE shall be subject to terms and conditions that are consistent with the terms and conditions of this AGREEMENT as applicable; provided, however, that (a) each sublicense shall, at NEKTAR AL's option, terminate upon the termination or expiration of this AGREEMENT, provided further, however, that at OSI's request during the term of this AGREEMENT, NEKTAR AL shall use commercially reasonable efforts to negotiate with a SUBLICENSEE a commercially reasonable stand-by license agreement pursuant to which upon termination of this AGREEMENT for a material breach by OSI, such SUBLICENSEE would receive the same or similar license as OSI had pursuant to Section 3.1 on the condition that such SUBLICENSEE cures such material breach by OSI and takes on OSI's obligations as they existed under this AGREEMENT, (b) OSI's grant of any sublicense shall not relieve OSI from any of its obligations under this AGREEMENT, (c) OSI shall remain jointly and severally liable for any breach of this AGREEMENT caused by a SUBLICENSEE, and (d) promptly after entering into any sublicense agreement with a SUBLICENSEE, OSI shall promptly provide NEKTAR AL with a true, complete and correct unredacted copy of such sublicense agreement and any agreements into which OSI or its AFFILIATES enters into with such SUBLICENSEE or its AFFILIATES in connection with such sublicense agreement.

3.2.2. Notwithstanding the provisions of Section 3.2.1, OSI may not sublicense any LICENSED TECHNOLOGY to a PERSON that has a significant or material business (as determined from the perspective of a reasonable competitor in such business) in either or both: (a) manufacturing or supplying PEG or PEG derivatives; and (b) attaching PEG or PEG derivatives to pharmaceutical or biotechnology products, including licensing intellectual property or technology pertaining to attachment of PEG or PEG derivatives to pharmaceutical or biotechnology products.

3.3. [**]

3.3.1. OSI agrees and acknowledges that the availability of the LICENSES under Sections 3.1.2 and 3.1.3 are subject to the following condition precedent: OSI must provide a THIRD PARTY agent identified by NEKTAR AL ("INDEPENDENT COUNSEL") with the following information on OSI's PRODUCT: [**]. If, at any time during the term of this AGREEMENT, OSI wishes to make, use, import, export, offer for sale and sell in the TERRITORY a version of the PRODUCT that uses a different [**] than described in Section 3.3.1, and OSI maintains exclusive rights to the ACTIVE MOLECULE, then OSI shall supply NEKTAR AL with sufficient information to forward on to the INDEPENDENT COUNSEL to allow INDEPENDENT COUNSEL to make a determination of whether or not [**] the PARTIES will negotiate in good faith on license terms for such new version of PRODUCT based on those terms provided in this AGREEMENT.

3.3.2. OSI agrees and acknowledges that any LICENSES under Sections 3.1.2 and 3.1.3 are subject to the following limitations and conditions:

(a) Such licenses shall not be granted if OSI is a party to a then-pending action for infringement of a patent owned or controlled by [**];

(b) Such licenses shall not be granted if OSI is in negotiations with [**] for a license under the [**] with respect to the THERAPEUTIC AGENT;

(c) Such licenses shall not be granted if INDEPENDENT COUNSEL determines that the PRODUCT contains the same ACTIVE MOLECULE as a product being developed by [**];

(d) Such licenses shall not be granted if INDEPENDENT COUNSEL determines that [**] has previously granted a license under the [**] to a THIRD PARTY to make, have made, use, sell or have sold a product with the same ACTIVE MOLECULE as the THERAPEUTIC AGENT, and such license is still in effect;

(e) Such licenses shall not be granted if INDEPENDENT COUNSEL determines the PRODUCT [**];

(f) Such licenses shall not be granted [**];

(g) OSI shall place appropriate patent and/or patent pending markings for the [**] on the PRODUCT, or if such marking cannot be affixed to the PRODUCT itself, on the packaging for such PRODUCT, the content, form, size, location and language to be in accordance with the laws and practices of the country where such markings are required;

(h) OSI shall have no enforcement rights with respect to the [**];

(i) Subject to any prior termination, such licenses shall remain in effect until the expiration of the last-to-expire VALID PATENT CLAIM of the [**]; and

(j) Such licenses shall terminate if [**].

3.4. NEKTAR AL Covenants. During the term of this AGREEMENT, NEKTAR AL will not grant any THIRD PARTY a license under the LICENSED TECHNOLOGY or its rights under the ENZON PATENTS to, and shall not itself, make, use, import, offer for sale, or sell the PRODUCT in the TERRITORY, provided, however, that any agreement existing as of the EFFECTIVE DATE between NEKTAR AL and a THIRD PARTY, under which NEKTAR AL grants a license, a license option or other rights under LICENSED TECHNOLOGY, is not subject to, and does not constitute a breach of, such covenants.

3.5. OSI Covenants.

3.5.1. [**].

3.5.2. OSI will not judicially challenge the validity or enforceability of any NEKTAR AL PATENT RIGHTS and will contractually restrict its AFFILIATES and SUBLICENSEES from judicially challenging the validity or enforceability of the NEKTAR AL PATENT RIGHTS. If OSI, its AFFILIATES or its SUBLICENSEES judicially challenge the NEKTAR AL PATENT RIGHTS: (a) OSI shall pay for all attorney's fees, costs of suit, and other out-of-pocket expenses incurred by NEKTAR AL in resisting or opposing such challenge if such challenge is not successful; and (b) the LICENSES and EYETECH'S AFFILIATES' and SUBLICENSEES' sublicense rights under such LICENSES shall automatically terminate.

3.6. No Implied Rights or Licenses; No Reverse Engineering. Neither PARTY grants to the other any rights or licenses, including without limitation to any LICENSED TECHNOLOGY or other intellectual property rights, whether by implication, estoppel or otherwise, except to the extent expressly provided for under this AGREEMENT. Other than as expressly provided for in this AGREEMENT, OSI may not develop, make, have made, use, import, offer for sale, or sell the REAGENT, nor may OSI copy, distribute, reverse engineer (by way of example but not limitation, by performing tests such as HPLC, gas chromatography or x-ray crystallography), sell, lease, license or otherwise transfer, modify, adapt or create derivatives of the REAGENT. OSI shall ensure all of its AFFILIATES, SUBLICENSEES, contractors,

agents and employees are subject to the same restrictions and limitations with respect to the REAGENT as set forth in this Section 3.6. OSI may transfer quantities of REAGENT to THIRD PARTIES in connection with the performance by such THIRD PARTIES of research and development activities on behalf of OSI; provided, however, that (1) any such transfer shall be subject to the applicable terms and conditions of this AGREEMENT including without limitation this Section 3.6, Section 4.6 and Article 9, (2) no such transfer shall relieve OSI of its obligations under this AGREEMENT, and (3) OSI shall be jointly and severally liable with any THIRD PARTY for any acts or omissions by a THIRD PARTY that receives any REAGENT supplied or produced under this AGREEMENT.

3.7. Diligence Obligations. OSI will use its COMMERCIALLY REASONABLE EFFORTS to seek approval of NDAs (or its equivalent) in the MAJOR MARKETS, and to develop, commercialize and market, and achieve FIRST COMMERCIAL SALE of the PRODUCT in the first MAJOR MARKET country on or before [**]. If OSI reasonably and in good faith believes that it cannot, within the exercise of reasonable business judgment, commercialize the PRODUCT in one or more MAJOR MARKET countries in the TERRITORY by [**], then, provided OSI has exercised COMMERCIALLY REASONABLE EFFORTS as required in this Section 3.7, OSI may request from NEKTAR AL an extension of time, and the PARTIES shall negotiate in good faith to determine a time extension that is mutually acceptable. If OSI does not use COMMERCIALLY REASONABLE EFFORTS in this regard, then, NEKTAR AL may, at its sole option and by giving written notice to OSI, either convert the LICENSE to be non-exclusive in the country or countries of the MAJOR MARKETS in the TERRITORY in which such default occurs or terminate this AGREEMENT with respect to the country or countries of the MAJOR MARKETS in the TERRITORY in which such default occurs (in which latter case the TERRITORY shall no longer include such country or countries). If the LICENSE becomes non-exclusive in one or more countries of the TERRITORY as provided for in the immediately preceding sentence, OSI's obligations to pay milestones and royalties to NEKTAR AL, as provided for in this AGREEMENT, shall continue. Notwithstanding the preceding provisions of this Section 3.7, if OSI does not (a) use at least COMMERCIALLY REASONABLE EFFORTS to develop the PRODUCT file and seek approval of NDAs, on a schedule permitting achievement of the following clause (b), (b) make the FIRST COMMERCIAL SALE of the PRODUCT in [**] or more MAJOR MARKET countries on or before [**], and (c) thereafter use at least COMMERCIALLY REASONABLE EFFORTS to continue to commercialize and market the PRODUCT in such MAJOR MARKET COUNTRIES, it shall be deemed a material breach of this AGREEMENT by OSI, and NEKTAR AL may terminate this AGREEMENT under Section 11.4 as its sole and exclusive remedy with respect to such breach of this Section 3.7.

4. Manufacture and Supply of the Reagent

4.1. Exclusivity. NEKTAR AL will manufacture and supply one hundred percent (100%) of OSI's, its AFFILIATES' and SUBLICENSEES' purchase requirements of the REAGENT for the manufacturing of the PRODUCT, to the extent such quantities are properly forecasted and ordered in compliance with this AGREEMENT. OSI, its AFFILIATES and SUBLICENSEES will purchase the REAGENT exclusively from NEKTAR AL for the manufacture of the PRODUCT, subject to Sections 4.7 and 4.8.

4.2. Audit. During the term of this AGREEMENT, the only persons or entities to which NEKTAR AL shall supply REAGENT for the purpose of manufacturing PRODUCT shall be OSI, its AFFILIATES, and SUBLICENSEES. Upon reasonable advance notice, OSI shall grant to NEKTAR AL reasonable access to OSI's books and records during normal business hours for the purpose of verifying OSI's compliance with the purchase requirement in Section 4.1.

4.3. Manufacture. Supply and Purchase of REAGENT. The manufacture, supply and purchase provisions of Sections 4.3 through 4 .8 of the PRIOR AGREEMENT shall govern the manufacture, supply and purchase of REAGENT under this AGREEMENT (except as set forth in Section 4.4) and solely for such purposes, such provisions of the PRIOR AGREEMENT shall survive its expiration or termination for the remainder of the term of this AGREEMENT.

4.4. Additional Terms for Manufacture, Supply and Purchase of REAGENT.

4.4.1. The definition of BATCH under this AGREEMENT shall apply to the terms "BATCH" and "batch" under the PRIOR AGREEMENT.

4.4.2. Each shipment of REAGENT as of delivery shall have at least [**]% of its initial shelf-life as of the completion of its manufacture remaining.

4.4.3. OSI shall send all purchase orders under this AGREEMENT and the PRIOR AGREEMENT pursuant to Section 13 (but omitting the copy to Nektar Therapeutics' general counsel).

4.5. Fulfillment. Intentionally left blank.

4.6. Intellectual Property. Ownership of any invention, improvement, modification, application, know-how, discovery or development that is made, conceived, reduced to practice, discovered or developed either solely or jointly by any of a PARTY or its AFFILIATES during the term of this AGREEMENT and in connection with performance of activities under this AGREEMENT (including without limitation in the course of the manufacture (including through use of the REAGENT) of the PRODUCT, but not in the course of the manufacture of the THERAPEUTIC AGENT alone), a SUBLICENSEE during or in connection with its performance of activities under a sublicense under the LICENSE, or a CONTRACT MANUFACTURER during or in connection with its performance of activities under a license under Section 4.8 of the PRIOR AGREEMENT (collectively, "INVENTIONS") and all patents, trade secrets and other intellectual property rights that have been or may be obtained therein, including without limitation enforcement rights ("INVENTION IP") shall be allocated as follows:

4.6.1. NEKTAR AL shall solely own all right, title and interest in and to INVENTIONS that relate to NEKTAR AL CORE TECHNOLOGY and INVENTION IP therein ("NEKTAR AL CORE TECHNOLOGY INVENTIONS"). OSI transfer and assigns, and shall require any CONTRACT MANUFACTURER, AFFILIATES and SUBLICENSEES to assign, in each case without additional consideration, to NEKTAR AL all of their respective right, title and interest in and to such NEKTAR AL CORE TECHNOLOGY INVENTIONS and INVENTION IP therein. Such NEKTAR AL CORE TECHNOLOGY INVENTIONS shall be

included in the LICENSED TECHNOLOGY and subject to the LICENSES granted to OSI pursuant to this AGREEMENT.

4.6.2. OSI shall solely own any and all right, title and interest in and to INVENTIONS that relate solely to the THERAPEUTIC AGENT, do not relate to NEKTAR AL CORE TECHNOLOGY, and are not included in NEKTAR AL CORE TECHNOLOGY INVENTIONS ("OSI INVENTIONS") and INVENTION IP therein. NEKTAR AL transfers and assigns, and shall cause its AFFILIATES to transfer and assign, in each case without additional consideration, to OSI all of their respective right, title and interest such OSI INVENTIONS and INVENTION IP therein.

4.6.3. Except as otherwise provided in Sections 4.6.1 and 4.6.2, (a) each PARTY shall solely own all right, title and interest in and to INVENTIONS made, conceived, reduced to practice, discovered or developed solely by employees of a PARTY or its AFFILIATES (or, in the case of OSI, SUBLICENSEES) and all INVENTION IP therein, and (b) subject to Section 4.6.4, the PARTIES shall each own an undivided one-half (1/2) interest in, and have the right to freely exploit and license without a duty of accounting to or need to obtain consent from the other PARTY, all INVENTIONS made, conceived, reduced to practice, discovered or developed, in each case jointly by employees of a PARTY or its AFFILIATES (or, in the case of OSI, including SUBLICENSEES) ("JOINT INVENTIONS") and all INVENTION IP therein

4.6.4. Each PARTY shall have the sole right at its discretion and at its sole expense, to prepare, file, prosecute, maintain and defend foreign and domestic patent applications and patents within INVENTION IP that it solely owns, and the other PARTY shall, and shall cause its AFFILIATES (and, in the case of OSI, any CONTRACT MANUFACTURER and SUBLICENSEES) to, reasonably cooperate with the first PARTY in such activities at the first PARTY's expense. With respect to patent applications on a JOINT INVENTION, the PARTIES shall determine which PARTY shall be responsible for preparing, filing, prosecuting, maintaining and defending patent applications and patents on behalf of both PARTIES, based on a good faith determination of the relative contributions of the PARTIES to the invention and the relative level of interest of the PARTIES in the invention. The costs of such activities shall be borne equally by the PARTIES, and the PARTY that is not responsible for such activities shall, and shall cause its AFFILIATES (and, in the case of OSI, any CONTRACT MANUFACTURER and SUBLICENSEES) to, reasonably cooperate with the other PARTY in such activities.

4.7. Compliance. NEKTAR AL shall comply with all applicable present and future LAWS applicable to its transportation, storage, use handling and disposal of hazardous materials under this AGREEMENT. NEKTAR AL will maintain during the term of this AGREEMENT all government permits, including without limitation health, safety and environmental permits necessary for the conduct of the activities that NEKTAR AL undertakes pursuant to this AGREEMENT.

5. Specifications, GMP and Manufacturing Process

To the extent that the provisions of this Section 5 are not consistent with the provisions of Section 6 or other parts of the PRIOR AGREEMENT, this Section 5 shall control with respect to BATCHES of REAGENT.

5.1. Specifications. The SPECIFICATIONS for the REAGENT that NEKTAR AL will supply are set forth in the QUALITY AGREEMENT.

5.2. Warranties. NEKTAR AL warrants that

5.2.1. the REAGENT will be manufactured in compliance with GMP; and

5.2.2. the REAGENT will, upon delivery, conform to the SPECIFICATIONS. OSI's sole remedy and NEKTAR AL's liability for breach of the REAGENT WARRANTIES shall be limited to the PARTIES' respective rights and obligations pursuant to Sections 4.7 and 4.8 of the PRIOR AGREEMENT and Article 6 of this AGREEMENT.

5.3. Modifications. Either PARTY may propose to the other PARTY potential changes to the SPECIFICATIONS, for evaluation taking into consideration the relative costs and benefits and the PARTIES' technical ability to make such change. Neither PARTY shall modify the SPECIFICATIONS without the prior written approval of the other PARTY, not to be unreasonably withheld and as outlined in the QUALITY AGREEMENT. OSI shall bear any and all costs of developing and implementing revised SPECIFICATIONS.

6. Quality and Complaints

To the extent that the provisions of this Section 6 are not consistent with the provisions of Section 6 or other parts of the PRIOR AGREEMENT, this Section 6 shall control with respect to BATCHES of REAGENT.

6.1. Analysis. Promptly after arrival of a shipment of the REAGENT at OSI, OSI shall analyze the REAGENT using methods approved by both PARTIES for the analytical procedures in Schedule I.

6.2. Complaints. If OSI determines through its testing pursuant to Section 6.1 that a BATCH of REAGENT does not comply with the REAGENT WARRANTIES, then within [**] days of arrival of the BATCH OSI may provide NEKTAR AL with a written complaint notice that includes full details of such non-compliance, including supporting data, sufficient to permit NEKTAR AL to consider and verify the complaint. If OSI does not provide NEKTAR AL with a written complaint notice for a BATCH of REAGENT pursuant to Section 6.2 within [**] days after arrival of the BATCH, OSI will be deemed to have accepted the BATCH, which shall conclusively be presumed to be without defect and to meet all SPECIFICATIONS and the REAGENT WARRANTIES.

6.3. Complaints Procedure. If NEKTAR AL receives a complaint notice under Section 6.2:

6.3.1. If OSI so requests, then within [**] days from the date on which NEKTAR AL receives OSI's written complaint notice, NEKTAR AL shall supply OSI the replacement quantity of the REAGENT that was allegedly missing or defective from the original shipment, provided that, if the necessary quantity of REAGENT is not then available, then NEKTAR AL shall supply such quantities as soon as they are available (which shall not be later than [**] days after NEKTAR AL's receipt of OSI's written complaint notice);

6.3.2. If NEKTAR AL accepts that the BATCH was non-compliant with the REAGENT WARRANTIES as set forth in OSI's written complaint notice, NEKTAR AL shall provide the replacement material described in Section 6.3.1 to OSI [**], or if no such replacement material is requested, NEKTAR AL shall issue OSI a credit for such non-compliant BATCH.

6.3.3. If NEKTAR AL does not accept that the BATCH was non-compliant with the REAGENT WARRANTIES as set forth in OSI's written complaint notice, then within [**] days from NEKTAR AL's receipt of OSI's written complaint notice, the PARTIES will agree on and appoint an independent scientific and technical expert to review the PARTIES' supporting data for their assertions of compliance or non-compliance with the REAGENT WARRANTIES. The findings of the expert shall be final and conclusively binding on the PARTIES as to whether a BATCH of REAGENT complies with the REAGENT WARRANTIES. If expert's analysis does not confirm OSI's complaint, OSI shall pay for any replacement quantities shipped by NEKTAR AL. If the expert holds that the REAGENT does not comply with the REAGENT WARRANTIES, all the fees of the expert and the laboratory shall be paid by NEKTAR AL and OSI shall have no obligation to pay for the quantities of defective REAGENT, but shall be responsible for payment of replacement quantities which are in conformance with the REAGENT WARRANTIES within [**] days after OSI's receipt of such replacement shipment. On the other hand, if the expert does not confirm OSI's complaint, all of the fees of the laboratory and the expert will be paid by OSI, OSI shall be obligated to pay for any replacement quantities shipped by NEKTAR AL in addition to the original quantities shipped, and OSI shall be considered to have finally and completely accepted such allegedly defective shipment of the REAGENT. The PARTY whose results are not upheld by such expert shall bear the costs and expenses of such expert.

6.4. Compliance. NEKTAR AL will perform regular self-inspections in order to assure compliance with GMP and submit to inspections by OSI and/or regulatory authorities such as the FDA. Quality audits will be handled as outlined in the QUALITY AGREEMENT. If NEKTAR AL becomes aware that any shipment of the REAGENT to OSI does not comply with the REAGENT WARRANTIES, NEKTAR AL will promptly notify OSI.

7. Remuneration

7.1. Milestone Payments. OSI will pay to NEKTAR AL non-creditable, non-refundable milestone payments in accordance with and at the times set out in SCHEDULE III herein, [**] if OSI has made such milestone payment. Such payments shall be in addition to any royalty or other payments due under this AGREEMENT.

7.2. Royalties. During the ROYALTY TERM and for any CALENDAR QUARTER prior to or during which OSI was not party to a PARTNERING TRANSACTION for all or part of the TERRITORY, OSI shall pay NEKTAR AL on a CALENDAR QUARTER basis nonrefundable, non-creditable royalties equal to the applicable ROYALTY RATE under SCHEDULE VI, Section A, multiplied by the aggregate NET SALES of the PRODUCT during such calendar term, on a country by country basis for countries not included in any such PARTNERING TRANSACTION.

7.2.1. During the ROYALTY TERM and for any CALENDAR QUARTER during which or after OSI has entered into a PARTNERING TRANSACTION for all or part of the TERRITORY, OSI shall pay NEKTAR AL on a CALENDAR QUARTER basis [**] percent ([**]%) of all amounts payable in respect of sales of PRODUCT (whether on the basis of a percentage of net or gross sales or on a per unit basis) payable to OSI by such SUBLICENSEE for countries of the TERRITORY that are the subject of the PARTNERING TRANSACTION, provided, however, that such ROYALTIES for any such country shall not be either (a) less than the applicable FLOOR RATE under SCHEDULE VI, Section B, multiplied by the aggregate NET SALES of the PRODUCT during such CALENDAR QUARTER in that country, or (b) greater than the applicable CEILING RATE under SCHEDULE VI, Section B, multiplied by the aggregate NET SALES of the PRODUCT during such CALENDAR QUARTER in that country.

7.3. Accrual of Royalties. No royalties shall be payable on a PRODUCT distributed to THIRD PARTIES solely for marketing and advertising purposes or as a sample for testing or evaluation purposes. No royalties shall be payable on sales among OSI, its AFFILIATES and its SUBLICENSEES, but royalties shall be payable on subsequent sales by OSI, its AFFILIATES or its SUBLICENSEES to a THIRD PARTY other than a SUBLICENSEE. No multiple royalty shall be payable on a PRODUCT because the manufacture, use, import, offer for sale or sale of such PRODUCT by OSI in a country would, but for the LICENSES, either (a) infringe VALID PATENT CLAIMS of more than one NEKTAR AL PATENT RIGHT or ENZON PATENT or (b) infringe one or more VALID PATENT CLAIMS and such PRODUCT or its manufacture, use or sale also exploits NEKTAR AL KNOW-HOW.

7.4. Third Party Royalties. If OSI is required to pay royalties to any THIRD PARTY because the manufacture, use, import, offer for sale or sale of the PRODUCT infringes any patent rights of such THIRD PARTY in any country of the TERRITORY (but only in instances where such infringement is due solely to the composition of matter or the method of manufacture of the REAGENT), [**]. The foregoing shall be NEKTAR AL's sole liability, and OSI's sole remedy, for any potential or actual infringement of any THIRD PARTY intellectual property (including patents) as a result of the manufacture (including through use of the REAGENT), use, import or sale of PRODUCT.

7.5. Manufacturing and Supply of the REAGENT.

The provisions of this Section 7.5 shall apply to all REAGENT manufactured, supplied and purchased under this AGREEMENT or the PRIOR AGREEMENT.

7.5.1. OSI shall pay to NEKTAR AL for the supply of the REAGENT complying with the SPECIFICATIONS and GMP, the prices in DOLLARS per unit of REAGENT set forth in SCHEDULE III ("PURCHASE PRICE"). The amounts of REAGENT ordered under this Agreement shall be additive with amounts of REAGENT ordered under the License, Manufacturing and Supply Agreement by and between OSI and Nektar dated as of February 5, 2002 in determining the Total Amount of REAGENT for the pricing set forth in SCHEDULE III.

7.5.2. The price of the REAGENT set forth in SCHEDULE III will remain in effect for a period ending on the last day of the calendar year in which the EFFECTIVE DATE

occurs. Thereafter, NEKTAR may, at its election, adjust the price at which OSI purchases the REAGENT from NEKTAR in each succeeding [**] period in accordance with the Chemical Manufacturing Series Producer Price Index. NEKTAR will make any such adjustment by [**]; however, in no event will the price for REAGENT fall below that set forth in SCHEDULE III.

7.5.3. If NEKTAR performs development work for OSI (to which the PARTIES agree in writing) during the period between the EFFECTIVE DATE and February 5, 2007, and such development work results in a decrease in BATCH failures of the REAGENT due to the endotoxin specification, then the PARTIES will discuss in good faith whether and the extent to which the price of the REAGENT will be subject to change during that period.

7.5.4. In addition to the amounts due and owing under Sections 7.5.1, 7.5.2 and 7.5.3, OSI shall pay to NEKTAR AL fees for services at NEKTAR AL's then-current rates, which rates shall be provided to OSI prior to NEKTAR AL commencing any such services. In general, such fees shall cover NEKTAR AL's performance of those activities reasonably deemed necessary by NEKTAR AL for the development, scale-up and validation of the manufacture of REAGENT. Specifically, such fees shall cover, among other things:

(a) improvements to and expansion of facilities, analytical method development, analytical method validation, cleaning method validation, process validation, reprocessing, supporting documentation including, but not limited to, the preparation, filing and maintenance of Drug Master Files and other regulatory filings;

(b) NEKTAR AL's generating and providing information or performing work pursuant to any governmental or regulatory agency requests for information or work (including any testing) regarding REAGENT or its manufacturing process; scale-up; and

(c) installation, qualification and validation needed for REAGENT including

(d) any other services requested by OSI from time to time.

7.5.5. OSI shall also reimburse NEKTAR AL for NEKTAR AL's reasonable expenses incurred in connection with (i) the purchase of pre-approved capital equipment in connection with the activities described in Section 7.5.4(a)-(d), and (ii) travel at OSI's request, such reimbursement to be made within [**] days after the date of NEKTAR AL's invoice therefor.

8. Royalty Reports and Accounting

8.1. Reports, Exchange Rates. OSI shall notify NEKTAR AL in writing promptly upon the FIRST COMMERCIAL SALE of PRODUCT by OSI, its AFFILIATES or its SUBLICENSEES. During the portion of the term of this AGREEMENT following the FIRST COMMERCIAL SALE of PRODUCT, OSI shall furnish to NEKTAR AL a CALENDAR QUARTER written report showing in reasonably specific detail, on a country by country basis: (a) the gross sales of each PRODUCT sold by OSI, its AFFILIATES and its SUBLICENSEES during the CALENDAR QUARTER covered and the amounts deducted therefrom to determine NET INVOICED SALES from such gross sales; (b) the royalties payable in DOLLARS, if any,

which shall have accrued under this Agreement for such CALENDAR QUARTER based upon the NET INVOICED SALES of each PRODUCT; (c) the withholding taxes, if any, required by LAW to be deducted in respect of such sales; (d) the date of the FIRST COMMERCIAL SALE of each PRODUCT in each country during the reporting period; and (e) the exchange rates used in determining the amount of DOLLARS. With respect to sales of PRODUCTS invoiced in DOLLARS, the gross sales, NET INVOICED SALES, and royalties payable shall be expressed in DOLLARS. With respect to sales of PRODUCTS invoiced in a currency other than DOLLARS, the gross sales, NET INVOICED SALES and royalties payable shall be expressed in the domestic currency of the PERSON making the sale together with the DOLLAR equivalent of the royalty payable. The DOLLAR equivalent shall be calculated using the average exchange rate (local currency per DOLLAR) published in The Wall Street Journal, Eastern Edition, under the heading "Currency Trading", on the last business day of each month during the applicable CALENDAR QUARTER. Reports shall be due on the [**] day following the close of each CALENDAR QUARTER. OSI, its AFFILIATES and its SUBLICENSEES shall keep complete and accurate records in sufficient detail to properly reflect all gross sales and NET INVOICED SALES of each PRODUCT and to enable the royalties payable under this AGREEMENT to be determined. Notwithstanding any other provision of this Section 8.1, upon the election of NEKTAR AL made in writing not less than [**] days prior to any payment date, OSI shall pay all royalties owing to NEKTAR AL under this AGREEMENT with respect to one or more jurisdictions in the currency in which such royalties accrued, without conversion into DOLLARS.

8.2. Audits.

8.2.1. Upon at least [**] business days written notice from NEKTAR AL, and [**], OSI shall permit an independent certified public accounting firm of nationally recognized standing, selected by NEKTAR AL and reasonably acceptable to OSI, at NEKTAR AL's expense, to have access during normal business hours to such of the records of OSI as may be reasonably necessary to verify the accuracy of the royalty reports under this Agreement for [**]. The accounting firm shall disclose to each PARTY whether the NET INVOICED SALES or NET SALES are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to NEKTAR AL.

8.2.2. If such accounting firm concludes that additional royalties were owed during such period, OSI shall pay the additional royalties (plus interest) within [**] days of the date NEKTAR AL delivers to OSI such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by NEKTAR AL; provided however, that if the audit discloses that the royalties payable by OSI for the audited period are more than [**] percent ([**]%) of the royalties actually paid for such period, then OSI shall pay the reasonable fees and expenses charged by such accounting firm.

8.2.3. OSI shall include in each sublicense it grants under the LICENSE granted a provision requiring the AFFILIATE or SUBLICENSEE to make reports to OSI, to keep and maintain records of sales made and deductions taken pursuant to such sublicense, and to grant access to such records by NEKTAR AL's independent accountant to the same extent required of OSI under this AGREEMENT. Upon the expiration of [**] months following the end of any

calendar year, the calculation of royalties payable with respect to such calendar year shall be binding and conclusive upon NEKTAR AL and OSI, its AFFILIATES and SUBLICENSEES.

8.3. Payment Terms. Royalties shown to have accrued by each royalty report provided for under Section 8.2 shall be due and payable on the date such royalty report is due. Payment of royalties in whole or in part may be made in advance of such due date.

8.4. Payment Method. Except as provided for in this Section 8.4, all royalty payments by OSI under this AGREEMENT shall be paid in DOLLARS, and all such payments shall be originated from a United States bank located in the United States and made by bank wire transfer in immediately available funds to such account as NEKTAR AL shall designate before such payment is due.

8.5. Exchange Control. If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country of the TERRITORY where the PRODUCT is sold, payment shall be made through such lawful means or methods as NEKTAR AL reasonably shall determine.

8.6. Interest on Late Payments. Any and all amounts past due under this AGREEMENT shall bear interest at the rate of [**] percent ([**]%) per annum, compounded monthly, or the maximum rate allowed under LAW, whichever is less.

9. Confidentiality

9.1. Confidential Information. During the term of this AGREEMENT, and for a period of [**] years following its expiration or earlier termination, each PARTY (as a "RECIPIENT") shall maintain in confidence all information of the other PARTY ("DISCLOSER") (including samples) disclosed by the DISCLOSER and identified in writing as, or acknowledged in writing to be, confidential ("CONFIDENTIAL INFORMATION"), and shall not use, disclose or grant the use of the CONFIDENTIAL INFORMATION except as permitted under this AGREEMENT or necessary to perform its obligations under this AGREEMENT, except on a need-to-know basis to those directors, officers, AFFILIATES, employees, permitted SUBLICENSEES, permitted assignees and agents, the CONTRACT MANUFACTURER, INDEPENDENT COUNSEL, consultants, lawyers, bankers, clinical investigators or contractors, to the extent such disclosure is reasonably necessary in connection with such PARTY's activities as expressly authorized by this AGREEMENT. Each RECIPIENT shall advise the foregoing who have access to the CONFIDENTIAL INFORMATION of its confidential and proprietary nature, and shall ensure the foregoing are subject to binding obligations of non-use and non-disclosure as stated in this Section 9.1. NEKTAR AL KNOW-HOW is hereby deemed to be NEKTAR AL CONFIDENTIAL INFORMATION. OSI KNOW-HOW is hereby deemed to be OSI CONFIDENTIAL INFORMATION. Each RECIPIENT shall notify the other promptly upon discovery of any unauthorized use or disclosure of CONFIDENTIAL INFORMATION.

9.2. Permitted Disclosures.

9.2.1. Notwithstanding Section 9.1, a RECIPIENT may disclose CONFIDENTIAL INFORMATION (a) to the extent and to the third parties as is required by LAW, order, or regulation of a government agency or a court of competent jurisdiction, or by the

rules of a securities exchange; (b) to a patent office for the purposes of filing a patent on RECIPIENT'S method or invention; (c) to any governmental agency for purposes of obtaining approval to test or market a PRODUCT, provided in either case that the RECIPIENT shall provide written notice thereof to the DISCLOSER and sufficient opportunity to object to any such disclosure or to request confidential treatment thereof.

9.2.2. The non-disclosure and non-use obligations contained in Section 9.1 shall not apply to the extent that the RECIPIENT can demonstrate that (a) the disclosed information was public knowledge at the time of such disclosure to the RECIPIENT, or thereafter became public knowledge, other than as a result of action or omission of the RECIPIENT in violation hereof; (b) the disclosed information was rightfully known by the RECIPIENT without the obligation of confidentiality (as shown by its written records) prior to the date of disclosure to the RECIPIENT by the DISCLOSER under this AGREEMENT; (c) the disclosed information was disclosed to the RECIPIENT on an unrestricted basis from a third party not subject to and not in breach of any direct or indirect obligation of confidentiality to the DISCLOSER; or (d) the disclosed information was independently developed by the RECIPIENT (as shown by its written records) without use of CONFIDENTIAL INFORMATION.

9.3. Return of Confidential Information. Within [**] days following the expiration or termination of this AGREEMENT, each RECIPIENT shall deliver to the DISCLOSER or, at the DISCLOSER's election, destroy any and all CONFIDENTIAL INFORMATION, together with any and all copies thereof, provided that each RECIPIENT may keep one copy of such CONFIDENTIAL INFORMATION in its legal archives for purposes of complying with its contractual obligations under this AGREEMENT.

9.4. Terms of this Agreement. Except as otherwise provided in Section 9.2 and subject to either PARTY's reporting obligations under applicable state and federal LAWS, (a) NEKTAR AL and OSI shall not disclose any terms or conditions of this AGREEMENT to any THIRD PARTY without the prior written consent of the other PARTY, such consent not to be unreasonably withheld or delayed, and (b) neither PARTY shall use the other's name in publicity materials without the prior written consent of the other PARTY, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, at a reasonable and mutually agreed time NEKTAR AL and OSI shall prepare and issue a joint press release reasonably acceptable to both PARTIES announcing the relationship created under this AGREEMENT.

9.5. Publication. After an AFFIRMATIVE DETERMINATION by the INDEPENDENT COUNSEL pursuant to Section 3.3.1, it may be to the mutual interest of the PARTIES to publish articles relating to data generated or analyzed as a part of this AGREEMENT. Neither PARTY shall submit for written or oral publication or presentation any manuscript, abstract, writing, printed material or the like which includes data or any other CONFIDENTIAL INFORMATION of the other PARTY without first obtaining the prior written consent of the other PARTY, which consent shall not be unreasonably withheld or delayed; provided however, that valid commercial reasons may exist for withholding such consent. Nothing contained herein shall be construed as precluding either PARTY from making, in its discretion, any disclosures of information of any type which relate to the safety, efficacy, toxicology, or pharmacokinetic characteristics of the PRODUCT to the extent that either PARTY may be required by LAW to make disclosures of such information.

9.6. Data. Any data which arises from testing of the PRODUCT by OSI, its AFFILIATES or its SUBLICENSEES which is reasonably necessary for NEKTAR AL to monitor the quality and/or performance of the REAGENT, including, without limitation, the results of animal studies, toxicological testing and human clinical trials, shall be deemed CONFIDENTIAL INFORMATION and shall be shared with NEKTAR AL, within a reasonable time of OSI receiving or deriving such data.

10. Indemnification

10.1. Indemnity.

10.1.1. By NEKTAR AL. NEKTAR AL shall defend, indemnify and hold OSI, OSI's AFFILIATES, and OSI's directors, officers, employees and agents harmless from and against all claims, actions, losses, liabilities, damages and expenses (including reasonable attorney's fees and costs) resulting from all claims, demands, actions and other proceedings by any THIRD PARTY to the extent arising from (a) the material breach of any representation, warranty or covenant of NEKTAR AL under this AGREEMENT or (b) the gross negligence, recklessness or willful misconduct of NEKTAR AL in the performance of its obligations and its permitted activities under this AGREEMENT, except in each case to the extent that OSI has an obligation of indemnity with respect thereto pursuant to Section 10.1.2.

10.1.2 By OSI. OSI shall defend, indemnify and hold NEKTAR AL, NEKTAR AL's AFFILIATES, and NEKTAR AL's officers, employees and agents harmless from and against all losses, liabilities, damages and expenses (including reasonable attorney's fees and costs) resulting from all claims, demands, actions and other proceedings by any THIRD PARTY to the extent arising from (a) the material breach of any representation, warranty or covenant of OSI under this AGREEMENT, (b) the research, development, manufacturing, commercialization or marketing of the PRODUCT (without regard to culpable conduct), or (c) the gross negligence, recklessness or willful misconduct of OSI or its AFFILIATES or SUBLICENSEES in the performance of its or their obligations and its or their permitted activities under this AGREEMENT, in each case except to the extent that NEKTAR AL has an obligation of indemnity with respect thereto pursuant to Section 10.1.1.

10.2. Indemnification Procedures. A PARTY seeking indemnification under Section 10.1 ("INDEMNIFIED PARTY") shall give prompt notice of the claim to the other PARTY ("INDEMNIFYING PARTY") and, provided that the INDEMNIFYING PARTY is not contesting the indemnity obligation, shall permit the INDEMNIFYING PARTY to control any litigation relating to such claim and disposition of any such claim, provided that the INDEMNIFYING PARTY shall act reasonably and in good faith with respect to all matters relating to the settlement or disposition of any claim as the settlement or disposition relates to the parties being indemnified under Section 10.1, and the INDEMNIFYING PARTY shall not settle or otherwise resolve any claim without prior notice to the INDEMNIFIED PARTY and the consent of the INDEMNIFIED PARTY, if such settlement involves any remedy other than the payment of money by the INDEMNIFYING PARTY. The INDEMNIFIED PARTY shall not settle any claim for which indemnification is sought hereunder without the prior written consent of the INDEMNIFYING PARTY, not to be unreasonably withheld. At the INDEMNIFYING PARTY's expense and reasonable request, the INDEMNIFIED PARTY shall cooperate in the defense of any claim for which indemnification is sought under Section 10.1.

10.3. Insurance. OSI, at its own expense, shall maintain comprehensive general liability insurance, including product liability insurance, against claims regarding the research, development, manufacture, commercialization or marketing of the PRODUCT under this AGREEMENT in the minimum amount of [**] DOLLARS ($[**]) per occurrence, and [**] DOLLARS ($[**]) in the aggregate, with NEKTAR AL named as an additional insured, such policies shall include a provision that coverage will not be terminated or materially changed unless NEKTAR AL has been given at least [**] days written notice. The insurance carrier must be rated A-, VII or better by A.M. Best Company. OSI shall maintain such insurance for so long

as it continues to research, develop, manufacture, commercialize, or market the PRODUCT, and shall from time to time provide copies of certificates of such insurance to NEKTAR AL upon its request. If the insurance policy is written on a claims made basis, then the coverage must be kept in place for at least [**] years after termination of this AGREEMENT.

10.4. NEKTAR AL Insurance. NEKTAR AL, at its own expense, shall maintain comprehensive general liability insurance, including product liability insurance, against claims regarding the REAGENT as it is used in or for the research, development, manufacture, commercialization or marketing of the PRODUCT under this AGREEMENT in the minimum amount of [**] DOLLARS ($[**]) per occurrence, and [**] DOLLARS ($[**]) in the aggregate. NEKTAR AL will ensure that OSI receives at least [**] days written notice of termination, cancellation or non-renewal of such coverage. The insurance carrier must be rated A-, VII or better by A.M. Best Company. NEKTAR AL shall maintain such insurance for so long as it continues to manufacture and supply the REAGENT to OSI pursuant to this AGREEMENT, and shall from time to time provide copies of certificates of such insurance to OSI upon its request. The insurance policy is written on a claims made basis, and the coverage must be kept in place for at least [**] years after termination of this AGREEMENT.

11. Term and Termination

11.1. Expiration. This AGREEMENT comes into effect on the EFFECTIVE DATE and will remain in force until the end of the ROYALTY TERM, unless earlier terminated as provided herein.

11.2. Renewal of Term. At least one hundred twenty (120) days before the expiration this AGREEMENT pursuant to Section 11.1, the PARTIES shall discuss in good faith whether and on what terms to extend the term of this AGREEMENT.

11.3. Termination by OSI. OSI shall have the right to terminate this AGREEMENT in its entirety at any time, without cause, upon sixty (60) days prior written notice to NEKTAR AL, in which case (a) if OSI has not paid NEKTAR AL the first milestone payment in SCHEDULE III, Section A, OSI will pay such amount to NEKTAR prior to the effective date of termination of this AGREEMENT, (b) within [**] days of the effective date of termination of this AGREEMENT, OSI will reimburse NEKTAR AL for its incurred or future non-cancelable costs for manufacture and supply of REAGENT under this AGREEMENT to the extent they were or will be incurred for BATCHES not supplied to OSI due to such termination, (c) prior to the effective date of such termination, OSI will pay NEKTAR AL the amount of [**] dollars ($[**]) to reimburse NEKTAR AL for transactional and administrative costs incurred in connection with this AGREEMENT, and (d) within [**] days of the effective date of such termination, OSI will pay NEKTAR AL an amount equal to [**].

11.4. Termination for Cause. Each PARTY shall have the right to terminate this AGREEMENT for a material breach of this AGREEMENT by the other PARTY, provided such breach is not corrected by the failing PARTY within [**] days of written notice of any failure to make timely payment of royalties or any other amount, when due, or within [**] days of receipt of written notice of any other breach from the non-failing PARTY. The right of either PARTY

to terminate this AGREEMENT pursuant to this Section 11.4 shall not be affected in any way by such PARTY's waiver of or failure to take actions with respect to any previous breach.

11.5. Termination by NEKTAR AL. NEKTAR AL may terminate this Agreement on ten (10) days written notice [**].

11.6. Effect of Termination.

11.6.1. The provisions of Articles 1, 2, 9, 10, 11.6, 12, 13, 14 and 15 and Sections 3.5, 4.6, 5.2, 8.2 and 8.6 shall survive termination of this AGREEMENT for any reason whatsoever. If the PRIOR AGREEMENT has expired or terminated as of or before the expiration or termination of this AGREEMENT, Section 4.7 of the PRIOR AGREEMENT shall survive the expiration or termination of this AGREEMENT. The LICENSES shall terminate upon expiration or termination of this AGREEMENT.

11.6.2. Expiration or termination of this AGREEMENT shall not affect the accrued rights or obligations of either PARTY.

12. Assignment

12.1. Unless otherwise expressly permitted pursuant to this Section 12.1, except as part of the sale of the entire business of a PARTY to which this AGREEMENT relates, a merger, consolidation, reorganization or other combination of a PARTY with or into another PERSON, or the transfer or assignment to an AFFILIATE, pursuant to which the surviving entity or assignee assumes the assigning or merging parties obligations hereunder, neither PARTY may assign any of its rights or delegate any of its duties under this AGREEMENT unless the other PARTY has given specific written approval thereto, with such approval not to be unreasonably withheld. Any purported assignment not in accordance with this Section 12.1 shall be void and of no effect.

12.2. This AGREEMENT shall not only be binding upon each PARTY signatory hereto but also to its permitted successors by consolidation, combination, acquisition or merger, and permitted assignees.

13. Notices

Any notice or document required or permitted under this AGREEMENT shall be deemed to have been received (a) when personally delivered, (b) when delivered by facsimile transmission with confirmation of successful transmission, (c) five (5) business days after mailing by registered or certified United States mail, postage prepaid, return receipt requested and properly addressed, or (d) on the next business day after sending properly addressed by internationally recognized courier for next business day delivery, with proof of delivery, in each case to the recipient PARTY at the following addresses or facsimile numbers or such alternate addresses or facsimile numbers of which the potential recipient PARTY gives notice pursuant to this Article 13:

If to OSI:

(OSI) Eyetech, Inc.
3 Times Square, 12th Floor

If to NEKTAR AL:

Nektar Therapeutics AL, Corporation
1112 Church Street

New York, NY 10036
Fax: 212 824-3237
Attention: Contracts Management

With a copy to:

OSI Pharmaceuticals, Inc.
41 Pinelawn Road
Melville, NY 11747
Fax: 631 293-2218
Attention: General Counsel

Huntsville, AL 35801
Fax: 256.704.7648
Attention: Contracts Management

With a copy to:

Nektar Therapeutics
150 Industrial Drive
San Carlos, CA 94170
Fax: 650.620.5360
Attention: General Counsel

14. Miscellaneous

14.1. Force Majeure. Neither PARTY shall be held liable or responsible to the other PARTY nor be deemed to have defaulted under or breached this AGREEMENT for failure or delay in fulfilling or performing any term of this AGREEMENT to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of the affected PARTY including but not limited to fire, floods, embargoes, war, acts of war (whether war is declared or not), insurrections, riots, civil commotions, acts of God or acts, omissions or delays in acting by any governmental authority or other PARTY and so long as the PARTY whose performance is prevented or delayed uses and continues to use COMMERCIALLY REASONABLE EFFORTS to overcome such cause; provided, however, that the foregoing shall not be applied to excuse or delay any royalty or other payment obligation of either PARTY under this AGREEMENT. When such circumstances arise, the PARTIES shall discuss what, if any modification of the terms of this AGREEMENT may be required to arrive at an equitable solution.

14.2. Severability. All the terms and provisions of this AGREEMENT are distinct and severable, and if any term or provision is held unenforceable, illegal or void in whole or in part by any court, regulatory authority or other competent authority it shall to that extent be deemed not to form part of this AGREEMENT, and the enforceability, legality and validity of the remainder of this AGREEMENT will not be affected, provided that, in any case where as a result of the operation of this Section 14.2 the rights or obligations of a PARTY are materially altered to the detriment of that PARTY, that PARTY may terminate this AGREEMENT within thirty (30) days from the date of the relevant decision of the relevant court, regulatory authority or other competent authority.

14.3. Variation. This AGREEMENT may not be released, discharged, supplemented, amended, varied or modified in any manner except by an instrument in writing signed by a duly authorized officer or representative of each PARTY.

14.4. Forbearance and Waiver. No waiver by a PARTY in respect of any breach will operate as a waiver in respect of any subsequent breach. No failure or delay by a PARTY in exercising any right or remedy will operate as a waiver thereof, nor will any single or partial exercise or waiver of any right or remedy prejudice its further exercise or the exercise of any other right or remedy.

14.5. Counterparts. This AGREEMENT may be executed in more than one counterpart, each of which constitutes an original and all of which together shall constitute one enforceable agreement.

14.6. No Partnership. The relationship of the PARTIES is that of independent contractors and this AGREEMENT will not operate so as to create a partnership or joint venture of any kind between the PARTIES.

14.7. Construction. The PARTIES have participated jointly in the negotiation and drafting of this AGREEMENT. If an ambiguity or question of intent or interpretation arises, this AGREEMENT shall be construed as if drafted jointly by the PARTIES and no presumption or burden of proof shall arise favoring or disfavoring any PARTY by virtue of the authorship of any of the provisions of this AGREEMENT.

14.8. Entire Agreement. This AGREEMENT (including the Schedules referenced in it) constitutes the entire understanding between the PARTIES and supersedes any prior understanding and agreements between and among them respecting the subject matter of this AGREEMENT. There are no representations, agreements, arrangements or understandings, oral or written, between the PARTIES relating to the subject matter of this AGREEMENT that are not fully expressed in this AGREEMENT.

14.9. Governing Law. This AGREEMENT shall be governed by and construed in accordance with the LAWS of the State of California, U.S.A., without regard to its choice of law rules.

15. Regulatory Matters

15.1. In General. OSI shall research, develop, test, use, manufacture, transport, store, dispose of, commercialize and market PRODUCT in accordance with the practices of a reasonable biopharmaceutical company that has substantial expertise in the field and in strict compliance with all LAWS and, as between the PARTIES, except as specifically provided otherwise in this AGREEMENT, OSI shall bear all costs of doing so. To the extent NEKTAR AL advances or incurs any of the costs contemplated in the preceding sentence, OSI shall reimburse NEKTAR AL for such costs within [**] days after the date of any invoice therefor. Each PARTY shall promptly notify the other in writing of any information that comes to its attention concerning the safety or efficacy of REAGENT and/or PRODUCT, including, without limitation, any threatened or pending action by any regulatory authority with respect thereto.

15.2. Specific Requirements. Without limiting the generality of Article 15, OSI shall learn and verify the hazards involved in using REAGENT, including the Material Safety Data Sheet (“MSDS”) therefor. OSI shall comply with safety instructions provided by NEKTAR AL. OSI shall warn its freight handlers, AFFILIATES, SUBLICENSEES, customers and others who reasonably might be expected to come into contact with REAGENT or PRODUCT of any risks involved in using or handling REAGENT or PRODUCT, including providing them with the MSDS.

15.3. Complaints and Communications. OSI shall be responsible for handling all complaints and communications (including with regulatory authorities) relating to PRODUCT.

In addition to the foregoing, OSI shall promptly notify NEKTAR AL and make NEKTAR AL aware of the nature of any communications with or inspections by regulatory authorities relating to, or which could affect, REAGENT, including any questions, complaints or comments ("INQUIRIES") by regulatory authorities relating to or affecting REAGENT. OSI shall provide NEKTAR AL with copies of any correspondence with regulatory authorities that relate to or could affect REAGENT. OSI shall give NEKTAR AL sufficient opportunity to review and comment on any proposed response to any INQUIRIES prior to filing any such response, and shall give NEKTAR AL a copy of any final response so filed.

15.4. Adverse Reaction Reporting. To the extent permitted by LAW, each PARTY shall notify the other in writing of all information that comes to its attention concerning serious adverse events relating to REAGENT or PRODUCT. Such reports shall be provided to the other PARTY within [**] business days after receipt of the information in the case of any experience coincident with the use of REAGENT or PRODUCT, whether or not considered related to the REAGENT or PRODUCT, that suggests a significant hazard, contraindication, side effect or precaution or results in death, a lifethreatening experience, inpatient hospitalization, prolongation of an existing hospitalization, a persistent or significant disability or incapacity, or a congenital anomaly or birth defect. Information concerning all other adverse events not covered by the preceding sentence (including those covered in summary reports that may be prepared annually by a PARTY covering product complaints and complaint handling) shall be provided on a semi-annual basis by each PARTY to the other.

IN WITNESS WHEREOF, the PARTIES have entered into this AGREEMENT as of the EFFECTIVE DATE by their duly authorized representatives.

NEKTAR THERAPEUTICS AL, CORPORATION

Signature /s/ [**]
Name: [**]
Title: V.P. Business Development

(OSI)EYETECH, INC.

Signature /s/ Paul G. Chaney
Name: Paul G. Chaney
Title: EVP, OSI Pharmaceuticals
President, OSI Eyetech

SCHEDULE I
SPECIFICATIONS

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of one page was omitted.

[**]

SCHEDULE II
CHEMICAL NAME OF PRODUCT

E10030- Chemical Name: [**]

SCHEDULE III
NON-ROYALTY REMUNERATION AND INITIAL FORECAST

A. MILESTONE PAYMENTS. Pursuant to Section 7.1, and until the first PARTNERING TRANSACTION (if any), OSI will pay to NEKTAR AL the following milestone payments for achievement of the corresponding milestone events:

Milestone Event	Milestone Payment (US DOLLARS)
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]

OSI shall pay such milestone payments only once, which shall be upon the first time the corresponding milestone event is achieved. OSI shall make such milestone payments to NEKTAR AL within [**] days of achievement of the corresponding milestone event.

B. SUBLICENSE PAYMENTS. For each PARTNERING TRANSACTION into which OSI enters, OSI shall pay to NEKTAR AL:

1. [**] percent ([**]%) of the PARTNERING UPFRONT REVENUES for such PARTNERING TRANSACTION, less the amount of the initial milestone payment pursuant to Section A if such milestone payment has been paid; and

2. milestone payments for achievement of the corresponding milestone events (which milestone payments will in place of and not in addition to the milestone payments in Section A of this SCHEDULE III), which shall be [**] percent ([**]%) of all PARTNERING REVENUES (other than PARTNERING UPFRONT REVENUES and PARTNERING ROYALTIES) payable to OSI under or with respect to the relevant PARTNERING TRANSACTION(S) prior to or for events occurring at the same time or prior to such milestone event, provided that the aggregate share of all such PARTNERING REVENUES (other than PARTNERING UPFRONT REVENUES and PARTNERING ROYALTIES) payable to NEKTAR AL at the time such milestone payment is due shall be no less than the corresponding Aggregate Floor and no more than the corresponding Aggregate Ceiling, and the applicable milestone payment shall be increased or decreased accordingly:

Milestone Event	Aggregate Floor	Aggregate Ceiling
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]

OSI shall pay such milestone payments only once, which shall be upon the first time the corresponding milestone event is achieved. OSI shall make such milestone payments to NEKTAR AL within [**] days of achievement of the corresponding milestone event.

C. INITIAL REAGENT PRICES. Pursuant to Section 7.S.l, OSI will pay to NEKTAR the following prices for the REAGENT under this AGREEMENT:

Total Amount of REAGENT purchased over calendar year (kg)	Price per Gram (U.S. DOLLARS)
Less than [**] kg	[**]
Equal to or greater than [**] kg and less than [**] kg	[**]
Equal to or greater than [**] kg and less than [**] kg	[**]
Equal to or greater than [**] kg	[**]

The prices in the immediately preceding table shall become effective as of the EFFECTIVE DATE and shall remain in effect, and be subject to increase, as provided for in Section 7.5.2.

SCHEDULE IV
NEKTAR AL PATENT RIGHTS

SC Reference	Patent Number/ Publication Number/ Application Number	Priority Date	Status
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]

SCHEDULE V
ENZON PATENTS

[**]

SCHEDULE VI
ROYALTY, FLOOR, AND CEILING RATES

A. ROYALTY RATES – BEFORE PARTNERING TRANSACTION. The applicable ROYALTY RATES pursuant to Section 7.2 shall be as set forth in the following table, based on:

1. whether any VALID PATENT CLAIMS exist in the relevant country at any time during the relevant CALENDAR QUARTER, and, if so, whether they include any claims for [**], in addition to VALID PATENT CLAIMS from any NEKTAR AL PATENTS; and

2. the level of Aggregate NET SALES of the PRODUCT in the TERRITORY during the relevant calendar year.

Existence of VALID PATENT CLAIMS in Country during CALENDAR QUARTER	Aggregate Net Sales in Calendar Years	
	Less than $[**]	$[**] or more
VALID PATENT CLAIMS exist that include claims from [**] NEKTAR AL PATENTS	[**]%	[**]%
VALID PATENT CLAIMS exist that include only claims from NEKTAR AL PATENTS	[**]%	[**]%
No VALID PATENT CLAIMS exist	[**]%	[**]%

Royalties shall be cumulattve and not incremental, such that if NET SALES of PRODUCT exceed $[**] DOLLARS in a calendar year, then the ROYALTY RATE for *all* NET SALES of the PRODUCT for that calendar year shall be at the higher of the two rates in the applicable line of the table.

By way of example only and without limitation:

(i) If aggregate NET SALES for the PRODUCT in the TERRITORY for the calendar year in which such CALENDAR QUARTER occurs are [**] dollars ($[**]), the ROYALTY RATE for that CALENDAR QUARTER shall be:

[**]% for all NET SALES in countries where such VALID PATENT CLAIMS that include claims from [**] NEKTAR AL PATENT RIGHTS so exist; and

[**]% for NET SALES in countries in which no VALID PATENT CLAIMS existed for the entirety of that CALENDAR QUARTER

in each case regardless of whether aggregate NET SALES of PRODUCT in the TERRITORY have reached $[**] by the end of that CALENDAR QUARTER.

(ii) If aggregate NET SALES of the PRODUCT in the TERRITORY for the calendar year in which such CALENDAR QUARTER occurs are [**] dollars ($[**]), the ROYALTY RATE for that CALENDAR QUARTER shall be:

[**]% for all NET SALES in countries in which VALID PATENT CLAIMS that include claims from [**] NEKTAR AL PATENTS [**] exist at any time during the relevant CALENDAR QUARTER,

[**]% for all NET SALES in countries in which VALID PATENT CLAIMS that include only claims from NEKTAR AL PATENTS, and not any claims from [**], exist at any time during the relevant CALENDAR QUARTER, and

[**]% for all NET SALES in countries in which no VALID PATENT CLAIMS existed for the entirety of that CALENDAR QUARTER.

B. FLOOR AND CEILING RATES – AFTER PARTNERING TRANSACTION. The applicable FLOOR RATES and CEILING RATES pursuant to Section 7.2.1 shall be as set forth in the following table, based on:

1. whether any VALID PATENT CLAIMS exist in the relevant country at any time during the relevant CALENDAR QUARTER, and, if so, whether they include any claims for any [**], in addition to VALID PATENT CLAIMS from any NEKTAR AL PATENTS; and

2. the level of Aggregate NET SALES of the PRODUCT in the TERRITORY during the relevant calendar year.

	FLOOR RATE		**CEILING RATE**	
	Aggregate Net Sales in Calendar Year			
Existence of VALID PATENT CLAIMS in Country	**Less than $[**]**	**$[**] or More**	**Less than $[**]**	**$[**] or More**
VALID PATENT CLAIMS exist that include claims from [**] NEKTAR AL PATENTS	[**]	[**]	[**]	[**]
VALID PATENT CLAIMS exist that include only claims from NEKTAR AL PATENTS	[**]	[**]	[**]	[**]
No VALID PATENT CLAIMS exist	[**]	[**]	[**]	[**]

Royalties shall be cumulative and not incremental, such that if NET SALES of PRODUCT exceed $[**] DOLLARS in a calendar year, then the ROYALTY RATE for *all* NET SALES of the PRODUCT for that calendar year shall be at the higher of the two rates in the applicable line of the table.

By way of example but not limitation:

(i) If aggregate NET SALES for the PRODUCT in the TERRITORY for the calendar year in which such CALENDAR QUARTER occurs are [**] dollars ($[**]), then for that CALENDAR QUARTER:

the FLOOR RATE shall be [**]% for all NET SALES in countries where VALID PATENT CLAIMS exist during any part of that CALENDAR QUARTER; and [**]% for NET SALES in countries in which no VALID PATENT CLAIMS existed for the entirety of that CALENDAR QUARTER; and

the CEILING RATE shall be [**]% for all NET SALES in countries where VALID PATENT CLAIMS exist during any part of that CALENDAR QUARTER; and [**]% for NET SALES in countries in which no VALID PATENT CLAIMS existed for the entirety of that CALENDAR QUARTER;

in each case regardless of whether aggregate NET SALES of PRODUCT have achieved $[**] by the end of that CALENDAR QUARTER.

(ii) If aggregate NET SALES for the PRODUCT in the TERRITORY for the calendar year in which such CALENDAR QUARTER occurs are [**] dollars ($[**]), then for that CALENDAR QUARTER:

the FLOOR RATE shall be [**]% for all NET SALES in countries where VALID PATENT CLAIMS that include both NEKTAR AL PATENT RIGHTS [**] exist during any part of that CALENDAR QUARTER; [**]% for all NET SALES in countries where VALID PATENT CLAIMS that include only NEKTAR AL PATENT RIGHTS exist during any part of that CALENDAR QUARTER but that for the entirety of that CALENDAR QUARTER do not contain [**]; and [**]% for NET SALES in countries in which no VALID PATENT CLAIMS existed for the entirety of that CALENDAR QUARTER; and the CEILING RATE shall be [**]% for all NET SALES in countries where VALID PATENT CLAIMS exist during any part of that CALENDAR QUARTER; and [**]% for NET SALES in countries in which no VALID PATENT CLAIMS existed for the entirety of that CALENDAR QUARTER.

AMENDMENT NO. 1 TO THE
LICENSE, MANUFACTURING AND SUPPLY AGREEMENT

This Amendment No. 1 to the License, Manufacturing and Supply Agreement (this **"Amendment"**) by and between Nektar Therapeutics, a Delaware corporation with offices at 455 Mission Bay Boulevard South, San Francisco, California 94158 (**"Nektar"**), successor by merger to Nektar Therapeutics AL, Corporation, an Alabama corporation, and Ophthotech Corporation, a Delaware corporation with offices at 5 Vaughn Drive, Suite 106, Princeton, New Jersey 08540 (**"Ophthotech"**) is effective as of April 5, 2012. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the License, Manufacturing and Supply Agreement (the **"Agreement"**) made effective as of September 30, 2006 (the **"Agreement Effective Date"**) by and between Nektar and (OSI) Eyetech, Inc. ("**OSI**"). All references to Sections in this Amendment refer to Sections of the Agreement.

WHEREAS, on the Agreement Effective Date, Nektar and OSI entered into the Agreement, pursuant to which Nektar granted to OSI licenses under certain patents and technology to develop and commercialize the PRODUCT;

WHEREAS, on July 27, 2007, OSI assigned the Agreement to Ophthotech in connection with OSI's transfer to Ophthotech of all of OSI's right, title and interest in and to certain technology relating to the PRODUCT; and

WHEREAS, the parties hereto desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. Amendments to Agreement.

(a) The Agreement is hereby amended by replacing each reference to OSI, (OSI) Eyetech or Eyetech in the Agreement with a reference to Ophthotech.

(b) Introductory clause 2 is hereby amended to read in its entirety as follows:

> "2. (OSI) EYETECH, INC. (formerly known as Eyetech Pharmaceuticals, Inc.), a Delaware corporation and wholly owned subsidiary of OSI Pharmaceuticals, Inc. (together with its Affiliates, "OSI"), having offices at 3 Times Square, 12th Floor, New York, New York, 10036, U.S.A., the predecessor-in-interest to Ophthotech Corporation ("OPHTHOTECH") under this Agreement."

(c) WHEREAS clause A is hereby amended to read in its entirety as follows:

> "A. OPHTHOTECH is in the business of developing pharmaceutical products, including in particular a pegylated anti-PDGF aptamer designated as E10030, as defined below."

(d) Section 1.19.1 is hereby inserted to read as follows:

"1.19.1 "FIRST AMENDMENT DATE" means April 5, 2012."

(e) Section 1.56 is hereby amended to read in its entirety as "RESERVED."

(f) Section 1.59 is hereby amended by changing the reference to "Section 1.20" to "Section 1.22".

(g) Section 1.60 is hereby amended to read in its entirety as follows:

"1.60 "QUALITY AGREEMENT" means that quality agreement entered into by the PARTIES and dated as of the FIRST AMENDMENT DATE."

(h) Section 1.65 is hereby amended by deleting the second sentence thereof.

(i) Section 3.7 is hereby amended by replacing each of the two occurrences of "[**]" with "[**]", and by replacing "[**]" with "December 31, 2017".

(j) Section 4.3 is hereby amended to read in its entirety as follows:

"4.3 Minimum Purchases and Rolling Forecast. As soon as practicable after the FIRST AMENDMENT DATE the PARTIES shall mutually agree upon the minimum purchase requirements of OPHTHOTECH for the REAGENT for the [**] CALENDAR QUARTERS immediately following the FIRST AMENDMENT DATE. OPHTHOTECH shall, at least [**] days prior to the commencement of the third and each CALENDAR QUARTER following the FIRST AMENDMENT DATE, furnish NEKTAR with a rolling forecast of its requirements of the REAGENT during the forthcoming [**] CALENDAR QUARTERS, with the required quantities for the first [**] CALENDAR QUARTERS to be a binding order for supply of the REAGENT and the forecast for the remaining [**] CALENDAR QUARTERS to be an estimate only. These quantities shall be in full batch allocations, such full batches contain approximately [**] grams. Notwithstanding the foregoing, (a) NEKTAR shall only be bound to supply up to [**] percent ([**]%) of the initial forecast for any CALENDAR QUARTER. In the event that OPHTHOTECH's forecast exceeds [**] percent ([**]%) of the initial forecast for any CALENDAR QUARTER, then the PARTIES will meet in good faith to discuss how NEKTAR can meet the revised forecast, and (b) in no event shall OPHTHOTECH purchase less than [**] percent ([**]%) of the initial forecast for any CALENDAR QUARTER."

(k) Sections 4.4 and 4.5 are each hereby deleted in their entirety.

(l) Section 4.6 is hereby amended by deleting the phrase "of the PRIOR AGREEMENT".

(m) Sections 4.6 and 4.7 are hereby renumbered to be Sections 4.10 and 4.11, respectively, and all references to such Sections or any subsection thereof are hereby amended to reflect such renumbering.

(n) Sections 4.4 through 4.9 are hereby inserted to read as follows:

"4.4 Purchase Orders. OPHTHOTECH will order the REAGENT from NEKTAR by means of a standard OPHTHOTECH purchase order and NEKTAR shall ship or cause the REAGENT to be shipped pursuant to its standard shipping documents; provided, however, that all terms and conditions respecting any orders of REAGENT other than quantity and delivery dates shall be governed exclusively by the terms of this AGREEMENT. Such OPHTHOTECH purchase order shall specify the quantity and delivery date of the REAGENT. However, in case of inconsistency between the purchase order or the standard shipping documents and the terms and conditions of this AGREEMENT, the terms and conditions of this AGREEMENT or any modification of this AGREEMENT agreed to in writing by the parties shall govern as to matters dealt with in this AGREEMENT, any such inconsistent terms in such purchase order or shipping documents are hereby expressly rejected. OPHTHOTECH shall, at least [**] days prior to the commencement of the third and each successive CALENDAR QUARTER following the EFFECTIVE DATE, provide NEKTAR with a written purchase order for such CALENDAR QUARTER. Any such purchase order shall be sent to NEKTAR'S facility at 1112 Church Street, Huntsville, Alabama 35806, to the attention of the individual of which NEKTAR shall notify OPHTHOTECH in writing from time to time pursuant to Section 13.

"4.5 Fulfillment. To the extent that any orders for REAGENT do not exceed [**] percent ([**]%) of OPHTHOTECH's initial forecast for a respective CALENDAR QUARTER, and to the extent forecasts and purchase orders are submitted as provided hereunder, NEKTAR shall commence fulfilling these orders no later than: (a) [**] months after the date an order is placed; or (b) any other mutually agreed upon delivery date. If NEKTAR determines that it cannot commence fulfilling an order by the later of [**] months of the date an order is placed or any other agreed upon delivery date, then NEKTAR will promptly notify OPHTHOTECH in writing within [**] business days of such determination. To the extent that such order for REAGENT does not exceed [**] percent ([**]%) of OPHTHOTECH's forecast for a respective CALENDAR QUARTER, and to the extent that such purchase order is submitted as provided hereunder, the provisions of Section 4.7 apply. Each shipment of REAGENT as of delivery shall have at least [**]% of its initial shelf-life as of the completion of its manufacture remaining."

"4.6 Shipment; Payment of Invoices.

NEKTAR shall send invoices to OPHTHOTECH for the REAGENT shipped to OPHTHOTECH no earlier than the date on which the REAGENT is placed aboard the carrier at the point of shipment from the place of manufacture or storage owned or controlled by NEKTAR. All shipments of REAGENT will be delivered to the address set forth in the applicable purchase order. All REAGENT supplied to OPHTHOTECH hereunder shall be delivered to OPHTHOTECH EX WORKS (INCOTERMS 2010) NEKTAR's manufacturing or storage facility. OPHTHOTECH shall pay all shipping, customs, duties, taxes, freight and insurance charges associated with shipments of REAGENT. All invoices will be in DOLLARS, payable to NEKTAR, at the address provided above or such other address as NEKTAR may from time to time advise OPHTHOTECH. Payment will be due [**] days from receipt of invoice unless acceptance is delayed pursuant to Sections 6.2, 6.3 and 6.4, in which case they shall be due as provided thereunder. Amounts past due shall bear interest at the rate of [**] percent ([**]%) per month, compounded daily, or the maximum rate allowed under law, whichever is less."

"4.7 Failure to Supply. Subject to Section 14.1, if NEKTAR cannot supply at least [**] percent ([**]%) of the amount of the REAGENT consistent with and at the times specified by Sections 4.3 and 4.4 and does not cure the deficiency within [**] days after OPHTHOTECH so notifies NEKTAR in writing that a portion of the REAGENT due for delivery has not been delivered, after using all reasonable efforts, then NEKTAR will be considered as being unable to manufacture and sell to OPHTHOTECH the REAGENT under this AGREEMENT ("FAILURE"). In the case of a FAILURE for any reason, NEKTAR shall, subject to this Section 4.7, immediately work with OPHTHOTECH and grant to one THIRD PARTY contract manufacturer (the "CONTRACT MANUFACTURER" such CONTRACT MANUFACTURER being subject to approval by both OPHTHOTECH and NEKTAR, such approval to not be unreasonably withheld by either party) a personal, non-assignable, non-exclusive right and license under the LICENSED TECHNOLOGY to make the amount of REAGENT, for the sole purpose of OPHTHOTECH producing the PRODUCT, in accordance with OPHTHOTECH's order for the relevant CALENDAR QUARTER as well as during the following [**] CALENDAR QUARTERS [**]. Such FAILURE by NEKTAR to supply OPHTHOTECH with the REAGENT will not be taken as a refusal by NEKTAR to supply OPHTHOTECH with the REAGENT for subsequent CALENDAR QUARTERS unless NEKTAR so indicates. With respect to such subsequent CALENDAR QUARTERS, if NEKTAR has demonstrated that it has the ability to supply all of OPHTHOTECH's REAGENT requirements hereunder, OPHTHOTECH will resume purchases of the REAGENT from NEKTAR in the manner provided for by this AGREEMENT. Payments made by OPHTHOTECH to the CONTRACT MANUFACTURER for REAGENT supplied during a

FAILURE shall be recognized by NEKTAR, and NEKTAR shall not seek payment for such supply. Notwithstanding the foregoing, all of OPHTHOTECH's milestone and royalty obligations shall remain in effect during the period of any FAILURE. [**]."

"4.8 Technology Transfer. In the event that NEKTAR grants to the CONTRACT MANUFACTURER, as contemplated in Section 4.7, a personal, non-assignable, non-exclusive right and license under the LICENSED TECHNOLOGY to make, have made and use the REAGENT for the sole purpose of manufacturing for OPHTHOTECH the PRODUCT, NEKTAR shall, at its expense, transfer sufficient of its technology, including required NEKTAR KNOW-HOW and training of personnel, to enable the CONTRACT MANUFACTURER to manufacture the REAGENT for the sole purpose of OPHTHOTECH producing the PRODUCT. Such CONTRACT MANUFACTURER shall be bound to treat all such NEKTAR KNOW-HOW as NEKTAR CONFIDENTIAL INFORMATION, subject to the obligations of Section 9."

"4.9 RESERVED."

(o) Section 5.2 is hereby amended by deleting the phrase "of the PRIOR AGREEMENT".

(p) Sections 5, 6 and 7.5 are each hereby amended by deleting from each section the first sentence appearing immediately beneath the corresponding section heading.

(q) Section 7.5.1 is hereby amended by deleting the second sentence thereof.

(r) Section 11.5 is hereby amended to read in its entirety as "RESERVED."

(s) Section 11.6.1 is hereby amended by deleting the second sentence thereof.

(t) Section 13 is hereby amended by deleting the OSI and NEKTAR addresses and fax numbers and replacing them with the following:

"If to OPHTHOTECH:

Ophthotech Corporation
5 Vaughn Drive
Suite 106
Princeton, New Jersey 08540
Fax: 609-452-7435
Attention: Chief Executive Officer

If to NEKTAR:

Nektar Therapeutics
455 Mission Bay Boulevard South
San Francisco, California 94158
Fax: 415-339-5322
Attention: General Counsel”

(u) Schedule I is hereby amended to read in its entirety as follows: “Please see Attachment A to the QUALITY AGREEMENT.”

2. Miscellaneous. The parties hereto hereby confirm and agree that, except as amended hereby, the Agreement remains in full force and effect and is a binding obligation of the parties hereto. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized representatives.

OPHTHOTECH CORPORATION		**NEKTAR THERAPEUTICS**	
By:	/s/ Bruce A. Peacock	By:	/s/ [**]
Name:	Bruce A. Peacock	Name:	[**]
Title:	Chief Business Officer	Title:	Sr. V.P., Pharm. Dev. & Mfg. Ops.

One Penn Plaza, 35th Floor, New York, NY 10119
Phone: 212-845-8200 Fax: 212-845-8250

June 20, 2013

Nektar Therapeutics
Attn.: General Counsel
455 Mission Bay Boulevard South
San Francisco, California 94158

Re: Ophthotech/Nektar License, Manufacturing and Supply Agreement

Dear Sirs:

Reference is hereby made to the License, Manufacturing and Supply Agreement entered into as of September 30, 2006 (as amended, the "License and Supply Agreement"), by and between Ophthotech Corporation, a Delaware corporation ("Ophthotech") and Nektar Therapeutics, a Delaware Corporation (successor by merger to Therapeutics Al, Corporation, an Alabama corporation) ("Nektar").

On May 23, 2013, Ophthotech entered into a Purchase and Sale Agreement with Novo A/S pursuant to which Novo A/S has agreed to provide Ophthotech with funding for clinical trials of Ophthotech's Fovista™ product, which is a Product under the License and Supply Agreement, in exchange for royalties on Fovista™ sales. Ophthotech's press release announcing the transaction can be found at: http://www.ophthotech.com/ophthotech-raises-175-million/.

Under the terms of Ophthotech's agreement with Novo A/S, Ophthotech has granted Novo A/S a security interest in Ophthotech's Fovista™-related intellectual property assets, including Ophthotech's rights in its Fovista™-related license and supply agreements, to Novo A/S, to the extent Ophthotech is legally able to do so, in order to secure the performance of Ophthotech's obligations under its agreement with Novo A/S.

Ophthotech hereby requests that Nektar consent to Ophthotech's grant to Novo A/S of a security interest in Ophthotech's rights in the License and Supply Agreement, to the extent such consent may be necessary to permit such grant and without prejudice to Ophthotech's right to contest the necessity of such consent, in order to secure the performance of Ophthotech's obligations under its agreement with Novo A/S.

In addition, Ophthotech hereby requests that Nektar extend Ophthotech's deadline for achieving a first commercial sale of a Product in the first major market country as specified in Section 3.7 of the License and Supply Agreement from [**] to December 31, 2017 (and, upon such extension,

One Penn Plaza, 35th Floor, New York, NY 10119
Phone: 212-845-8200 Fax: 212-845-8250

Nektar's agreement that Section 3.7 of the License and Supply Agreement hereby be amended by replacing "[**]" with "December 31, 2017" in both places where such phrase occurs therein).

Ophthotech agrees to indemnify Nektar for any out-of-pocket costs reasonably incurred by Nektar due to any of the following: (a) activities undertaken by Ophthotech or Novo A/S to perfect the security interest granted by Ophthotech to Novo A/S described above; or (b) any action or claim by Ophthotech or its affiliates, Novo A/S or its affiliates, or any third party brought under or relating to the security interest described above or the collateral that causes Nektar to incur out-of-pocket costs (such as, by way of example and not by way of limitation, out-of-pocket costs incurred by Nektar, such as attorneys' fees and travel costs, in complying with third party discovery requests or demands directed at Nektar).

Please indicate Nektar's consent and agreement to the above by countersigning below and returning a copy of this consent and agreement to Ophthotech at its notice address under the License and Supply Agreement.

Thank you for your attention to this request.

Very truly yours,

OPHTHOTECH CORPORATION

By: /s/ Bruce A. Peacock

Name: Bruce A. Peacock

Title: Chief Business Officer

Consent and Agreement:

NEKTAR THERAPEUTICS

By: _____

Name: _____

Title: _____

Exhibit 10.11

Execution Copy

Confidential Materials omitted and filed separately with the
Securities and Exchange Commission. Double asterisks denote omissions.

AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

This Amended and Restated Exclusive License Agreement (this "Agreement") is made effective as of September 12, 2011 (the "Restatement Date"), by and between Archemix Corp, a Delaware corporation ("Archemix"), and Ophthotech Corporation, a Delaware corporation ("Ophthotech"). Archemix and Ophthotech are each hereinafter referred to individually as a "Party" and together as the "Parties."

WHEREAS, Archemix is the owner of or otherwise controls, certain patents and proprietary technology;

WHEREAS, the Parties entered into an Exclusive License Agreement on July 31, 2007 (the "Original Agreement Date"), which was amended by Amendment No. 1 and Amendment No. 2 thereto, both dated as of January 6, 2010 (as so amended, the "Amended Original Agreement"), pursuant to which Archemix granted to Ophthotech an exclusive license under certain patents and technology to develop and commercialize certain products; and

WHEREAS, the Parties now desire to further amend, and restate in its entirety, the Amended Original Agreement as set forth below.

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

ARTICLE 1 DEFINITIONS

Whenever used in the Agreement with an initial capital letter, the terms defined in this Article 1 shall have the meanings specified.

1.1 "**Acceptance**" means, with respect to an IND, thirty (30) days from the date such IND is received by the FDA, if no clinical hold is issued by the FDA with respect thereto or, to the extent issued, such later date on which such IND is no longer subject to that clinical hold.

1.2 "**Adverse Event**" means any untoward, undesired or unplanned medical occurrence in a human clinical trial subject or a patient, which occurrence has a temporal relationship to administration of a Licensed Product, whether or not considered related to the Licensed Product, including, without limitation, any undesirable sign (including abnormal laboratory findings of clinical concern), symptom or disease that may be associated with the use of such Licensed Product.

1.3 "**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, controls or is controlled by or is under common control with, such Person. For purposes of this definition, "control" means (a) ownership of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors in the case of a corporation or fifty percent (50%) or more of the equity interests in the case of any other type of legal entity, (b) status as a general partner in any partnership, or (c) any other arrangement whereby a Person

controls or has the right to control the board of directors of a corporation or equivalent governing body of an entity other than a corporation.

1.4 "**AMD**" means age-related macular degeneration and includes the following separate Indications: wet AMD and dry AMD.

1.5 "**Annual Net Sales**" means, with respect to any Calendar Year, the aggregate amount of the Net Sales for such Calendar Year.

1.6 "**Anti-C5 Aptamer**" means an Aptamer that binds with high specificity and affinity to C5 that was provided by Archemix to, or identified in the Anti-C5 Aptamer-Specific Patent Rights licensed to, Ophthotech under this Agreement, including, without limitation, ARC186, ARC1905 and any other Aptamer that binds with high specificity and affinity to C5 as set out in the issued patents and pending patent applications listed in Exhibit A and any Aptamer(s) Derived therefrom that bind with high specificity and affinity to C5.

1.7 "**Anti-C5 Aptamer-Specific Patent Rights**" means the Patent Rights identified in Exhibit A as Anti-C5 Aptamer-Specific Patent Rights and any other Licensed Patent Rights that specifically claim an Anti-C5 Aptamer or the manufacture, use, offer for sale, sale or importation of an Anti-C5 Aptamer in the Field.

1.8 "**Applicable Laws**" means federal, state, local, national and supra-national laws, statutes, rules and regulations, including any rules, regulations guidance, guidelines or requirements of regulatory authorities, national securities exchanges or securities listing organizations, that may be in effect from time to time during the Term and are applicable to a particular activity hereunder.

1.9 "**Aptamer**" means (a) any naturally or non-naturally occurring oligonucleotide identified through the SELEX Process that binds with high specificity and affinity to a Target and (b) any pegylated or unpegylated oligonucleotide Derived from an oligonucleotide of clause (a) that has such high specificity and affinity to a Target.

1.10 "**ARC186**" means an unpegylated Anti-C5 Aptamer having the chemical composition set forth in Schedule 2 attached hereto.

1.11 "**ARC1905**" means a pegylated Anti-C5 Aptamer having the chemical composition set forth in Schedule 1 attached hereto.

1.12 "**Archemix Collaborative Partner**" means any Third Party with whom Archemix is engaged, from time to time, in a collaborative effort to research, develop or commercialize Aptamers, which collaborative effort is evidenced by a written agreement. For purposes of clarity, as used in this definition, a "collaborative effort" includes, without limitation, out-licensing of products developed by Archemix or its Affiliates.

1.13 "**Archemix-Gilead License Agreement**" means the License Agreement between Gilead Sciences, Inc. and Archemix dated October 21, 2001, as amended.

1.14 "**C5**" means complement factor C5.

1.15 "**C5 Expanded License Term**" means the period commencing on the Restatement Date and ending on the earlier of June 30, 2013 or the termination by Ophthotech of the C5 Expanded License Term pursuant to Section 9.2.4; provided, that, the C5 Expanded License Term shall not expire on June 30, 2013 and shall, subject to Section 9.2.4, be deemed to have been extended for the balance of the Term if Ophthotech (a) exercises the Term Extension Option pursuant to Section 4.5.4 or (b) enters into a C5 Rights Transfer Transaction on or before June 30, 2013.

1.16 "**C5 Rights Transfer Transaction**" means any transaction or series of related transactions by and between Ophthotech and any Third Party in which the Third Party acquires any rights to any Licensed Product in the Expanded Field (including, without limitation, by license, sublicense, assignment, or the transfer or sale of all or substantially all of Ophthotech's assets or business relating to any Licensed Product in the Expanded Field, whether by merger, consolidation or other acquisition transaction); provided that (a) if Ophthotech exclusively licenses worldwide rights to all Licensed Products in the Expanded Field to a Third Party pursuant to a *bona fide* license agreement negotiated in good faith by Ophthotech and such Third Party and makes all required payments to Archemix under Section 4.5.1 or 4.5.2, as applicable, with respect thereto as and when due, an assignment, transfer or sale of all or substantially all of Ophthotech's assets or business subsequent to such exclusive license, whether by merger, consolidation or other acquisition transaction pursuant to which Ophthotech is acquired, shall not constitute a C5 Rights Transfer Transaction for purposes of this Agreement and (b) if Ophthotech consummates an assignment, transfer or sale to a Third Party of all or substantially all of Ophthotech's assets or business, whether by merger, consolidation or other acquisition transaction, that constitutes a C5 Rights Transfer Transaction and makes all required payments to Archemix under Section 4.5.1 or 4.5.2, as applicable, with respect thereto as and when due, any licensing, sublicensing, assignment, transfer or sale of Licensed Product rights by the surviving or acquiring entity in such C5 Rights Transfer Transaction subsequent to such C5 Rights Transfer Transaction shall not constitute a C5 Rights Transfer Transaction for purposes of this Agreement. Notwithstanding the foregoing, the following shall not constitute C5 Rights Transfer Transactions: (x) any sublicenses granted by Ophthotech to contract research organizations, contract manufacturers, contract sales organizations, sales representatives, consultants or other service providers necessary for such entities to perform services for Ophthotech or (y) transactions in which rights to distribute Licensed Products are granted to Third Parties and any sublicenses granted in such transactions are ancillary to and solely for the purpose of facilitating such Third Parties' performance as distributors and which do not include rights to develop or manufacture Licensed Products. For the avoidance of doubt, and without limiting the foregoing, a C5 Rights Transfer Transaction involving a Third Party that meets the foregoing definition may include an equity investment transaction pursuant to which such Third Party purchases an equity interest in Ophthotech.

1.17 "**Calendar Quarter**" means the period beginning on the Original Agreement Date and ending on the last day of the calendar quarter in which the Original Agreement Date falls, and thereafter each successive period of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31.

1.18 "**Calendar Year**" means the period beginning on the Original Agreement Date and ending on December 31 of the year in which the Original Agreement Date falls and thereafter each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.19 "**Challenge**" means any challenge to the validity or enforceability of any Licensed Patent Right, in the absence of a breach of this Agreement by Ophthotech, including, without limitation, by (a) filing a declaratory judgment action in which any Licensed Patent Right is alleged to be invalid or unenforceable; (b) citing prior art pursuant to 35 U.S.C. §301, filing a request for re-examination of any Licensed Patent Right pursuant to 35 U.S.C. §302 and/or §311 or provoking or becoming party to an interference with an application for any Licensed Patent Right pursuant to 35 U.S.C. §135; or (c) filing or commencing any reexamination, opposition, cancellation, nullity or similar proceedings against any Licensed Patent Right in any country.

1.20 "**Commercially Reasonable Efforts**" means, with respect to activities of Ophthotech under this Agreement, the efforts and resources customarily used by similarly sized biotechnology companies in the performance of such activities for other products owned by such companies which are of similar market potential and at a similar stage of development, taking into account the competitiveness of the market place, the regulatory structure involved and other relevant and material factors.

1.21 "**Complement Cascade**" means the following plasma proteins which are part of a cascade of reactions by which pathogen recognition is converted into an effective host defense against initial infection: C1q, C1r, C1s, C2b, C3a, C3b, C4a, C4b, C5a, C5b, C6, C7, C8, C9, H and B.

1.22 "**Complement-Specific Patent Rights**" means any Licensed Patent Rights that specifically claim any Aptamer that binds to a Target in the Complement Cascade other than C3a or C3b, or the manufacture, use, offer for sale, sale or importation thereof in the Field, including, without limitation, the Anti-C5 Aptamer-Specific Patent Rights.

1.23 "**Completion**" means, with respect to a clinical trial, the closing of the database with respect to that applicable clinical trial.

1.24 "**Confidential Information**" means all information and Technology disclosed or provided by, or on behalf of a Party (the "Disclosing Party") to the other Party (the "Receiving Party") or to any of the Receiving Party's employees, consultants, Affiliates or sublicensees pursuant to or in connection with this Agreement; provided, that, none of the foregoing shall be Confidential Information if: (a) as of the date of disclosure, it is known to the Receiving Party or its Affiliates, as demonstrated by credible written documentation, other than by virtue of a prior confidential disclosure to such Receiving Party; (b) as of the date of disclosure it is in the public domain or it subsequently enters the public domain other than through a breach by the Receiving Party or its Affiliates of a contractual obligation; (c) it is obtained by the Receiving Party from a Third Party having a lawful right to make such disclosure free from any obligation of confidentiality to the Disclosing Party or its Affiliates; or (d) it is independently developed by or for the Receiving Party or its Affiliates without reference to or use of any Confidential

Information of the Disclosing Party or its Affiliates as demonstrated by credible written documentation. For purposes of clarity, unless excluded from Confidential Information pursuant to the provisos of the preceding sentence, any scientific, technical or financial information Controlled by a Disclosing Party and disclosed at any meeting of the Parties or disclosed through an audit report shall constitute Confidential Information of the Disclosing Party.

1.25 "**Control**" or "**Controlled**" means with respect to Technology or Patent Rights, the possession by a Party of the right to grant a license or sublicense to such Technology or Patent Rights as provided herein solely to the extent that such grant does not (a) violate the terms of any agreement or arrangement with any Third Party or (b) violate any Applicable Laws. Notwithstanding the foregoing, with respect to Technology or Patent Rights licensed by Archemix from a Third Party after the Original Agreement Date (i.e., with respect to Technology or Patent Rights that were not Licensed Technology or Licensed Patent Rights as of the Original Agreement Date), where the grant of a license or sublicense to Ophthotech to such Technology or Patent Rights as provided herein would require a payment of additional consideration by Archemix to such Third Party licensor, Control by Archemix shall be deemed to exist only if Ophthotech agrees to reimburse Archemix for such additional payment of consideration.

1.26 "**Derived**" means identified, obtained, developed, created, synthesized, designed or resulting from, based upon, containing or incorporating or generated from or conjugated to or complexed with (whether directly or indirectly or in whole or in part).

1.27 "**Development**" and "**Develop**" means, with respect to any Licensed Product, all activities with respect to such Licensed Product relating to research and development in connection with seeking, obtaining and/or maintaining any regulatory approval (including without limitation any Regulatory Approval) for such Licensed Product in the Field in the Territory, including, without limitation, all pre-clinical research and development activities, all human clinical studies, all activities relating to developing the ability to manufacture any Licensed Product or any component thereof (including, without limitation, process development work), and all other activities relating to seeking, obtaining and/or maintaining any regulatory approvals for Licensed Products (including without limitation any Regulatory Approvals) from the FDA and/or any Foreign Regulatory Authority.

1.28 "**Excluded Applications**" has the meaning set forth [**].

1.29 "**Expanded Field**" means the prevention, treatment, cure or control of all Indications outside of the Ophthalmic Field, but excluding the Excluded Applications.

1.30 "**FDA**" means the United States Food and Drug Administration and any successor agency or authority thereto.

1.31 **"Field"** means, collectively, the Ophthalmic Field and, during the C5 Expanded License Term, the Expanded Field.

1.32 "**First Commercial Sale**" means, on a country-by-country basis, the date of the first arm's length transaction, transfer or disposition for value to a Third Party of a Licensed Product by or on behalf of, Ophthotech, its Affiliate or Sublicensee in such country. For purposes of clarity, the use of any Licensed Product in clinical trials, pre-clinical studies or other research

or development activities or the disposal or transfer of a Licensed Product for a *bona fide* charitable purpose or for purposes of a commercially reasonable sampling program shall not be deemed to be an arm's length transaction, transfer or disposition for value for purposes of this definition.

1.33 "**Foreign Regulatory Authorities**" means any applicable supranational, national, federal, state or local regulatory agency, department, bureau or other governmental entity of any country or jurisdiction in the Territory (other than the FDA in the United States), having responsibility in such country or jurisdiction for any Regulatory Approvals of any kind in such country or jurisdiction, and any successor agency or authority thereto.

1.34 "**IND**" means an investigational new drug application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) filed or to be filed with the FDA with regard to any Licensed Product.

1.35 "**Indication**" means any human indication, disease, disorder or condition which can be treated, controlled, prevented, cured or the progression of which can be delayed. For purposes of clarity, whether any such indication, disease, disorder or condition constitutes a separate Indication shall be determined by reference to the applicable ICD-9 codes, with each separate code constituting a separate Indication; provided, that, with respect to AMD, wet AMD and dry AMD, and only wet AMD and dry AMD, shall constitute separate Indications. "ICD-9" means the World Health Organization International Classification of Diseases, version 9, and excludes any other versions of the ICD.

1.36 "**Knowledge**" means, with respect to Archemix, the actual knowledge of the chief executive officer, any vice president or the chief legal officer of Archemix.

1.37 "**Legal Exclusivity Period**" means, with respect to a Licensed Product and a country in the Territory, the period (a) beginning on the earlier of the commencement of the Patent-Based Exclusivity Period or of the Non Patent-Based Exclusivity Period and (b) expiring on the later of the expiration of the Patent-Based Exclusivity Period or the Non Patent-Based Exclusivity Period.

1.38 "**Licensed Patent Rights**" means all Patent Rights Controlled by Archemix or any of its Affiliates at any time on or after the Restatement Date and prior to the end of the Term that cover or claim Licensed Products in the Field, including without limitation the Development, manufacture, use, offer for sale, sale or importation thereof. For purposes of clarity, the Licensed Patent Rights, as of the Restatement Date, include without limitation the Patent Rights listed on Exhibit A attached hereto.

1.39 "**Licensed Product**" means any pharmaceutical product comprised of or Derived from, in whole or in part, any Anti-C5 Aptamer.

1.40 "**Licensed Technology**" means any Technology Controlled by Archemix or any of its Affiliates at any time on or after the Restatement Date and prior to the end of the Term that is necessary or useful for the Development, manufacture, use, offer for sale, sale or importation of Licensed Products in the Field.

1.41 **"Material EU Country"** means each of the United Kingdom, Germany, France, Italy and Spain.

1.42 "**Net Sales**" means the gross amount billed or invoiced by Ophthotech or any of its Affiliates or Sublicensees to Third Parties throughout the Territory for sales or other dispositions or transfers for value of Licensed Products in the Ophthalmic Field less (i) allowances for normal and customary trade, quantity and cash discounts actually allowed and taken, and inventory management fees paid to wholesalers and distributors, (ii) transportation, insurance and postage charges, if paid by Ophthotech or any Affiliate or Sublicensee and included on any such Third Party's bill or invoice as a separate item, (iii) credits, chargebacks, retroactive price reductions, rebates and returns, to the extent actually allowed, (iv) negotiated payments made to private sector and government Third Party payors (e.g., PBMs, HMOs and PPOs) and purchasers/providers (e.g., staff model HMOs, hospitals and clinics), regardless of the payment mechanism, including without limitation off-invoice, rebate, chargeback and credit mechanisms, (v) discounts paid under discount prescription drug programs and reductions for coupon and voucher programs; (vi) any tax, tariff, customs duty, excise or other duty or other governmental charge (other than a tax on income) levied on the sale, transportation or delivery of Licensed Product and actually paid by Ophthotech or any of its Affiliates or Sublicensees; and (vii) portions of gross amounts billed or invoiced that are written off as uncollectible, not to exceed [**] percent ([**]%) of Annual Net Sales in any Calendar Year. In addition, Net Sales are subject to the following:

(a) If Ophthotech or any of its Affiliates or Sublicensees effects a sale, disposition or transfer of a Licensed Product in the Ophthalmic Field to a customer in a particular country as part of a package of Licensed Products and services (but not in a Combination Product), the Net Sales of such Licensed Product to such customer shall be deemed to be "the fair market value" of such Licensed Product less applicable discounts pursuant to this definition of Net Sales. For purposes of this subsection (a), "fair market value" shall mean the fraction (A/A+B), where A equals the value that would have been derived had such Licensed Product been sold as a separate Licensed Product to another customer in the country concerned on customary commercial terms and B equals the aggregate value that would have been derived had the other components of such package been sold as separate products to another customer in the country concerned on customary commercial terms.

(b) In the case of pharmacy incentive programs, hospital performance incentive program chargebacks, disease management programs, similar programs or discounts on "bundles" of Licensed Products, all discounts and the like shall be allocated among Licensed 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 Licensed Products.

(c) For purposes of clarity, use of any Licensed Product in clinical trials, pre-clinical studies or other research or development activities or disposal or transfer of Licensed Products for a *bona fide* charitable purpose or purposes of a commercially reasonable sampling program shall not give rise to any Net Sales.

(d) Sales or transfers of Licensed Product among Ophthotech, its Affiliates and Sublicensees for the purpose of subsequent resale to Third Parties shall not be included in

Net Sales; with respect to such sales or transfers, the gross amounts billed or invoiced in connection with the subsequent resale to Third Parties will be included in the calculation of Net Sales.

In the event that a Licensed Product under this Agreement is sold in the Ophthalmic Field in combination ("Combination Product") with another ingredient or component having independent, supplementary or enabling therapeutic effect (e.g., as a catalyst or adjuvant) or diagnostic utility or that has independent function as a medical device or means of administration (a "Supplemental Component"), then "Net Sales," for purposes of determining royalty payments on the Combination Product, shall be calculated using one of the following methods:

(y) By multiplying the Net Sales of the Combination Product (calculated prior to the application of this formula) by the fraction C/C+D, where C is the average gross selling price, during the applicable Calendar Quarter in the country concerned, of the Licensed Product when sold separately, and D is the average gross selling price, during the applicable Calendar Quarter in the country concerned, of the Supplemental Component(s) when sold separately; or

(z) In the event that no such separate sales are made of the Licensed Product or any of Supplemental Components in such Combination Product during the applicable Calendar Quarter in the country concerned, Net Sales, for the purposes of determining royalty payments shall be calculated using the above formula where C is the reasonably estimated commercial value of the Licensed Product sold separately and D is the reasonably estimated commercial value of the Supplemental Components sold separately. Any such estimates shall be determined using criteria to be mutually agreed upon by the Parties. Such estimates shall be reported to Archemix in the reports to be provided pursuant to Section 4.5.1 hereof. If the Parties are unable to agree on the criteria for determining such estimates, either Party may submit such dispute for resolution pursuant to the provisions of Section 10.2.2 (Accelerated Arbitration).

1.43 **"Non Patent-Based Exclusivity Period"** means, with respect to a Licensed Product in a country in the Territory, that period of time during which no Third Party has been granted the legal right by the FDA or any Foreign Regulatory Authority, as applicable, in such country to market and sell the Licensed Product in such country.

1.44 "**Non-Royalty Term**" means, with respect to each Licensed Product, the period commencing on the Original Agreement Date and continuing on a product-by-product, and country-by-country basis until the date on which no further payments of Sublicense Income are received by Ophthotech.

1.45 "**Ophthalmic Field**" means the prevention, treatment, cure or control of all Indications of the eye, adnexa of the eye, orbit and optic nerve, but excluding Diagnostics (as such term is defined on Schedule 3).

1.46 "**Patent-Based Exclusivity Period**" means, with respect to a Licensed Product and a country in the Territory, that period of time during which at least [**] (other than any Valid Claim licensed to Ophthotech pursuant to the Isis Sublicense Agreement, which shall be disregarded for purposes of this definition) covers the Licensed Product.

1.47 "**Patent Rights**" means all rights and interests in and to issued patents and pending patent applications including, without limitation, provisional and non-provisional patent applications, and all divisions, continuations and continuations-in-part thereof, patents issuing on any of the foregoing, all reissues, reexaminations, renewals and extensions thereof, and supplementary protection certificates therefor, as well as any certificates of invention or applications therefor, and all foreign counterparts of any of the foregoing.

1.48 **"PDGF License Agreement"** means the Amended and Restated License Agreement by and between the Parties of even date herewith providing for the grant by Archemix to Ophthotech of certain rights and licenses with respect to PDGF in certain fields defined therein, which agreement supersedes the Research and License Agreement by and between Archemix and Eyetech Pharmaceuticals, Inc., dated April 8, 2004, which such agreement was assigned to Ophthotech on July 27, 2007.

1.49 **"Permitted Activities"** means any activity conducted by or on behalf of Archemix or any Third Party licensee or sublicensee of Archemix with respect to Excluded Applications in the Expanded Field.

1.50 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision, department or agency of a government.

1.51 "**Phase I Clinical Trial**" means a clinical trial conducted in healthy humans or in patients with a particular disease or condition, which clinical trial is designed to initially explore the safety, drug-drug interactions and/or pharmacokinetics of an investigational drug given its intended use, and to support continued testing of such drug in Phase II Clinical Trials. For purposes of clarity, a Phase I Clinical Trial may also initially explore efficacy if a safety endpoint for such trial coincides with an initial indication of efficacy.

1.52 "**Phase II Clinical Trial**" means a clinical trial conducted in patients with a particular disease or condition, which clinical trial is designed to establish the safety, appropriate dosage and pharmacological activity of an investigational drug given its intended use, and to initially explore its efficacy for such disease or condition.

1.53 "**Phase III Clinical Trial**" means a pivotal clinical trial conducted in patients with a particular disease or condition, which clinical trial is designed to ascertain efficacy and safety of an investigational drug for its intended use and to define warnings, precautions and Adverse Events that are associated with the investigational drug in the dosage range intended to be prescribed, with the purpose of preparing and submitting applications for Regulatory Approval or label expansion to the FDA in the United States or pertinent Foreign Regulatory Authority in a country outside the United States.

1.54 "**Regulatory Approval**" means any and all approvals (including pricing and reimbursement approvals), product and establishment licenses, registrations or authorizations of any kind of the FDA or any Foreign Regulatory Authority necessary for the marketing and

commercial sale of a Licensed Product (or any component thereof) for use in the Field in any country or other jurisdiction in the Territory.

1.55 "**Royalty Term**" means, with respect to each Licensed Product, the period commencing on the Original Agreement Date and continuing on a product-by-product, and country-by-country basis until the later of (a) the last to expire Valid Claim (other than any Valid Claim licensed to Ophthotech pursuant to the Isis Sublicense Agreement, which shall be disregarded for purposes of this definition) covering the Licensed Product in such country or (b) twelve (12) years from the date of First Commercial Sale of such Licensed Product in such country.

1.56 "**SELEX Portfolio**" means those Patent Rights licensed by Gilead to Archemix pursuant to the Archemix-Gilead License Agreement.

1.57 "**SELEX Process**" means any means used for the identification or generation of a nucleic acid that binds to a Target by means other than Watson-Crick base-pairing, including, without limitation, any process that (a) is covered by the SELEX Portfolio, including, without limitation, U.S. Patent Nos. [**], (b) is covered by any other Patent Rights Controlled by Archemix, or (c) is covered by any continuation, divisional, continuation-in-part, substitution, renewal, reissue, re-examination or extension, or any foreign equivalent of, the foregoing Patent Rights.

1.58 "**SELEX Technology**" means any process for modifying, optimizing and/or stabilizing an Aptamer, wherein such modification, optimization or stabilization includes, without limitation, minimization, truncation, conjugation, pegylation, complexation, substitution, deletion and/or incorporation of modified nucleotides.

1.59 "**Serious Adverse Event**" means an Adverse Event occurring at any dose that (a) results in death, (b) is life-threatening, (c) requires inpatient hospitalization or prolongation of an existing hospitalization, (d) results in a persistent or significant disability or incapacity or (e) results in a congenital anomaly or birth defect. Additionally, important medical events that are not described in the immediately preceding sentence shall be considered Serious Adverse Events when, based upon appropriate medical judgment, they may jeopardize the patient or subject and may require medical or surgical intervention to prevent one of the outcomes listed in the immediately preceding sentence.

1.60 "**Sublicensee**" means any Third Party to whom Ophthotech grants a sublicense of some or all the rights granted to Ophthotech under this Agreement.

1.61 **"Sublicense Income"** means all payments received by Ophthotech or its Affiliates from its Sublicensees in connection with sublicenses granted hereunder excluding (a) payments made by a Sublicensee to support or fund research and development activities to be undertaken by Ophthotech or its Affiliates pursuant to a budget for sponsored research which has been agreed to with the Sublicensee and based on full-time equivalent or other cost-accounting methodologies that are consistent with then current industry practices, (b) payments made in consideration of the issuance of equity or debt securities of Ophthotech to the extent that the price paid for such equity or debt does not exceed the then fair market value thereof, as

determined in good faith by the board of directors of Ophthotech; provided, that, if requested by Archemix, Ophthotech shall promptly provide Archemix with reasonable support for any such determination and any dispute over any such determination may be submitted by either Party to arbitration pursuant to Section 10.2.2, and (c) royalty payments made to Ophthotech by such Sublicensee on net sales (or, in the case of a profit-sharing agreement with a Sublicensee, profit-sharing payments made to Ophthotech by such Sublicensee) pursuant to the applicable sublicense agreement.

1.62 "**Sustained Drug Delivery Product**" means any Licensed Product comprising or incorporating Sustained Drug Delivery Technology.

1.63 "**Sustained Drug Delivery Technology**" means any Technology including, without limitation, any modifications to a Licensed Product and/or its formulation, designed to significantly prolong local effects relative to intravitreal injection of the Licensed Product.

1.64 "**Target**" means a protein, cytokine, enzyme, receptor, transducer, transcription factor, antigen or any other non-nucleic acid molecule.

1.65 "**Technology**" means, collectively, inventions, discoveries, improvements, trade secrets and proprietary methods, whether or not patentable, including, without limitation: (a) methods of production or use of, and structural and functional information pertaining to, chemical compounds and (b) compositions of matter, data, formulations, processes, techniques, know-how and results (including any negative results).

1.66 "**Territory**" means all countries and jurisdictions of the world.

1.67 "**Third Party**" means any person or entity other than Ophthotech, Archemix and their respective Affiliates.

1.68 "**ULEHI**" means University License Equity Holdings, Inc., formerly known as UTC.

1.69 "**Unexpected Adverse Event**" means an Adverse Event, the specificity or severity of which is not consistent with the current package insert or investigator's brochure for the Licensed Product. An Unexpected Adverse Event includes any event that may be symptomatically and pathophysiologically related to an event listed in the current package insert or investigator's brochure, but differs from the listed event because of greater severity or specificity.

1.70 "**URC License Agreement**" means the Restated Assignment and License Agreement, dated July 17, 1991, by and between University Research Corporation and Gilead Sciences, Inc. as successor in interest to NeXstar Pharmaceuticals, Inc.

1.71 "**UTC**" means University Technology Corporation, the successor to the University Research Corporation.

1.72 "**Valid Claim**" means any claim of a pending patent application or an issued, unexpired patent covered under the Licensed Patent Rights that (a) has not been finally

cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, (b) has not been permanently revoked, held invalid or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, (c) has not been rendered unenforceable through disclaimer or otherwise, (d) is not lost through an interference proceeding and (e) in the case any claim of a pending patent application, is not pending more than [**] years from filing date of the earliest patent application from which such pending patent application claims priority.

Additional Definitions. In addition, each of the following definitions shall have the respective meanings set forth in the section of this Agreement indicated below:

Definition	Section
AAA	10.2.1
Abandoned Patent Right	6.2
Agreement	Recitals
Amended Original Agreement	Recitals
Archemix	Recitals
Archemix Indemnitees	8.1
Claims	8.1
Combination Product	1.42(d)
Disclosing Party	1.24
Dispute	10.2.1
Expert	10.2.2(a)
Extension Fee	4.5.4
Generic Product	4.2.2
Gilead Indemnitee	8.3
Indemnified Party	8.2
Infringement	6.3.1
Infringement Notice	6.3.1
Isis	4.2.3
Isis Sublicense Agreement	4.2.3
Junior Preferred Shares	4.1.2(a)
Licensed Patent Right Fees	6.2
Mandatory Jurisdiction	6.2
Negotiation Period	2.4
New Ophthalmic Complement Negotiations	2.4
Non-Sales-Based Milestone Payments	4.5.1(b)
Ophthotech	Recitals
Option	2.4
Option Period	2.4
Optional Jurisdiction	6.2
Original Agreement Date	Recitals
Party	Recitals
Parties	Recitals
Receiving Party	1.24

Restatement Date	Recitals
Series A Financing	4.1.2(a)
Series A Investors	4.1.2(a)
Series A Rights	4.1.2(a)
Stock Purchase Agreement	4.1.2(a)
Sublicense Income Payments	4.3.2
Subsequent Shares	4.1.2(b)
Supplemental Component	1.42(d)
Term	9.1
Term Extension Option	4.5.4
Third Party Payments	4.2.3

ARTICLE 2 GRANT OF RIGHTS

2.1 **License to Ophthotech**.

2.1.1 Grant of License. Archemix hereby grants to Ophthotech an exclusive, royalty-bearing license, including the right to grant sublicenses in accordance with Section 2.1.3, under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, offer for sale, distribute for sale, have sold, import, have imported, export and have exported, Licensed Products in the Territory, for any and all uses within the Field, subject to the terms and conditions of this Agreement. For purposes of clarity, (a) if the C5 Expanded License Term ends for any reason prior to the end of the Term, Ophthotech's rights in the Expanded Field pursuant to the foregoing license shall terminate at the end of the C5 Expanded License Term and the foregoing license shall thereafter be limited to the Ophthalmic Field, (b) Ophthotech shall have the exclusive right under this license to use SELEX Technology for the sole purpose of modifying Anti-C5 Aptamers for use in the Field, (c) Ophthotech shall have no right under this license to practice the SELEX Process for any other reason, including to identify or modify aptamers, and (d) subject to Section 2.3, Archemix shall retain the right to use the Licensed Technology and practice the Licensed Patent Rights to (i) research, develop, have developed, make, have made, use, have used, sell, offer for sale, have sold, distribute for sale, import, have imported, export and have exported any product that is not a Licensed Product in the Field and (ii) research, develop, have developed, make, have made, use, have used, sell, offer for sale, have sold, distribute for sale, import, have imported, export and have exported any Licensed Product outside the Field.

2.1.2 Negative Covenant. Ophthotech is not granted the right to, and hereby agrees that it will not (a) practice any inventions covered by a Valid Claim under the Licensed Patent Rights or the SELEX Process, except as expressly permitted under this Agreement, (b) research, develop, make, have made, use, have used, sell, offer for sale, have sold, distribute for sale, import, have imported, export or have exported Diagnostics (as such term is defined on Schedule 3) in the Ophthalmic Field or Aptamers in, or for use as, Excluded Applications (as such term is defined on Schedule 3) outside the Ophthalmic Field or (c) perform any research or development on any Anti-C5 Aptamer for any use outside of the Field. Notwithstanding the foregoing provisions of this Section 2.1.2, (i) Ophthotech shall not be restricted by Section 2.1.2(a), (b) or (c) from engaging in any activity that, in the absence of a license from

Archemix, would not infringe a Valid Claim Controlled by Archemix, and the foregoing covenant by Ophthotech shall not apply to any such non-infringing activities and (ii) Ophthotech shall not be restricted by Section 2.1.2(a), (b) or (c) from engaging in any activity in which Ophthotech is permitted to engage pursuant to a license, sublicense or other right granted to Ophthotech in any agreement other than this Agreement with respect to the SELEX Portfolio, the SELEX Process, SELEX Technology or Aptamers, whether granted by Archemix, Gilead or any other Person having the right to grant such license, sublicense or other right.

2.1.3 Right to Sublicense. Ophthotech shall have the right to grant sublicenses to all or any portion of its rights under the license granted pursuant to Section 2.1.1; provided, that, (a) Archemix shall be notified of the grant of each such sublicense; (b) each such sublicense shall be subject to, and consistent with, the terms and conditions of this Agreement; (c) each such sublicense shall contain and include the following provisions of this Agreement (with appropriate modifications to account for the identities of the parties to such sublicense): Sections 2.1.2 (Negative Covenant), 2.1.4 (Reversion of License Rights), 2.1.5 (Archemix-Gilead License Agreement), 6.3.3 (Effect of Challenge) and 9.2.2 (Termination for Challenge); (d) each such sublicense shall contain and include provisions substantially similar to, and consistent with, the language provided in Sections 2.1.1 (Grant of License), 3.1.2 (Diligence), 4.3.1 (Royalties), and Article 5 (Treatment of Confidential Information); (e) upon termination of this Agreement, any such sublicense shall be considered a direct license from Archemix as provided in Section 9.3 hereof; and (f) Ophthotech shall provide Archemix with a copy of each sublicense agreement within [**] days after execution. If requested by a Sublicensee in connection with the negotiation of a sublicense, Archemix shall enter into a "stand-by" license agreement directly with such Sublicensee to further document the provisional license described in the foregoing clause (e); provided, that, as a condition to Archemix's execution of any such "stand-by" license, Ophthotech shall (i) provide to Archemix, at least [**] days prior to the anticipated date of execution, a copy of the proposed form of such "stand-by" license and any material information reasonably necessary for Archemix to ensure that the sublicense agreement conforms to all terms and conditions of sublicensing under this Agreement and (ii) reimburse Archemix for the reasonable legal fees and expenses incurred by Archemix in connection with its review and execution of such "stand-by" license.

2.1.4 Reversion of License Rights. Ophthotech acknowledges and agrees that each of the URC License Agreement and the Archemix-Gilead License Agreement provide that the Archemix rights in the SELEX Process or the SELEX Technology and the SELEX Portfolio may revert to Gilead or ULEHI if Archemix, its Affiliates and all assignees and sublicensees cease to exercise reasonable efforts to develop the commercial applications of products and services utilizing the SELEX Process or the SELEX Technology.

2.1.5 Terminations of Archemix-Gilead and URC License Agreements. Ophthotech acknowledges and agrees that the Archemix-Gilead License Agreement provides that in the event of any termination of the Archemix-Gilead License Agreement, the licenses granted hereunder to Ophthotech under the Archemix-Gilead License Agreement shall remain in full force and effect in accordance with Section 2.3 of the Archemix-Gilead License Agreement; provided, that, Ophthotech agrees to be bound to Gilead as the licensor under the terms and conditions of this Agreement; provided, that, if the termination of the Archemix-Gilead License Agreement arises out of the action or inaction of Ophthotech, Gilead, at its option, may

terminate such license. Ophthotech further acknowledges and agrees that the URC License Agreement provides that in the event of any termination of the URC License Agreement, the licenses granted hereunder to Ophthotech under the Archemix-Gilead License Agreement shall remain in full force and effect in accordance with Section 3.4 of the URC License Agreement; provided, that, Ophthotech is not then in breach of this Agreement and Ophthotech agrees to be bound to ULEHI as the licensor under the terms and conditions of this Agreement. Archemix shall inform Ophthotech of any termination of the Archemix-Gilead License Agreement or the URC License Agreement.

2.2 **No Other Rights.** Ophthotech is not granted any rights to use or otherwise exploit Licensed Patent Rights or Licensed Technology except as set forth in this Agreement.

2.3 **Exclusivity**. During the Term, neither Archemix nor any of its Affiliates will, alone or with a Third Party, conduct any activity for the purpose of researching, developing or commercializing any aptamer that binds with high specificity and affinity to C5 (including any Anti-C5 Aptamer) for use in the Field, other than Permitted Activities.

2.4 **Right of First Negotiation**. Archemix shall notify Ophthotech in writing if Archemix or an Affiliate of Archemix seeks to license to a Third Party solely the rights to any aptamer(s) for use in the Field against Targets in the Complement Cascade, other than complement factor C5, for uses in the Field ("New Ophthalmic Complement Negotiations") and shall grant Ophthotech an option to initiate negotiation of a license under Archemix's interest in such rights (the "Option"). Concurrently with such notice, Archemix shall supply to Ophthotech a summary of such information in Archemix's possession concerning such aptamer(s) as Archemix reasonably deems pertinent, subject to Archemix's confidentiality obligations to Third Parties. Such Option shall be in effect for a period of [**] days from the date of notice of the New Ophthalmic Complement Negotiations pursuant to this Section 2.4 (the "Option Period"). Ophthotech may exercise the Option by providing written notice to Archemix within the Option Period of its intent to exercise such Option, at which time the Parties shall in good faith negotiate for up to [**] days (the "Negotiation Period") an agreement for the commercial exploitation of such rights, which agreement shall contain commercially reasonable terms and conditions. If Ophthotech does not exercise the Option during the Option Period, provides written notice that it chooses not to exercise the Option, or the Negotiation Period expires without execution of an agreement between the Parties, then (i) neither Party shall have any further obligation to enter into or continue any negotiations with respect to the subject matter of the Option, and (ii) Archemix may license such rights to a Third Party without any further obligation to Ophthotech. For purposes of clarity, no Option shall arise if the rights that Archemix seeks to license to a Third Party cover multiple Targets wherein one or more of the Targets are outside of the Complement Cascade.

ARTICLE 3 DEVELOPMENT AND COMMERCIALIZATION OF LICENSED PRODUCTS AND PROVISION OF MATERIALS.

3.1 **Development and Commercialization**.

3.1.1 Responsibility. From and after the Original Agreement Date, Ophthotech shall have full control and authority over the Development and commercialization of Licensed

Products in the Field in the Territory, including, without limitation, (a) all pre-clinical Development activities (including any pharmaceutical development work on formulations or process development relating to any Licensed Product), (b) all activities related to human clinical trials, (c) all activities relating to manufacture and supply of all Licensed Products (including all required process development and scale up work with respect thereto), (d) all marketing, promotion, sales, distribution, import and export activities relating to any Licensed Product, and (e) all activities relating to any regulatory filings, registrations, applications and Regulatory Approvals relating to any of the foregoing. Ophthotech shall own all data, results and all other information arising from any such activities under this Agreement, including, without limitation, all regulatory filings, registrations, applications and Regulatory Approvals relating to Licensed Products, and all of the foregoing information, documentation and materials shall be considered Confidential Information and Technology solely owned by Ophthotech. All activities relating to Development and commercialization under this Agreement shall be undertaken at Ophthotech's sole cost and expense, except as otherwise expressly provided in this Agreement.

3.1.2 Diligence.

(a) General Diligence Obligations. Ophthotech will exercise Commercially Reasonable Efforts in Developing and commercializing at least one Licensed Product in the Field and in undertaking investigations and actions required to obtain Regulatory Approvals necessary to market such Licensed Product in the Field in the United States, the European Union, and Japan, and in such ex-United States markets, in addition to the European Union and Japan, where Ophthotech determines, in the exercise of Commercially Reasonable Efforts, that it is commercially reasonable to do so. In the event that Ophthotech fails to use Commercially Reasonable Efforts as required hereunder, then on a Licensed Product-by-Licensed Product and country-by-country basis as to such Licensed Product in such country, Archemix may, in its sole discretion (i) terminate the licenses granted under Article 2 of this Agreement for breach under Section 9.2.3 below, or (ii) convert the licenses granted under Article 2 of this Agreement from exclusive licenses to non-exclusive licenses, in either case only as such licenses apply to such Licensed Product in such country(ies); provided that, if Ophthotech is exercising Commercially Reasonable Efforts in each Material EU Country, then Archemix may not so terminate or convert such licenses as to any country in the European Union. The foregoing provisions of this Section 3.1.2(a) shall constitute Archemix's sole and exclusive remedies and Ophthotech's sole and exclusive liabilities for any failure by Ophthotech to exercise Commercially Reasonable Efforts to Develop or commercialize any Licensed Product in any country or in the European Union pursuant to this Section 3.1.2(a). In satisfying its obligation to use Commercially Reasonable Efforts with respect to such Licensed Product, Ophthotech may engage in Development and commercialization activities in various markets in a reasonably sequenced manner, it being understood that Development and commercialization in the United States, the European Union, Japan and other markets likely will not be pursued by Ophthotech on concurrent Development and commercialization schedules.

(b) Specific Diligence Obligation. Without limiting the generality of the provision of Section 3.1.2(a) above, Ophthotech hereby agrees that it will complete a Phase II Clinical Trial of a Licensed Product for an Indication within AMD by December 31, 2014.

(c) Effect of Failure to Meet Obligations. If Ophthotech fails to meet the milestone set forth above in Section 3.1.2(b) by the applicable deadline, but is otherwise in compliance with the provisions of Section 3.1.2(a) during the applicable diligence period specified above, then Archemix and Ophthotech will negotiate in good faith an extension of the milestone deadline. If Ophthotech (i) fails to meet the milestone set forth above in Section 3.1.2(b) by such extended deadline, or (ii) fails to meet the milestone set forth above in Section 3.1.2(b) by the applicable deadline, and is not otherwise in compliance with the provisions of Section 3.1.2(a) during the applicable diligence period specified above, Archemix may, in its sole discretion (A) terminate the licenses granted under Article 2 of this Agreement for breach under Section 9.2.3 below or (B) convert the licenses granted under Article 2 of this Agreement from exclusive licenses to non-exclusive licenses. The foregoing provisions of this Section 3.1.2(c) shall constitute Archemix's sole and exclusive remedies and Ophthotech's sole and exclusive liabilities for any failure by Ophthotech to meet the milestone set forth above in Section 3.1.2(b) by the applicable deadline, as such deadline may be extended pursuant to this Section 3.1.2(c).

3.2 **Progress Reports.** Ophthotech shall provide Archemix with written reports every [**] months during the Term that shall include, at minimum, information reasonably sufficient to enable Archemix to satisfy its reporting obligations to Gilead under the Archemix-Gilead License Agreement with respect to this Agreement and to assess the progress made by Ophthotech toward meeting the diligence requirements of Section 3.1 above.

3.3 **Notice of Certain Events; Pharmacovigilance.** In addition to the progress reports required pursuant to Section 3.2 above, Ophthotech shall provide Archemix with written notice within [**] days after the occurrence of (a) the First Commercial Sale in each country, (b) the Completion of each Phase I Clinical Trial, Phase II Clinical Trial and Phase III Clinical Trial of a Licensed Product, (c) each milestone set forth in Section 4.4 below, (d) any Regulatory Approval in any country, and (e) any other material event other than as set forth in the foregoing clauses (a)-(d) related to the Development or commercialization of Licensed Products. Ophthotech and, to the extent Archemix Develops and/or commercializes any Licensed Product, Archemix, shall notify one another in writing of all information coming to their attention regarding Adverse Events, Serious Adverse Events and/or Unexpected Adverse Events related to, or reasonably likely to be related to, any Licensed Product, regardless of the origin of such information and, for the avoidance of doubt, including such information coming to their attention through journal publications and other media. Notifications of Serious Adverse Events and Unexpected Adverse Events shall be given contemporaneously with notifications of such Serious Adverse Events or Unexpected Adverse Events to any regulatory authority, including the FDA or any Foreign Regulatory Authority. In addition, Ophthotech shall provide Archemix with periodic (not more frequently than [**]) telephone updates as to Adverse Events, Serious Adverse Events and/or Unexpected Adverse Events related to any Licensed Product, to the extent reasonably requested by Archemix. Notifications of all other Adverse Events shall be provided [**], with the information provided in each [**] notification to be current to within [**] days prior to the date of such notification.

3.4 **Manufacturing**. Ophthotech shall be solely responsible, at its expense, for the conduct of all chemistry, manufacture and control activities with respect to Licensed Products.

ARTICLE 4 PAYMENTS AND ROYALTIES

4.1 **Initial Fees**.

4.1.1 License Fee. In consideration for the rights granted to Ophthotech hereunder, Ophthotech hereby agrees to pay Archemix an upfront license fee in the amount of [**] Dollars (U.S. $[**]) payable within [**] days after the Original Agreement Date by wire transfer of immediately available funds, which payment shall be non-refundable and non-creditable. Archemix acknowledges and agrees that Ophthotech has fulfilled its obligations under this Section 4.1.1 prior to the Restatement Date, and no further payment shall be due with respect thereto following the Restatement Date.

4.1.2 Equity.

(a) Initial Equity Issuance. In consideration for the rights granted to Ophthotech hereunder, Ophthotech hereby agrees to deliver to Archemix, concurrently with the closing by Ophthotech of its equity financing involving the issuance of shares of Series A Preferred Stock, $.001 par value per share (the "Series A Financing"), that number of shares of Junior Preferred Stock, $.001 par value per share (the "Junior Preferred Shares") as shall equal the result obtained by dividing Two Million Dollars (U.S. $2,000,000) by the purchase price per share of the shares issued to the Series A Investors in the Series A Financing, on the terms and subject to the conditions set forth in the stock purchase agreement (the "Stock Purchase Agreement") to be negotiated and executed by the investors in the Series A Preferred Financing (the "Series A Investors"). In connection therewith, Ophthotech acknowledges and agrees that Archemix, as a holder of Junior Preferred Shares, shall receive all of the rights and preferences granted by Ophthotech to the Series A Investors in the Series A Financing (the "Series A Rights"); provided, that, notwithstanding anything to the contrary in this Agreement or in the Stock Purchase Agreement or in any other agreement among Ophthotech and the Series A Investors, (a) Archemix shall not be obligated, in connection with its purchase of the Junior Preferred Shares, to provide any additional funding to Ophthotech, whether through a mandatory participation right in subsequent financings or similar obligation, in order to retain the benefit of all of the Series A Rights, (b) Archemix shall not be entitled to designate a representative to serve on Ophthotech's board of directors or to attend board of directors meeting as an observer and (c) at any time when the Junior Preferred Shares are outstanding, Ophthotech shall not amend, waive, alter or repeal any provision of its certificate of incorporation in a manner that adversely affects the powers, preferences or rights of the Junior Preferred Shares without the approval of a majority of the then outstanding Junior Preferred Shares consenting or voting separately as a class; except as otherwise stated in this clause (c) the Junior Preferred Shares shall be voted in the same manner as the majority of shares of Series A Preferred Stock voting on any such decision on which the Junior Preferred Shares are entitled to vote. Archemix acknowledges and agrees that Ophthotech has fulfilled its obligations to issue the Junior Preferred Shares under this Section 4.1.2(a) prior to the Restatement Date.

(b) Subsequent Equity Issuance. In consideration for the licenses for the Expanded Field granted to Ophthotech hereunder and under the PDGF License Agreement, Ophthotech shall issue to Archemix and/or its designee an aggregate of 500,000 shares of Series B-1 Preferred Stock, $0.001 par value per share (the "Subsequent Shares"), on the terms and

subject to the conditions set forth in the Series B-1 Preferred Stock Purchase Agreement of even date herewith. In connection therewith, Ophthotech has amended and restated its Certificate of Incorporation, on or prior to the date hereof, to provide for the terms, rights, powers and preferences of the Subsequent Shares, and the qualifications and limitations with respect thereto, as stated or expressed therein. In addition, Ophthotech and Archemix, together with certain other stockholders of Ophthotech, have entered into as of the date hereof amendments to the Second Amended and Restated Investors' Rights Agreement, the Amended and Restated Voting Agreement and the Amended and Restated Right of First Refusal and Co-Sale Agreement, in each case dated as of December 11, 2009, to provide for certain other rights and obligations with respect to the Subsequent Shares. For the avoidance of doubt, the Subsequent Shares issued pursuant to this Section 4.1.2(b) shall satisfy Ophthotech's obligations to issue to Archemix Series B-1 Preferred Stock under both this Agreement and the PDGF License Agreement (i.e., Ophthotech's aggregate obligation to issue Series B-1 Preferred Stock under this Agreement and the PDGF License Agreement is to issue 500,000 shares of Series B-1 Preferred Stock in accordance with Series B-1 Preferred Stock Purchase Agreement).

4.2 **Payment of Royalties; Royalty Rates; Minimum Royalties**

4.2.1 Royalty Payments.

(a) In consideration for the rights granted to Ophthotech hereunder, Ophthotech shall pay Archemix a royalty during the Royalty Term based on Annual Net Sales of all Licensed Products sold by Ophthotech and its Affiliates, at the following rates:

Annual Net Sales (US$)	Royalty (%)
$[**]	[**]%
Greater than $[**]	[**]%

By way of example, if Annual Net Sales were equal to $[**], the royalty due would be equal $[**], which is calculated as $[**].

(b) On a Licensed Product-by-Licensed Product and country-by-country basis, the royalty rate applicable to Net Sales of a Licensed Product made in any country during any portion of the Royalty Term outside of the Legal Exclusivity Period for such Licensed Product in such country shall be reduced to [**] percent ([**]%) of the royalty rates otherwise applicable to such Net Sales under Section 4.2.1(a).

4.2.2 Competitive Generic Licensed Product. In the event that one or more Third Parties sells a Generic Product (as defined below) in a country in which a Licensed Product is then being sold, then during any Calendar Quarter in which sales of Generic Products by all such Third Parties are equal to at least [**] percent ([**]%) of Ophthotech's volume-based market share of the Licensed Product in such country (as measured by prescriptions or other similar information available in such country), the applicable payments in effect with respect to such Licensed Product in such country as specified in Sections 4.2.1 and/or 4.3.1 shall be reduced to [**] percent ([**]%) of the rates otherwise applicable under Sections 4.2.1(a) and/or 4.3.1(a). Notwithstanding the foregoing, the royalty rate reductions specified in the foregoing sentence shall cease, and the otherwise applicable royalty rates shall be reinstated, on

the first day of the Calendar Quarter immediately following the Calendar Quarter in which sales of such Generic Products account for less than [**] percent ([**]%) of Ophthotech's volume-based market share in such country. For purposes of this Section 4.2.2, a "Generic Product" means a pharmaceutical product that is a "pharmaceutical equivalent" or "pharmaceutical alternative" (as those terms are used in the *Approved Drug Products with Therapeutic Equivalence Evaluations* (a.k.a. the Orange Book) published by the FDA Center for Drug Evaluation and Research or any successor publication) with respect to the Licensed Product.

4.2.3 Third Party License Fee Offset. In the event that in any Royalty Term, Ophthotech, in order to exploit the license granted to it under Section 2.1 of this Agreement in any country, actually makes royalty, milestone or other license fee payments to one or more Third Parties ("Third Party Payments") as consideration for a license to Patent Rights, in settlement of litigation or arbitration regarding the infringement of such Patent Rights, or in satisfaction of a litigation or arbitration judgment or award for infringement of such Patent Rights, that cover the use, offer for sale, sale or importation in such country of the Anti-C5 Aptamer portion of the Licensed Product or that cover the PEG portion of ARC 1905 (as set forth in Schedule 1) or the use of such PEG portion in the manufacture of ARC 1905, then Ophthotech shall have the right to reduce the royalty payments otherwise due to Archemix pursuant to Sections 4.2.1 and 4.3.1 for such Licensed Product by [**] percent ([**]%) of such Third Party Payments. Notwithstanding the foregoing provisions of this Section 4.2.3, in no event will the royalties due for any Licensed Product in any country be reduced to less than [**] percent ([**]%) of the royalties otherwise payable pursuant to Section 4.2.1 and Section 4.3.1; provided that if in any Calendar Quarter this sentence prevents Ophthotech from reducing any royalty payment by the full amount of the reduction to which Ophthotech is otherwise entitled under this Section 4.2.3, Ophthotech shall be entitled to carry forward any amount that it was prevented from deducting in such Calendar Quarter for deduction in the immediately subsequent Calendar Quarter. Notwithstanding the foregoing, Ophthotech shall be solely responsible for, and the royalties payable to Archemix pursuant to Section 4.2.1 and Section 4.3.1 shall not be reduced by, the amounts that Ophthotech pays in consideration of the sublicense, under Archemix's license from Isis Pharmaceuticals, Inc. ("Isis") with respect to Patent Rights owned or Controlled by Isis and licensed to Archemix, granted by Archemix to Ophthotech pursuant to the Sublicense Agreement between Archemix and Ophthotech, dated May 15, 2008, as amended and/or restated (as so amended and/or restated, the "Isis Sublicense Agreement").

4.2.4 Maximum Offset. Notwithstanding the provisions of the foregoing Sections 4.2.1(b), 4.2.2 and 4.2.3, in no event will the royalties due for any Licensed Product in any country be reduced to less than [**] percent ([**]%) of the rates specified in Sections 4.2.1(a) or 4.3.1(a).

4.3 **Sublicense Royalties; Sublicense Income**.

4.3.1 Royalties.

(a) In consideration for the rights granted to Ophthotech hereunder, Ophthotech shall pay Archemix a royalty during the Royalty Term equal to [**] percent ([**]%) of Net Sales of all Licensed Products sold by Sublicensees.

(b) On a Licensed Product-by-Licensed Product and country-by-country

basis, the royalty rate applicable to Net Sales of a Licensed Product sold by a Sublicensee made during any portion of the Royalty Term outside of the Legal Exclusivity Period for such Licensed Product in such country shall be reduced to [**] percent ([**]%) of the royalty rate otherwise applicable to such Net Sales under Section 4.3.1(a).

4.3.2 Non-Royalty Income. Subject to the crediting of milestone payments made by Ophthotech permitted under clause (a) of Section 4.4.2, in consideration for the rights granted to Ophthotech hereunder, during the Non-Royalty Term, Ophthotech shall pay Archemix an amount equal to [**] percent ([**]%) of all Sublicense Income ("Sublicense Income Payments"); provided, that, on a Licensed Product-by-Licensed Product and country-by-country basis, such obligation shall continue after the end of the applicable Royalty Term unless Ophthotech is able to reasonably demonstrate to Archemix in writing that such Sublicense Income was paid to Ophthotech solely in consideration for sublicenses under Technology and/or Patent Rights other than the Licensed Technology and/or the Licensed Patent Rights.

4.4 **Milestone Payments**.

4.4.1 Payment. In consideration for the rights granted to Ophthotech and/or its Sublicensees hereunder, Ophthotech shall make the following payments to Archemix on a Licensed Product-by-Licensed Product basis within [**] days after the initial occurrence of each of the following events by Ophthotech, its Affiliates and/or its Sublicensees:

4.4.2 Regulatory Milestones:

Event	Payment (US$)
[**].	$ [**]
[**].	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]

Event	Payment (US$)
[**]	$ [**]
[**]	$ [**]
[**]	$ [**]

The foregoing milestone payment obligations under this Section 4.4.2 shall be subject to the following: (a) all milestone payments paid by Ophthotech under this Section 4.4.2 as a result of the achievement of a milestone event by any Sublicensee of Ophthotech shall be fully creditable by Ophthotech against any Sublicense Income Payments payable by Ophthotech pursuant to Section 4.3.2 with respect to such Sublicensee and (b) [**] and (ii) [**] all other milestone payments for subsequent milestone events shall be due and payable by Ophthotech.

4.4.3 Sales Milestones. In addition to the milestone payments contemplated by Section 4.4.2 above, Ophthotech shall make each of the following one-time payments during the Royalty Term to Archemix within [**] days after the first occurrence of the corresponding milestone event for Annual Net Sales of all Licensed Product for all Indications in the Ophthalmic Field sold by Ophthotech, its Affiliates or Sublicensees, in the aggregate in any Calendar Year:

Milestone Event (US$)	Milestone Payment (US$)
Annual Net Sales greater than $[**]	$ [**]
Annual Net Sales greater than $[**]	$ [**]

For purposes of determining when sales milestones are achieved under this Section 4.4.3, Net Sales shall be calculated each Calendar Quarter in the currency in which such Net Sales were achieved by Ophthotech, its Affiliates or Sublicensees and will be translated quarterly into United States dollars in accordance with Section 4.5.3 hereof. Each Calendar Quarter's calculated Net Sales in United States dollars will then be added to cumulative Net Sales total for all previous Calendar Quarter(s) during such Calendar Year. When such a sales milestone has been achieved will be determined as of the last day of each Calendar Quarter, and payment of sales milestone payments will be made within [**] calendar days following such date. For the avoidance of doubt, the maximum aggregate amount payable by Ophthotech to Archemix pursuant to this Section 4.4.3 shall be $35,000,000. If the aggregate Annual Net Sales of all Licensed Products as set forth above exceeds, for the first time, both the $[**] and the $[**] milestones in a single Calendar Year, both milestone payments shall be due (i.e., a total payment of $35,000,000 shall be due).

4.4.4 Skipped Milestones. If at the time any given milestone payment set forth in Section 4.4.2 is due, one or more preceding milestone payments for logically antecedent milestones have not been paid, then such unpaid antecedent milestone payments shall be paid at such time as well. For example, if at the time [**] milestone payment shall be paid at such time as well.

4.4.5 Determination that Payments are Due. In the event that Archemix reasonably believes any milestone payment is due pursuant to Section 4.4.1 or 4.4.3 in spite of not having received notice from Ophthotech, it shall so notify Ophthotech and shall provide to Ophthotech the data and information supporting its belief that the conditions for payment have been achieved. If Ophthotech does not acknowledge that such milestone payment is due within [**] days after receipt of the data and information from Archemix, then either Party may submit such dispute for resolution pursuant to the provisions of Section 10.2.2 by providing written notice to the other Party.

4.5 **Payments for C5 Rights Transfer Transactions.**

4.5.1 C5 Rights Transfer Transaction. If a C5 Rights Transfer Transaction occurs, then Ophthotech shall make the following payments to Archemix:

(a) the greater of (A) $[**] or (B) [**] percent ([**]%) of any upfront payment paid by the Third Party acquirer, sublicensee or other transferee upon the consummation of such transaction, provided that, if the amount paid by Ophthotech to Archemix pursuant to this clause (a) is more than [**] percent ([**]%) of the upfront payment paid by the Third Party acquirer, sublicensee or other transferee, then the excess of such payment amount over [**] percent ([**]%) of the upfront payment paid by the Third Party acquirer, sublicensee or other transferee shall be credited against any subsequent payment obligations otherwise owed by Ophthotech to Archemix pursuant to this Section 4.5.1; plus

(b) subject to any crediting described in clause (a) above, if the upfront payment paid by the Third Party acquirer, sublicensee or other transferee is less than $[**] percent ([**]%) of any milestone payments paid by the Third Party acquirer, sublicensee or other transferee, other than sales milestone payments that are payable for attaining Licensed Product sales levels solely to the extent such sales milestone payments are (i) consistent in type and amount with the practice of similarly-sized companies within the biotechnology industry for products that are of an equivalent stage of development and of similar market potential as the Licensed Product and (ii) negotiated in good faith by Ophthotech and such Third Party ("Non-Sales-Based Milestone Payments") until the aggregate of the upfront payment and the Non-Sales-Based Milestone Payments paid by the Third Party acquirer reach $[**]; plus

(c) subject to any crediting described in clause (a) above, [**] percent ([**]%) of any Non-Sales-Based Milestone Payments paid by the Third Party acquirer, sublicensee or other transferee after the aggregate of the upfront payment and the Non-Sales-Based Milestone Payments paid by the Third Party acquirer, sublicensee or other transferee reach $[**].

The foregoing provisions of this Section 4.5.1 are subject to the following: (u) if the C5 Rights Transfer Transaction is also a PDGF Rights Transfer Transaction (as such term is defined in the PDGF License Agreement), then the provisions of Section 4.5.2 below (and not the provisions of this Section 4.5.1) shall apply to such C5 Rights Transfer Transaction; (v) if more than one C5 Rights Transfer Transaction to which this Section 4.5.1 applies occurs, then the upfront payment paid by the Third Party acquirer, sublicensee or other transferee in the first such transaction shall be deemed to be the upfront payment to which clause (a) above applies, and the upfront payment paid by the Third Party acquirer, sublicensee or other transferee in any subsequent C5 Rights

Transfer Transaction to which this Section 4.5.1 applies shall be deemed a milestone payment; (w) subject to the foregoing clause (v), the upfront and Non-Sales-Based Milestone Payments paid by the Third Party acquirers, sublicensees and other transferees in all C5 Rights Transfer Transactions to which this Section 4.5.1 applies shall be aggregated for purposes of determining the payments due under this Section 4.5.1; (x) if any part of the otherwise applicable consideration payable in any C5 Rights Transfer Transaction to which this Section 4.5.1 applies is placed in escrow, contingent or subject to an earn-out or other similar arrangement, such consideration shall not be considered in determining payments owed to Archemix under this Section 4.5.1, and no payment shall be made by Ophthotech to Archemix in respect thereof, until such amounts are actually paid and released; and (y) if the Third Party acquirer, sublicensee or other transferee in any C5 Rights Transfer Transaction to which this Section 4.5.1 applies makes payments to support or fund future research and development activities to be undertaken by Ophthotech or its Affiliates pursuant to a budget for sponsored research which has been agreed to with the Third Party and based on full-time equivalent or other cost-accounting methodologies that are consistent with then current industry practices, such funding shall not be considered in determining payments owed to Archemix under this Section 4.5.1, and no payment shall be made by Ophthotech to Archemix in respect thereof.

4.5.2 Combined Rights Transfer Transactions. If a C5 Rights Transfer Transaction occurs that is also a PDGF Rights Transfer Transaction, then Ophthotech shall make the following payments to Archemix with respect to such C5 Rights Transfer Transaction and Ophthotech shall make no payments to Archemix with respect thereto under the PDGF License Agreement.

(a) the greater of (A) $[**] or (B) [**] percent ([**]%) of any upfront payment paid by the Third Party acquirer, sublicensee or other transferee upon the consummation of such transaction, provided that, if the amount paid by Ophthotech to Archemix pursuant to this clause (a) is more than [**] percent ([**]%) of the upfront payment paid by the Third Party acquirer, sublicensee or other transferee, then the excess of such payment amount over [**] percent ([**]%) of the upfront payment paid by the Third Party acquirer, sublicensee or other transferee shall be credited against any subsequent payment obligations otherwise owed by Ophthotech to Archemix pursuant to this Section 4.5.2; plus

(b) subject to any crediting described in clause (a) above, if the upfront payment paid by the Third Party acquirer, sublicensee or other transferee is less than $[**] percent ([**]%) of any Non-Sales-Based Milestone Payments paid by the Third Party acquirer, sublicensee or other transferee until the aggregate of the upfront payment and the Non-Sales-Based Milestone Payments paid by the Third Party acquirer reach $[**]; plus

(c) subject to any crediting described in clause (a) above, [**] percent ([**]%) of any Non-Sales-Based Milestone Payments paid by the Third Party acquirer, sublicensee or other transferee after the aggregate of the upfront payment and the Non-Sales-Based Milestone Payments paid by the Third Party acquirer, sublicensee or other transferee reach $[**].

The foregoing provisions of this Section 4.5.2 are subject to the following: (v) if more than one C5 Rights Transfer Transaction to which this Section 4.5.2 applies occurs, then the upfront

payment paid by the Third Party acquirer, sublicensee or other transferee in the first such transaction shall be deemed to be the upfront payment to which clause (a) above applies, and the upfront payment paid by the Third Party acquirer, sublicensee or other transferee in any subsequent C5 Rights Transfer Transaction to which this Section 4.5.2 applies shall be deemed a milestone payment; (w) subject to the foregoing clause (v), the upfront and Non-Sales-Based Milestone Payments paid by the Third Party acquirers, sublicensees and other transferees in all C5 Rights Transfer Transactions to which this Section 4.5.2 applies shall be aggregated for purposes of determining the payments due under this Section 4.5.2; (x) if any part of the otherwise applicable consideration payable in any C5 Rights Transfer Transaction to which this Section 4.5.2 applies is placed in escrow, contingent or subject to an earn-out or other similar arrangement, such consideration shall not be considered in determining payments owed to Archemix under this Section 4.5.2, and no payment shall be made by Ophthotech to Archemix in respect thereof, until such amounts are actually paid and released; and (y) if the Third Party acquirer, sublicensee or other transferee in any C5 Rights Transfer Transaction to which this Section 4.5.2 applies makes payments to support or fund future research and development activities to be undertaken by Ophthotech or its Affiliates pursuant to a budget for sponsored research which has been agreed to with the Third Party and based on full-time equivalent or other cost-accounting methodologies that are consistent with then current industry practices, such funding shall not be considered in determining payments owed to Archemix under this Section 4.5.2, and no payment shall be made by Ophthotech to Archemix in respect thereof.

4.5.3 Multiple Payments. If any upfront payment or Non-Sales-Based Milestone Payment amount in respect of a C5 Rights Transfer Transaction is also a payment amount as to which Ophthotech owes Archemix a Sublicense Income Payment pursuant to Section 4.3.2, then the amount of such Sublicense Income Payment shall be excluded from the provisions of this Section 4.5. For example, if [**] percent ([**]%) of an upfront payment amount received in a C5 Rights Transfer Transaction were paid to Archemix pursuant to Section 4.3.2 of this Agreement, then only the remaining [**] percent ([**]%) of such payment would be considered for purposes of determining Ophthotech's payment obligations to Archemix under this Section 4.5.

4.5.4 Extension of C5 Expanded License Term. Ophthotech shall have the right to extend the C5 Expanded License Term for, subject to Section 9.2.4, the balance of the Term (the "Term Extension Option") upon written notice by Ophthotech to Archemix of Ophthotech's exercise of such Term Extension Option and payment to Archemix of $[**] (the "Extension Fee") on or before June 30, 2013; provided that, if Ophthotech exercises the Term Extension Option and pays the Extension Fee, the amount of the Extension Fee shall thereafter be creditable against the first $[**] of payments, if any, that thereafter become payable by Ophthotech to Archemix pursuant to Section 4.5.1 or 4.5.2.

4.6 **Payment Terms.**

4.6.1 Payment of Royalties, Milestones and Sublicense Income Payments. Unless otherwise expressly provided, Ophthotech shall make any milestone, license, royalty payments and Sublicense Income Payments owed to Archemix pursuant to Sections 4.2, 4.3 and 4.4 in arrears, within [**] days from the end of the Calendar Quarter in which such payment accrues. For purposes of determining when a sale of any Licensed Product occurs under this

Agreement, the sale shall be deemed to occur in accordance with generally accepted accounting principles. Each royalty payment shall be accompanied by a report for each country in the Territory in which sales of Licensed Products occurred in the Calendar Quarter covered by such statement, specifying: (v) the gross sales (if available) and Net Sales in each country's currency; (w) the applicable royalty rate under this Agreement; (x) an accounting of deductions taken in the calculation of Net Sales made in the United States and in any other country in which such accounting is reasonably available; (y) the applicable exchange rate to convert from each currency other than United States dollars to United States dollars under this Section 4.6; and (z) the royalties payable in United States dollars. Each Sublicense Income Payment shall be accompanied by a report specifying: (x) the aggregate amount of all payments received by Ophthotech or its Affiliates from sublicenses granted hereunder; (y) all exclusions of such payment amounts from Sublicense Income made pursuant to Section 1.61; and (z) the Sublicense Income Payments payable in United States dollars.

4.6.2 Payment of Payments for C5 Rights Transfer Transactions. Ophthotech shall pay to Archemix, within [**] days after receipt of a C5 Rights Transfer Transaction payment with respect to which a payment obligation set forth in Section 4.5 applies, each payment obligation pursuant to Section 4.5.

4.6.3 Overdue Payments. Subject to the other terms of this Agreement, any payments not paid within the time period set forth in this Article 4 shall bear interest at a rate of [**] percent ([**]%) per month from the due date until paid in full; provided, that, in no event shall said annual rate exceed the maximum interest rate permitted by law in regard to such payments. Any such overdue payment shall, when made, be accompanied by, and credited first to, all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of Archemix to any other remedy, legal or equitable, to which it may be entitled because of the delinquency of the payment.

4.6.4 Accounting. All references to "dollars" or "$" herein mean United States dollars. All payments hereunder shall be made in the United States in United States dollars. Conversion of foreign currency to United States dollars shall be made at the conversion rate existing in the United States (as reported in *The Wall Street Journal*) on the last business day of the applicable Calendar Quarter. If *The Wall Street Journal* ceases to be published or if the Parties agree otherwise, then the rate of exchange to be used shall be that reported in such other business publication of national circulation in the United States as the Parties reasonably agree.

4.6.5 Withholding Taxes; Restrictions on Payment. All payments hereunder shall be made free and clear of any taxes, duties, levies, fees or charges, except for withholding taxes (to the extent applicable). Ophthotech shall make any applicable withholding payments due on behalf of Archemix and shall provide Archemix upon request with such written documentation regarding any such payment available to Ophthotech relating to an application by Archemix for a foreign tax credit for such payment with the United States Internal Revenue Service.

4.6.6 Blocked Payments. In the event that, by reason of applicable laws or regulations in any country, it becomes impossible or illegal for Ophthotech or its Affiliates or Sublicensees, to transfer, or have transferred on its behalf, royalties or other payments to Archemix, such royalties or other payments shall be deposited in local currency in the relevant

country to the credit of Archemix in a recognized banking institution designated by Archemix or, if none is designated by Archemix within a period of [**] days, in a recognized banking institution selected by Ophthotech or its Affiliate or Sublicensee, as the case may be, and identified in a notice in writing given to Archemix.

4.7 **Records Retention; Review**.

4.7.1 Records; Audit. Ophthotech and its Affiliates and Sublicensees shall keep and maintain complete and accurate records (a) of gross sales, Net Sales, and Sublicense Income received by Ophthotech and its Affiliates and Sublicensees of each Licensed Product and (b) relating to C5 Rights Transfer Transaction payments with respect to which the payment obligations set forth in Section 4.5 apply, in each case ((a) and (b)) for [**] years from the date of each applicable payment to Archemix and in sufficient detail to allow the amount of such payment to be determined accurately. Archemix shall have the right for a period of [**] years after receiving any such payment to appoint at its expense an independent certified public accountant reasonably acceptable to Ophthotech to audit the relevant records of Ophthotech and its Affiliates and Sublicensees to verify that the amount of such payment was correctly determined. Ophthotech and its Affiliates and Sublicensees shall each make its records available for audit by such independent certified public accountant during regular business hours at such place or places where such records are customarily kept, upon [**] days written notice from Archemix, solely to verify that payments hereunder were correctly determined. Such audit right shall not be exercised by Archemix more than [**] in any Calendar Year, more than [**]with respect to sales of a particular Licensed Product in a particular period, or more than [**]with respect to any C5 Rights Transfer Transaction payment. All records made available for audit shall be deemed to be Confidential Information of Ophthotech or its Affiliates or Sublicensees, as applicable. In the event there was an underpayment by Ophthotech hereunder, Ophthotech shall promptly (but in any event no later than [**] days after such shortfall is finally determined) make payment to Archemix of any shortfall. Archemix shall bear the full cost of such audit unless such audit discloses an underreporting by Ophthotech of more than [**]percent ([**]%) of the aggregate amount payable in any Calendar Year, in which case Ophthotech shall reimburse Archemix for all costs incurred by Archemix in connection with such audit. If either Party disputes the results of any such audit, then it may submit such matter for resolution pursuant to Section 10.2.2; provided that the Party not prevailing in such arbitration shall reimburse the other Party for [**] percent ([**]%) of the costs and expenses (including attorneys' fees) incurred by such other Party in connection with the conduct of such arbitration (including without limitation the Expert's fees and any administrative fees of such arbitration).

4.7.2 Other Parties. Ophthotech shall include in any agreement with its Affiliates or Sublicensees terms requiring such party to retain records as required in this Section 4.7 and to permit Archemix to audit such records as required by this Section 4.7.

ARTICLE 5 TREATMENT OF CONFIDENTIAL INFORMATION

5.1 **Confidentiality Obligations.** Archemix and Ophthotech each recognizes that the other Party's Confidential Information constitutes highly valuable assets of such other Party. Archemix and Ophthotech each agrees that, subject to the remainder of this Article 5, it will not disclose, and will cause its Affiliates and sublicensees not to disclose, any Confidential

Information of the other Party and it will not use, and will cause its Affiliates and sublicensees not to use, any Confidential Information of the other Party except as expressly permitted hereunder; provided, that, such obligations shall apply during the Term and for an additional [**] years thereafter.

5.2 **Limited Disclosure and Use.** Archemix and Ophthotech each agrees that disclosure of its Confidential Information may be made by the other Party to any employee, consultant, contractor, Affiliate or Sublicensee of such other Party to enable such other Party to exercise its rights or to carry out its responsibilities under this Agreement; provided, that, any such disclosure or transfer shall only be made to Persons who are bound by written obligations as described in Section 5.3. In addition, Archemix and Ophthotech each agrees that the other Party may disclose its Confidential Information (a) on a need-to-know basis to such other Party's legal and financial advisors, (b) as reasonably necessary in connection with an actual or potential (i) permitted sublicense of such other Party's rights hereunder, (ii) collaboration with an Archemix Collaborative Partner, subject to written obligations of confidentiality substantially similar to those of Archemix hereunder, (iii) debt or equity financing of such other Party or (iv) transfer or sale of all or substantially all of such Party's assets or business or in the event of its merger, consolidation, change in control or similar transaction and (c) for any other purpose with the other Party's written consent, not to be unreasonably withheld, conditioned or delayed. In addition, each Party agrees that the other Party may disclose such Party's Confidential Information as required by Applicable Laws; provided, that, in the case of any such disclosure, the disclosing Party shall (1) if practicable, provide the other Party with reasonable advance notice of and an opportunity to comment on any such required disclosure and (2) if requested by the other Party, cooperate in all reasonable respects with the other Party's efforts to obtain confidential treatment or a protective order with respect to any such disclosure, at the other Party's expense.

5.3 **Employees and Consultants.** Ophthotech and Archemix each hereby represent that all of its employees, consultants and contractors, and all of the employees, consultants and contractors of its Affiliates and sublicensees (including, without limitation, Sublicensees), who have access to Confidential Information of the other Party are or will, prior to their participation or access, be bound by written obligations to maintain such Confidential Information in confidence and not to use such information except as expressly permitted hereunder. Each Party agrees to use, and to cause its Affiliates and sublicensees (including, without limitation, Sublicensees) to use, reasonable efforts to enforce such obligations.

5.4 **Publicity.** The Parties acknowledge and agree that (a) the terms of this Agreement constitute Confidential Information of each Party and may only be disclosed (i) as permitted by Section 5.2, (ii) to investment bankers, investors, and potential investors, lenders and potential lenders and other sources and other potential sources of financing, licensees and potential licensees, acquirers or merger partners and potential acquirers or merger partners, and (iii) or in the case of Archemix, Gilead and University License Equity Holdings, Inc.; and (b) a copy of this Agreement may be filed by either Party with the Securities and Exchange Commission if such filing is required by Applicable Laws; provided, that, in connection with any such filing, such Party shall endeavor to obtain confidential treatment of economic and trade secret information, and shall provide the other Party with the proposed confidential treatment request with reasonable time for such other Party to provide comments, which comments shall be reasonably considered by the filing Party. Notwithstanding anything to the contrary in Section

5.1, except as required by Applicable Laws, neither Party shall issue a press or news release or make any similar public announcement related to this Agreement without the prior written consent of the other Party; provided, that, notwithstanding the foregoing, (x) Ophthotech, its Affiliates and Sublicensees shall be expressly permitted to publicly announce at any time the status of their Development and commercialization activities relating to Licensed Products, (y) Archemix may publicly announce the occurrence of any milestone event described in Section 4.4 upon [**] days' prior written notice to Ophthotech, and (z) either Party shall be entitled to include in press and news releases and other public announcements information related to this Agreement that has previously been publicly announced in accordance with this Section 5.4.

ARTICLE 6 INTELLECTUAL PROPERTY RIGHTS AND PROVISIONS CONCERNING THE FILING, PROSECUTION, MAINTENANCE AND ENFORCEMENT OF PATENT RIGHTS

6.1 **Archemix Intellectual Property Rights.** Archemix shall have sole and exclusive ownership of all right, title and interest on a worldwide basis in and to any and all Licensed Technology and Licensed Patent Rights.

6.2 **Licensed Patent Rights.** Archemix, acting through patent counsel or agents of its choice, shall be solely responsible, at its sole cost and expense, for the preparation, filing, prosecution and maintenance of the Licensed Patent Rights other than the Complement-Specific Patent Rights. Following the Restatement Date, Ophthotech, acting through patent counsel or agents of its choice, shall, subject to the remainder of this Section 6.2, be solely responsible, at its sole cost and expense, to prepare, file, prosecute and maintain in Archemix's name the Complement-Specific Patent Rights. Ophthotech will reimburse Archemix for all of its out-of-pocket and attorneys fees, expenses, official fees and all other charges incident to the preparation, filing, prosecution and maintenance of the Anti-C5 Aptamer-Specific Patent Rights, including any interference or opposition proceedings (such fees, collectively, "Licensed Patent Right Fees"), in the jurisdictions set forth on Exhibit B (each, a "Mandatory Jurisdiction") and in any other jurisdictions mutually agreed by the Parties prior to the Restatement Date (each, an "Optional Jurisdiction") accumulated on or after the Original Agreement Date and before the Restatement Date, within [**] days after Ophthotech's receipt of invoices from Archemix and/or Archemix's outside patent counsel for such Licensed Patent Right Fees; provided further, that, such invoice(s) are issued within [**] days after the Restatement Date. In the event that Ophthotech determines not to file or to abandon any Complement-Specific Patent Right in any jurisdiction, Ophthotech shall notify Archemix sufficiently in advance so that Archemix can, without any loss of rights, file, prosecute and maintain such Complement-Specific Patent Right ("Abandoned Patent Right") in Archemix's name in such jurisdiction; provided, that, Ophthotech will reimburse Archemix for all of its Licensed Patent Right Fees on or after the date of such notice from Ophthotech incident to the preparation, filing, prosecution and maintenance of any Abandoned Patent Right that is an Anti-C5 Aptamer-Specific Patent Right, including any interference or opposition proceedings, in any Mandatory Jurisdiction or any Optional Jurisdiction, within [**] days after Ophthotech's receipt of invoices from Archemix and/or Archemix's outside patent counsel for such Licensed Patent Right Fees. Ophthotech may elect not to pay such amounts with respect to (a) any particular Anti-C5 Aptamer-Specific Patent Right in any Optional Jurisdiction upon [**] days prior written notice to Archemix and (b) any particular Anti-C5 Aptamer-Specific Patent Right in any Mandatory Jurisdiction that are not

listed on Exhibit A as of the Restatement Date (subject to the next sentence of this Section 6.2) upon [**] days prior written notice to Archemix, in which event such Anti-C5 Aptamer-Specific Patent Right shall thereafter be excluded from the Licensed Patent Rights. For purposes of clarity, the Anti-C5 Aptamer-Specific Patent Rights listed on Exhibit A as of the Restatement Date shall be deemed to include, for purposes of the immediately preceding sentence of this Section 6.2, the Patent Rights listed on Exhibit A attached hereto and all divisionals, nationalization filings, continuations (excluding continuations-in-part) thereof, all reissues, reexaminations, renewals and extensions thereof, and supplementary protection certificates therefor, and all foreign equivalents of any of the foregoing filed with respect to such Patent Rights at any time on or after the Original Agreement Date and prior to the end of the Term, in each case in any Mandatory Jurisdiction.

6.3 **Infringement**.

6.3.1 Notice. In the event during the Term that either Party becomes aware of (i) any possible infringement of any Licensed Patent Rights or (ii) the submission by any Third Party of an abbreviated new drug application under the Hatch-Waxman Act for a product that includes an aptamer covered by Anti-C5 Aptamer-Specific Patent Rights (each, an "Infringement"), that Party shall promptly notify the other Party and provide it with all details of such Infringement of which it is aware (each, an "Infringement Notice").

6.3.2 Infringement Action. Ophthotech shall have the first right, at its own expense and with legal counsel of its own choice, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened Infringement of the Anti-C5 Aptamer-Specific Patent Rights in the Field. Ophthotech shall determine whether to exercise such first right in its discretion, which discretion Ophthotech shall exercise in a manner consistent with Ophthotech's obligations under Section 3.1.2(a). Archemix shall have the right, at its own expense, to be represented in any such action by Ophthotech by counsel of Archemix's own choice; provided, that, under no circumstances shall the foregoing affect the right of Ophthotech to control the suit as described in the first sentence of this Section 6.3.2. If Ophthotech does not file any action or proceeding against any such Infringement within [**] months after the later of (i) Ophthotech's notice to Archemix under Section 6.3.1 above, (ii) Archemix's notice to Ophthotech under Section 6.3.1 above or (iii) a written request from Archemix to take action with respect to such infringement, then Archemix shall have the right (but not the obligation), at its own expense, to bring suit (or take other appropriate legal action) against such actual, alleged or threatened infringement, with legal counsel of its own choice. Any damages, monetary awards or other amounts recovered, whether by judgment or settlement, pursuant to any suit, proceeding or other legal action taken under this Section 6.3.2, shall be applied as follows:

(a) first, to reimburse the Parties for their respective costs and expenses (including reasonable attorneys' fees and costs) incurred in prosecuting such enforcement action; and

(b) second, [**] percent ([**]%) of any remaining amount shall be retained by the Party bringing such suit or proceeding or taking such other legal action and [**] percent ([**]%) shall be paid to the other Party.

If a Party brings any such action or proceeding hereunder, the other Party agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and to give the Party bringing such action or proceeding reasonable assistance and authority to file and prosecute the suit; provided, that, neither Party shall be required to transfer any right, title or interest in or to any property to the other Party or any Third Party to confer standing on a Party hereunder. Notwithstanding the foregoing, if Ophthotech declines to bring any such action or proceeding hereunder, Ophthotech may decline to be joined as a party plaintiff or to assist Archemix in any such action or proceeding if Ophthotech reasonably determines that being joined to or assisting in such action or proceeding presents a significant risk of liability under applicable antitrust laws.

6.3.3 Effect of Challenge. In further consideration of Archemix's grant of the licenses hereunder and except to the extent the following is unenforceable under the Applicable Laws of a particular jurisdiction where a patent application within the Licensed Patent Rights is pending or a patent within the Licensed Patent Rights issued, in the event that Ophthotech, its Affiliates and/or Sublicensees (a) determines to initiate a Challenge or Ophthotech, its Affiliates and/or Sublicensees determines to assist a Third Party in initiating a Challenge, Ophthotech will provide written notice to Archemix at least [**] days prior thereto, which notice will include an identification of all prior art it believes invalidates any claim of the Licensed Patent Rights; and (b) initiates a Challenge or assists a Third Party in initiating a Challenge, (i) the exclusive licenses granted by Archemix to Ophthotech hereunder shall, at the option of the Archemix and upon written notice to Ophthotech, be converted into non-exclusive licenses as of the date of such notice, (ii) should the outcome of such Challenge determine that any claim of the Licensed Patent Rights that is the subject of the Challenge is valid or enforceable, the royalty rates set forth in Sections 4.2 and 4.3 shall be increased by [**] percentage points (e.g., a royalty rate of [**] percent ([**]%) shall be increased to [**] percent ([**]%)) and (iii) should the outcome of any Challenge determine no claim of the Licensed Patent Rights Challenged by Ophthotech, its Affiliates and/or Sublicensees is valid or enforceable, Ophthotech, its Affiliates and/or Sublicensees shall continue to pay royalties based on Net Sales of Licensed Products sold in the Territory at the rate of [**] percent ([**]%) until the last day of the Royalty Term for such Licensed Product notwithstanding such determination. For the avoidance of doubt, a Challenge shall not constitute a breach of this Agreement.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES; COVENANT REGARDING THIRD PARTY AGREEMENTS

7.1 **Mutual Representations and Warranties.** Archemix and Ophthotech each represents and warrants to the other, as of the Restatement Date, as follows:

7.1.1 Organization. It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver and perform this Agreement.

7.1.2 Authorization. The execution and delivery of this Agreement and the performance by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action and will not violate (a) such Party's certificate of incorporation or bylaws, (b) any agreement, instrument or contractual obligation to which such Party is bound in any material respect, (c) any requirement of any Applicable Laws, or (d) any order, writ, judgment, injunction, decree, determination or award of any court or governmental agency presently in effect applicable to such Party.

7.1.3 Binding Agreement. This Agreement is a legal, valid and binding obligation of such Party enforceable against it in accordance with its terms and conditions.

7.1.4 No Inconsistent Obligation. It is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder.

7.2 **Acknowledgment of Ophthotech.** Ophthotech acknowledges that the licenses granted to Ophthotech hereunder are subject to certain limitations and restrictions set forth in the Archemix-Gilead License Agreement as provided by Archemix to Ophthotech prior to the Original Agreement Date and agrees that Ophthotech shall comply with such limitations and restrictions.

7.3 **Additional Representations and Warranties**.

7.3.1 Archemix represents and warrants to Ophthotech that Archemix has the right to grant the license granted to Ophthotech on the terms set forth herein;

7.3.2 Archemix represents and warrants to Ophthotech that, except as previously disclosed to Ophthotech, as of the Restatement Date and with no further duty to update (except as otherwise stated):

(a) to its Knowledge, there is no litigation pending or threatened that alleges that (i) the practice of the SELEX Process and/or the use of SELEX Technology as contemplated by this Agreement infringes the Patent Rights of any Third Party, or (ii) the Licensed Patent Rights are invalid or unenforceable; or (iii) the use of the Licensed Patent Rights or Licensed Technology as contemplated by this Agreement infringes the Patent Rights of any Third Party; and

(b) the Archemix-Gilead License Agreement, as heretofore delivered by Archemix to Ophthotech, represents the complete agreement and understanding between Gilead Sciences, Inc. and Archemix relating to the Licensed Patent Rights which are the subject of the Archemix-Gilead License Agreement; the Archemix-Gilead License Agreement has not been modified, supplemented or amended, other than by amendments thereto provided to Ophthotech prior to the Original Agreement Date; the Archemix-Gilead License Agreement is in full force and effect, all payments to date required to be made thereunder by Archemix have been made, and Archemix is in compliance in all material respects with its obligations thereunder.

7.3.3 Archemix represents and warrants to Ophthotech that, except with respect to Patent Rights that have been cancelled, withdrawn, abandoned or rejected, revoked, held invalid or declared or rendered unpatentable or unenforceable through disclaimer or otherwise, or lost through an interference proceeding, all Licensed Patent Rights (as defined in the Amended Original Agreement) and all Licensed Technology (as defined in the Amended Original Agreement) are Controlled (as defined in this Agreement) by Archemix as of the Restatement Date.

7.4 **Archemix Covenants Regarding Archemix-Gilead Agreement**. Archemix hereby covenants to promptly notify Ophthotech upon receipt by Archemix or its Affiliates of any notice from Gilead Sciences, Inc. of such party's intent to (a) terminate Archemix's rights under the Archemix-Gilead License Agreement or (b) otherwise take any action that would adversely affect Ophthotech's rights under this Agreement.

ARTICLE 8 INDEMNIFICATION AND INSURANCE

8.1 **Indemnification of Archemix by Ophthotech.** Ophthotech shall indemnify, defend and hold harmless Archemix, its Affiliates, their respective directors, officers, employees and agents, and their respective successors, heirs and assigns (the "Archemix Indemnitees"), against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon the Archemix Indemnitees, or any one of them, as a direct result of Third Party claims, suits, actions or demands (collectively, the "Claims") arising out of (a) the research, development, testing, production, manufacture, supply, promotion, import, sale or use by any Person of any Licensed Product (or any component thereof) manufactured or sold by Ophthotech or any of its Affiliates or Sublicensees or (b) the gross negligence or willful misconduct of Ophthotech or any of its Affiliates or Sublicensees; provided, that, Ophthotech shall have no obligation to indemnify any Archemix Indemnitee for any Claim arising out of the gross negligence or willful misconduct of Archemix or any of its Affiliates.

8.2 **Conditions to Indemnification.** An Archemix Indemnitee seeking recovery under this Article 8 (the "Indemnified Party") in respect of a Claim shall give prompt notice of such Claim to Ophthotech and provided that Ophthotech is not contesting its obligation under this Article 8, shall permit Ophthotech to control any litigation relating to such Claim and the disposition of such Claim (including without limitation any settlement thereof); provided, that, Ophthotech shall not settle or otherwise resolve such Claim without the prior written consent of such Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, unless such settlement includes a full release of the Indemnified Party, in which case Ophthotech may settle or otherwise resolve such Claim without the prior written consent of such Indemnified Party. Each Indemnified Party shall cooperate with Ophthotech in its defense of any such Claim in all reasonable respects and shall have the right to be present in person or through counsel at all legal proceedings with respect to such Claim.

8.3 **Indemnification of Gilead and UTC by Ophthotech.** If and solely to the extent legally required by the Archemix-Gilead License Agreement, Ophthotech shall indemnify, defend and hold harmless Gilead, its Affiliates and UTC and any of their respective directors, officers, employees and agents (each, a "Gilead Indemnitee"), from and against any losses that are incurred by a Gilead Indemnitee as a result of any Claims, to the extent such Claims arise out

of the possession, research, development, manufacture, use, offer for sale, sale or other commercialization, distribution, administration, storage or transport, by Ophthotech or its Affiliates or Sublicensees of (a) any Aptamers or Licensed Products, or (b) any other products, services or activities developed by Ophthotech relating to the Licensed Patent Rights, including any Licensed Products or Aptamers.

8.4 **Warranty Disclaimer.** EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY WITH RESPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. NEITHER PARTY MAKES ANY WARRANTIES AS TO THE VALIDITY OR ENFORCEABILITY OF THE PATENT RIGHTS LICENSED BY SUCH PARTY TO THE OTHER PARTY.

8.5 **Limited Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR (I) ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR LOST REVENUES, OR (II) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES, WHETHER UNDER ANY CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 8.5 SHALL LIMIT EITHER PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER WITH RESPECT TO THIRD PARTY CLAIMS.

8.6 **Insurance**. Ophthotech will, at Ophthotech's expense, obtain and maintain in full force and effect insurance with respect to the Development and commercialization of Licensed Products in such amount as U.S.-based biopharmaceutical companies customarily maintain with respect to the research, development and commercialization of similar products. Such insurance policy or policies shall name Archemix as an additional named insured, shall be non-cancelable except upon [**] days prior written notice to Archemix, and shall provide that as to any loss covered thereby and also by any policies obtained by Archemix itself, Ophthotech's policies shall provide primary coverage for Archemix and Archemix' policies shall be considered excess coverage for Archemix. Ophthotech will forthwith after the obtaining of such insurance required by this Section 8.6, obtain and deliver to Archemix certificates of and copies of, and at all times thereafter deliver without further demand replacement certificates and copies of, all such insurance policies that are in force and effect. Ophthotech's obligation under this Section 8.6 may be delegated by Ophthotech to a Third Party collaborator of Ophthotech with Archemix's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, that, (i) such Third Party collaborator has worldwide annual revenue of at least [**] dollars ($[**]), (ii) such Third Party collaborator maintains either insurance policy(-ies) or a program of self-insurance in such amount as U.S.-based biopharmaceutical companies customarily maintain with respect to the research, development and commercialization of similar products and, if such Third Party collaborator maintains insurance policy(-ies), the insurance policy(-ies) maintained by such Third Party collaborator names Archemix and Ophthotech as

additional insureds, (iii) such insurance policy or self-insurance covers (or, if there is more than one such policy, collectively covers) all Licensed Products Developed and/or commercialized by Ophthotech and (iv) in the case of such a self-insurance program, Ophthotech notifies Archemix that such Third Party collaborator has represented the existence of such self-insurance program to Ophthotech, that is consistent with the requirements of this Section 8.6. Any such delegation by Ophthotech to a Third Party collaborator shall not relieve Ophthotech of its obligations under Sections 8.1 and 8.3.

ARTICLE 9 TERM AND TERMINATION

9.1 **Term; Expiration**. The term ("Term") of this Agreement shall commence on the Restatement Date and continue, unless earlier terminated as provided herein, until such time as all Royalty Terms and Non-Royalty Terms for all Licensed Products have ended; provided, that, if the C5 Expanded License Term is extended beyond June 30, 2013 in accordance with Section 1.15, the Term of this Agreement shall continue, unless earlier terminated as provided herein, until the later of the date on which (a) all Royalty Terms and Non-Royalty Terms for all Licensed Products have ended and (b) all payment obligations with respect to any and all C5 Rights Transfer Transactions have been satisfied. Upon expiration (but not upon termination prior to the expiration) of the Royalty Term and Non-Royalty Term applicable to a Licensed Product in a country, Ophthotech's rights and licenses hereunder with respect to such Licensed Product in such country shall become fully paid-up, non-royalty bearing, perpetual rights and licenses.

9.2 **Termination**.

9.2.1 Unilateral Right to Terminate. Ophthotech shall have the right to terminate this Agreement, for any reason, upon (a) at least ninety (90) days' prior written notice to Archemix, such notice to state the date at least ninety (90) days following the date of receipt of such notice by Archemix upon which termination is to be effective, and (b) the payment by Ophthotech of all amounts due to Archemix through such termination effective date.

9.2.2 Termination for Challenge. In the event Ophthotech, its Affiliates and/or Sublicensees initiates a Challenge or assists a Third Party in initiating a Challenge, Archemix shall have the right to terminate this Agreement, effective immediately upon written notice to Ophthotech.

9.2.3 Termination for Breach. Except as set forth herein, either Party may terminate this Agreement, effective immediately upon written notice to the other Party, for a material breach by the other Party of this Agreement that, if curable, remains uncured for [**] days ([**] days in the event that the breach is a failure of a Party to make any payment required hereunder) after the non-breaching Party first gives written notice to the other Party of such breach and its intent to terminate this Agreement if such breach is not cured.

9.2.4 Termination of C5 Expanded License Term. Ophthotech shall have the right at any time prior to entering into a C5 Rights Transfer Transaction to terminate the C5 Expanded License Term effective upon written notice to Archemix and, for clarity, the provisions of Section 4.5 shall thereafter be of no force or effect.

9.3 **Consequences of Termination of Agreement.** In the event of the termination of this Agreement pursuant to this Article 9, the following provisions shall apply:

9.3.1 If this Agreement is terminated by Ophthotech pursuant to Section 9.2.1 or by Archemix pursuant to Sections 9.2.2 or 9.2.3:

(a) all licenses granted by Archemix to Ophthotech shall immediately terminate;

(b) Ophthotech shall promptly return all Confidential Information of Archemix; provided, that Ophthotech may retain one (1) copy of Confidential Information of Archemix in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder; and

(c) each Sublicensee of Ophthotech shall be considered a direct licensee of Archemix; provided, that, (i) such Sublicensee is then in material compliance with all terms and conditions of its sublicense, (ii) all accrued payments obligations of such Sublicensee to Archemix have been paid, and (iii) such Sublicensee agrees in writing to remain in compliance with all terms and conditions of the sublicense (subject to any notice and cure period provisions contained in any such sublicense agreement with such Sublicensee).

9.3.2 If this Agreement is terminated by Ophthotech pursuant to Sections 9.2.3, all licenses granted by Archemix to Ophthotech shall survive subject to Ophthotech's continued payment of all royalties, milestones, Sublicense Income and other payments pursuant to Article 4; and Ophthotech shall promptly return all Confidential Information of Archemix that is not subject to a continuing license hereunder; provided, that Ophthotech may retain one (1) copy of each such Confidential Information of Archemix in it archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder.

9.4 **Remedies**. Except as otherwise expressly set forth in this Agreement, the termination provisions of this Article 9 are in addition to any other relief and remedies available to either Party at law.

9.5 **Surviving Provisions**. Notwithstanding any provision herein to the contrary, the rights and obligations of the Parties set forth in Articles 5 and 8 and Sections 4.6 and 9.1, as well as any rights or obligations otherwise accrued hereunder (including any accrued payment obligations), shall survive the expiration or termination of the Term.

ARTICLE 10 DISPUTES

10.1 **Negotiation**. The Parties recognize that a *bona fide* dispute as to certain matters may from time to time arise during the Term that relates to either Party's rights and/or obligations hereunder. In the event of the occurrence of such a dispute, either Party may, by written notice to the other Party, have such dispute referred to their respective senior officials designated below or their successors or designees, for attempted resolution by good faith negotiations within [**] days after such notice is received. Said designated senior officials are as follows:

For Ophthotech: Chief Executive Officer

For Archemix: Chief Executive Officer

In the event the designated senior officials or their successors or designees are not able to resolve such dispute within the [**] day period, either Party may invoke the provisions of Section 10.2.

10.2 **Arbitration**.

10.2.1 **Full Arbitration**. Subject to Section 10.1, any dispute, controversy or claim initiated by either Party arising out of, resulting from or relating to this Agreement or the performance by either Party of its obligations under this Agreement (other than *bona fide* Third Party actions or proceedings filed or instituted in an action or proceeding by a Third Party against a Party (a "Dispute")), whether before or after termination of this Agreement, shall be finally resolved by binding arbitration. Whenever a Party shall decide to institute arbitration proceedings, it shall give written notice to that effect to the other Party. Any such arbitration shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") by a panel of three arbitrators appointed in accordance with such rules. Any such arbitration shall be held in Boston, Massachusetts. The method and manner of discovery in any such arbitration proceeding shall be governed by the laws of the Commonwealth of Massachusetts. The arbitrator shall have the authority to grant injunctions and/or specific performance and to allocate between the Parties the costs of arbitration in such equitable manner as they determine. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either Party shall have the right, without waiving any right or remedy available to such Party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such Party, pending the selection of the arbitrator hereunder or pending the arbitrators' determination of any dispute, controversy or claim hereunder.

10.2.2 **Accelerated Arbitration**. Disputes submitted to arbitration by a Party under Section 10.2.1 relating to a matter set forth in Section 1.42(z), 1.61(b), 4.4.5, 4.5.1, 4.5.2 or 4.7.1, the following procedures shall apply:

(a) The Parties shall mutually select a single independent, conflict-free arbitrator (the "Expert"), who shall have sufficient scientific background and experience to resolve the Dispute. If the Parties are unable to reach agreement on the selection of an Expert within [**] business days after submission to arbitration, then either or both Parties shall immediately request that the AAA select an arbitrator with the requisite scientific background, experience and expertise. The place of arbitration shall be New York, New York.

(b) Each Party shall prepare and submit a written summary of such Party's position and any relevant evidence in support thereof to the Expert within [**] days after the selection of the Expert. Upon receipt of such summaries from each Party, the Expert shall provide copies of the same to the other Party. Within [**] days after the delivery of such

summaries by the Expert, each Party shall submit a written rebuttal of the other Party's summary and may also amend and re-submit its original summary. Oral presentations shall not be permitted unless otherwise requested by the Expert. The Expert shall make a final decision with respect to the Dispute within [**] days following receipt of the last of such rebuttal statements submitted by the Parties. Each Party shall bear its own costs and expenses and attorneys' fees, and the Party that does not prevail in the arbitration proceeding shall pay the Expert's fees and any administrative fees of arbitration.

ARTICLE 11 MISCELLANEOUS

11.1 **Notification**. All notices, requests and other communications hereunder shall be in writing, shall be addressed to the receiving Party's address set forth below or to such other address as a Party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by facsimile transmission, (iii) sent by private courier service providing evidence of receipt or (iv) sent by registered or certified mail, return receipt requested, postage prepaid. The addresses and other contact information for the parties are as follows:

If to Ophthotech:

Ophthotech Corporation
One Penn Plaza
35th Floor
New York, NY 10119
Tel: (212) 845-8200
Fax: (212) 845-8250
Attention: Chief Executive Officer

With a copy to:

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, Massachusetts 02109
Attention: David E. Redlick, Esq.
Steven D. Barrett, Esq.
Tel: (617) 526-6000
Fax: (617) 526-5000

If to Archemix:

Archemix Corp.
148 Sidney Street
Cambridge, MA 02139
Tel: (617) 621-7700
Fax: (617) 621-9300
Attention: Chief Executive Officer
Attention: Legal Department

With a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: John J. Cheney, Esq.
Tel: (617) 542-6000
Fax: (617) 542-2241

All notices, requests and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving Party at the address of such Party set forth above, (ii) if made by facsimile transmission, at the time that confirmation of receipt thereof has been received by the Party delivering such notice, (iii) if sent by private courier, on the day such notice is delivered to the recipient or (iv) if sent by registered or certified mail, on the fifth (5th) business day following the day such mailing is made.

11.2 **Governing Law**. This Agreement will be construed, interpreted and applied in accordance with the laws of the Commonwealth of Massachusetts (excluding its body of law controlling conflicts of law).

11.3 **Limitations**. Except as expressly set forth in this Agreement, neither Party grants to the other Party any right or license to any of its intellectual property.

11.4 **Entire Agreement**. Subject to Section 11.14, this is the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all prior representations, understandings and agreements between the Parties with respect to the subject matter hereof, including without limitation the Amended Original Agreement, but excluding the Isis Sublicense Agreement, which shall remain in full force and effect. No modification or amendment shall be effective unless in writing with specific reference to this Agreement and signed by the Parties.

11.5 **Waiver**. The terms or conditions of this Agreement may be waived only by a written instrument executed by the Party waiving compliance. The failure of either Party at any time or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the same. No waiver by either Party of any condition or term shall be deemed as a continuing waiver of such condition or term or of another condition or term.

11.6 **Headings**. Section and subsection headings are inserted for convenience of reference only and do not form part of this Agreement.

11.7 **Assignment**. Neither this Agreement nor any right or obligation hereunder may be assigned, delegated or otherwise transferred, in whole or part, by either Party without the prior express written consent of the other; provided, that, (a) either Party may, without the written consent of the other, assign this Agreement and its rights and delegate its obligations hereunder to its Affiliates or in connection with the transfer or sale of all or substantially all of such Party's assets or business to which this Agreement relates or in the event of its merger, consolidation, reorganization, change in control or similar transaction and (b) any such assignment or delegation shall, with respect to Ophthotech, be subject to Section 4.5. Any permitted assignee shall assume all obligations of its assignor under this Agreement. Any purported assignment in violation of this Section 11.7 shall be void. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties.

11.8 **Force Majeure**. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of such Party. In event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

11.9 **Construction**. The Parties hereto acknowledge and agree that: (i) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to all Parties hereto and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

11.10 **Severability**. If any provision(s) of this Agreement are or become invalid, are ruled illegal by any court of competent jurisdiction or are deemed unenforceable under then current applicable law from time to time in effect during the Term hereof, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby; provided, that, a Party's rights under this Agreement are not materially affected. The Parties hereto covenant and agree to renegotiate any such term, covenant or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant or condition of this Agreement or the application thereof that is invalid, illegal or unenforceable, it being the intent of the Parties that the basic purposes of this Agreement are to be effectuated.

11.11 **Status**. Nothing in this Agreement is intended or shall be deemed to constitute a partner, agency, employer-employee or joint venture relationship between the Parties.

11.12 **Further Assurances**. Each Party agrees to execute, acknowledge and deliver such further instructions, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

11.13 **Counterparts**. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.14 **Amended Original Agreement**. The Parties acknowledge and agree that notwithstanding anything to the contrary in this Agreement, (a) all rights, obligations and licenses of the Parties that arose out of the Amended Original Agreement during the period commencing on the Original Agreement Date and continuing through the Restatement Date, including any dispute or alleged breach by a Party of any of the terms of the Amended Original Agreement during such period, shall be governed solely by the terms of the Amended Original Agreement, (b) the terms and conditions of the Amended Original Agreement shall survive solely for the limited purposes set forth in clause (a) above and (c) the Amended Original Agreement shall otherwise be superseded in its entirety by this Agreement from and after the Restatement Date.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representative in two (2) originals.

OPHTHOTECH CORPORATION

By: /s/ Bruce Peacock
Name: Bruce Peacock
Title: Chief Business Officer

ARCHEMIX CORP.

By: /s/ John A. Harre
Name: John A. Harre
Title: Vice President

Chemical Composition of ARC 1905

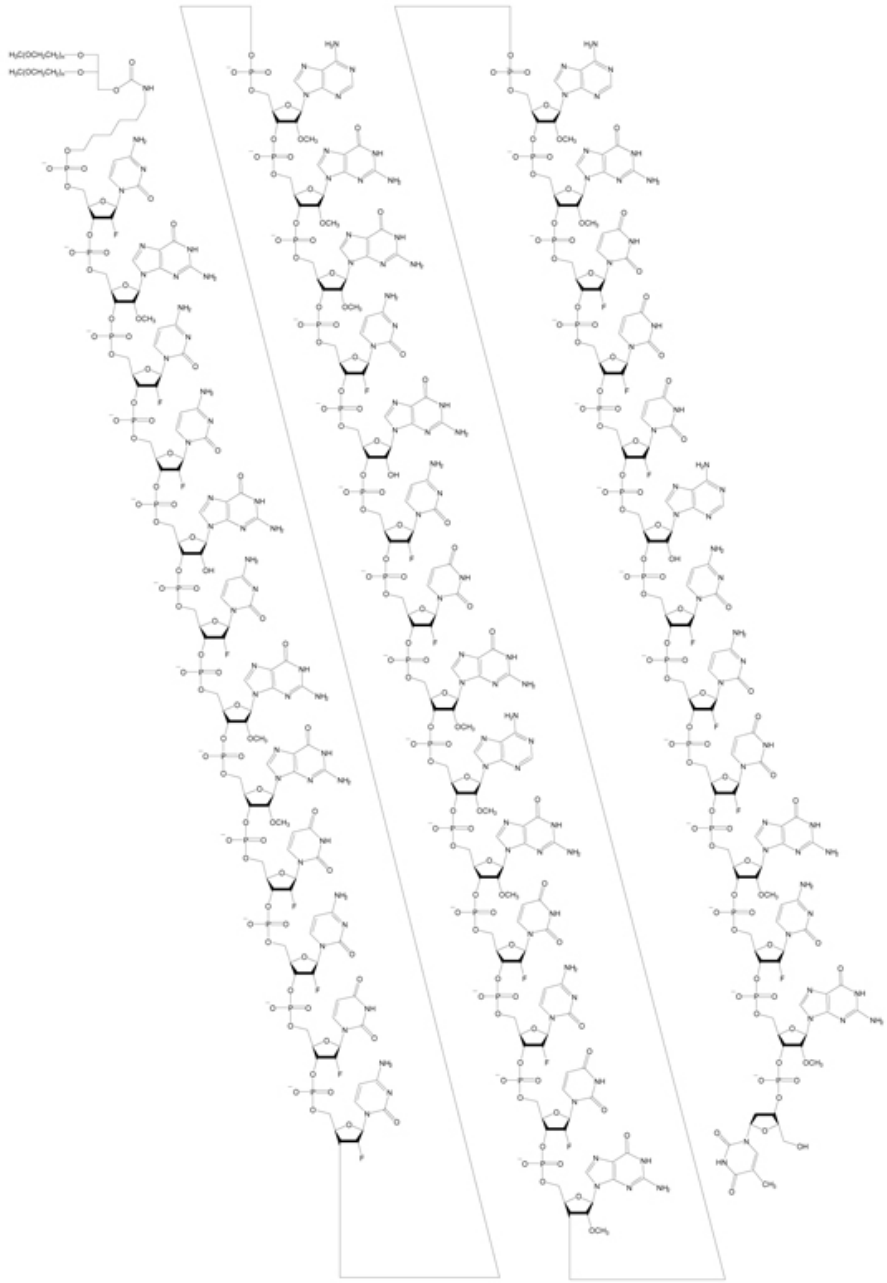
ARC1905 is a 39-mer oligonucleotide having the following sequence:

5’- [40 kDa PEG]-NH-fC-mG-fC-fC-G-fC-mG-mG-fU-fC-fU-fC-mA-mG-mG-fC-G-fC-fU-mG-mA-mG-fU-fC-fU-mG-mA-mG-fU-fU-fU-A-fC-fC-fU-mG-fC-mG-idT -3’

The composition of the Aptamer is as follows: adenosine (A): 1; guanosine (G): 2; 2’-O-methyladenosine (mA): 3; 2’-O-methylguanosine (mG): 11; 2’-fluorouridine (fU): 9; 2’-fluorocytosine (fC): 12; inverted deoxythymidine (idT): 1; 5’-amine modifier C6 (NH): 1; branched polyethylene glycol, 40 kDa mean molecular weight ([40 kDa PEG]): 1

The chemical name for the sodium salt of ARC1905 is:

N-(2,3-Bis(methylpolyoxyethylene-oxy)propane-1-oxycarbonyl)-6-aminohexylyl-(1g5’)-2’-F-cytidylyl-(3’g5’)-2’-OMe-guanylyl-(3’g5’)-2’-F-cytidylyl-(3’g5’)-2’-F-cytidylyl-(3’ g5’)-guanylyl-(3’g5’)-2’-F-cytidylyl-(3’g5’)-2’-OMe-guanylyl-(3’ g5’)-2’-OMe-guanylyl-(3’g5’)-2’-F-uracylyl-(3’g5’)-2’-F-cytidylyl-(3’ g5’)-2’-F-uracylyl-(3’g5’)-2’-F-cytidylyl-(3’g5’)-2’-OMe-adenylyl-(3’ g5’)-2’-OMe-guanylyl-(3’g5’)-2’-OMe-guanylyl-(3’g5’)-2’-F-cytidylyl-(3’ g5’)-guanylyl-(3’g5’)-2’-F-cytidylyl-(3’g5’)-2’-F-uracylyl-(3’ g5’)-2’-OMe-guanylyl-(3’g5’)-2’-OMe-adenylyl-(3’g5’)-2’-OMe-guanylyl-(3’ g5’)-2’-F-cytidylyl-(3’g5’)-2’-F-cytidylyl-(3’g5’)-2’-F-uracylyl-(3’ g5’)-2’-OMe-guanylyl-(3’g5’)-2’-OMe-adenylyl-(3’g5’)-2’-OMe-guanylyl-(3’ g5’)-2’-F-uracylyl-(3’g5’)-2’-F-uracylyl-(3’g5’)-2’-F-uracylyl-(3’ g5’)-adenylyl-(3’g5’)-2’-F-cytidylyl-(3’g5’)-2’-F-cytidylyl-(3’ g5’)-2’-F-uracylyl-(3’g5’)-2’-OMe-guanylyl-(3’g5’)-2’-F-cytidylyl-(3’ g5’)-2’-OMe-guanylyl-(3’g5’)-(3’g3’)-2’-deoxythymidine, 39-sodium salt



Molecular Structure of ARC1905

Schedule 1-2

Schedule 2

Chemical Composition of ARC 186

ARC 186 corresponds to the non-PEGylated, C5-binding oligonucleotide portion of ARC1905 (set forth in Schedule 1) with a 5'hydroxyl terminus

Excluded Applications

"Excluded Applications" means [**].

For purposes of the above definition of Excluded Applications:

[**]

Confidential Materials omitted and filed with the Securities and Exchange Commission. A total of two pages were omitted.

Schedule 3-A

Short Acting Coagulation Cascade Aptamer Criteria

For purposes of this Agreement, an Aptamer is a **"Short Acting Coagulation Cascade Aptamer"** if the Aptamer has (i) a Mean Resident Time in normal primates (human or non-human) of less than or equal to seventy-five (75) minutes or (ii) a time to return from a steady state of a therapeutically useful level of anticoagulation (as measured by a monitoring test appropriate for the target, (i.e., ACT, PTT, or PT)) to one hundred twenty percent (120%) of baseline of less than or equal to one hundred twenty (120) minutes in normal primates (human or non-human), in each case, without the administration of another molecule. For purposes of clarification, (y) neither of the parameters in (i) or (ii) above may be achieved through any means other than the administration of the Short Acting Coagulation Cascade Aptamer such as the administration of another secondary or antidote molecule, and (z) any Aptamer that meets the Mean Resident Time criteria set forth above in normal primates (human or non-human) shall be considered a Short Acting Coagulation Cascade Aptamer regardless of the Mean Resident Time in renally or hepatically impaired primates (human or non-human).

Mean Resident Time is a pharmacokinetic measure of the average time a molecule remains in the body. For the purposes of establishing the MRT under this Agreement, MRT will be calculated based on plasma concentration data obtained following a single IV bolus dose in primates (human or non-human) using the formula MRT=AUMC/AUC.

Schedule 3-B

Coagulation Cascade Proteins

Tissue Factor, Factor VII, Factor VIIa, Factor X, Factor Xa, Factor XI, Factor XIa, Factor IX, Factor IXa, Factor VIII, Factor VIIIa, Factor V, Factor Va, Factor XIII, Factor XIIIa, Factor XII, Factor XIIa, Fibrinogen and Fibrin, Thrombin and Prothrombin.

Coagulation Cascade Targets

Coagulation Factor (includes all active and inactive forms)	Also Known As
Factor XIII	Fibrin Stabilizing Factor
Factor XII	Hageman Factor
Factor XI	Plasma Thromboplastin Antecedent
Factor X	Stuart-Prower Factor; Prothrombinase
ATIII	Antithrombin III; Antithrombin
Heparin CoFactor II	Heparin Cofactor A
Factor IX	Christmas Factor
Factor VIII	Anti-Hemophilic Factor
Factor VII	Proconvertin
Factor V	Proaccelerin; Labile Factor
Factor II	Thrombin; Prothrombin
Factor I	Fibrinogen
Plasminogen	Profibrinolysin
Plasmin	Fibrinolysin
Tissue Plasminogen Activator	N/A
Urokinase	Urokinase-Type Plasminogen Activator
TFPI	Tissue Factor Pathway Inhibitor, Lipoprotein-Associated Coagulation Inhibitor (LACI), Extrinsic Pathway Inhibitor (EPI)
Protein C	Autoprothrombin IIA; Blood Coagulation Factor XIV
Protein S	N/A
Thrombomodulin	CD141; BDCA-3
Protein Z	PROZ
ZPI	Protein Z-Dependent Protease Inhibitor

Exhibit A

Licensed Patent Rights

ANTI-C5 APTAMER-SPECIFIC
PATENT RIGHTS

Mintz Ref. No.	Archemix Ref. No.	Status	Appl. Number	Filing Date	Country	Patent Number	Issue Date	Title
[**]								

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of four pages were omitted.

ANTI-C5 APTAMER-
SPECIFIC PATENT RIGHTS (CONT'D)

IMATTER NO	COUNTRY ID	TYPE	SERIALNO	FILE	PATENT NO	ISSUE	TITLE	STATUS
[**]								

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of two pages were omitted.

ADDITIONAL
LICENSED PATENT RIGHTS

Mintz Ref. No.	Archemix Ref. No.	Status	Appl. Number	Filing Date	Country	Patent Number	Issue Date	Title
[**]								

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of two pages were omitted.

ADDITIONAL LICENSED PATENT RIGHTS (CONT'D)

IMATTER NO	COUNTRY ID	TYPE	SERIALNO	FILE	PATENT NO	ISSUE	TITLE	STATUS
[**]								

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of twenty one pages were omitted.

Exhibit B

Mandatory Jurisdictions for Patent Prosecution

[**]

Execution Copy

AMENDMENT NO. 1 TO THE
AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

This Amendment No. 1 to the Amended and Restated Exclusive License Agreement (this "**Amendment**") is dated as of December 20, 2011 (the "**Amendment Effective Date**") by and between Archemix Corp, a Delaware corporation with offices c/o Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attn: John J. Cheney, Esq. ("**Archemix**"), and Ophthotech Corporation, a Delaware corporation with offices at One Penn Plaza, 35th Floor, New York, New York 10119 ("**Ophthotech**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Amended and Restated Exclusive License Agreement (the "**Agreement**") made effective as of September 12, 2011 (the "**Agreement Effective Date**") by and between Archemix and Ophthotech with respect to complement factor C5. All references to Sections in this Amendment refer to Sections of the Agreement.

WHEREAS, on the Agreement Effective Date, Archemix and Ophthotech entered into the Agreement pursuant to which Archemix granted to Ophthotech an exclusive license under certain patents and technology to develop and commercialize certain products; and

WHEREAS, the Parties hereto desire to amend the Agreement as set forth herein and to set forth certain additional terms applicable to the Agreement, as so amended.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. Amendments to Agreement.

(a) The references in Section 1.42 to "for purposes of determining royalty payments" (in the sixth paragraph) and "for the purposes of determining royalty payments" (in the eighth paragraph) are hereby deleted.

(b) The reference in Section 2.1.1 to "royalty-bearing" is hereby deleted and the phrase "royalty-free" is hereby inserted in lieu thereof.

(c) The heading of Article 4 of the Agreement is hereby amended to read in its entirety as follows:

"ARTICLE 4 PAYMENTS"

(d) Sections 4.2, 4.2.1, 4.2.2, 4.2.3 and 4.2.4 are hereby deleted in their entirety and all references to such Sections in the Agreement are hereby deleted.

(e) The heading of Section 4.3 is hereby amended to read in its entirety as follows:

"Section 4.3 Sublicense Income."

(f) Section 4.3.1 is hereby deleted in its entirety and all references to such Section in the Agreement are hereby deleted.

(g) The fourth milestone in Section 4.4.2 is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"[**]	$[**]"

(h) The second milestone set forth in Section 4.4.3 is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"Annual Net Sales Greater than $[**]	$[**]"

(i) The parenthetical phrase in the final sentence of Section 4.4.3 is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"(i.e., a total payment of $22,500,000 shall be due)."

(j) Section 4.6.1 is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"4.6.1 Payment of Milestones and Sublicense Income Payments. Unless otherwise expressly provided, Ophthotech shall make any milestone payments and Sublicense Income Payments owed to Archemix pursuant to Sections 4.3 and 4.4 in arrears, within [**] days from the end of the Calendar Quarter in which such payment accrues. Each Sublicense Income Payment shall be accompanied by a report specifying: (a) the aggregate amount of all payments received by Ophthotech or its Affiliates from sublicenses granted hereunder; (b) all exclusions of such payment amounts from Sublicense Income made pursuant to Section 1.61; and (c) the Sublicense Income Payments payable in United States dollars."

(k) The two references in Section 4.6.6 to "royalties or other" are hereby deleted.

(l) Section 6.3.2(b) is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"(b) second, if Archemix is the Party bringing such suit or proceeding or taking such other legal action, [**] percent ([**]%) of any remaining amount shall be retained by Archemix and [**] percent ([**]%) shall be paid to Ophthotech, and if Ophthotech is the Party bringing such suit or proceeding or taking such other legal action, any remaining amount shall be retained by Ophthotech."

(m) Clauses (b)(ii) and (b)(iii) of Section 6.3.3 are hereby deleted.

(n) The reference in Section 9.1 to "non-royalty bearing," is hereby deleted.

(o) The reference in Section 9.3.2 to “royalties,” is hereby deleted.

2. Miscellaneous. The Parties hereby confirm and agree that, except as amended hereby, the Agreement remains in full force and effect and is a binding obligation of the Parties hereto. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives.

OPHTHOTECH CORPORATION

By: /s/ Bruce Peacock
Name: Bruce Peacock
Title: Chief Business Officer

ARCHEMIX CORP.

By: /s/ John A. Harre
Name: John A. Harre
Title: Secretary

OPHTHOTECH
5 Vaughn Drive, Suite 106, Princeton, NJ 08540

April 30, 2012

Archemix Liquidating Trust
c/o Shareholder Representative Services LLC
601 Montgomery Street, Suite 2020
San Francisco, CA 94111
Attn: Managing Director

Mr. John Harre
c/o Mr. John Cheney
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111

RE: Amended and Restated License Agreement between Ophthotech Corporation ("Ophthotech") and Archemix Corp. ("Archemix"), dated September 12, 2011, as amended on December 20, 2011 (the "Amendment"), concerning the Anti-C5 Aptamer (as that term is defined therein) ("Agreement")

I am writing to address an inconsistency that arose in the above-referenced Agreement as a result of the Amendment.

The last sentence of Section 4.4.3 of the Agreement, which was amended by the Amendment, indicates that the maximum sales milestone amount payable under the Agreement is $22,500,000. This amount is the sum of the individual milestones listed in Section 4.4.3. However, the penultimate sentence was not amended by the Amendment and continues to reference the pre-Amendment amount of $35,000,000. By returning a countersigned copy of this letter to me, Archemix acknowledges and agrees that this inconsistent reference to $35,000,000 is hereby corrected to reference the amount of $22,500,000.

Thank you for your prompt attention to this matter.

Sincerely,

/s/ Bruce Peacock
Bruce Peacock
Chief Business Officer
Ophthotech Corporation

ACKNOWLEDGED AND AGREED
ON BEHALF OF ARCHEMLX

/s/ John Harre
John Harre, Trustee
Archemix Liquidating Trust

May 7, 2012

Date

Exhibit 10.12

Execution Copy

Confidential Materials omitted and filed separately with the
Securities and Exchange Commission. Double asterisks denote omissions.

AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

This Amended and Restated Exclusive License Agreement (this "Agreement") is made effective as of September 12, 2011 (the "Restatement Date"), by and between Archemix Corp, a Delaware corporation ("Archemix"), and Ophthotech Corporation, a Delaware corporation ("Ophthotech"). Archemix and Ophthotech are each hereinafter referred to individually as a "Party" and together as the "Parties."

WHEREAS, Archemix is the owner of, or otherwise controls, certain patents and proprietary technology;

WHEREAS, Archemix and Eyetech Pharmaceuticals, Inc. ("Eyetech") entered into a Research and License Agreement (the "Original Agreement"), dated April 8, 2004 (the "Original Agreement Date"), which governed research conducted by Eyetech and Archemix and pursuant to which Archemix granted to Eyetech certain options to obtain an exclusive license under certain patents and technology to develop and commercialize certain products;

WHEREAS, Eyetech exercised an option under the Original Agreement to obtain an exclusive license with respect to certain Licensed Products (as defined below);

WHEREAS, the Original Agreement was assigned to Ophthotech pursuant to a Divestiture Agreement by and between Ophthotech and (OSI) Eyetech, Inc. (as successor in interest to Eyetech), dated July 27, 2007;

WHEREAS, the Parties wish to replace the Original Agreement with this Agreement as of the Restatement Date;

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

ARTICLE 1 DEFINITIONS

Whenever used in the Agreement with an initial capital letter, the terms defined in this Article 1 shall have the meanings specified.

1.1 "**Adverse Event**" means any untoward, undesired or unplanned medical occurrence in a human clinical trial subject or a patient, which occurrence has a temporal relationship to administration of a Licensed Product, whether or not considered related to the Licensed Product, including, without limitation, any undesirable sign (including abnormal laboratory findings of clinical concern), symptom or disease that may be associated with the use of such Licensed Product.

1.2 "**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, controls or is controlled by or is under common control with, such Person. For purposes of this definition, "control" means (a) ownership of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors in the case of a corporation or fifty

percent (50%) or more of the equity interests in the case of any other type of legal entity, (b) status as a general partner in any partnership, or (c) any other arrangement whereby a Person controls or has the right to control the board of directors of a corporation or equivalent governing body of an entity other than a corporation.

1.3 "**AMD**" means age-related macular degeneration and includes the following separate Indications: wet AMD and dry AMD.

1.4 "**Annual Net Sales**" means, with respect to any Calendar Year, the aggregate amount of the Net Sales for such Calendar Year.

1.5 "**Anti-PDGF Aptamer**" means an Aptamer that binds with high specificity and affinity to PDGF, including without limitation ARC127, ARC404, E10030 and any other Aptamer that binds with high specificity and affinity to PDGF as set out in the issued patents and pending patent applications listed in Exhibit A and any Aptamer(s) Derived therefrom that bind with high specificity and affinity to PDGF.

1.6 "**Anti-PDGF Aptamer-Specific Patent Rights**" means the Patent Rights identified in Exhibit A as Anti-PDGF Aptamer-Specific Patent Rights and any other Licensed Patent Rights that specifically claim an Anti-PDGF Aptamer or the manufacture, use, offer for sale, sale or importation of an Anti-PDGF Aptamer in the Field.

1.7 "**Applicable Laws**" means federal, state, local, national and supra-national laws, statutes, rules and regulations, including any rules, regulations guidance, guidelines or requirements of regulatory authorities, national securities exchanges or securities listing organizations, that may be in effect from time to time during the Term and are applicable to a particular activity hereunder.

1.8 "**Aptamer**" means (a) any naturally or non-naturally occurring oligonucleotide identified through the SELEX Process that binds with high specificity and affinity to a Target, and (b) any pegylated or unpegylated oligonucleotide Derived from an oligonucleotide of clause (a) that has such high specificity and affinity to a Target.

1.9 "**ARC127**" means the Anti-PDGF Aptamer having the chemical composition set forth in Schedule 1 attached hereto.

1.10 "**ARC404**" means the Anti-PDGF Aptamer having the chemical composition set forth in Schedule 2 attached hereto.

1.11 "**Archemix Collaborative Partner**" means any Third Party with whom Archemix is engaged, from time to time, in a collaborative effort to research, develop or commercialize Aptamers, which collaborative effort is evidenced by a written agreement. For purposes of clarity, as used in this definition, a "collaborative effort" includes, without limitation, out-licensing of products developed by Archemix or its Affiliates.

1.12 "**Archemix-Gilead License Agreement**" means the License Agreement between Gilead Sciences, Inc. and Archemix dated October 21, 2001, as amended.

1.13 "**Back-Up**" means an Aptamer that is a follow-up to a given Anti-PDGF Aptamer and that is distinct in chemical structure from such Anti-PDGF Aptamer that is intended to prevent or treat the same Indication, is directed to the same biological target(s) and has substantially the same mechanism of action. For clarity, ARC404 is a Back-Up to ARC127 and E10030.

1.14 "**C5**" means complement factor C5.

1.15 **"C5 License Agreement"** means the Amended and Restated License Agreement by and between the Parties of even date herewith providing for the grant by Archemix to Ophthotech of certain rights and licenses with respect to C5 in certain fields defined therein, which agreement supersedes the Exclusive License Agreement by and between Archemix and Ophthotech, dated July 31, 2007, which was amended by Amendment No. 1 and Amendment No. 2 thereto, both dated as of January 6, 2010.

1.16 "**Calendar Quarter**" means the period beginning on the Original Agreement Date and ending on the last day of the calendar quarter in which the Original Agreement Date falls, and thereafter each successive period of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31.

1.17 "**Calendar Year**" means the period beginning on the Original Agreement Date and ending on December 31 of the year in which the Original Agreement Date falls and thereafter each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.18 "**Challenge**" means any challenge to the validity or enforceability of any Licensed Patent Right, in the absence of a breach of this Agreement by Ophthotech, including, without limitation, by (a) filing a declaratory judgment action in which any Licensed Patent Right is alleged to be invalid or unenforceable; (b) citing prior art pursuant to 35 U.S.C. §301, filing a request for re-examination of any Licensed Patent Right pursuant to 35 U.S.C. §302 and/or §311 or provoking or becoming party to an interference with an application for any Licensed Patent Right pursuant to 35 U.S.C. §135; or (c) filing or commencing any reexamination, opposition, cancellation, nullity or similar proceedings against any Licensed Patent Right in any country.

1.19 "**Commercially Reasonable Efforts**" means, with respect to activities of Ophthotech under this Agreement, the efforts and resources customarily used by similarly sized biotechnology companies in the performance of such activities for other products owned by such companies which are of similar market potential and at a similar stage of development, taking into account the competitiveness of the market place, the regulatory structure involved and other relevant and material factors.

1.20 "**Completion**" means, with respect to a clinical trial, the closing of the database with respect to that applicable clinical trial.

1.21 "**Confidential Information**" means all information and Technology disclosed or provided by, or on behalf of a Party (the "Disclosing Party") to the other Party (the "Receiving Party") or to any of the Receiving Party's employees, consultants, Affiliates or sublicensees

pursuant to or in connection with this Agreement; provided, that, none of the foregoing shall be Confidential Information if: (a) as of the date of disclosure, it is known to the Receiving Party or its Affiliates, as demonstrated by credible written documentation, other than by virtue of a prior confidential disclosure to such Receiving Party; (b) as of the date of disclosure it is in the public domain or it subsequently enters the public domain other than through a breach by the Receiving Party or its Affiliates of a contractual obligation; (c) it is obtained by the Receiving Party from a Third Party having a lawful right to make such disclosure free from any obligation of confidentiality to the Disclosing Party or its Affiliates; or (d) it is independently developed by or for the Receiving Party or its Affiliates without reference to or use of any Confidential Information of the Disclosing Party or its Affiliates as demonstrated by credible written documentation. For purposes of clarity, unless excluded from Confidential Information pursuant to the provisos of the preceding sentence, any scientific, technical or financial information Controlled by a Disclosing Party and disclosed at any meeting of the Parties or disclosed through an audit report shall constitute Confidential Information of the Disclosing Party.

1.22 "**Control**" or "**Controlled**" means with respect to Technology or Patent Rights, the possession by a Party of the right to grant a license or sublicense to such Technology or Patent Rights as provided herein solely to the extent that such grant does not (a) violate the terms of any agreement or arrangement with any Third Party or (b) violate any Applicable Laws. Notwithstanding the foregoing, with respect to Technology or Patent Rights licensed by Archemix from a Third Party after the Original Agreement Date (i.e., with respect to Technology or Patent Rights that were not Licensed Technology or Licensed Patent Rights as of the Original Agreement Date), where the grant of a license or sublicense to Ophthotech to such Technology or Patent Rights as provided herein would require a payment of additional consideration by Archemix to such Third Party licensor, Control by Archemix shall be deemed to exist only if Ophthotech agrees to reimburse Archemix for such additional payment of consideration.

1.23 "**Derived**" means identified, obtained, developed, created, synthesized, designed or resulting from, based upon, containing or incorporating or generated from or conjugated to or complexed with (whether directly or indirectly or in whole or in part).

1.24 "**Development**" and "**Develop**" means, with respect to any Licensed Product, all activities with respect to such Licensed Product relating to research and development in connection with seeking, obtaining and/or maintaining any regulatory approval (including without limitation any Regulatory Approval) for such Licensed Product in the Field in the Territory, including, without limitation, all pre-clinical research and development activities, all human clinical studies, all activities relating to developing the ability to manufacture any Licensed Product or any component thereof (including, without limitation, process development work), and all other activities relating to seeking, obtaining and/or maintaining any regulatory approvals for Licensed Products (including without limitation any Regulatory Approvals) from the FDA and/or any Foreign Regulatory Authority.

1.25 "**E10030**" means the Anti-PDGF Aptamer having the chemical composition set forth in Schedule 3 attached hereto.

1.26 "**Excluded Applications**" has the meaning set forth [**].

1.27 "**Expanded Field**" means the prevention, treatment, cure or control of all Indications outside of the Ophthalmic Field, but excluding the Excluded Applications.

1.28 "**FDA**" means the United States Food and Drug Administration and any successor agency or authority thereto.

1.29 **"Field"** means, collectively, the Ophthalmic Field and, during the PDGF Expanded License Term, the Expanded Field.

1.30 "**First Commercial Sale**" means, on a country-by-country basis, the date of the first arm's length transaction, transfer or disposition for value to a Third Party of a Licensed Product by or on behalf of, Ophthotech, its Affiliate or Sublicensee in such country. For purposes of clarity, the use of any Licensed Product in clinical trials, pre-clinical studies or other research or development activities or the disposal or transfer of a Licensed Product for a *bona fide* charitable purpose or for purposes of a commercially reasonable sampling program shall not be deemed to be an arm's length transaction, transfer or disposition for value for purposes of this definition.

1.31 "**Foreign Regulatory Authorities**" means any applicable supranational, national, federal, state or local regulatory agency, department, bureau or other governmental entity of any country or jurisdiction in the Territory (other than the FDA in the United States), having responsibility in such country or jurisdiction for any Regulatory Approvals of any kind in such country or jurisdiction, and any successor agency or authority thereto.

1.32 "**IND**" means an investigational new drug application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) filed or to be filed with the FDA with regard to any Licensed Product.

1.33 "**Indication**" means any human indication, disease, disorder or condition which can be treated, controlled, prevented, cured or the progression of which can be delayed. For purposes of clarity, whether any such indication, disease, disorder or condition constitutes a separate Indication shall be determined by reference to the applicable ICD-9 codes, with each separate code constituting a separate Indication. "ICD-9" means the World Health Organization International Classification of Diseases, version 9, and excludes any other versions of the ICD.

1.34 "**Knowledge**" means, with respect to Archemix, the actual knowledge of the chief executive officer, any vice president or the chief legal officer of Archemix.

1.35 "**Licensed Patent Rights**" means all Patent Rights Controlled by Archemix or any of its Affiliates at any time on or after the Restatement Date and prior to the end of the Term that cover or claim Licensed Products in the Field, including without limitation the Development, manufacture, use, offer for sale, sale or importation thereof. For purposes of clarity, the Licensed Patent Rights, as of the Restatement Date, include without limitation the Patent Rights listed on Exhibit A attached hereto.

1.36 "**Licensed Product**" means any pharmaceutical product comprised of or Derived from, in whole or in part, any Anti-PDGF Aptamer.

1.37 "**Licensed Technology**" means any Technology Controlled by Archemix or any of its Affiliates at any time on or after the Restatement Date and prior to the end of the Term that is necessary or useful for the Development, manufacture, use, offer for sale, sale or importation of Licensed Products in the Field.

1.38 **"Material EU Country"** means each of the United Kingdom, Germany, France, Italy and Spain.

1.39 "**Net Sales**" means the gross amount billed or invoiced by Ophthotech or any of its Affiliates or Sublicensees to Third Parties throughout the Territory for sales or other dispositions or transfers for value of Licensed Products in the Ophthalmic Field less (i) allowances for normal and customary trade, quantity and cash discounts actually allowed and taken, and inventory management fees paid to wholesalers and distributors, (ii) transportation, insurance and postage charges, if paid by Ophthotech or any Affiliate or Sublicensee and included on any such Third Party's bill or invoice as a separate item, (iii) credits, chargebacks, retroactive price reductions, rebates and returns, to the extent actually allowed, (iv) negotiated payments made to private sector and government Third Party payors (e.g., PBMs, HMOs and PPOs) and purchasers/providers (e.g., staff model HMOs, hospitals and clinics), regardless of the payment mechanism, including without limitation off-invoice, rebate, chargeback and credit mechanisms, (v) discounts paid under discount prescription drug programs and reductions for coupon and voucher programs; (vi) any tax, tariff, customs duty, excise or other duty or other governmental charge (other than a tax on income) levied on the sale, transportation or delivery of Licensed Product and actually paid by Ophthotech or any of its Affiliates or Sublicensees; and (vii) portions of gross amounts billed or invoiced that are written off as uncollectible, not to exceed [**] percent ([**]%) of Annual Net Sales in any Calendar Year. In addition, Net Sales are subject to the following:

(a) If Ophthotech or any of its Affiliates or Sublicensees effects a sale, disposition or transfer of a Licensed Product in the Ophthalmic Field to a customer in a particular country as part of a package of Licensed Products and services (but not in a Combination Product), the Net Sales of such Licensed Product to such customer shall be deemed to be "the fair market value" of such Licensed Product less applicable discounts pursuant to this definition of Net Sales. For purposes of this subsection (a), "fair market value" shall mean the fraction (A/A+B), where A equals the value that would have been derived had such Licensed Product been sold as a separate Licensed Product to another customer in the country concerned on customary commercial terms and B equals the aggregate value that would have been derived had the other components of such package been sold as separate products to another customer in the country concerned on customary commercial terms.

(b) In the case of pharmacy incentive programs, hospital performance incentive program chargebacks, disease management programs, similar programs or discounts on "bundles" of Licensed Products, all discounts and the like shall be allocated among Licensed 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 Licensed Products.

(c) For purposes of clarity, use of any Licensed Product in clinical trials, pre-clinical studies or other research or development activities or disposal or transfer of

Licensed Products for a *bona fide* charitable purpose or purposes of a commercially reasonable sampling program shall not give rise to any Net Sales.

(d) Sales or transfers of Licensed Product among Ophthotech, its Affiliates and Sublicensees for the purpose of subsequent resale to Third Parties shall not be included in Net Sales; with respect to such sales or transfers, the gross amounts billed or invoiced in connection with the subsequent resale to Third Parties will be included in the calculation of Net Sales.

In the event that a Licensed Product under this Agreement is sold in the Ophthalmic Field in combination ("Combination Product") with another ingredient or component having independent, supplementary or enabling therapeutic effect (e.g., as a catalyst or adjuvant) or diagnostic utility or that has independent function as a medical device or means of administration (a "Supplemental Component"), then "Net Sales," for purposes of determining royalty payments on the Combination Product, shall be calculated using one of the following methods:

(y) By multiplying the Net Sales of the Combination Product (calculated prior to the application of this formula) by the fraction C/C+D, where C is the average gross selling price, during the applicable Calendar Quarter in the country concerned, of the Licensed Product when sold separately, and D is the average gross selling price, during the applicable Calendar Quarter in the country concerned, of the Supplemental Component(s) when sold separately; or

(z) In the event that no such separate sales are made of the Licensed Product or any of Supplemental Components in such Combination Product during the applicable Calendar Quarter in the country concerned, Net Sales, for the purposes of determining royalty payments shall be calculated using the above formula where C is the reasonably estimated commercial value of the Licensed Product sold separately and D is the reasonably estimated commercial value of the Supplemental Components sold separately. Any such estimates shall be determined using criteria to be mutually agreed upon by the Parties. Such estimates shall be reported to Archemix in the reports to be provided pursuant to Section 4.5.1 hereof. If the Parties are unable to agree on the criteria for determining such estimates, either Party may submit such dispute for resolution pursuant to the provisions of Section 10.2.2 (Accelerated Arbitration).

1.40 "**Ophthalmic Field**" means the prevention, treatment, cure or control of all Indications of the eye, adnexa of the eye, orbit and optic nerve, but (a) with respect to ARC127, ARC404 and E10030, excluding Diagnostics (as such term is defined on Schedule 4) and (b) with respect to Anti-PDGF Aptamers other than ARC127, ARC404 and E10030, excluding Excluded Applications.

1.41 "**Patent Rights**" means all rights and interests in and to issued patents and pending patent applications including, without limitation, provisional and non-provisional patent applications, and all divisions, continuations and continuations-in-part thereof, patents issuing on any of the foregoing, all reissues, reexaminations, renewals and extensions thereof, and supplementary protection certificates therefor, as well as any certificates of invention or applications therefor, and all foreign counterparts of any of the foregoing.

1.42 "**PDGF**" means platelet derived growth factor.

1.43 "**PDGF Expanded License Term**" means the period commencing on the Restatement Date and ending on the earlier of June 30, 2013 or the termination by Ophthotech of the PDGF Expanded License Term pursuant to Section 9.2.4; provided, that, the PDGF Expanded License Term shall not expire on June 30, 2013 and shall, subject to Section 9.2.4, be deemed to have been extended for the balance of the Term if Ophthotech (a) exercises the Term Extension Option pursuant to Section 4.5.4 or (b) enters into a PDGF Rights Transfer Transaction on or before June 30, 2013.

1.44 "**PDGF Rights Transfer Transaction**" means any transaction or series of related transactions by and between Ophthotech and any Third Party in which the Third Party acquires any rights to any Licensed Product in the Expanded Field (including, without limitation, by license, sublicense, assignment, or the transfer or sale of all or substantially all of Ophthotech's assets or business relating to any Licensed Product in the Expanded Field, whether by merger, consolidation or other acquisition transaction); provided that, (a) if Ophthotech exclusively licenses worldwide rights to all Licensed Products in the Expanded Field to a Third Party pursuant to a *bona fide* license agreement negotiated in good faith by Ophthotech and such Third Party and makes all required payments to Archemix under Section 4.5.1 or 4.5.2, as applicable, with respect thereto as and when due, an assignment, transfer or sale of all or substantially all of Ophthotech's assets or business subsequent to such exclusive license, whether by merger, consolidation or other acquisition transaction pursuant to which Ophthotech is acquired, shall not constitute a PDGF Rights Transfer Transaction for purposes of this Agreement and (b) if Ophthotech consummates an assignment, transfer or sale to a Third Party of all or substantially all of Ophthotech's assets or business, whether by merger, consolidation or other acquisition transaction, that constitutes a PDGF Rights Transfer Transaction and makes all required payments to Archemix under Section 4.5.1 or Section 4.5.2, as applicable, with respect thereto as and when due, any licensing, sublicensing, assignment, transfer or sale of Licensed Product rights by the surviving or acquiring entity in such PDGF Rights Transfer Transaction subsequent to such PDGF Rights Transfer Transaction shall not constitute a PDGF Rights Transfer Transaction for purposes of this Agreement. Notwithstanding the foregoing, the following shall not constitute PDGF Rights Transfer Transactions: (x) any sublicenses granted by Ophthotech to contract research organizations, contract manufacturers, contract sales organizations, sales representatives, consultants or other service providers necessary for such entities to perform services for Ophthotech or (y) transactions in which rights to distribute Licensed Products are granted to Third Parties and any sublicenses granted in such transactions are ancillary to and solely for the purpose of facilitating such Third Parties' performance as distributors and which do not include rights to develop or manufacture Licensed Products. For the avoidance of doubt, and without limiting the foregoing, a PDGF Rights Transfer Transaction involving a Third Party that meets the foregoing definition may include an equity investment transaction pursuant to which such Third Party purchases an equity interest in Ophthotech.

1.45 **"Permitted Activities"** means any activity conducted by or on behalf of Archemix or any Third Party licensee or sublicensee of Archemix (a) for ARC127, ARC404 and E10030, with respect to Diagnostics, and (b) for any Anti-PDGF Aptamer other than ARC127, ARC404 and E10030, with respect to Excluded Applications.

1.46 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust,

joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision, department or agency of a government.

1.47 "**Phase I Clinical Trial**" means a clinical trial conducted in healthy humans or in patients with a particular disease or condition, which clinical trial is designed to initially explore the safety, drug-drug interactions and/or pharmacokinetics of an investigational drug given its intended use, and to support continued testing of such drug in Phase II Clinical Trials. For purposes of clarity, a Phase I Clinical Trial may also initially explore efficacy if a safety endpoint for such trial coincides with an initial indication of efficacy.

1.48 "**Phase II Clinical Trial**" means a clinical trial conducted in patients with a particular disease or condition, which clinical trial is designed to establish the safety, appropriate dosage and pharmacological activity of an investigational drug given its intended use, and to initially explore its efficacy for such disease or condition.

1.49 "**Phase III Clinical Trial**" means a pivotal clinical trial conducted in patients with a particular disease or condition, which clinical trial is designed to ascertain efficacy and safety of an investigational drug for its intended use and to define warnings, precautions and Adverse Events that are associated with the investigational drug in the dosage range intended to be prescribed, with the purpose of preparing and submitting applications for Regulatory Approval or label expansion to the FDA in the United States or pertinent Foreign Regulatory Authority in a country outside the United States.

1.50 "**Regulatory Approval"** means any and all approvals (including pricing and reimbursement approvals), product and establishment licenses, registrations or authorizations of any kind of the FDA or any Foreign Regulatory Authority necessary for the marketing and commercial sale of a Licensed Product (or any component thereof) for use in the Field in any country or other jurisdiction in the Territory.

1.51 "**Royalty Term**" means, with respect to each Licensed Product, on a country-by-country basis, the period commencing on the date of First Commercial Sale of such Licensed Product in such country and continuing on a product-by-product and country-by-country basis until the later of (a) the last to expire Valid Claim covering the Licensed Product in the country of manufacture or sale or (b) ten (10) years after the date of First Commercial Sale of such Licensed Product in such country.

1.52 "**SELEX Portfolio**" means those Patent Rights licensed by Gilead to Archemix pursuant to the Archemix-Gilead License Agreement.

1.53 "**SELEX Process**" means any means used for the identification or generation of a nucleic acid that binds to a Target by means other than Watson-Crick base-pairing, including, without limitation, any process that (a) is covered by the SELEX Portfolio, including, without limitation, U.S. Patent Nos. [**], (b) is covered by any other Patent Rights Controlled by Archemix, or (c) is covered by any continuation, divisional, continuation-in-part, substitution, renewal, reissue, re-examination or extension, or any foreign equivalent of, the foregoing Patent Rights.

1.54 "**SELEX Technology**" means any process for modifying, optimizing and/or stabilizing an Aptamer, wherein such modification, optimization or stabilization includes, without limitation, minimization, truncation, conjugation, pegylation, complexation, substitution, deletion and/or incorporation of modified nucleotides.

1.55 "**Serious Adverse Event**" means an Adverse Event occurring at any dose that (a) results in death, (b) is life-threatening, (c) requires inpatient hospitalization or prolongation of an existing hospitalization, (d) results in a persistent or significant disability or incapacity or (e) results in a congenital anomaly or birth defect. Additionally, important medical events that are not described in the immediately preceding sentence shall be considered Serious Adverse Events when, based upon appropriate medical judgment, they may jeopardize the patient or subject and may require medical or surgical intervention to prevent one of the outcomes listed in the immediately preceding sentence.

1.56 "**Sublicensee**" means any Third Party to whom Ophthotech grants a sublicense of some or all the rights granted to Ophthotech under this Agreement.

1.57 "**Target**" means a protein, cytokine, enzyme, receptor, transducer, transcription factor, antigen or any other non-nucleic acid molecule.

1.58 "**Technology**" means, collectively, inventions, discoveries, improvements, trade secrets and proprietary methods, whether or not patentable, including, without limitation: (a) methods of production or use of, and structural and functional information pertaining to, chemical compounds and (b) compositions of matter, data, formulations, processes, techniques, know-how and results (including any negative results).

1.59 "**Territory**" means all countries and jurisdictions of the world.

1.60 "**Third Party**" means any person or entity other than Ophthotech, Archemix and their respective Affiliates.

1.61 "**ULEHI**" means University License Equity Holdings, Inc., formerly known as UTC.

1.62 "**Unexpected Adverse Event**" means an Adverse Event, the specificity or severity of which is not consistent with the current package insert or investigator's brochure for the Licensed Product. An Unexpected Adverse Event includes any event that may be symptomatically and pathophysiologically related to an event listed in the current package insert or investigator's brochure, but differs from the listed event because of greater severity or specificity.

1.63 "**URC License Agreement**" means the Restated Assignment and License Agreement, dated July 17, 1991, by and between University Research Corporation and Gilead Sciences, Inc. as successor in interest to NeXstar Pharmaceuticals, Inc.

1.64 "**UTC**" means University Technology Corporation, the successor to the University Research Corporation.

1.65 "**Valid Claim**" means any claim of a pending patent application or an issued, unexpired patent covered under the Licensed Patent Rights that (a) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, (b) has not been permanently revoked, held invalid or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, (c) has not been rendered unenforceable through disclaimer or otherwise, (d) is not lost through an interference proceeding and (e) in the case any claim of a pending patent application, is not pending more than [**] years from filing date of the earliest patent application from which such pending patent application claims priority.

Additional Definitions. In addition, each of the following definitions shall have the respective meanings set forth in the section of this Agreement indicated below:

Definition	Section
AAA	10.2.1
Abandoned Anti-PDGF Aptamer	4.3.3
Abandoned Patent Right	6.2
Agreement	Recitals
Archemix	Recitals
Archemix Indemnitees	8.1
Claims	8.1
Combination Product	1.39(d)
Disclosing Party	1.21
Dispute	10.2.1
Expert	10.2.2(a)
Extension Fee	4.4.3
Eyetech	Recitals
Gilead Indemnitee	8.3
Indemnified Party	8.2
Infringement	6.3.1
Infringement Notice	6.3.1
Licensed Patent Right Fees	6.2
Mandatory Jurisdiction	6.2
Non-Sales-Based Milestone Payments	4.4.1(b)
Ophthotech	Recitals
Optional Jurisdiction	6.2
Original Agreement	Recitals
Original Agreement Date	Recitals
Party	Recitals
Parties	Recitals
Receiving Party	1.21
Restatement Date	Recitals
Supplemental Component	1.39(d)
Term	9.1
Term Extension Option	4.4.3

ARTICLE 2 GRANT OF RIGHTS

2.1 **License to Ophthotech**.

2.1.1 Grant of License. Archemix hereby grants to Ophthotech an exclusive, royalty-bearing license, including the right to grant sublicenses in accordance with Section 2.1.3, under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, offer for sale, distribute for sale, have sold, import, have imported, export and have exported, Licensed Products in the Territory, for any and all uses within the Field, subject to the terms and conditions of this Agreement. For purposes of clarity, (a) if the PDGF Expanded License Term ends for any reason prior to the end of the Term, Ophthotech's rights in the Expanded Field pursuant to the foregoing license shall terminate at the end of the PDGF Expanded License Term and the foregoing license shall thereafter be limited to the Ophthalmic Field, (b) Ophthotech shall have the exclusive right under this license to use SELEX Technology for the sole purpose of modifying Anti-PDGF Aptamers for use in the Field, (c) Ophthotech shall have no right under this license to practice the SELEX Process for any other reason, including to identify or modify aptamers, and (d) subject to Section 2.3, Archemix shall retain the right to use the Licensed Technology and practice the Licensed Patent Rights to (i) research, develop, have developed, make, have made, use, have used, sell, offer for sale, have sold, distribute for sale, import, have imported, export and have exported any product that is not a Licensed Product in the Field and (ii) research, develop, have developed, make, have made, use, have used, sell, offer for sale, have sold, distribute for sale, import, have imported, export and have exported any Licensed Product outside the Field.

2.1.2 Negative Covenant. Ophthotech is not granted the right to, and hereby agrees that it will not (a) practice any inventions covered by a Valid Claim under the Licensed Patent Rights or the SELEX Process, except as expressly permitted under this Agreement, (b) research, develop, make, have made, use, have used, sell, offer for sale, have sold, distribute for sale, import, have imported, export or have exported (i) Diagnostics (as such term is defined on Schedule 4) with respect to ARC127, ARC404 and/or E10030 in the Ophthalmic Field or (ii) any Anti-PDGF Aptamers other than ARC 127, ARC404 and E10030 in, or for use as, Excluded Applications (as such term is defined on Schedule 4) in the Ophthalmic Field or any Anti-PDGF Aptamers in, or for use as, Excluded Applications outside the Ophthalmic Field, or (c) perform any research or development on any Anti-PDGF Aptamer for any use outside of the Field. Notwithstanding the foregoing provisions of this Section 2.1.2, (i) Ophthotech shall not be restricted by Section 2.1.2(a), (b) or (c) from engaging in any activity that, in the absence of a license from Archemix, would not infringe a Valid Claim Controlled by Archemix, and the foregoing covenant by Ophthotech shall not apply to any such non-infringing activities and (ii) Ophthotech shall not be restricted by Section 2.1.2(a), (b) or (c) from engaging in any activity in which Ophthotech is permitted to engage pursuant to a license, sublicense or other right granted to Ophthotech in any agreement other than this Agreement with respect to the SELEX Portfolio, the SELEX Process, SELEX Technology or Aptamers, whether granted by Archemix, Gilead or any other Person having the right to grant such license, sublicense or other right.

2.1.3 Right to Sublicense. Ophthotech shall have the right to grant sublicenses to all or any portion of its rights under the license granted pursuant to Section 2.1.1; provided, that, (a) Archemix shall be notified of the grant of each such sublicense; (b) each such sublicense

shall be subject to, and consistent with, the terms and conditions of this Agreement; (c) each such sublicense shall contain and include the following provisions of this Agreement (with appropriate modifications to account for the identities of the parties to such sublicense): Sections 2.1.2 (Negative Covenant), 2.1.4 (Reversion of License Rights), 2.1.5 (Archemix-Gilead License Agreement), 6.3.3 (Effect of Challenge) and 9.2.2 (Termination for Challenge); (d) each such sublicense shall contain and include provisions substantially similar to, and consistent with, the language provided in Sections 2.1.1 (Grant of License), 3.1.2 (Diligence), 4.2.1 (Royalties), and Article 5 (Treatment of Confidential Information); (e) upon termination of this Agreement, any such sublicense shall be considered a direct license from Archemix as provided in Section 9.3 hereof; and (f) Ophthotech shall provide Archemix with a copy of each sublicense agreement within [**] days after execution. If requested by a Sublicensee in connection with the negotiation of a sublicense, Archemix shall enter into a "stand-by" license agreement directly with such Sublicensee to further document the provisional license described in the foregoing clause (e); provided, that, as a condition to Archemix's execution of any such "stand-by" license, Ophthotech shall (i) provide to Archemix, at least [**] days prior to the anticipated date of execution, a copy of the proposed form of such "stand-by" license and any material information reasonably necessary for Archemix to ensure that the sublicense agreement conforms to all terms and conditions of sublicensing under this Agreement and (ii) reimburse Archemix for the reasonable legal fees and expenses incurred by Archemix in connection with its review and execution of such "stand-by" license.

2.1.4 Reversion of License Rights. Ophthotech acknowledges and agrees that each of the URC License Agreement and the Archemix-Gilead License Agreement provide that the Archemix rights in the SELEX Process or the SELEX Technology and the SELEX Portfolio may revert to Gilead or ULEHI if Archemix, its Affiliates and all assignees and sublicensees cease to exercise reasonable efforts to develop the commercial applications of products and services utilizing the SELEX Process or the SELEX Technology.

2.1.5 Terminations of Archemix-Gilead and URC License Agreements. Ophthotech acknowledges and agrees that the Archemix-Gilead License Agreement provides that in the event of any termination of the Archemix-Gilead License Agreement, the licenses granted hereunder to Ophthotech under the Archemix-Gilead License Agreement shall remain in full force and effect in accordance with Section 2.3 of the Archemix-Gilead License Agreement; provided, that, Ophthotech agrees to be bound to Gilead as the licensor under the terms and conditions of this Agreement; provided, that, if the termination of the Archemix-Gilead License Agreement arises out of the action or inaction of Ophthotech, Gilead, at its option, may terminate such license. Ophthotech further acknowledges and agrees that the URC License Agreement provides that in the event of any termination of the URC License Agreement, the licenses granted hereunder to Ophthotech under the Archemix-Gilead License Agreement shall remain in full force and effect in accordance with Section 3.4 of the URC License Agreement; provided, that, Ophthotech is not then in breach of this Agreement and Ophthotech agrees to be bound to ULEHI as the licensor under the terms and conditions of this Agreement. Archemix shall inform Ophthotech of any termination of the Archemix-Gilead License Agreement or the URC License Agreement.

2.2 **No Other Rights.** Ophthotech is not granted any rights to use or otherwise exploit Licensed Patent Rights or Licensed Technology except as set forth in this Agreement.

2.3 **Exclusivity**. During the Term, neither Archemix nor any of its Affiliates will, alone or with a Third Party, conduct any activity for the purpose of researching, developing or commercializing any aptamer that binds with high specificity and affinity to PDGF (including any Anti-PDGF Aptamer) for use in the Field, other than Permitted Activities.

ARTICLE 3 DEVELOPMENT AND COMMERCIALIZATION OF LICENSED PRODUCTS AND PROVISION OF MATERIALS.

3.1 **Development and Commercialization**.

3.1.1 Responsibility. From and after the Original Agreement Date, Ophthotech shall have full control and authority over the Development and commercialization of Licensed Products in the Field in the Territory, including, without limitation, (a) all pre-clinical Development activities (including any pharmaceutical development work on formulations or process development relating to any Licensed Product), (b) all activities related to human clinical trials, (c) all activities relating to manufacture and supply of all Licensed Products (including all required process development and scale up work with respect thereto), (d) all marketing, promotion, sales, distribution, import and export activities relating to any Licensed Product, and (e) all activities relating to any regulatory filings, registrations, applications and Regulatory Approvals relating to any of the foregoing. Ophthotech shall own all data, results and all other information arising from any such activities under this Agreement, including, without limitation, all regulatory filings, registrations, applications and Regulatory Approvals relating to Licensed Products, and all of the foregoing information, documentation and materials shall be considered Confidential Information and Technology solely owned by Ophthotech. All activities relating to Development and commercialization under this Agreement shall be undertaken at Ophthotech's sole cost and expense, except as otherwise expressly provided in this Agreement.

3.1.2 Diligence. Ophthotech will exercise Commercially Reasonable Efforts in Developing and commercializing at least one Licensed Product in the Field and in undertaking investigations and actions required to obtain Regulatory Approvals necessary to market such Licensed Product in the Field in the United States, the European Union, and Japan, and in such ex-United States markets, in addition to the European Union and Japan, where Ophthotech determines, in the exercise of Commercially Reasonable Efforts, that it is commercially reasonable to do so. In the event that Ophthotech fails to use Commercially Reasonable Efforts as required hereunder, then on a Licensed Product-by-Licensed Product and country-by-country basis as to such Licensed Product in such country, Archemix may, in its sole discretion (i) terminate the licenses granted under Article 2 of this Agreement for breach under Section 9.2.3 below, or (ii) convert the licenses granted under Article 2 of this Agreement from exclusive licenses to non-exclusive licenses, in either case only as such licenses apply to such Licensed Product in such country(ies); provided that, if Ophthotech is exercising Commercially Reasonable Efforts in each Material EU Country, then Archemix may not so terminate or convert such licenses as to any country in the European Union. The foregoing provisions of this Section 3.1.2(a) shall constitute Archemix's sole and exclusive remedies and Ophthotech's sole and exclusive liabilities for any failure by Ophthotech to exercise Commercially Reasonable Efforts to Develop or commercialize any Licensed Product in any country or in the European Union pursuant to this Section 3.1.2. In satisfying its obligation to use Commercially Reasonable Efforts with respect to such Licensed Product, Ophthotech may engage in Development and

commercialization activities in various markets in a reasonably sequenced manner, it being understood that Development and commercialization in the United States, the European Union, Japan and other markets likely will not be pursued by Ophthotech on concurrent Development and commercialization schedules.

3.2 **Progress Reports.** Ophthotech shall provide Archemix with written reports every [**] months during the Term that shall include, at minimum, information reasonably sufficient to enable Archemix to satisfy its reporting obligations to Gilead under the Archemix-Gilead License Agreement with respect to this Agreement and to assess the progress made by Ophthotech toward meeting the diligence requirements of Section 3.1.2 above.

3.3 **Notice of Certain Events; Pharmacovigilance.** In addition to the progress reports required pursuant to Section 3.2 above, Ophthotech shall provide Archemix with written notice within [**] days after the occurrence of (a) the First Commercial Sale in each country, (b) the Completion of each Phase I Clinical Trial, Phase II Clinical Trial and Phase III Clinical Trial of a Licensed Product, (c) each milestone set forth in Section 4.3 below, (d) any Regulatory Approval in any country, and (e) any other material event other than as set forth in the foregoing clauses (a)-(d) related to the Development or commercialization of Licensed Products. Ophthotech and, to the extent Archemix Develops and/or commercializes any Licensed Product, Archemix, shall notify one another in writing of all information coming to their attention regarding Adverse Events, Serious Adverse Events and/or Unexpected Adverse Events related to, or reasonably likely to be related to, any Licensed Product, regardless of the origin of such information and, for the avoidance of doubt, including such information coming to their attention through journal publications and other media. Notifications of Serious Adverse Events and Unexpected Adverse Events shall be given contemporaneously with notifications of such Serious Adverse Events or Unexpected Adverse Events to any regulatory authority, including the FDA or any Foreign Regulatory Authority. In addition, Ophthotech shall provide Archemix with periodic (not more frequently than [**]) telephone updates as to Adverse Events, Serious Adverse Events and/or Unexpected Adverse Events related to any Licensed Product, to the extent reasonably requested by Archemix. Notifications of all other Adverse Events shall be provided [**], with the information provided in each [**] notification to be current to within [**] days prior to the date of such notification.

3.4 **Manufacturing**. Ophthotech shall be solely responsible, at its expense, for the conduct of all chemistry, manufacture and control activities with respect to Licensed Products.

3.5 **Information Regarding Identified PDGF Aptamers**. Archemix shall attempt to provide Ophthotech with information in Archemix's possession and Control and known to Archemix regarding Anti-PDGF Aptamers in the Field that were identified by Archemix prior to the Restatement Date; provided, that, Ophthotech hereby acknowledges and agrees that the failure of Archemix to identify and provide Ophthotech with any such information shall not be a breach of this Agreement.

ARTICLE 4 PAYMENTS AND ROYALTIES

4.1 **Equity**. In consideration for the licenses for the Expanded Field granted to Ophthotech hereunder and under the C5 License Agreement, Ophthotech shall issue to Archemix

and/or its designee an aggregate of 500,000 shares of Series B-1 Preferred Stock, $0.001 par value per share, as set forth in the C5 License Agreement. For the avoidance of doubt, the Series B-1 Preferred Stock issued pursuant to the C5 License Agreement shall satisfy Ophthotech's obligations to issue Series B-1 Preferred Stock under both this Agreement and the C5 License Agreement (i.e., Ophthotech's aggregate obligation to issue Series B-1 Preferred Stock under this Agreement and the C5 License Agreement is to issue 500,000 shares of Series B-1 Preferred Stock in accordance with the C5 License Agreement).

4.2 **Payment of Royalties; Royalty Rates**

4.2.1 Royalty Payments.

(a) In consideration for the rights granted to Ophthotech hereunder, Ophthotech shall pay Archemix a royalty during the Royalty Term based on Annual Net Sales of each Licensed Product sold by Ophthotech and its Affiliates, at the following rates:

Annual Net Sales (US$)	Royalty (%)
Less than or equal to $[**]	[**]%
Greater than $[**] and less than or equal to $[**]	[**]%
Greater than $[**]	[**]%

By way of example, if Annual Net Sales totaled $[**] for Licensed Product A and $[**] for Licensed Product B, Ophthotech would pay Archemix (A) $[**] in royalties for Licensed Product A, calculated as $[**], and (B) $[**] in royalties for Licensed Product B, calculated as $[**]

(b) On a Licensed Product-by-Licensed Product and country-by-country basis, the royalty rate applicable to Net Sales of a Licensed Product made in any country shall be reduced to [**] percent ([**]%) of the royalty rates otherwise applicable to such Net Sales under Section 4.2.1(a) during any portion of the Royalty Term in which no Valid Claim of a Licensed Patent Right exists with respect to (i) the use of the SELEX Process necessary to identify the Anti-PDGF Aptamer contained in such Licensed Product in the country in which such Licensed Product is manufactured or sold; or (ii) the use, manufacture, sale or import of a Licensed Product in the country in which such Licensed Product is manufactured or sold. In no event shall a pending claim included in any such Valid Claim extend the Royalty Term beyond twenty (20) years from the earliest priority date of the application in which such claim is pending.

4.3 **Milestone Payments**.

4.3.1 Milestones and Payments. In consideration for the rights granted to Ophthotech and/or its Sublicensees hereunder, Ophthotech shall make the following payments to Archemix on an Anti-PDGF Aptamer-by-Anti-PDGF Aptamer basis within [**] days after the initial occurrence of each of the following events by Ophthotech, its Affiliates and/or its Sublicensees:

Event	Payment (US$)
(a) [**].	$[**]
(b) [**].	$[**]
(c) [**]	$[**]
(d) [**]	$[**]
(e) [**]	$[**]
(f) [**]	$[**]

If at the time any given milestone payment set forth in Section 4.3.1 is due, one or more preceding milestone payments for logically antecedent milestones have not been paid, then such unpaid antecedent milestone payments shall be paid at such time as well. For example, if milestone (d) is achieved, but milestone (c) was never achieved or paid, the payments for milestones (c) and (d) shall be made concurrently. For the avoidance of doubt, in no event shall any of the foregoing milestones be paid more than once for any Anti-PDGF Aptamer, even if such Anti-PDGF Aptamer is approved or utilized for different Indications than first approved or utilized.

4.3.2 Attainment of Milestones for Anti-PDGF Aptamers. The milestone payments specified above shall be payable at the first achievement of a milestone by a given Anti-PDGF Aptamer. Except as provided in Section 4.3.3 below, multiple payments for achieving the milestone events specified above shall be payable if Ophthotech Develops both the relevant Anti-PDGF Aptamer and a Back-Up; provided, however, that if Ophthotech Develops both the Anti-PDGF Aptamer and a Back-Up, Ophthotech shall pay only one of each of the milestone payments specified above until such time as the second of the Anti-PDGF Aptamer or Back-Up achieves the milestone event specified in milestone (d), (e) or (f) of Section 4.3.1 above, at which time Ophthotech shall pay a second set of milestones (a), (b) and (c) for such Anti-PDGF Aptamer or Back-Up, as applicable, to the extent those payments were not previously made or applicable and subsequently pay the full milestones (d), (e) and (f) for such Anti-PDGF Aptamer or Back-Up, as applicable, as those milestones are satisfied with respect to such Anti-PDGF Aptamer or Back-Up, as applicable.

4.3.3 Abandonment of an Anti-PDGF Aptamer; Effect on Back-Up Milestone Payments. If the Development or commercialization of an Anti-PDGF Aptamer is abandoned (each, an "Abandoned Anti-PDGF Aptamer") during the Term for any reason after any one or more of the foregoing milestone payments are made with respect to such Abandoned Anti-PDGF Aptamer, and a Back-Up is Developed to replace the Abandoned Anti-PDGF Aptamer, then no milestone payment shall be required with respect to the Back-Up to the extent that such milestone payment has already been made with respect to such Abandoned Anti-PDGF Aptamer. The above notwithstanding, if Ophthotech thereafter revives Development efforts with respect to an Abandoned Anti-PDGF Aptamer and such efforts lead to the attainment of the milestone described in Section 4.3.1 that follows the last milestone for which payment was made with

respect thereto prior to its abandonment, then Ophthotech shall be required to pay Archemix any milestone with respect to the Abandoned Anti-PDGF Aptamer that it was entitled to skip by application of this Section 4.3.3.

4.3.4 Determination that Payments are Due. In the event that Archemix reasonably believes any milestone payment is due pursuant to Section 4.3.1 in spite of not having received notice from Ophthotech, it shall so notify Ophthotech and shall provide to Ophthotech the data and information supporting its belief that the conditions for payment have been achieved. If Ophthotech does not acknowledge that such milestone payment is due within [**] days after receipt of the data and information from Archemix, then either Party may submit such dispute for resolution pursuant to the provisions of Section 10.2.2 by providing written notice to the other Party.

4.4 **Payments for PDGF Rights Transfer Transactions.**

4.4.1 PDGF Rights Transfer Transaction. If a PDGF Rights Transfer Transaction occurs, then Ophthotech shall make the following payments to Archemix:

(a) the greater of (A) $[**] or (B) [**] percent ([**]%) of any upfront payment paid by the Third Party acquirer, sublicensee or other transferee upon the consummation of such transaction, provided that, if the amount paid by Ophthotech to Archemix pursuant to this clause (a) is more than [**] percent ([**]%) of the upfront payment paid by the Third Party acquirer, sublicensee or other transferee, then the excess of such payment amount over [**] percent ([**]%) of the upfront payment paid by the Third Party acquirer, sublicensee or other transferee shall be credited against any subsequent payment obligations otherwise owed by Ophthotech to Archemix pursuant to this Section 4.4.1; plus

(b) subject to any crediting described in clause (a) above, if the upfront payment paid by the Third Party acquirer, sublicensee or other transferee is less than $[**] percent ([**]%) of any milestone payments paid by the Third Party acquirer, sublicensee or other transferee, other than sales milestone payments that are payable for attaining Licensed Product sales levels solely to the extent such sales milestone payments are (i) consistent in type and amount with the practice of similarly-sized companies within the biotechnology industry for products that are of an equivalent stage of development and of similar market potential as the Licensed Product and (ii) negotiated in good faith by Ophthotech and such Third Party ("Non-Sales-Based Milestone Payments") until the aggregate of the upfront payment and the Non-Sales-Based Milestone Payments paid by the Third Party acquirer reach $[**]; plus

(c) subject to any crediting described in clause (a) above, [**] percent ([**]%) of any Non-Sales-Based Milestone Payments paid by the Third Party acquirer, sublicensee or other transferee after the aggregate of the upfront payment and the Non-Sales-Based Milestone Payments paid by the Third Party acquirer, sublicensee or other transferee reach $[**].

The foregoing provisions of this Section 4.4.1 are subject to the following: (u) if the PDGF Rights Transfer Transaction is also a C5 Rights Transfer Transaction (as such term is defined in the C5 License Agreement), then the provisions of Section 4.4.2 below (and not the provisions of this Section 4.4.1) shall apply to such PDGF Rights Transfer Transaction; (v) if more than one

PDGF Rights Transfer Transaction to which this Section 4.4.1 applies occurs, then the upfront payment paid by the Third Party acquirer, sublicensee or other transferee in the first such transaction shall be deemed to be the upfront payment to which clause (a) above applies, and the upfront payment paid by the Third Party acquirer, sublicensee or other transferee in any subsequent PDGF Rights Transfer Transaction to which this Section 4.4.1 applies shall be deemed a milestone payment; (w) subject to the foregoing clause (v), the upfront and Non-Sales-Based Milestone Payments paid by the Third Party acquirers, sublicensees and other transferees in all PDGF Rights Transfer Transactions to which this Section 4.4.1 applies shall be aggregated for purposes of determining the payments due under this Section 4.4.1; (x) if any part of the otherwise applicable consideration payable in any PDGF Rights Transfer Transaction to which this Section 4.4.1 applies is placed in escrow, contingent or subject to an earn-out or other similar arrangement, such consideration shall not be considered in determining payments owed to Archemix under this Section 4.4.1, and no payment shall be made by Ophthotech to Archemix in respect thereof, until such amounts are actually paid and released; and (y) if the Third Party acquirer, sublicensee or other transferee in any PDGF Rights Transfer Transaction to which this Section 4.4.1 applies makes payments to support or fund future research and development activities to be undertaken by Ophthotech or its Affiliates pursuant to a budget for sponsored research which has been agreed to with the Third Party and based on full-time equivalent or other cost-accounting methodologies that are consistent with then current industry practices, such funding shall not be considered in determining payments owed to Archemix under this Section 4.4.1, and no payment shall be made by Ophthotech to Archemix in respect thereof.

4.4.2 Combined Rights Transfer Transactions. If a PDGF Rights Transfer Transaction occurs that is also a C5 Rights Transfer Transaction, then Ophthotech shall make the payments to Archemix specified in the C5 License Agreement with respect to such PDGF Rights Transfer Transaction in lieu of any payments hereunder with respect to such PDGF Rights Transfer Transaction.

4.4.3 Extension of PDGF Expanded License Term. Ophthotech shall have the right to extend the PDGF Expanded License Term for, subject to Section 9.2.4, the balance of the Term (the "Term Extension Option") upon written notice by Ophthotech to Archemix of Ophthotech's exercise of such Term Extension Option and payment to Archemix of $[**] (the "Extension Fee") on or before June 30, 2013; provided that, if Ophthotech exercises the Term Extension Option and pays the Extension Fee, the amount of the Extension Fee shall thereafter be creditable against the first $[**] of payments, if any, that thereafter become payable by Ophthotech to Archemix pursuant to Section 4.4.1 or 4.4.2.

4.5 **Payment Terms.**

4.5.1 Payment of Royalties and Milestones. Unless otherwise expressly provided, Ophthotech shall make any milestone and royalty payments owed to Archemix pursuant to Sections 4.2 and 4.3 in arrears, within [**] days from the end of the Calendar Quarter in which such payment accrues. For purposes of determining when a sale of any Licensed Product occurs under this Agreement, the sale shall be deemed to occur in accordance with generally accepted accounting principles. Each royalty payment shall be accompanied by a report for each country in the Territory in which sales of Licensed Products occurred in the Calendar Quarter covered by such statement, specifying: (v) the gross sales (if available) and

Net Sales in each country's currency; (w) the applicable royalty rate under this Agreement; (x) an accounting of deductions taken in the calculation of Net Sales made in the United States and in any other country in which such accounting is reasonably available; (y) the applicable exchange rate to convert from each currency other than United States dollars to United States dollars under this Section 4.5 and (z) the royalties payable in United States dollars.

4.5.2 Payment of Payments for PDGF Rights Transfer Transactions. Ophthotech shall pay to Archemix, within [**] days after receipt of a PDGF Rights Transfer Transaction payment with respect to which a payment obligation set forth in Section 4.4 applies, each payment obligation pursuant to Section 4.4.

4.5.3 Overdue Payments. Subject to the other terms of this Agreement, any payments not paid within the time period set forth in this Article 4 shall bear interest at a rate of [**] percent ([**]%) per month from the due date until paid in full; provided, that, in no event shall said annual rate exceed the maximum interest rate permitted by law in regard to such payments. Any such overdue payment shall, when made, be accompanied by, and credited first to, all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of Archemix to any other remedy, legal or equitable, to which it may be entitled because of the delinquency of the payment.

4.5.4 Accounting. All references to "dollars" or "$" herein mean United States dollars. All payments hereunder shall be made in the United States in United States dollars. Conversion of foreign currency to United States dollars shall be made at the conversion rate existing in the United States (as reported in *The Wall Street Journal*) on the last business day of the applicable Calendar Quarter. If *The Wall Street Journal* ceases to be published or if the Parties agree otherwise, then the rate of exchange to be used shall be that reported in such other business publication of national circulation in the United States as the Parties reasonably agree.

4.5.5 Withholding Taxes; Restrictions on Payment. All payments hereunder shall be made free and clear of any taxes, duties, levies, fees or charges, except for withholding taxes (to the extent applicable). Ophthotech shall make any applicable withholding payments due on behalf of Archemix and shall provide Archemix upon request with such written documentation regarding any such payment available to Ophthotech relating to an application by Archemix for a foreign tax credit for such payment with the United States Internal Revenue Service.

4.5.6 Blocked Payments. In the event that, by reason of applicable laws or regulations in any country, it becomes impossible or illegal for Ophthotech or its Affiliates or Sublicensees, to transfer, or have transferred on its behalf, royalties or other payments to Archemix, such royalties or other payments shall be deposited in local currency in the relevant country to the credit of Archemix in a recognized banking institution designated by Archemix or, if none is designated by Archemix within a period of [**] days, in a recognized banking institution selected by Ophthotech or its Affiliate or Sublicensee, as the case may be, and identified in a notice in writing given to Archemix.

4.6 **Records Retention; Review**.

4.6.1 Records; Audit. Ophthotech and its Affiliates and Sublicensees shall keep and maintain complete and accurate records (a) of gross sales and Net Sales received by Ophthotech and its Affiliates and Sublicensees of each Licensed Product and (b) relating to PDGF Rights Transfer Transaction payments with respect to which the payment obligations set forth in Section 4.4 apply, in each case ((a) and (b)) for [**] years from the date of each applicable payment to Archemix and in sufficient detail to allow the amount of such payment to be determined accurately. Archemix shall have the right for a period of [**] years after receiving any such payment to appoint at its expense an independent certified public accountant reasonably acceptable to Ophthotech to audit the relevant records of Ophthotech and its Affiliates and Sublicensees to verify that the amount of such payment was correctly determined. Ophthotech and its Affiliates and Sublicensees shall each make its records available for audit by such independent certified public accountant during regular business hours at such place or places where such records are customarily kept, upon [**] days written notice from Archemix, solely to verify that payments hereunder were correctly determined. Such audit right shall not be exercised by Archemix more than [**] in any Calendar Year, more than [**] with respect to sales of a particular Licensed Product in a particular period, or more than [**] with respect to any PDGF Rights Transfer Transaction payment. All records made available for audit shall be deemed to be Confidential Information of Ophthotech or its Affiliates or Sublicensees, as applicable. In the event there was an underpayment by Ophthotech hereunder, Ophthotech shall promptly (but in any event no later than [**] days after such shortfall is finally determined) make payment to Archemix of any shortfall. Archemix shall bear the full cost of such audit unless such audit discloses an underreporting by Ophthotech of more than [**] percent ([**]%) of the aggregate amount payable in any Calendar Year, in which case Ophthotech shall reimburse Archemix for all costs incurred by Archemix in connection with such audit. If either Party disputes the results of any such audit, then it may submit such matter for resolution pursuant to Section 10.2.2; provided that the Party not prevailing in such arbitration shall reimburse the other Party for [**] percent ([**]%) of the costs and expenses (including attorneys' fees) incurred by such other Party in connection with the conduct of such arbitration (including without limitation the Expert's fees and any administrative fees of such arbitration).

4.6.2 Other Parties. Ophthotech shall include in any agreement with its Affiliates or Sublicensees terms requiring such party to retain records as required in this Section 4.7 and to permit Archemix to audit such records as required by this Section 4.7.

ARTICLE 5 TREATMENT OF CONFIDENTIAL INFORMATION

5.1 **Confidentiality Obligations.** Archemix and Ophthotech each recognizes that the other Party's Confidential Information constitutes highly valuable assets of such other Party. Archemix and Ophthotech each agrees that, subject to the remainder of this Article 5, it will not disclose, and will cause its Affiliates and sublicensees not to disclose, any Confidential Information of the other Party and it will not use, and will cause its Affiliates and sublicensees not to use, any Confidential Information of the other Party except as expressly permitted hereunder; provided, that, such obligations shall apply during the Term and for an additional [**] years thereafter.

5.2 **Limited Disclosure and Use.** Archemix and Ophthotech each agrees that disclosure of its Confidential Information may be made by the other Party to any employee,

consultant, contractor, Affiliate or Sublicensee of such other Party to enable such other Party to exercise its rights or to carry out its responsibilities under this Agreement; provided, that, any such disclosure or transfer shall only be made to Persons who are bound by written obligations as described in Section 5.3. In addition, Archemix and Ophthotech each agrees that the other Party may disclose its Confidential Information (a) on a need-to-know basis to such other Party's legal and financial advisors, (b) as reasonably necessary in connection with an actual or potential (i) permitted sublicense of such other Party's rights hereunder, (ii) collaboration with an Archemix Collaborative Partner, subject to written obligations of confidentiality substantially similar to those of Archemix hereunder, (iii) debt or equity financing of such other Party or (iv) transfer or sale of all or substantially all of such Party's assets or business or in the event of its merger, consolidation, change in control or similar transaction and (c) for any other purpose with the other Party's written consent, not to be unreasonably withheld, conditioned or delayed. In addition, each Party agrees that the other Party may disclose such Party's Confidential Information as required by Applicable Laws; provided, that, in the case of any such disclosure, the disclosing Party shall (1) if practicable, provide the other Party with reasonable advance notice of and an opportunity to comment on any such required disclosure and (2) if requested by the other Party, cooperate in all reasonable respects with the other Party's efforts to obtain confidential treatment or a protective order with respect to any such disclosure, at the other Party's expense.

5.3 **Employees and Consultants.** Ophthotech and Archemix each hereby represent that all of its employees, consultants and contractors, and all of the employees, consultants and contractors of its Affiliates and sublicensees (including, without limitation, Sublicensees), who have access to Confidential Information of the other Party are or will, prior to their participation or access, be bound by written obligations to maintain such Confidential Information in confidence and not to use such information except as expressly permitted hereunder. Each Party agrees to use, and to cause its Affiliates and sublicensees (including, without limitation, Sublicensees) to use, reasonable efforts to enforce such obligations.

5.4 **Publicity.** The Parties acknowledge and agree that (a) the terms of this Agreement constitute Confidential Information of each Party and may only be disclosed (i) as permitted by Section 5.2, (ii) to investment bankers, investors, and potential investors, lenders and potential lenders and other sources and other potential sources of financing, licensees and potential licensees, acquirers or merger partners and potential acquirers or merger partners, and (iii) or in the case of Archemix, Gilead and University License Equity Holdings, Inc.; and (b) a copy of this Agreement may be filed by either Party with the Securities and Exchange Commission if such filing is required by Applicable Laws; provided, that, in connection with any such filing, such Party shall endeavor to obtain confidential treatment of economic and trade secret information, and shall provide the other Party with the proposed confidential treatment request with reasonable time for such other Party to provide comments, which comments shall be reasonably considered by the filing Party. Notwithstanding anything to the contrary in Section 5.1, except as required by Applicable Laws, neither Party shall issue a press or news release or make any similar public announcement related to this Agreement without the prior written consent of the other Party; provided, that, notwithstanding the foregoing, (x) Ophthotech, its Affiliates and Sublicensees shall be expressly permitted to publicly announce at any time the status of their Development and commercialization activities relating to Licensed Products, (y) Archemix may publicly announce the occurrence of any milestone event described in Section 4.4

upon [**] days' prior written notice to Ophthotech, and (z) either Party shall be entitled to include in press and news releases and other public announcements information related to this Agreement that has previously been publicly announced in accordance with this Section 5.4.

ARTICLE 6 INTELLECTUAL PROPERTY RIGHTS AND PROVISIONS CONCERNING THE FILING, PROSECUTION, MAINTENANCE AND ENFORCEMENT OF PATENT RIGHTS

6.1 **Archemix Intellectual Property Rights.** Archemix shall have sole and exclusive ownership of all right, title and interest on a worldwide basis in and to any and all Licensed Technology and Licensed Patent Rights.

6.2 **Licensed Patent Rights.** Archemix, acting through patent counsel or agents of its choice, shall be solely responsible, at its sole cost and expense, for the preparation, filing, prosecution and maintenance of the Licensed Patent Rights other than the Anti-PDGF Aptamer-Specific Patent Rights. Following the Restatement Date, Ophthotech, acting through patent counsel or agents of its choice, shall, subject to the remainder of this Section 6.2, be solely responsible, at its sole cost and expense, to prepare, file, prosecute and maintain in Archemix's name the Anti-PDGF Aptamer-Specific Patent Rights. Ophthotech will reimburse Archemix for all of its out-of-pocket and attorneys fees, expenses, official fees and all other charges incident to the preparation, filing, prosecution and maintenance of the Anti-PDGF Aptamer-Specific Patent Rights, including any interference or opposition proceedings (such fees, collectively, "Licensed Patent Right Fees"), in the jurisdictions set forth on Exhibit B (each, a "Mandatory Jurisdiction") and in any other jurisdictions mutually agreed by the Parties prior to the Restatement Date (each, an "Optional Jurisdiction") accumulated on or after the Original Agreement Date and before the Restatement Date, within [**] days after Ophthotech's receipt of invoices from Archemix and/or Archemix's outside patent counsel for such Licensed Patent Right Fees; provided further, that, such invoice(s) are issued within [**] days after the Restatement Date. In the event that Ophthotech determines not to file or to abandon any Anti-PDGF Aptamer-Specific Patent Right in any jurisdiction, Ophthotech shall notify Archemix sufficiently in advance so that Archemix can, without any loss of rights, file, prosecute and maintain such Anti-PDGF Aptamer-Specific Patent Right ("Abandoned Patent Right") in Archemix's name in such jurisdiction; provided, that, Ophthotech will reimburse Archemix for all of its Licensed Patent Right Fees on or after the date of such notice from Ophthotech incident to the preparation, filing, prosecution and maintenance of any such Abandoned Patent Right, including any interference or opposition proceedings, in any Mandatory Jurisdiction or any Optional Jurisdiction, within [**] days after Ophthotech's receipt of invoices from Archemix and/or Archemix's outside patent counsel for such Licensed Patent Right Fees. Ophthotech may elect not to pay such amounts with respect to (a) any particular Anti-PDGF Aptamer-Specific Patent Right in any Optional Jurisdiction upon [**] days prior written notice to Archemix and (b) any particular Anti-PDGF Aptamer-Specific Patent Right in any Mandatory Jurisdiction that are not listed on Exhibit A as of the Restatement Date (subject to the next sentence of this Section 6.2) upon [**] days prior written notice to Archemix, in which event such Anti-PDGF Aptamer-Specific Patent Right shall thereafter be excluded from the Licensed Patent Rights. For purposes of clarity, the Anti-PDGF Aptamer-Specific Patent Rights listed on Exhibit A as of the Restatement Date shall be deemed to include, for purposes of the immediately preceding sentence of this Section 6.2, the Patent Rights listed on Exhibit A attached hereto and all divisionals, nationalization filings, continuations (excluding

continuations-in-part) thereof, all reissues, reexaminations, renewals and extensions thereof, and supplementary protection certificates therefor, and all foreign equivalents of any of the foregoing filed with respect to such Patent Rights at any time on or after the Original Agreement Date and prior to the end of the Term, in each case in any Mandatory Jurisdiction.

6.3 **Infringement**.

6.3.1 Notice. In the event during the Term that either Party becomes aware of (i) any possible infringement of any Licensed Patent Rights or (ii) the submission by any Third Party of an abbreviated new drug application under the Hatch-Waxman Act for a product that includes an aptamer covered by Anti-PDGF Aptamer-Specific Patent Rights (each, an "Infringement"), that Party shall promptly notify the other Party and provide it with all details of such Infringement of which it is aware (each, an "Infringement Notice").

6.3.2 Infringement Action. Ophthotech shall have the first right, at its own expense and with legal counsel of its own choice, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened Infringement of the Anti-PDGF Aptamer-Specific Patent Rights in the Field. Ophthotech shall determine whether to exercise such first right in its discretion, which discretion Ophthotech shall exercise in a manner consistent with Ophthotech's obligations under Section 3.1.2(a). Archemix shall have the right, at its own expense, to be represented in any such action by Ophthotech by counsel of Archemix's own choice; provided, that, under no circumstances shall the foregoing affect the right of Ophthotech to control the suit as described in the first sentence of this Section 6.3.2. If Ophthotech does not file any action or proceeding against any such Infringement within [**] months after the later of (i) Ophthotech's notice to Archemix under Section 6.3.1 above, (ii) Archemix's notice to Ophthotech under Section 6.3.1 above or (iii) a written request from Archemix to take action with respect to such infringement, then Archemix shall have the right (but not the obligation), at its own expense, to bring suit (or take other appropriate legal action) against such actual, alleged or threatened infringement, with legal counsel of its own choice. Any damages, monetary awards or other amounts recovered, whether by judgment or settlement, pursuant to any suit, proceeding or other legal action taken under this Section 6.3.2, shall be applied as follows:

(a) first, to reimburse the Parties for their respective costs and expenses (including reasonable attorneys' fees and costs) incurred in prosecuting such enforcement action; and

(b) second, [**] percent ([**]%) of any remaining amount shall be retained by the Party bringing such suit or proceeding or taking such other legal action and [**] percent ([**]%) shall be paid to the other Party.

If a Party brings any such action or proceeding hereunder, the other Party agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and to give the Party bringing such action or proceeding reasonable assistance and authority to file and prosecute the suit; provided, that, neither Party shall be required to transfer any right, title or interest in or to any property to the other Party or any Third Party to confer standing on a Party hereunder. Notwithstanding the foregoing, if Ophthotech declines to bring any such action or proceeding hereunder, Ophthotech may decline to be joined as a party plaintiff or to assist Archemix in any

such action or proceeding if Ophthotech reasonably determines that being joined to or assisting in such action or proceeding presents a significant risk of liability under applicable antitrust laws.

6.3.3 Effect of Challenge. In further consideration of Archemix's grant of the licenses hereunder and except to the extent the following is unenforceable under the Applicable Laws of a particular jurisdiction where a patent application within the Licensed Patent Rights is pending or a patent within the Licensed Patent Rights issued, in the event that Ophthotech, its Affiliates and/or Sublicensees (a) determines to initiate a Challenge or Ophthotech, its Affiliates and/or Sublicensees determines to assist a Third Party in initiating a Challenge, Ophthotech will provide written notice to Archemix at least [**] days prior thereto, which notice will include an identification of all prior art it believes invalidates any claim of the Licensed Patent Rights; and (b) initiates a Challenge or assists a Third Party in initiating a Challenge, (i) the exclusive licenses granted by Archemix to Ophthotech hereunder shall, at the option of the Archemix and upon written notice to Ophthotech, be converted into non-exclusive licenses as of the date of such notice, (ii) should the outcome of such Challenge determine that any claim of the Licensed Patent Rights that is the subject of the Challenge is valid or enforceable, the royalty rates set forth in Section 4.2.1(a) shall be increased by [**] percentage points (e.g., a royalty rate of [**] percent ([**]%) shall be increased to [**] percent ([**]%)) and (iii) should the outcome of any Challenge determine no claim of the Licensed Patent Rights Challenged by Ophthotech, its Affiliates and/or Sublicensees is valid or enforceable, Ophthotech, its Affiliates and/or Sublicensees shall continue to pay royalties based on Net Sales of Licensed Products sold in the Territory at the rate of [**] percent ([**]%) until the last day of the Royalty Term for such Licensed Product notwithstanding such determination. For the avoidance of doubt, a Challenge shall not constitute a breach of this Agreement.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES; COVENANT REGARDING THIRD PARTY AGREEMENTS

7.1 **Mutual Representations and Warranties.** Archemix and Ophthotech each represents and warrants to the other, as of the Restatement Date, as follows:

7.1.1 Organization. It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver and perform this Agreement.

7.1.2 Authorization. The execution and delivery of this Agreement and the performance by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action and will not violate (a) such Party's certificate of incorporation or bylaws, (b) any agreement, instrument or contractual obligation to which such Party is bound in any material respect, (c) any requirement of any Applicable Laws, or (d) any order, writ, judgment, injunction, decree, determination or award of any court or governmental agency presently in effect applicable to such Party.

7.1.3 Binding Agreement. This Agreement is a legal, valid and binding obligation of such Party enforceable against it in accordance with its terms and conditions.

7.1.4 No Inconsistent Obligation. It is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder.

7.2 **Acknowledgment of Ophthotech.** Ophthotech acknowledges that the licenses granted to Ophthotech hereunder are subject to certain limitations and restrictions set forth in the Archemix-Gilead License Agreement as provided by Archemix to Ophthotech prior to the Original Agreement Date and agrees that Ophthotech shall comply with such limitations and restrictions.

7.3 **Additional Representations and Warranties**.

7.3.1 Archemix represents and warrants to Ophthotech that Archemix has the right to grant the license granted to Ophthotech on the terms set forth herein;

7.3.2 Archemix represents and warrants to Ophthotech that, except as previously disclosed to Ophthotech, as of the Restatement Date and with no further duty to update (except as otherwise stated):

(a) to its Knowledge, there is no litigation pending or threatened that alleges that (i) the practice of the SELEX Process and/or the use of SELEX Technology as contemplated by this Agreement infringes the Patent Rights of any Third Party, or (ii) the Licensed Patent Rights are invalid or unenforceable; or (iii) the use of the Licensed Patent Rights or Licensed Technology as contemplated by this Agreement infringes the Patent Rights of any Third Party; and

(b) the Archemix-Gilead License Agreement, as heretofore delivered by Archemix to Ophthotech, represents the complete agreement and understanding between Gilead Sciences, Inc. and Archemix relating to the Licensed Patent Rights which are the subject of the Archemix-Gilead License Agreement; the Archemix-Gilead License Agreement has not been modified, supplemented or amended, other than by amendments thereto provided to Ophthotech prior to the Original Agreement Date; the Archemix-Gilead License Agreement is in full force and effect, all payments to date required to be made thereunder by Archemix have been made, and Archemix is in compliance in all material respects with its obligations thereunder.

7.3.3 Archemix represents and warrants to Ophthotech that, except with respect to Patent Rights that have been cancelled, withdrawn, abandoned or rejected, revoked, held invalid or declared or rendered unpatentable or unenforceable through disclaimer or otherwise, or lost through an interference proceeding, all Patent Rights and technology licensed to Ophthotech under the Original Agreement are Controlled (as defined in this Agreement) by Archemix as of the Restatement Date.

7.4 **Archemix Covenants Regarding Archemix-Gilead Agreement**. Archemix hereby covenants to promptly notify Ophthotech upon receipt by Archemix or its Affiliates of any notice from Gilead Sciences, Inc. of such party's intent to (a) terminate Archemix's rights under the Archemix-Gilead License Agreement or (b) otherwise take any action that would adversely affect Ophthotech's rights under this Agreement.

ARTICLE 8 INDEMNIFICATION AND INSURANCE

8.1 **Indemnification of Archemix by Ophthotech.** Ophthotech shall indemnify, defend and hold harmless Archemix, its Affiliates, their respective directors, officers, employees and agents, and their respective successors, heirs and assigns (the "Archemix Indemnitees"), against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon the Archemix Indemnitees, or any one of them, as a direct result of Third Party claims, suits, actions or demands (collectively, the "Claims") arising out of (a) the research, development, testing, production, manufacture, supply, promotion, import, sale or use by any Person of any Licensed Product (or any component thereof) manufactured or sold by Ophthotech or any of its Affiliates or Sublicensees or (b) the gross negligence or willful misconduct of Ophthotech or any of its Affiliates or Sublicensees; provided, that, Ophthotech shall have no obligation to indemnify any Archemix Indemnitee for any Claim arising out of the gross negligence or willful misconduct of Archemix or any of its Affiliates.

8.2 **Conditions to Indemnification.** An Archemix Indemnitee seeking recovery under this Article 8 (the "Indemnified Party") in respect of a Claim shall give prompt notice of such Claim to Ophthotech and provided that Ophthotech is not contesting its obligation under this Article 8, shall permit Ophthotech to control any litigation relating to such Claim and the disposition of such Claim (including without limitation any settlement thereof); provided, that, Ophthotech shall not settle or otherwise resolve such Claim without the prior written consent of such Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, unless such settlement includes a full release of the Indemnified Party, in which case Ophthotech may settle or otherwise resolve such Claim without the prior written consent of such Indemnified Party. Each Indemnified Party shall cooperate with Ophthotech in its defense of any such Claim in all reasonable respects and shall have the right to be present in person or through counsel at all legal proceedings with respect to such Claim.

8.3 **Indemnification of Gilead and UTC by Ophthotech.** If and solely to the extent legally required by the Archemix-Gilead License Agreement, Ophthotech shall indemnify, defend and hold harmless Gilead, its Affiliates and UTC and any of their respective directors, officers, employees and agents (each, a "Gilead Indemnitee"), from and against any losses that are incurred by a Gilead Indemnitee as a result of any Claims, to the extent such Claims arise out of the possession, research, development, manufacture, use, offer for sale, sale or other commercialization, distribution, administration, storage or transport, by Ophthotech or its Affiliates or Sublicensees of (a) any Aptamers or Licensed Products, or (b) any other products, services or activities developed by Ophthotech relating to the Licensed Patent Rights, including any Licensed Products or Aptamers.

8.4 **Warranty Disclaimer.** EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY WITH RESPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. NEITHER PARTY MAKES ANY WARRANTIES AS TO THE

VALIDITY OR ENFORCEABILITY OF THE PATENT RIGHTS LICENSED BY SUCH PARTY TO THE OTHER PARTY.

8.5 **Limited Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR (I) ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR LOST REVENUES, OR (II) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES, WHETHER UNDER ANY CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 8.5 SHALL LIMIT EITHER PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER WITH RESPECT TO THIRD PARTY CLAIMS.

8.6 **Insurance**. Ophthotech will, at Ophthotech's expense, obtain and maintain in full force and effect insurance with respect to the Development and commercialization of Licensed Products in such amount as U.S.-based biopharmaceutical companies customarily maintain with respect to the research, development and commercialization of similar products. Such insurance policy or policies shall name Archemix as an additional named insured, shall be non-cancelable except upon [**] days prior written notice to Archemix, and shall provide that as to any loss covered thereby and also by any policies obtained by Archemix itself, Ophthotech's policies shall provide primary coverage for Archemix and Archemix' policies shall be considered excess coverage for Archemix. Ophthotech will forthwith after the obtaining of such insurance required by this Section 8.6, obtain and deliver to Archemix certificates of and copies of, and at all times thereafter deliver without further demand replacement certificates and copies of, all such insurance policies that are in force and effect. Ophthotech's obligation under this Section 8.6 may be delegated by Ophthotech to a Third Party collaborator of Ophthotech with Archemix's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, that, (i) such Third Party collaborator has worldwide annual revenue of at least [**] dollars ($[**]), (ii) such Third Party collaborator maintains either insurance policy(-ies) or a program of self-insurance in such amount as U.S.-based biopharmaceutical companies customarily maintain with respect to the research, development and commercialization of similar products and, if such Third Party collaborator maintains insurance policy(-ies), the insurance policy(-ies) maintained by such Third Party collaborator names Archemix and Ophthotech as additional insureds, (iii) such insurance policy or self-insurance covers (or, if there is more than one such policy, collectively covers) all Licensed Products Developed and/or commercialized by Ophthotech and (iv) in the case of such a self-insurance program, Ophthotech notifies Archemix that such Third Party collaborator has represented the existence of such self-insurance program to Ophthotech, that is consistent with the requirements of this Section 8.6. Any such delegation by Ophthotech to a Third Party collaborator shall not relieve Ophthotech of its obligations under Sections 8.1 and 8.3.

ARTICLE 9 TERM AND TERMINATION

9.1 **Term; Expiration**. The term ("Term") of this Agreement shall commence on the Restatement Date and continue, unless earlier terminated as provided herein, until such time as all Royalty Terms for all Licensed Products have ended; provided, that, if the PDGF Expanded

License Term is extended beyond June 30, 2013 in accordance with Section 1.43, the Term of this Agreement shall continue, unless earlier terminated as provided herein, until the later of the date on which (a) all Royalty Terms for all Licensed Products have ended and (b) all payment obligations with respect to any and all PDGF Rights Transfer Transactions have been satisfied. Upon expiration (but not upon termination prior to the expiration) of the Royalty Term applicable to a Licensed Product in a country, Ophthotech's rights and licenses hereunder with respect to such Licensed Product in such country shall become fully paid-up, non-royalty bearing, perpetual rights and licenses.

9.2 **Termination**.

9.2.1 Unilateral Right to Terminate. Ophthotech shall have the right to terminate this Agreement, for any reason, upon (a) at least ninety (90) days' prior written notice to Archemix, such notice to state the date at least ninety (90) days following the date of receipt of such notice by Archemix upon which termination is to be effective, and (b) the payment by Ophthotech of all amounts due to Archemix through such termination effective date.

9.2.2 Termination for Challenge. In the event Ophthotech, its Affiliates and/or Sublicensees initiates a Challenge or assists a Third Party in initiating a Challenge, Archemix shall have the right to terminate this Agreement, effective immediately upon written notice to Ophthotech.

9.2.3 Termination for Breach. Except as set forth herein, either Party may terminate this Agreement, effective immediately upon written notice to the other Party, for a material breach by the other Party of this Agreement that, if curable, remains uncured for [**] days ([**] days in the event that the breach is a failure of a Party to make any payment required hereunder) after the non-breaching Party first gives written notice to the other Party of such breach and its intent to terminate this Agreement if such breach is not cured.

9.2.4 Termination of PDGF Expanded License Term. Ophthotech shall have the right at any time prior to entering into a PDGF Rights Transfer Transaction to terminate the PDGF Expanded License Term effective upon written notice to Archemix and, for clarity, the provisions of Section 4.4 shall thereafter be of no force or effect.

9.3 **Consequences of Termination of Agreement.** In the event of the termination of this Agreement pursuant to this Article 9, the following provisions shall apply:

9.3.1 If this Agreement is terminated by Ophthotech pursuant to Section 9.2.1 or by Archemix pursuant to Sections 9.2.2 or 9.2.3:

(a) all licenses granted by Archemix to Ophthotech shall immediately terminate;

(b) Ophthotech shall promptly return all Confidential Information of Archemix; provided, that Ophthotech may retain one (1) copy of Confidential Information of Archemix in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder; and

(c) each Sublicensee of Ophthotech shall be considered a direct licensee of Archemix; provided, that, (i) such Sublicensee is then in material compliance with all terms and conditions of its sublicense, (ii) all accrued payments obligations of such Sublicensee to Archemix have been paid, and (iii) such Sublicensee agrees in writing to remain in compliance with all terms and conditions of the sublicense (subject to any notice and cure period provisions contained in any such sublicense agreement with such Sublicensee).

9.3.2 If this Agreement is terminated by Ophthotech pursuant to Sections 9.2.3, all licenses granted by Archemix to Ophthotech shall survive subject to Ophthotech's continued payment of all royalties, milestones and other payments pursuant to Article 4; and Ophthotech shall promptly return all Confidential Information of Archemix that is not subject to a continuing license hereunder; provided, that Ophthotech may retain one (1) copy of each such Confidential Information of Archemix in it archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder.

9.4 **Remedies**. Except as otherwise expressly set forth in this Agreement, the termination provisions of this Article 9 are in addition to any other relief and remedies available to either Party at law.

9.5 **Surviving Provisions**. Notwithstanding any provision herein to the contrary, the rights and obligations of the Parties set forth in Articles 5 and 8 and Sections 4.5 and 9.1, as well as any rights or obligations otherwise accrued hereunder (including any accrued payment obligations), shall survive the expiration or termination of the Term.

ARTICLE 10 DISPUTES

10.1 **Negotiation**. The Parties recognize that a *bona fide* dispute as to certain matters may from time to time arise during the Term that relates to either Party's rights and/or obligations hereunder. In the event of the occurrence of such a dispute, either Party may, by written notice to the other Party, have such dispute referred to their respective senior officials designated below or their successors or designees, for attempted resolution by good faith negotiations within [**] days after such notice is received. Said designated senior officials are as follows:

For Ophthotech:	Chief Executive Officer
For Archemix:	Chief Executive Officer

In the event the designated senior officials or their successors or designees are not able to resolve such dispute within the [**] day period, either Party may invoke the provisions of Section 10.2.

10.2 **Arbitration**.

10.2.1 **Full Arbitration**. Subject to Section 10.1, any dispute, controversy or claim initiated by either Party arising out of, resulting from or relating to this Agreement or the performance by either Party of its obligations under this Agreement (other than *bona fide* Third Party actions or proceedings filed or instituted in an action or proceeding by a Third Party against a Party (a "Dispute")), whether before or after termination of this Agreement, shall be

finally resolved by binding arbitration. Whenever a Party shall decide to institute arbitration proceedings, it shall give written notice to that effect to the other Party. Any such arbitration shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") by a panel of three arbitrators appointed in accordance with such rules. Any such arbitration shall be held in Boston, Massachusetts. The method and manner of discovery in any such arbitration proceeding shall be governed by the laws of the Commonwealth of Massachusetts. The arbitrator shall have the authority to grant injunctions and/or specific performance and to allocate between the Parties the costs of arbitration in such equitable manner as they determine. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either Party shall have the right, without waiving any right or remedy available to such Party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such Party, pending the selection of the arbitrator hereunder or pending the arbitrators' determination of any dispute, controversy or claim hereunder.

10.2.2 **Accelerated Arbitration**. Disputes submitted to arbitration by a Party under Section 10.2.1 relating to a matter set forth in Section 1.39(z), 4.3.4, 4.4.1 or 4.5.1, the following procedures shall apply:

(a) The Parties shall mutually select a single independent, conflict-free arbitrator (the "Expert"), who shall have sufficient scientific background and experience to resolve the Dispute. If the Parties are unable to reach agreement on the selection of an Expert within [**] business days after submission to arbitration, then either or both Parties shall immediately request that the AAA select an arbitrator with the requisite scientific background, experience and expertise. The place of arbitration shall be New York, New York.

(b) Each Party shall prepare and submit a written summary of such Party's position and any relevant evidence in support thereof to the Expert within [**] days after the selection of the Expert. Upon receipt of such summaries from each Party, the Expert shall provide copies of the same to the other Party. Within [**] days after the delivery of such summaries by the Expert, each Party shall submit a written rebuttal of the other Party's summary and may also amend and re-submit its original summary. Oral presentations shall not be permitted unless otherwise requested by the Expert. The Expert shall make a final decision with respect to the Dispute within [**] days following receipt of the last of such rebuttal statements submitted by the Parties. Each Party shall bear its own costs and expenses and attorneys' fees, and the Party that does not prevail in the arbitration proceeding shall pay the Expert's fees and any administrative fees of arbitration.

ARTICLE 11 MISCELLANEOUS

11.1 **Notification**. All notices, requests and other communications hereunder shall be in writing, shall be addressed to the receiving Party's address set forth below or to such other

address as a Party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by facsimile transmission, (iii) sent by private courier service providing evidence of receipt or (iv) sent by registered or certified mail, return receipt requested, postage prepaid. The addresses and other contact information for the parties are as follows:

If to Ophthotech:

Ophthotech Corporation
One Penn Plaza
35th Floor
New York, NY 10119
Tel: (212) 845-8200
Fax: (212) 845-8250
Attention: Chief Executive Officer

With a copy to:

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street One Financial Center
Boston, Massachusetts 02109
Attention: David E. Redlick, Esq.
Steven D. Barrett, Esq.
Tel: (617) 526-6000
Fax: (617) 526-5000

If to Archemix:

Archemix Corp.
148 Sidney Street
Cambridge, MA 02139
Tel: (617) 621-7700
Fax: (617) 621-9300
Attention: Chief Executive Officer
Attention: Legal Department

With a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Boston, Massachusetts 02111
Attention: John J. Cheney, Esq.
Tel: (617) 542-6000
Fax: (617) 542-2241

All notices, requests and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving Party at the address of such Party set forth above, (ii) if made by facsimile transmission, at the time that confirmation of receipt thereof has been received by the Party delivering such notice, (iii) if sent by private courier, on the day such notice is delivered to the recipient or (iv) if sent by registered or certified mail, on the fifth (5th) business day following the day such mailing is made.

11.2 **Governing Law**. This Agreement will be construed, interpreted and applied in accordance with the laws of the Commonwealth of Massachusetts (excluding its body of law controlling conflicts of law).

11.3 **Limitations**. Except as expressly set forth in this Agreement, neither Party grants to the other Party any right or license to any of its intellectual property.

11.4 **Entire Agreement**. Subject to Section 11.14, this is the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all prior representations, understandings and agreements between the Parties with respect to the subject matter hereof, including without limitation the Original Agreement. No modification or amendment shall be effective unless in writing with specific reference to this Agreement and signed by the Parties.

11.5 **Waiver**. The terms or conditions of this Agreement may be waived only by a written instrument executed by the Party waiving compliance. The failure of either Party at any time or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the same. No waiver by either Party of any condition or term shall be deemed as a continuing waiver of such condition or term or of another condition or term.

11.6 **Headings**. Section and subsection headings are inserted for convenience of reference only and do not form part of this Agreement.

11.7 **Assignment**. Neither this Agreement nor any right or obligation hereunder may be assigned, delegated or otherwise transferred, in whole or part, by either Party without the prior express written consent of the other; provided, that, (a) either Party may, without the written consent of the other, assign this Agreement and its rights and delegate its obligations hereunder to its Affiliates or in connection with the transfer or sale of all or substantially all of such Party's assets or business to which this Agreement relates or in the event of its merger, consolidation, reorganization, change in control or similar transaction and (b) any such assignment or delegation shall, with respect to Ophthotech, be subject to Section 4.5. Any permitted assignee shall assume all obligations of its assignor under this Agreement. Any purported assignment in violation of this Section 11.7 shall be void. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties.

11.8 **Force Majeure**. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of such Party. In event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

11.9 **Construction**. The Parties hereto acknowledge and agree that: (i) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to all Parties hereto and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

11.10 **Severability**. If any provision(s) of this Agreement are or become invalid, are ruled illegal by any court of competent jurisdiction or are deemed unenforceable under then current applicable law from time to time in effect during the Term hereof, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby; provided, that, a Party's rights under this Agreement are not materially affected. The Parties hereto covenant and agree to renegotiate any such term, covenant or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant or condition of this Agreement or the application thereof that is invalid, illegal or unenforceable, it being the intent of the Parties that the basic purposes of this Agreement are to be effectuated.

11.11 **Status**. Nothing in this Agreement is intended or shall be deemed to constitute a partner, agency, employer-employee or joint venture relationship between the Parties.

11.12 **Further Assurances**. Each Party agrees to execute, acknowledge and deliver such further instructions, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

11.13 **Counterparts**. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.14 **Original Agreement**. The Parties acknowledge and agree that notwithstanding anything to the contrary in this Agreement, (a) all rights, obligations and licenses of the Parties that arose out of the Original Agreement during the period commencing on the Original Agreement Date and continuing through the Restatement Date, including any dispute or alleged breach by a Party of any of the terms of the Original Agreement during such period, shall be governed solely by the terms of the Original Agreement, (b) the terms and conditions of the Original Agreement shall survive solely for the limited purposes set forth in clause (a) above and (c) the Original Agreement shall otherwise be superseded in its entirety by this Agreement from and after the Restatement Date.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representative in two (2) originals.

OPHTHOTECH CORPORATION

By: /s/ Bruce Peacock
Name: Bruce Peacock
Title: Chief Business Officer

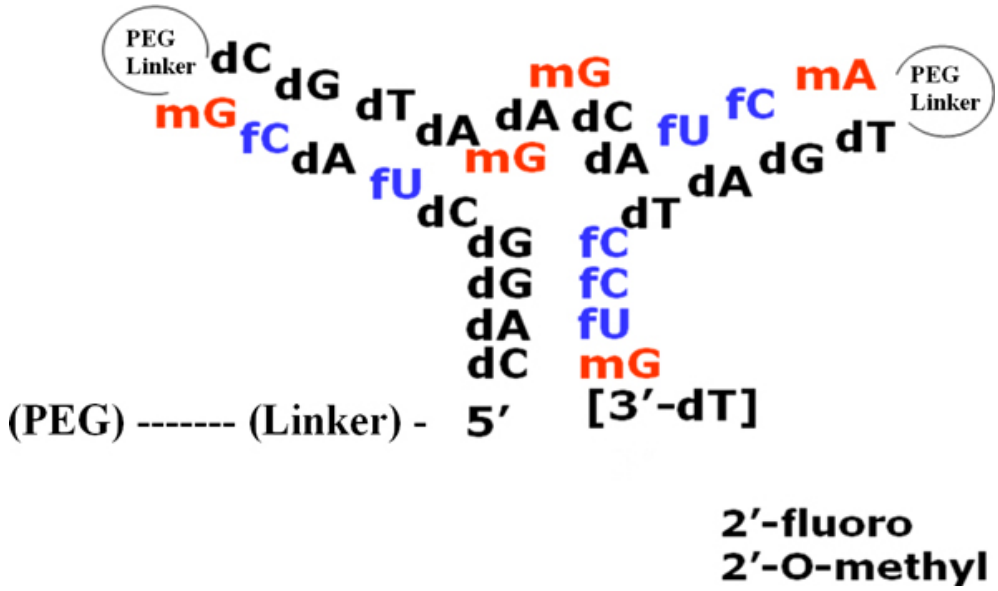
ARCHEMIX CORP.

By: /s/ John A. Harre
Name: John A. Harre
Title: Vice President

Schedule 1

Chemical Composition of ARC 127

PEG Linker: Hexaethylene glycol

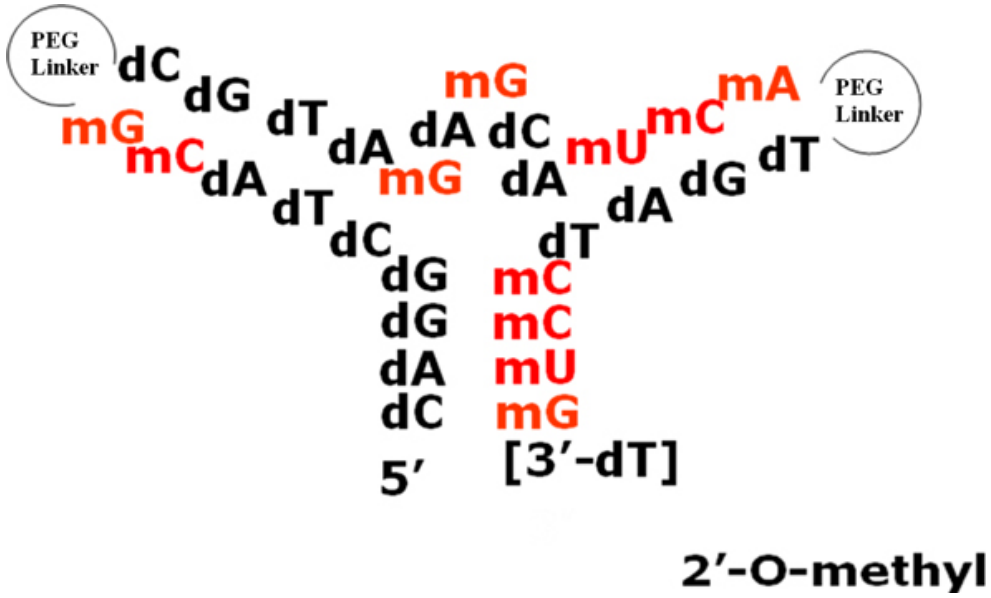


Schedule 1-1

Schedule 2

Chemical Composition of ARC404

PEG Linker: Hexaethylene glycol



Schedule 2-1

Schedule 3

Chemical Composition of E10030

[**]

Excluded Applications

"Excluded Applications" means [**].

For purposes of the above definition of Excluded Applications:

[**].

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of two pages were omitted.

Schedule 4-A

Short Acting Coagulation Cascade Aptamer Criteria

For purposes of this Agreement, an Aptamer is a **"Short Acting Coagulation Cascade Aptamer"** if the Aptamer has (i) a Mean Resident Time in normal primates (human or non-human) of less than or equal to seventy-five (75) minutes or (ii) a time to return from a steady state of a therapeutically useful level of anticoagulation (as measured by a monitoring test appropriate for the target, (i.e., ACT, PTT, or PT)) to one hundred twenty percent (120%) of baseline of less than or equal to one hundred twenty (120) minutes in normal primates (human or non-human), in each case, without the administration of another molecule. For purposes of clarification, (y) neither of the parameters in (i) or (ii) above may be achieved through any means other than the administration of the Short Acting Coagulation Cascade Aptamer such as the administration of another secondary or antidote molecule, and (z) any Aptamer that meets the Mean Resident Time criteria set forth above in normal primates (human or non-human) shall be considered a Short Acting Coagulation Cascade Aptamer regardless of the Mean Resident Time in renally or hepatically impaired primates (human or non-human).

Mean Resident Time is a pharmacokinetic measure of the average time a molecule remains in the body. For the purposes of establishing the MRT under this Agreement, MRT will be calculated based on plasma concentration data obtained following a single IV bolus dose in primates (human or non-human) using the formula MRT=AUMC/AUC.

Schedule 4-B

Coagulation Cascade Proteins

Tissue Factor, Factor VII, Factor VIIa, Factor X, Factor Xa, Factor XI, Factor XIa, Factor IX, Factor IXa, Factor VIII, Factor VIIIa, Factor V, Factor Va, Factor XIII, Factor XIIIa, Factor XII, Factor XIIa, Fibrinogen and Fibrin, Thrombin and Prothrombin.

Coagulation Cascade Targets

Coagulation Factor (includes all active and inactive forms)	Also Known As
Factor XIII	Fibrin Stabilizing Factor
Factor XII	Hageman Factor
Factor XI	Plasma Thromboplastin Antecedent
Factor X	Stuart-Prower Factor; Prothrombinase
ATIII	Antithrombin III; Antithrombin
Heparin CoFactor II	Heparin Cofactor A
Factor IX	Christmas Factor
Factor VIII	Anti-Hemophilic Factor
Factor VII	Proconvertin
Factor V	Proaccelerin; Labile Factor
Factor II	Thrombin; Prothrombin
Factor I	Fibrinogen
Plasminogen	Profibrinolysin
Plasmin	Fibrinolysin
Tissue Plasminogen Activator	N/A
Urokinase	Urokinase-Type Plasminogen Activator
TFPI	Tissue Factor Pathway Inhibitor, Lipoprotein-Associated Coagulation Inhibitor (LACI), Extrinsic Pathway Inhibitor (EPI)
Protein C	Autoprothrombin IIA; Blood Coagulation Factor XIV
Protein S	N/A
Thrombomodulin	CD141; BDCA-3
Protein Z	PROZ
ZPI	Protein Z-Dependent Protease Inhibitor

Exhibit A

Licensed Patent Rights

Exhibit A-1

ANTI-PDGF APTAMER-
SPECIFIC PATENT RIGHTS

Mintz Ref. No.	Archemix Ref. No.	Status	Appl. Number	Filing Date	Country	Patent Number	Issue Date	Title
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]

ANTI-PDGF APTAMER-SPECIFIC PATENT RIGHTS (CONT'D)

IMATTER NO	COUNTRY ID	TYPE	SERIALNO	FILE	PATENT NO	ISSUE	TITLE	STATUS
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
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[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]

ADDITIONAL LICENSED PATENT RIGHTS (CONT'D)

ADDITIONAL LICENSED PATENT RIGHTS

Mintz Ref. No.	Archemix Ref. No.	Status	Appl. Number	Filing Date	Country	Patent Number	Issue Date	Title
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
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[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]

ADDITIONAL LICENSED PATENT RIGHTS (CONT'D)

ADDITIONAL LICENSED PATENT RIGHTS

Mintz Ref. No.	Archemix Ref. No.	Status	Appl. Number	Filing Date	Country	Patent Number	Issue Date	Title
[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]
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[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]

ADDITIONAL LICENSED PATENT RIGHTS (CONT'D)

IMATTER NO	COUNTRY ID	TYPE	SERIALNO	FILE	PATENT NO	ISSUE	TITLE	STATUS

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 16 pages were omitted.

[**]

Exhibit B

Mandatory Jurisdictions for Patent Prosecution

[**]

Execution Copy

AMENDMENT NO. 1 TO THE
AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

This Amendment No. 1 to the Amended and Restated Exclusive License Agreement (this **"Amendment"**) is dated as of December 20, 2011 (the **"Amendment Effective Date"**) by and between Archemix Corp, a Delaware corporation with offices c/o Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attn: John J. Cheney, Esq. (**"Archemix"**), and Ophthotech Corporation, a Delaware corporation with offices at One Penn Plaza, 35th Floor, New York, New York 10119 (**"Ophthotech"**). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Amended and Restated Exclusive License Agreement (the **"Agreement"**) made effective as of September 12, 2011 (the **"Agreement Effective Date"**) by and between Archemix and Ophthotech with respect to PDGF. All references to Sections in this Amendment refer to Sections of the Agreement.

WHEREAS, on the Agreement Effective Date, Archemix and Ophthotech entered into the Agreement pursuant to which Archemix granted to Ophthotech an exclusive license under certain patents and technology to develop and commercialize certain products; and

WHEREAS, the Parties hereto desire to amend the Agreement as set forth herein and to set forth certain additional terms applicable to the Agreement, as so amended.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. Amendments to Agreement.

(a) The definitions of "Annual Net Sales" and "Net Sales" in the Agreement are hereby deleted in their entirety and all references to such definitions in the Agreement are hereby deleted.

(b) The reference in Section 2.1.1 to "royalty-bearing" is hereby deleted and the phrase "royalty-free" is hereby inserted in lieu thereof.

(c) The heading of Article 4 of the Agreement is hereby amended to read in its entirety as follows:

"ARTICLE 4 PAYMENTS"

(d) Sections 4.2, 4.2.1(a) and (b) are hereby deleted in their entirety and all references to "Section 4.2," "Section 4.2.1," "Section 4.2.1(a)" and/or "Section 4.2.1(b)" in the Agreement are hereby deleted.

(e) The fourth milestone in Section 4.3.1(d) is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"[**] $[**]"

(f) Section 4.5.1 is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"4.5.1 Payment of Milestones. Unless otherwise expressly provided, Ophthotech shall make any milestone payments owed to Archemix pursuant to Section 4.3 in arrears, within [**] days from the end of the Calendar Quarter in which such payment accrues."

(g) The two references in Section 4.5.6 to "royalties or other" are hereby deleted.

(h) Clause (a) of Section 4.6.1 is hereby deleted.

(i) Section 63.2(b) is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

"(b) second, if Archemix is the Party bringing such suit or proceeding or taking such other legal action, [**] percent ([**]%) of any remaining amount shall be retained by Archemix and [**] percent ([**]%) shall be paid to Ophthotech, and if Ophthotech is the Party bringing such suit or proceeding or taking such other legal action, any remaining amount shall be retained by Ophthotech."

(j) Clauses (b)(ii) and (b)(iii) of Section 6.3.3 are hereby deleted.

(k) The reference in Section 9.1 to "non-royalty bearing," is hereby deleted.

(l) The reference in Section 9.3.2 to "royalties," is hereby deleted.

2. Miscellaneous. The Parties hereby confirm and agree that, except as amended hereby, the Agreement remains in full force and effect and is a binding obligation of the Parties hereto. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives.

OPHTHOTECH CORPORATION

By: /s/ Bruce Peacock
Name: Bruce Peacock
Title: CBO

ARCHEMIX CORP.

By: /s/ John A. Harre
Name: John A. Harre
Title: Secretary

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Double asterisks denote omissions.

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

OPHTHOTECH CORPORATION

AND

NOVO A/S

EFFECTIVE AS OF

May 23, 2013

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this ***"Agreement"***) is made and entered into as of May 23, 2013 (the ***"Effective Date"***), by and between **OPHTHOTECH CORPORATION**, a Delaware corporation (***"Seller"***) and **NOVO A/S**, a company organized under the laws of Denmark (***"Purchaser"***). Purchaser and Seller are sometimes referred to individually as a ***"Party"*** and collectively as the ***"Parties."*** Capitalized terms used but not otherwise defined will have the respective meanings given to such terms in **Exhibit A** attached hereto.

BACKGROUND

WHEREAS, Seller is a clinical-stage biotechnology company engaged in the discovery, development and planned commercialization of a product for the treatment of age-related macular degeneration;

WHEREAS, Seller has been developing Fovista™, a compound that targets platelet-derived growth factor B, including conducting a Phase 2 clinical trial;

WHEREAS, Purchaser is willing to provide funding to Seller for use primarily to support further development of Fovista and general corporate functions and to satisfy venture debt obligations, in exchange for royalties on future sales of Fovista and certain related products, as set forth below;

WHEREAS, upon and subject to the terms and conditions contained herein, Seller desires to receive such funding, and in exchange is willing to sell, convey, transfer and assign to Purchaser such royalties; and

WHEREAS, in conjunction with the transactions contemplated in this Agreement, Purchaser desires to purchase shares of preferred stock of Seller, and Seller is willing to issue to Purchaser shares of its preferred stock, on the terms and conditions set forth in a Stock Purchase Agreement, and related agreements, being executed by the Parties as of the Effective Date;

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

ARTICLE 1

PURCHASE AND SALE OF PURCHASED RECEIVABLES

1.1 Purchase and Sale of Purchased Receivables. On the terms and subject to the conditions set forth in this Agreement, Seller will sell, convey, transfer and assign to Purchaser, and Purchaser agrees to purchase and accept from Seller all of Seller's right, title and interest in, to and under the Purchased Receivables, free and clear of any and all Encumbrances (other than Permitted Encumbrances).

1.2 Purchase Price; Use of Proceeds.

(a) Purchaser will pay to Seller up to three (3) separate purchase prices equaling, respectively, $41,666,666.67 (such amount, the "***First Purchase Price***"), $41,666,666.67 (such amount, the "***Second Purchase Price***") and $41,666,666.66 (such amount, the "***Third Purchase Price***"), for aggregate payments of $125,000,000 if all three purchases described in Section 2.1(a) are consummated (such aggregate amounts actually paid pursuant to this Section 1.2(a), the ***"Purchase Price"***).

(b) The Purchaser shall pay the First Purchase Price on the First Closing Date by wire transfer in immediately available U.S. dollar funds to an account to be designated in writing by Seller prior to the First Closing Date. Subject to Sections 1.4 and 1.6, the Purchaser shall pay the Second Purchase Price on the Second Closing Date and the Third Purchase Price on the Third Closing Date by wire transfer in immediately available U.S. dollar funds to an account to be designated in writing by Seller prior to each such date. The Parties intend that the First Purchase, the Second Purchase and the Third Purchase shall close concurrently with the closing of the first tranche of the Investment Transaction (the "***First Investment Tranche***"), the closing of the second tranche of the Investment Transaction (the "***Second Investment Tranche***") and the closing of the third tranche of the Investment Transaction (the "***Third Investment Tranche***"), respectively, except to the extent the Investment Transaction is accelerated as provided in Section 1.3(c) of the Series C Purchase Agreement.

(c) Seller will apply the Purchase Price primarily to support clinical development and regulatory activities for Fovista and, to the extent applicable, other Products, as well as to satisfy venture debt obligations and for Seller's general corporate expenses ***("Funded Activities"***). As between the Parties, Seller will have the sole responsibility to pay all providers of Funded Activities, whether such providers are Third-Person providers or Seller's employees or Affiliates. Purchaser will have no obligation or responsibility to pay any portion of the Purchase Price directly to any providers of Funded Activities or to any Third Person.

1.3 Manner of Effective Sale. The sale, conveyance, transfer, assignment and delivery of the Purchased Receivables by Seller to Purchaser will be effected by Purchaser and Seller executing the Bill of Sale for each of the First Purchase and, if applicable, the Second Purchase and the Third Purchase, upon the First Closing Date, Second Closing Date and Third Closing Date, respectively.

1.4 Closings and Closing Dates. The purchase and sale for the First Purchase (the ***"First Closing"***) will take place at the offices of Latham & Watkins (the "***Closing Location***"), commencing at 9:00 a.m. (local time) on May 23, 2013, or at such other place, time and date as the Parties may mutually agree. The date of the First Closing is referred to as the ***"First Closing Date."*** The purchase and sale for the Second Purchase (the ***"Second Closing"***) will take place at the Closing Location, commencing at 9:00 a.m. (local time) on the date for the Second Closing determined pursuant to Section 1.6(c), or at such other place, time and date as the Parties may mutually agree. The date of the Second Closing, if any, is referred to as the ***"Second Closing Date."*** The purchase and sale for the Third Purchase (the ***"Third Closing"***) will take place at the Closing Location, commencing at 9:00 a.m. (local time) on the date for the Third Closing determined pursuant to Section 1.6(c), or at such other place, time and date as the Parties may mutually agree. The date of the Third Closing, if any, is referred to as the ***"Third Closing Date."***

1.5 First Closing Deliverables.

At the First Closing, the following will occur:

(a) Bill of Sale. Seller and Purchaser will execute, and deliver to the other Party, the Bill of Sale for the First Purchase.

(b) Security Interest Agreement. Seller and Purchaser will execute and deliver to the other Party the Security Interest Agreement.

(c) Closing of First Investment Tranche. Seller and Purchaser shall have executed and delivered the Series C Purchase Agreement, all conditions to the closing of the First Investment Tranche in accordance with the terms of the Series C Purchase Agreement shall have been satisfied (other than the concurrent closing of the First Purchase hereunder), and evidence, in form and substance satisfactory to Seller and Purchaser, that the First Investment Tranche will close immediately prior to, or concurrently with, the First Closing shall have been received by the Seller and Purchaser.

(d) Corporate Documents of Seller. An executive officer of Seller shall sign and deliver to Purchaser on behalf of Seller certificates dated as of the First Closing Date:

(i) (A) attaching copies, certified by such officer as true and complete, of resolutions of the board of directors of Seller authorizing and approving the execution, delivery and performance by Seller of the Transaction Documents and the transactions contemplated herein and therein; (B) setting forth the incumbency of the officer or officers of Seller who have executed and delivered the Transaction Documents, including therein a signature specimen of each officer or officers; (C) attaching copies, certified by such officer as true and complete, of each of the certificate of incorporation and by-laws of Seller as in effect on the First Closing Date; and (D) attaching copies, certified by such officer as true and complete, of long form good standing certificates of the appropriate Governmental Authority of Seller's jurisdiction of incorporation, stating that Seller is in good standing under the laws of such jurisdiction; and

(ii) (A) as to the accuracy in all material respects of each of Seller's representations and warranties in this Agreement as of the First Closing Date; and (B) as to Seller's compliance with and performance of in all material respects each of its covenants and obligations to be performed or complied with at or before the First Closing Date.

(e) Other Documents and Financing Statements. Seller shall sign or deliver to Purchaser such other certificates, documents and financing statements as Purchaser may reasonably request, in each case reasonably satisfactory to Purchaser to perfect under the applicable UCC (or any comparable law) of all applicable jurisdictions in the United States, and under federal law of the United States, and maintain the perfection of Purchaser's ownership interest in the Purchased Receivables, the back-up security interest granted pursuant to Section 5.6 and the security interest granted pursuant to the Security Interest Agreement, in each case in the United States.

(f) Legal Opinion. Purchaser shall have received the corporate opinion of Wilmer Cutler Pickering Hale and Dorr LLP, counsel to Seller, in the form set forth in Exhibit B.

(g) Corporate Documents of Purchaser. Purchaser shall sign and deliver to Seller certificates dated as of the First Closing Date:

(i) as to the power and authority of Purchaser to execute the Transaction Documents to which Purchaser is or is to be a party;

(ii) (A) as to the accuracy in all material respects of each of Purchaser's representations and warranties in Section 3.2 as of the First Closing Date; (B) setting forth the incumbency of the authorized person of Purchaser who has executed and delivered the Transaction Documents, including therein a signature specimen of such authorized person; and (C) as to Purchaser's compliance with and performance of in all material respects each of its covenants and obligations to be performed or complied with at or before the First Closing Date.

(h) Seller shall have received from Purchaser a validly executed IRS Form W-8BEN.

1.6 Second and Third Closing Conditions; Determinations of Second and Third Closing Dates.

(a) Conditions to Purchaser's Obligation to Close. The following shall be conditions to Purchaser's obligations to close the Second Purchase and the Third Purchase, respectively:

(i) The Second Closing Trigger or the Third Closing Trigger, as applicable, shall have occurred.

(ii) Subject to Section 1.6(a)(iii), all conditions to Purchaser's obligation to close the Second Investment Tranche or Third Investment Tranche, as applicable, in accordance with the terms of the Series C Purchase Agreement shall have been satisfied (other than the concurrent closing of the Second Purchase or Third Purchase, as applicable, hereunder), and evidence, in form and substance satisfactory to Purchaser, that, assuming the satisfaction of all conditions to Seller's obligation to close, the Second Investment Tranche or Third Investment Tranche, as applicable, will close prior to, or concurrently with, the Second Closing or Third Closing, as applicable, shall have been received by the Purchaser.

(iii) Notwithstanding Sections 1.6(a)(ii), if an Established Development Company Acquisition has occurred but Seller has not exercised its termination right pursuant to Section 1.8(e), the closing conditions set forth in Sections 1.6(a)(ii) shall be deemed satisfied in respect of the Second Closing or Third Closing, as applicable, upon Purchaser's receipt of the applicable amount set forth in Section 1.8(h) (which receipt and deemed satisfaction shall occur concurrently with such closing), notwithstanding that, following such Established Development Company Acquisition, Seller no longer has the right to require the Series C Purchasers to purchase the Second Closing Shares or Third Closing Shares, as applicable, and Purchaser no longer has any right or obligation to make any such purchase following such Established Development Company Acquisition.

(iv) Subject to the notice and cure provisions of Section 1.8(c), (A) Seller shall not have committed a material Breach of this Agreement and (B) all of Seller's representations in Sections 3.1(a), (b), (c) (the first part of the first sentence, ending with the phrase "as presently carried on by Seller", and the last sentence), (d), (e), (f) (substituting "Second Closing" or "Third Closing," as applicable, for "First Closing"), (g), (h), (n), (p), (r) and (s) would be, if made as of the Second Closing Date or Third Closing Date, as applicable, true, and all of Seller's representations in Sections 3.1(j)(ii) through (viii), (k) and (l)(ii) through (vii) would be, if made as of the Second Closing Date or Third Closing Date, as applicable, true, except as would not reasonably be expected to have a Material Adverse Effect. If any of the foregoing conditions in this Section 1.6(a)(iv) are not satisfied following the occurrence of the Second Closing Trigger or the Third Closing Trigger, as applicable, then Seller shall have the right, following written notice by Purchaser to Seller thereof, to satisfy such condition as set forth in Section 1.8(c).

(v) No termination of Purchaser's obligation to consummate the Second Purchase or the Third Purchase, as applicable, shall have occurred pursuant to Section 1.8.

(vi) If a determination has been made pursuant to Section 1.9 that clearance under the HSR Act is required prior to the closing of the Second Purchase and/or the Second Investment Tranche or the Third Purchase and/or the Third Investment Tranche, as applicable, such clearance has been obtained (or deemed obtained upon the expiration of the applicable waiting period).

(vii) Seller shall have obtained all [**], and provided evidence, in form and substance satisfactory to Purchaser, that [**] have been obtained.

(b) Conditions to Seller's Obligation to Close. The following shall be conditions to Seller's obligations to close the Second Purchase and the Third Purchase, respectively:

(i) The Second Closing Trigger or the Third Closing Trigger, as applicable, shall have occurred.

(ii) All conditions to Seller's obligation to close the Second Investment Tranche or Third Investment Tranche, as applicable, in accordance with the terms of the Series C Purchase Agreement shall have been satisfied (other than the concurrent closing of the Second Purchase or Third Purchase, as applicable, hereunder), and evidence, in form and substance satisfactory to Purchaser that, assuming the satisfaction of all conditions to Seller's obligation to close, the Second Investment Tranche or Third Investment Tranche, as applicable, will close prior to, or concurrently with, the Second Closing or Third Closing, as applicable, shall have been received by the Purchase.

(iii) No termination of Purchaser's right to consummate the Second Purchase or the Third Purchase, as applicable, shall have occurred pursuant to Section 1.8.

(iv) If a determination has been made pursuant to Section 1.9 that clearance under the HSR Act is required prior to the closing of the Second Purchase and/or the Second Investment Tranche or the Third Purchase and/or the Third Investment Tranche, as applicable, such clearance has been obtained (or deemed obtained upon the expiration of the applicable waiting period).

(c) Determinations of Closing Dates. Seller shall give Purchaser written notice within [**] Business Days after the occurrence of the Second Closing Trigger or the Third Closing Trigger, as applicable. The date of the Second Closing or the Third Closing, as applicable, shall, subject to adjustment by mutual agreement of the Parties in accordance with Section 1.4, be the later of (i) the date [**] Business Days after the date of such notice or (ii) the earliest date following the date of such notice on which all closing conditions set forth in Sections 1.6(a) and 1.6(b) have been either satisfied or waived by the Party whose performance is conditioned thereby.

1.7 Second and Third Closing Deliverables.

At each of the Second Closing and the Third Closing, the following will occur:

(a) Bill of Sale. Seller and Purchaser will execute, and deliver to the other Party, the Bill of Sale for the Second Purchase or the Third Purchase, as applicable.

(b) Other Documents and Financing Statements. Seller shall sign or deliver to Purchaser such other certificates, documents and financing statements as Purchaser may reasonably request, and under federal law of the United States, in each case reasonably satisfactory to Purchaser to perfect under the applicable UCC (or any comparable law) of all applicable jurisdictions and maintain the perfection of Purchaser's ownership interest in the Purchased Receivables arising out of the Second Purchase or the Third Purchase, as applicable, the back-up security interest granted pursuant to Section 5.6 with respect thereto and the security interest granted pursuant to the Security Interest Agreement with respect thereto.

(c) Purchaser shall deliver to Seller a validly executed IRS Form W-8BEN, if the IRS Form W-8BEN provided pursuant to Section 1.5(h) has become inaccurate, obsolete or invalid.

1.8 Exceptions to Purchase Obligation.

(a) Notwithstanding anything to the contrary in Section 1.2, if prior to the Second Closing and/or the Third Closing, the Phase 3 Clinical Trials and other development efforts generally for Fovista for use in treating AMD are permanently terminated as a result of a recommendation by or requirement of either the U.S. FDA or any other Regulatory Authority in a Major Market, or a Data Safety Monitoring Board (if applicable) or equivalent safety monitoring body in a Major Market (an "***Imposed Discontinuation***"), then Seller shall promptly notify Purchaser in writing of such event and each Party shall have the right to terminate Purchaser's rights and obligations to consummate the Second Purchase and/or Third Purchase,

whichever has not yet been consummated prior to such Imposed Discontinuation, and to fund the Second Investment Tranche and/or the Third Investment Tranche, whichever has not yet been funded prior to such Imposed Discontinuation, as applicable, by giving the other Party notice in writing of such Party's exercise of such termination right within thirty (30) days following the date of Seller's written notice to Purchaser of such Imposed Discontinuation (which notice shall be provided promptly after Seller becomes aware that such event has occurred). If neither Party exercises such termination right within such thirty (30) day period, then such termination right shall lapse and be of no further force or effect with respect to such Imposed Discontinuation.

(b) Additionally, notwithstanding anything to the contrary in Section 1.2, if prior to the Second Closing and/or the Third Closing, a hold on or suspension of Phase 3 Clinical Trials of Fovista for the treatment of AMD is imposed, or if development efforts for Fovista are otherwise generally put on hold or suspended (excluding delays resulting from review by Regulatory Authorities of DAAs or applications for other Regulatory Approvals relating to Fovista), and such trials or efforts are not recommenced within [**] months after the hold is imposed or the suspension begins, then each Party shall have the right to terminate Purchaser's rights and obligations to consummate the Second Purchase and/or Third Purchase, whichever has not yet been consummated prior to such hold or suspension, and to fund the Second Investment Tranche and/or the Third Investment Tranche, whichever has not yet been funded prior to such hold or suspension, as applicable. Seller shall promptly notify Purchaser in writing of the commencement of any such hold or suspension, and thereafter each Party shall have the right to exercise such termination right by giving the other Party notice in writing of such Party's exercise of such termination right within thirty (30) days following the date [**] months after the hold is imposed or the suspension begins, if such trials or efforts are not recommenced within [**] months after the hold is imposed or the suspension begins. If neither Party exercises such termination right within such thirty (30) day period, then such termination right shall lapse and be of no further force or effect with respect to such hold or suspension.

(c) Purchaser shall have the right, following written notice by Purchaser to Seller thereof, to terminate Purchaser's obligation to consummate the Second Purchase and/or Third Purchase, whichever has not yet been consummated, and to terminate its obligation to fund the Second Investment Tranche and/or the Third Investment Tranche, whichever has not yet been funded if, following the Second Closing Trigger or the Third Closing Trigger, as applicable, (i) any of the closing conditions specified in Section 1.6(a)(iv) are not satisfied, and (ii) Seller has not satisfied such closing conditions by eliminating, in all material respects, the circumstances resulting in such non-satisfaction of such closing conditions within [**] days following written notice by Purchaser to Seller of such circumstances, and (iii) Seller has used reasonable efforts to satisfy such closing conditions by eliminating in all material respects the circumstances resulting in such non-satisfaction of such closing conditions during such [**] day period following Purchaser's notice thereof, and such reasonable efforts to satisfy such closing conditions continue at the end of such [**] day period, but Seller has not satisfied such closing conditions by eliminating in all material respects the circumstances resulting in such non-satisfaction of such closing conditions within [**] days following Purchaser's notice thereof.

(d) If Seller undergoes a Change of Control, other than in an Established Development Company Acquisition, then following the effective date of any agreement governing such Change of Control, Purchaser shall have the right, upon written notice to Seller

to terminate Purchaser's obligations hereunder to consummate the Second Purchase and/or Third Purchase, whichever has not yet been consummated, and to terminate its obligation to fund the Second Investment Tranche and/or Third Investment Tranche, whichever has not yet been funded.

(e) If Seller undergoes a Change of Control, then Seller may elect to terminate Purchaser's right to consummate the Second Purchase and/or Third Purchase, and to fund the Second Investment Tranche and/or the Third Investment Tranche, as applicable, by written notice to Purchaser upon the effective date of the agreement governing such Change of Control.

(f) Seller may elect to terminate Purchaser's right to consummate the Second Purchase and the Third Purchase by written notice to Purchaser if, prior to the Second Closing Date:

(1) Seller consummates either (A) an equity financing, approved by Seller's board of directors, from investors in a private placement (i) in which such equity is sold at a price per share of at least $[**] (on an as-converted to common stock basis and subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to Seller's common stock), with other terms in the aggregate comparable to or more favorable to the Seller than the Series C terms as determined by Seller's board of directors, (ii) that results in an aggregate purchase price for such equity by new investors of at least $[**] and permits existing investors to purchase up to an aggregate of an additional $[**] of such equity and (iii) that provides for the payment of the purchase price for such equity to the Seller by such investors at substantially the same time or earlier than the Second Closing Date and the Third Closing Date, with at least $[**] of the aggregate purchase price for such equity payable to the Seller on or prior to the Second Closing Date and any remaining balance payable to the Seller on or prior to the Third Closing Date, or (B) an initial public offering of Seller's common stock that is approved by Seller's board of directors at a price to the public of at least $[**] per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Seller's common stock) resulting in at least $[**] of gross proceeds (before deducting underwriting discounts and commissions and other offering expenses) to the Seller; and

(2) prior to, or concurrently with, the transaction described in clause (1), Purchaser is permitted to close the Second Investment Tranche and Third Investment Tranche pursuant to Section 1.3(c) of the Series C Purchase Agreement, notwithstanding that the Second Closing Trigger and Third Closing Trigger may not have occurred and further notwithstanding that the Second Purchase and Third Purchase shall not have occurred.

For the avoidance of doubt, nothing in this Agreement shall limit Seller's right to seek or consummate private placements and/or public offerings that do not satisfy the parameters set forth in this Section 1.8(f); provided that the termination right of Seller specified in this Section 1.8(f) shall not apply if any such private placement or public offering does not satisfy the parameters set forth in Section 1.8(f)(1)(A) or 1.8(f)(1)(B); and provided, further, that the

Seller's right to consummate any private placement and/or public offering, whether or not such transaction satisfies the parameters set forth in Section 1.8(f)(1)(A) or 1.8(f)(1)(B), shall be subject to, and contingent upon, Purchaser's right to close the Second Investment Tranche and Third Investment Tranche pursuant to Section 1.3(c) of the Series C Purchase Agreement, if applicable, notwithstanding that the Second Closing Trigger and Third Closing Trigger may not have occurred and further notwithstanding that the Second Purchase and Third Purchase shall not have occurred (unless such closing pursuant to Section 1.3(c) of the Series C Purchase Agreement must be delayed due to a determination to file for clearance under the HSR Act pursuant to Section 1.9 below, in which case Seller may consummate the private placement and/or public offering subject to Seller's obligation to close Purchaser's Second Investment Tranche and Third Investment Tranche once clearance under the HSR Act is obtained); provided that, in such circumstances, if Purchaser's right to fund the Second Investment Tranche and Third Investment Tranche is terminated pursuant to Section 1.8(d) or 1.8(e) prior to such clearance under the HSR Act, then, in lieu of Purchaser closing on the Second Investment Tranche and Third Investment Tranche, Seller shall be obligated to pay to Purchaser (and each other Series C investor that did not make its investment pursuant to Section 1.3(c) of the Series C Purchase Agreement due to such delay in obtaining clearance under the HSR Act), concurrently with the closing of the relevant Change of Control triggering termination pursuant to Section 1.8(d) or 1.8(e), the positive difference, if any, between the Series C Sale Price and the Series C Price multiplied by the number of Second Investment Tranche shares and/or the Third Investment Tranche shares, as applicable, that, in the absence of such Change of Control, would have been purchased by Purchaser (and such other Series C investors) upon obtaining such clearance, with Purchaser (and such other Series C investors) having no obligation to pay any additional amounts to Seller in respect of the unexercised Second Investment Tranche and/or the Third Investment Tranche following such Change of Control. Notice of the Seller's election to terminate the Purchaser's right to consummate the Second Purchase and Third Purchase pursuant to this Section 1.8(f) must be delivered to Purchaser in writing on or before the fifteenth (15th) day following Seller's consummation of the transaction satisfying the parameters set forth in Section 1.8(f)(1)(A) or 1.8(f)(1)(B), after which Seller shall be deemed to have forfeited such right and shall no longer be permitted to terminate Purchaser's right to consummate the Second Purchase and Third Purchase pursuant to this Section 1.8(f).

(g) If Purchaser has consummated the Second Purchase, Seller may elect to terminate Purchaser's right to consummate the Third Purchase by written notice to Purchaser if, prior to the Third Closing Date:

(1) Seller consummates either (A) an equity financing, approved by Seller's board of directors, from investors in a private placement (i) in which such equity is sold at a price per share of at least $[**] (on an as-converted to common stock basis and subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to Seller's common stock), with other terms in the aggregate comparable to or more favorable to the Seller than the Series C terms as determined by Seller's board of directors, (ii) that results in an aggregate purchase price for such equity by new investors of at least $[**] and permits existing investors to purchase up to an aggregate of an additional $[**] of such equity and (iii) that provides for the payment of the purchase price for such equity to the Seller by such investors on or prior to the Third Closing Date, or (B) an initial public offering of Seller's

common stock that is approved by Seller's board of directors at a price to the public of at least $[**] per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Seller's common stock) resulting in at least $[**] of gross proceeds (before deducting underwriting discounts and commissions and other offering expenses) to the Seller; and

(2) prior to, or concurrently with, the transaction described in clause (1), Purchaser is permitted to close the Third Investment Tranche pursuant to Section 1.3(c) of the Series C Purchase Agreement, notwithstanding that the Third Closing Trigger may not have occurred and further notwithstanding that the Third Purchase shall not have occurred.

For the avoidance of doubt, nothing in this Agreement shall limit Seller's right to seek or consummate private placements and/or public offerings that do not satisfy the parameters set forth in this Section 1.8(g); provided that the termination right of Seller specified in this Section 1.8(g) shall not apply if any such private placement or public offering does not satisfy the parameters set forth in this Section 1.8(g)(1)(A) or 1.8(g)(1)(B); and provided, further, that the Seller's right to consummate any private placement and/or public offering, whether or not such transaction satisfies the parameters set forth in this Section 1.8(g)(1)(A) or 1.8(g)(1)(B), shall be subject to, and contingent upon, Purchaser's right to close the Third Investment Tranche pursuant to Section 1.3(c) of the Series C Purchase Agreement, if applicable, notwithstanding that the Third Closing Trigger may not have occurred and further notwithstanding that the Third Purchase shall not have occurred (unless such closing pursuant to Section 1.3(c) of the Series C Purchase Agreement must be delayed due to a determination to file for clearance under the HSR Act pursuant to Section 1.9 below, in which case Seller may consummate the private placement and/or public offering subject to Seller's obligation to close Purchaser's Third Investment Tranche once clearance under the HSR Act is obtained); provided that, in such circumstances, if Purchaser's right to fund the Third Investment Tranche is terminated pursuant to Section 1.8(d) or 1.8(e) prior to such clearance under the HSR Act, then, in lieu of the Purchaser closing on the Third Investment Tranche, Seller shall be obligated to pay to Purchaser (and each other Series C investor that did not make its investment pursuant to Section 1.3(c) of the Series C Purchase Agreement due to such delay in obtaining clearance under the HSR Act), concurrently with the closing of the relevant Change of Control triggering termination pursuant to Section 1.8(d) or 1.8(e), the positive difference, if any, between the Series C Sale Price and the Series C Price multiplied by the number of Third Investment Tranche shares that, in the absence of such Change of Control, would have been purchased by Purchaser (and such other Series C investors) upon obtaining such clearance, with Purchaser (and such other Series C investors) having no obligation to pay any additional amounts to Seller in respect of the unexercised Third Investment Tranche following such Change of Control. Notice of the Seller's election to terminate the Purchaser's right to consummate the Third Purchase pursuant to this Section 1.8(g) must be delivered to Purchaser in writing on or before the fifteenth (15th) day following Seller's consummation of the transaction described herein, after which Seller shall be deemed to have forfeited such right and shall no longer be permitted to terminate Purchaser's right to consummate the Third Purchase pursuant to this Section 1.8(g).

(h) If Seller undergoes a Change of Control, and (1) Seller does not exercise its termination rights pursuant to Section 1.8(e) and (2) Purchaser does not exercise its

termination rights pursuant to Section 1.8(d), then as an additional condition to the closing thereafter of the Second Purchase and/or Third Purchase, Seller or the surviving entity in such Change of Control shall be obligated to pay to each holder of Series C Preferred Stock (including Purchaser) the positive difference, if any, between the Series C Sale Price and the Series C Price multiplied by the number of Second Investment Tranche shares and/or the Third Investment Tranche shares, as applicable, that, in the absence of such Change of Control, would have been purchased by such holder concurrently with the Second Closing and/or the Third Closing. Nothing in the foregoing sentence is intended to, and will not, require Purchaser or the other Series C investors to pay any additional amounts to Seller in respect of the unexercised Second Investment Tranche and/or the Third Investment Tranche following such Change of Control. If any portion of the consideration payable to a holder of Series C Stock, or of securities into which the Series C Stock has been converted or exchanged, in a specified Change of Control is placed into escrow or otherwise deferred or is payable subject to contingencies, then, for purposes of this Section 1.8(h)(i), the Series C Sale Price shall initially be calculated as if the portion of such consideration that is not placed in escrow or deferred and not subject to any contingencies was the only consideration payable in connection with such Change of Control and (ii) the Series C Sale Price shall be recalculated if any additional consideration with respect to such Change of Control becomes payable upon release from escrow or satisfaction of contingencies.

(i) Each Party shall also have the right to terminate Purchaser's rights and obligations to consummate the Second Purchase and fund the Second Investment Tranche, and/or to consummate the Third Purchase and fund the Third Investment Tranche, as set forth in Section 1.9(c).

(j) For the avoidance of doubt, if Purchaser's obligation to consummate the Second Purchase and/or the Third Purchase, and to fund the Second Investment Tranche and/or the Third Investment Tranche is terminated pursuant to this Section 1.8 after Purchaser has paid the First Purchase Price and/or the Second Purchase Price, then thereafter Seller shall pay to Purchaser pursuant to Section 2.1 the applicable Purchased Product Royalty based on the Purchase Prices paid by Purchaser prior to such termination (e.g., if such termination occurs after Purchaser has consummated the First Purchase but prior to Purchaser having consummated the Second Purchase, thereafter Seller shall pay to Purchaser pursuant to Section 2.1 [**] percent ([**]%) of Product Net Sales during the applicable Royalty Term(s)).

1.9 HSR.

(a) If the Second Purchase and/or the Second Investment Tranche and/or the Third Purchase and/or the Third Investment Tranche requires clearance under the Hart-Scott Rodino Act of 1976, as amended (the ***"HSR Act"***), as determined by Purchaser, the Parties shall cooperate with one another in the preparation, execution and filing of all documents that are required to be filed pursuant to the HSR Act and will use reasonable good faith efforts with all deliberate speed to comply with any information requests from the Federal Trade Commission (***"FTC"***) or Department of Justice in connection with such filing, including without limitation a Request for Additional Information under 15 U.S.C. § 18a and 16 C.F.R. § 803.20 (a ***"Second Request"***), if applicable.

(b) Without limiting the foregoing, Seller shall give notice in writing to Purchaser approximately [**] days if reasonably practicable, or if not reasonably practicable, as far in advance as is reasonably practicable, prior to the dates on which Seller anticipates the Second Closing Trigger and the Third Closing Trigger and the occurrence of any event giving rise to Purchaser's right to accelerate the Second Investment Tranche and/or the Third Investment Tranche pursuant to Section 1.3(c) of the Series C Purchase Agreement. Purchaser shall then determine within [**] Business Days after receiving each such notice whether or not such clearance under the HSR Act will be required in connection with such event, and promptly notify Seller in writing of such determination. If Purchaser notifies Seller that such clearance will be required, the Parties shall file for such clearance within [**] Business Days after Purchaser so notifies Seller and the applicable closing shall not occur until after the expiration or termination of all applicable waiting periods under the HSR Act. If Purchaser notifies Seller that such clearance will not be required, Purchaser shall provide to Seller in writing a reasonable explanation of Purchaser's good faith basis for such determination within [**] Business Days after providing notice to Seller thereof. Filing fees under the HSR Act shall be paid by the Seller.

(c) If a Second Request issues in connection with any filings required under the HSR Act as described in this Section 1.9 and notwithstanding the good faith efforts of the Parties, clearance of the Second Purchase and/or the Second Investment Tranche or the Third Purchase and/or the Third Investment Tranche has not been obtained from the FTC within one hundred eighty (180) days after the Parties' initial premerger notification under the HSR Act in connection with such event, then either Party may elect to terminate by written notice to the other Party any further right or obligation of Purchaser to consummate the Second Purchase and to fund the Second Investment Tranche, or to consummate the Third Purchase and to fund the Third Investment Tranche, as applicable. Notwithstanding any of the forgoing, a Party cannot terminate any right or obligation pursuant to this Section 1.9(c) if that Party has failed to substantially comply with the Second Request within ninety (90) days from the date on which that Second Request issued.

(d) For clarity, in no event would Purchaser or its Affiliates be obligated to divest, sell, license, transfer or otherwise dispose of any assets, or commit to any other business restriction or undertaking, to obtain clearance under the HSR Act pursuant to this Section 1.9.

1.10 Retained Rights; No Assumed Obligations; Seller Authority. Notwithstanding any provision in this Agreement to the contrary:

(a) Upon each of the First Closing Date, the Second Closing Date and the Third Closing Date, Purchaser is acquiring only the rights to the Purchased Receivables relating to the Product Payments specified in Section 2.1 and does not, by purchase of such rights, acquire any other assets or rights to assets of Seller or its Affiliates other than the Purchased Receivables relating to such Product Payments;

(b) Purchaser does not, by purchase of any Purchased Receivables hereunder, assume any Liability of Seller or any of its Affiliates; all such Liabilities will be retained by and remain Liabilities of Seller or its Affiliates;

(c) None of Purchaser's Affiliates will be bound by this Agreement, unless Purchaser otherwise expressly agrees in writing or Purchaser transfers this Agreement to an Affiliate pursuant to Section 9.3; and

(d) Except as otherwise expressly provided in this Agreement, Seller has sole responsibility for the research, development, commercialization and exploitation of Product, including regulatory compliance, intellectual property protection, manufacturing, marketing, clinical development, distribution, sales, product liability and reimbursement with respect thereto.

ARTICLE 2

PURCHASED PRODUCT ROYALTIES; RECORDS AND AUDITS

2.1 Payments Due to Purchaser.

(a)

(i) Subject to the terms and conditions provided in this Agreement, Purchaser shall purchase from Seller the percentages of Product Payments specified in this Section 2.1 in up to three separate purchases (as applicable, the "***First Purchase***," the "***Second Purchase***" and the "***Third Purchase***"). In each such purchase, Purchaser shall purchase and accept from Seller, and Seller shall sell, convey, transfer, and assign to Purchaser, all of Seller's right, title and interest in [**] percent ([**]%) of Product Payments. Accordingly, Purchaser shall possess all right, title and interest in (i) [**] percent ([**]%) of Product Payments from and after the First Closing if the First Closing occurs, (ii) [**] percent ([**]%) of Product Payments from and after the Second Closing if the First Closing and the Second Closing both occur and (iii) [**] percent ([**]%) of Product Payments from and after the Third Closing if the First Closing, the Second Closing and the Third Closing all occur (as applicable, the ***"Purchased Product Royalty"***).

(ii) The Purchased Product Royalty will be calculated and payable by Seller or its Affiliates on a Calendar Quarter basis during the Royalty Period. Seller will, or will cause its Affiliates to pay to Purchaser the applicable royalty amount (i) with respect to each of the first, second and third Calendar Quarters in a given Calendar Year, within [**] days after the end of each such Calendar Quarter, and (ii) with respect to the fourth Calendar Quarter in a given Calendar Year, within [**] days after the end of such Calendar Quarter.

(b) The payments made by Seller to Purchaser pursuant to Section 2.1(a) shall be made based on Seller's accrual accounting system provided such system is in accordance with GAAP or International Financial Reporting Standards (as applicable). Adjustments made to accrued amounts used to calculate the Purchased Product Royalty for a Calendar Quarter after the payment of such Purchased Product Royalty shall be applied to correspondingly adjust calculations of the Purchased Product Royalty for subsequent Calendar Quarters when such adjustments are made. Seller shall provide to Purchaser documentation reasonably necessary to explain or support such adjustments.

(c) All payments of Purchased Product Royalty under this Section 2.1 and any other payment made by Seller or its Affiliates to Purchaser under this Agreement will be made in U.S. dollars by wire transfer of immediately available funds, free and clear of all Encumbrances and without offset or reduction by Seller or its Affiliates of any kind (except pursuant to the reconciliation procedures under this Section 2.1 or pursuant to Section 2.4), to such account as Purchaser will notify Seller in writing.

(d) Seller will, and will cause its Affiliates to, hold in trust for the benefit of Purchaser any portion of Product Payments constituting Purchased Receivables until such funds are paid to Purchaser within the time period provided therefor under this Agreement.

(e) In the event that Applicable Laws in any country render it impossible or illegal for Seller or any of its Affiliates, licensees or sublicensees to transfer, or have transferred on its behalf, Purchased Product Royalty payments to Purchaser, Seller or its Affiliate shall promptly notify Purchaser of the conditions preventing such transfer and such Purchased Product Royalty payments shall be deposited in local currency in the relevant country to the credit of Purchaser in a recognized banking institution designated by Purchaser or, if none is designated by Purchaser within a period of [**] days, in a recognized banking institution selected by Seller or its Affiliate, licensee or sublicensee, as the case may be, and identified in a notice given to Purchaser.

2.2 Deliverables Due to Purchaser.

(a) Each Calendar Quarter during the Royalty Period, concurrently with Seller's payment of the Purchased Product Royalty for such Calendar Quarter pursuant to Section 2.1(a)(ii), Seller will send a written report to Purchaser showing (i) the Product Net Sales for the Calendar Quarter in question (and for that Calendar Year to date), specifying in reasonable detail how such Product Net Sales were calculated, (ii) a breakdown of such Product Net Sales by Product and country, (iii) other Product Payments actually received in the Calendar Quarter in question, (iv) the royalty rate used to calculate such Purchased Product Royalty payment for such Calendar Quarter, and (v) the calculation of the Purchased Product Royalty owed and paid for such Calendar Quarter, certified on behalf of Seller by an executive officer of Seller as true and complete in all material respects (each such report, a ***"Royalty Report"***). Seller shall require its Affiliates, licensees and sublicensees to report to Seller information relating to Product Net Sales as necessary to enable Seller to comply with Seller's obligations under this Section 2.2(a).

(b) Within [**] days after the end of each of the first three Calendar Quarters of a Calendar Year during the Royalty Period, Seller will provide Purchaser with copies of the unaudited balance sheets of Seller and its consolidated Affiliates for the corresponding Calendar Quarter, the related unaudited consolidated statements of income and cash flows for such Calendar Quarter and the notes, if any, to such financial statements (the "***Unaudited Financial Statements***") certified on behalf of Seller by an executive officer of Seller as true and complete in all material respects; provided that, following a Change of Control of Seller, such obligation to provide Unaudited Financial Statements pursuant to this Section 2.2(b) shall be limited to financial statements of Seller or the surviving entity that combines with Seller or acquires Seller's Product assets, and shall not apply to any Affiliates of such acquiring entity.

(c) Each Calendar Quarter following the commencement of the Royalty Period, Seller will provide Purchaser with a written statement, which describes the approximate level of resources (both monetary and personnel) Seller plans to allocate to the promotion and marketing of Product in the Territory for the Calendar Quarter immediately following the Calendar Quarter related to such payment (each such statement, a ***"Resource Allocation Statement"***); provided that, following a Change of Control of Seller, such obligation to provide Resource Allocation Statements shall be limited to providing such statements on [**] basis.

(d) Each Calendar Quarter during the Royalty Period, Seller will provide Purchaser with a written statement, which describes the actual level of resources (both monetary and personnel) allocated to the promotion and marketing of Product in the Territory for the Calendar Quarter immediately preceding the Calendar Quarter for which such payment is due, certified on behalf of Seller by an executive officer of Seller as true and complete in all material respects; provided that, following a Change of Control of Seller, such obligation to provide such statements shall be limited to providing such statements on [**] basis.

(e) Within [**] days after the end of each Calendar Year during the Royalty Period, Seller will provide Purchaser with copies of the audited balance sheets of Seller and its consolidated subsidiaries for such Calendar Year, the related audited consolidated statements of income and cash flows for such Calendar Year, the notes to such financial statements, the report on such audited information by Ernst & Young (or such other independent certified public accounting firm as the Seller determines), certified on behalf of Seller by an executive officer of Seller as true and complete in all material respects.

(f) Notwithstanding the foregoing provisions of this Section 2.2, Seller shall not be required to provide Purchaser with the information and documents specified in Section 2.2(b), (c), (d) or (e) as to any period for which Purchaser receives information as a "Major Investor" pursuant to Seller's Third Amended and Restated Investors' Rights Agreement, as such agreement may be amended after the Effective Date.

(g) Notwithstanding the foregoing provisions of this Section 2.2, Seller shall not be required to provide Purchaser with the information and documents specified in Section 2.2(b) or (e) as to any period for which Seller or any of its consolidated Affiliates is subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended.

2.3 Records; Audit Rights.

(a) Seller will, and will cause its Affiliates, licensees and sublicensees to keep and maintain, for a period of [**] Calendar Years from the end of an applicable Calendar Year, accounts and records of all data reasonably required to verify Product Payments and Royalty Reports and to verify and calculate the amounts to be paid to Purchaser under this Agreement, and to verify the expenses for which the Purchase Price proceeds were used. Seller shall require its Affiliates, licensees and sublicensees conducting activities with respect to Products to report to Seller all information required to be provided to Purchaser pursuant to Section 2.2(a). Purchaser shall treat such information as Confidential Information of Seller.

(b) During the Term and for [**] Calendar Years thereafter, during normal business hours and upon at least [**] Business Days' prior written notice to Seller, but no more frequently than [**] per Calendar Year (unless a prior audit has determined that Seller has under-reported Product Payments by more than [**] percent ([**]%) for a Calendar Year, in which case Purchaser shall be entitled to [**]), and no more than [**] with respect to each [**] during the Royalty Period, Purchaser shall have the right to audit, through an independent certified public accountant selected by Purchaser that is acceptable to Seller (which acceptance will not be unreasonably withheld, conditioned or delayed), those accounts and records of Seller and Seller's Affiliates as may be reasonably necessary to verify the accuracy of the Royalty Reports and the amounts received by Purchaser (provided, however, that, prior to conducting any such audit, such accountant will have entered into a confidentiality agreement in form and substance reasonably satisfactory to Seller). Purchaser's independent certified public accountant will keep confidential all information obtained during such audit and will issue a written report to Purchaser and to Seller with only: (i) the actual amount of Product Net Sales made during the Calendar Year(s) in question, (ii) the resulting over- or under-payment of Purchased Product Royalty to Purchaser that occurred during the Calendar Year(s) in question; and (iii) the details of any discrepancies between the Purchased Product Royalty that was paid and the Purchased Product Royalty that should have been paid. The Seller's determination of the actual amount of Purchased Product Royalty to be paid to Purchaser under this Agreement with respect to any Calendar Year will be binding and conclusive on the Parties upon the expiration of [**] Calendar Years following the end of such Calendar Year, unless an audit of such Calendar Year has been initiated before the expiration of such [**] Calendar Year period and is ongoing, in which case the determination of Purchased Product Royalty shall be based on the results of such audit and, if applicable, the resolution of any dispute between the Parties regarding such results. Either Party shall have the right to dispute the results of any audit conducted pursuant to this Section 2.3 by giving written notice to the other Party of such dispute within [**] Business Days of Seller's receipt of the audit report, in which case such dispute shall be resolved in accordance with Section 9.10.

(c) Purchaser is solely responsible for all the expenses of the independent certified accountant, unless the independent certified public accountant's report (or subsequent dispute resolution, if Seller disputes such report) shows any underpayment by Seller exceeding [**] percent ([**]%) of the payment owed to Purchaser for any of the Calendar Years then being

reviewed. If the independent certified public accountant's report (or subsequent dispute resolution, if Seller disputes such report) shows that Seller underpaid Purchaser by more than [**] percent ([**]%), Seller shall be responsible for the reasonable expenses incurred by Purchaser for the independent certified public accountant's services for such audit. Any payment owed by one Party to another as a result of the audit shall be made within [**] Business Days of the receipt of the audit report (or the final determination of dispute resolution, if a Party disputes such report), free and clear of any and all Encumbrances. In addition, any payment under this Section 2.3 shall bear interest in accordance with Section 2.5.

(d) Upon written request of Purchaser, Seller shall conduct an audit of Product Net Sales by its Affiliates, licensees or sublicensees necessary to confirm the reports provided by such Persons to Seller as set forth in Section 2.3(a). Seller shall require such Persons to agree to allow Seller to conduct such audit on terms substantially similar to those provided in Section 2.3(a).

2.4 Taxes.

(a) Except as otherwise set forth in this Section 2.4, all payments made by one Party to the other Party under this Agreement shall be made free and clear of any withholding or other Tax.

(b) Seller shall be entitled to deduct and withhold from any payments payable or otherwise deliverable pursuant to this Agreement such amounts as Seller and Purchaser reasonably agree is required to be deducted or withheld therefrom under any provision of federal, state, local or foreign Tax law. If Seller and Purchaser are unable to agree on whether withholding is required (or on the amount of the required withholding), the Parties shall refer the matter to a mutually agreeable independent accounting firm (the "***Arbitrator***"), whose decision shall be binding on the Parties. The fees and expenses of the Arbitrator shall be borne by the Party against whom the Arbitrator decides. If the Parties are unable to agree on whether withholding is required (or on the amount of the required withholding), Seller shall delay making the payment to Purchaser of either the entire amount, or if Purchaser so requests in writing promptly after the Arbitrator is engaged to resolve such issue, only the amount that Seller believes should be withheld, in either case until such matter is resolved pursuant to this Section 2.4(b). Any such delayed payment shall, to the extent of such delay, be deemed not to be a late payment and no late payment interest shall be payable pursuant to Section 2.5 in respect thereof.

(c) If Purchaser is entitled under any applicable Tax treaty to a reduction in the rate of, or the elimination of, applicable withholding Tax, it may deliver to Seller or the appropriate Governmental Authority (with the assistance of Seller to the extent that such assistance is reasonably required and requested by Purchaser in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve Seller of its obligation to withhold Tax, and Seller shall apply the reduced rate of withholding, or dispense with withholding, as the case may be, provided that Seller has received evidence, in a form reasonably satisfactory to Seller, of Purchaser's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) prior to the time at which the payments are due (as such time may be delayed pursuant to Section 2.4(b)).

(d) If, in accordance with the foregoing, Seller withholds any amount, it shall (i) timely remit to Purchaser the balance of such payment; (ii) timely remit the full amount withheld to the proper Governmental Authority; and (iii) send to Purchaser written proof of remittance of the full amount withheld within [**] days following remittance. For purposes of this Agreement, any amount so withheld and paid over to the applicable Governmental Authority shall be considered to have been paid to Purchaser at the time so withheld.

(e) Purchaser and Seller further agree to furnish or cause to be furnished to each other, upon request, in a timely manner, such information (including access to books and records) and assistance as is reasonably necessary for the filing of any tax return relating to Taxes withheld by Seller from payments made to Purchaser pursuant to this Section 2.4.

2.5 Interest. In the event a payment under this Agreement is not made when due hereunder, the amount of such outstanding payment will accrue interest (from the date such payment is due through and including the date on which full payment is made) at an annual rate equal to the lesser of (a) [**] percent ([**]%) plus the Prime Rate on the date when the payment was due and calculated daily on the basis of a 365-day or 366-day year, as applicable or (b) the maximum rate permitted under Applicable Law. Payment of accrued interest will accompany payment of the outstanding payment. ***"Prime Rate"*** means the prime rate as reported in The Wall Street Journal, Eastern U.S. Edition, on the date such payment is due.

2.6 No Other Compensation. Purchaser and Seller hereby agree that the terms of this Agreement fully define all consideration, compensation and benefits, monetary or otherwise, to be paid, granted or delivered by Purchaser to Seller and by Seller to Purchaser in connection with the Purchase Price and the Purchased Receivables. Neither Seller nor Purchaser have previously paid or entered into any other commitment to pay, whether orally or in writing, any Seller or Purchaser employee, directly or indirectly, any consideration, compensation or benefits, monetary or otherwise, in connection with the Purchase Price and the Purchased Receivables.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller represents and warrants to Purchaser, as of the First Closing Date, except as otherwise set forth on the Disclosure Schedule attached as Schedule 3.1 to this Agreement, as follows:

(a) Organization. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Seller is duly qualified to do business as a foreign corporation and is in good standing in every jurisdiction in which the failure to do so shall reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect.

(b) Ownership Rights. Seller is the sole owner of all legal and equitable title to the Purchased Receivables, entitled to exercise its rights in connection therewith, free and clear of all Encumbrances, other than Permitted Encumbrances, such that, upon consummation of this Agreement, Purchaser will become entitled to receive, free and clear of all Encumbrances,

other than Permitted Encumbrances, the Purchased Receivables. Seller has not pledged, sold, transferred, conveyed, assigned or delivered any interest in the Purchased Receivables to any other Person, or agreed to do so, and Seller has the full right, power and authority to sell, transfer, convey, assign and deliver the Purchased Receivables to Purchaser, free and clear of all Encumbrances, other than the Permitted Encumbrances. Subject to any potential Recharacterization, upon the sale, transfer, conveyance, assignment and delivery of the Purchased Receivables to Purchaser pursuant to this Agreement, Purchaser will be the sole owner of all legal and equitable title to the Purchased Receivables, free and clear of any Encumbrances, other than the Permitted Encumbrances.

(c) Authorization. Seller has all requisite corporate power, right and authority and all Material Licenses, authorizations, consents and approvals of all Governmental Authorities (excluding marketing and pricing approvals for any Product and excluding any clearance under the HSR Act) required to carry on its business as it is presently carried on by Seller, to enter into, execute and deliver this Agreement, the other Transaction Documents to which it is a party and the other documents to be delivered by Seller pursuant to Sections 1.5 and 1.7, to sell, assign, transfer, convey and deliver the Purchased Receivables to Purchaser and to perform all of the covenants, agreements, and obligations to be performed by Seller under the Transaction Documents. The Transaction Documents to which Seller is a party have been duly executed and delivered by an authorized officer of Seller and each constitutes Seller's valid and binding obligation, enforceable against Seller in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally and to equitable principles (whether considered in a Proceeding in equity or at law).

(d) No Conflicts. Neither the execution and delivery of this Agreement or the other Transaction Documents by Seller nor the performance or consummation of this Agreement or the other Transaction Documents to which Seller is a party or the transactions contemplated hereby or thereby by Seller will: (i) contravene or conflict with, result in a Breach or violation of, constitute a default or accelerate the performance under (with due notice or lapse of time or both), in any respect, the terms of (A) to Seller's Knowledge, any Applicable Law, (B) any provisions of the certificate of incorporation or bylaws (or other organizational or constitutional documents) of Seller, or (C) any material contract, agreement, or other arrangement to which Seller or any of its Affiliates is a party or by which Seller or any of its Affiliates or any of their respective assets is bound or (ii) result in the creation or imposition of any Encumbrance (except as provided in this Agreement) on the Purchased Receivables or the Additional Collateral.

(e) No Consent. The execution and delivery by Seller of this Agreement and the other Transaction Documents, and the performance by Seller of its obligations and the consummation by Seller of any of the transactions contemplated hereby and thereby, do not require any consent, approval, license, order, authorization or declaration from, notice to, action or registration by or filing with any Governmental Authority or any other Person, except for (i) the filing of proper financing statements under the UCC, (ii) the filing of a duly prepared patent security agreement in the PTO, (iii) filings required by federal securities laws or stock exchange rules, (iv) any filings or clearances required under Section 1.9 and (v) marketing and pricing approvals for the Products.

(f) Solvency. Immediately after the First Closing, (i) the fair saleable value of Seller's assets will be greater than the sum of its debts and other obligations, including contingent liabilities, (ii) the present fair saleable value of Seller's assets will be greater than the amount that would be required to pay its probable liabilities on its existing debts and other obligations, including contingent liabilities, as they become fixed and matured, (iii) Seller will not have unreasonably small capital with which to engage in its business, as currently conducted, and (iv) Seller does not have present plans or intentions to incur debts or other obligations or liabilities beyond its ability to pay such debts or other obligations or liabilities as they become fixed and matured.

(g) No Litigation. There is no Proceeding against Seller, or to the Knowledge of Seller, investigation, pending or, to the Knowledge of Seller, threatened against Seller or its Affiliates, at law or in equity (including any that challenges the validity, ownership or enforceability of any of the Product Patent Rights or Product Trademarks), which, in each case, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(h) Compliance with Laws. Seller is not in violation of, and has not violated or been given written notice of any violation of, and, to the Knowledge of Seller, is not under investigation with respect to, and has not been threatened to be charged with, any violation of, any Applicable Law that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(i) Partnering Transactions. There currently are no Partnering Transactions.

(j) Product Patent Rights; Know-How.

(i) Schedule 3.1(j) contains a complete and accurate list of all Product Patent Rights in the Territory owned by Seller and its Affiliates and those Product Patent Rights that are otherwise Controlled by Seller of which Seller has Knowledge.

(ii) Except as set forth on Schedule 3.1(j), Seller is the exclusive owner of the Product Patent Rights, free and clear of all Encumbrances, other than Permitted Encumbrances.

(iii) To Seller's Knowledge, except as set forth on Schedule 3.1(j), each of the issued Product Patent Rights (A) is valid and subsisting and no such listed Product Patent Right has lapsed, expired, been cancelled or become abandoned, and (B) is valid and enforceable.

(iv) To Seller's Knowledge, (A) no Product Patent Right has been or is now involved in any interference, reissue, reexamination, or opposition Proceeding, (B) except as would not reasonably be expected to have a Material Adverse Effect, there is no published Patent, printed publications or other prior art that would reasonably be expected to adversely affect the patentability of the inventions claimed in the Product Patent Rights listed in Schedule 3.1(j) in any material respect, and (C) there is no published Patent, printed publications or other prior art that would reasonably be expected to adversely affect the validity or enforceability of the claims of the issued Patents set forth on Schedule 3.1(j) in any material respect.

(v) No claims made to Seller in writing or Proceedings to which Seller was a party have been made or conducted or, to the Knowledge of Seller, threatened, against Seller or any of its Affiliates claiming that any of Seller's rights in the Product Patent Rights or the development, manufacture, use, sale, offer for sale or importation of any Product, infringes, misappropriates, or otherwise violates any intellectual property right of any Third Person.

(vi) To the Knowledge of the Seller, no Third Person is currently infringing, misappropriating, or otherwise violating the Product Patent Rights or other patent, patent application or Know-How Controlled by Seller in any manner that would reasonably be expected to adversely affect Seller's development or commercialization of Products in any material respect.

(vii) Seller has not received any written notice from a Third Person alleging that the current or future making, having made, use, sale, offer to sell, import or export, of Products infringes on any rights of such Third Person. There is no pending or, to the Knowledge of Seller, threatened Proceeding involving an assertion or claim that the current or future making, having made, use, sale, offer to sell, import or export, of Products infringes on any rights of such Third Person, and, to the Knowledge of Seller, the making, having made, use, sale, offer to sell, import or export, of Products does not infringe on any rights of any Third Person.

(viii) Seller has complied in all material respects with all applicable duties of candor and good faith in dealing with applicable patent offices with respect to the Product Patent Rights.

(k) Certain Regulatory Matters Regarding Product.

(i) Seller holds, and is operating in compliance with, all permits, licenses, franchises, approvals, authorizations and registrations of the FDA, EMA and other Regulatory Authorities material to the conduct of its business as currently conducted (collectively, the "***Regulatory Permits***") in all material respects, and all such Regulatory Permits are in full force and effect. Seller has fulfilled and performed all of its material obligations with respect to the Regulatory Permits, and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or result in any other material impairment of the rights of Seller as the holder of any Regulatory Permit. Seller has operated and currently is in compliance in all material respects with Applicable Law administered or enforced by the FDA, EMA and other applicable Regulatory Authorities. Seller has not received notice of any pending or threatened Proceeding from the FDA, EMA or other applicable Regulatory Authority alleging that any operation or activity of Seller is in violation of any Applicable Law and no such Proceeding is currently pending.

(ii) The clinical, pre-clinical and other studies and tests relating to Products conducted by or on behalf of or sponsored by Seller were and, if still pending, are being conducted in all material respects in accordance with standard medical and scientific research

procedures and all Applicable Law, including, but not limited to, the United States Federal Food, Drug, and Cosmetic Act and its applicable implementing regulations at 21 C.F.R. Parts 50, 54, 56, 58 and 312. No investigational new drug application filed by or on behalf of the Company with the FDA relating to a Product has been terminated or suspended by the FDA, and neither the FDA, EMA, nor any other Regulatory Authority has commenced, or, to the Knowledge of Seller, threatened to initiate, any action to place a clinical hold order on, or otherwise terminate, delay or suspend, any proposed or ongoing clinical investigation conducted or proposed to be conducted by or on behalf of Seller relating to a Product.

(iii) Seller is not the subject of any pending or, to Seller's Knowledge, threatened investigation in respect of the Seller or Product, by the FDA pursuant to its "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" Final Policy set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereto. None of the Seller and its officers, employees or agents has been convicted of any crime or engaged in any conduct that could result in a material debarment or exclusion (i) under 21 U.S.C. Section 335a, or (ii) any similar Applicable Law. As of the Effective Date, no claims, actions, proceedings or investigations that would reasonably be expected to result in such a material debarment or exclusion are pending or threatened against Seller or any of its officers, employees or agents.

(l) Product Trademarks.

(i) Schedule 3.1(l) contains a complete and accurate list of all registered Product Trademarks that exist as of the Effective Date.

(ii) Seller owns the entire right, title, and interest in, to and under the Product Trademarks, including all goodwill pertaining thereto, the right to conduct business under the Product Trademarks, the right to license others under the Product Trademarks, and all rights to sue, counterclaim and collect damages and payments for claims of past, present and future infringements, unfair competition or misappropriations thereof, and all income, royalties, damages and payments now or hereafter due or payable with respect to the Product Trademarks.

(iii) The Product Trademarks are not subject to any Encumbrance created by, though, or under Seller or any other Person, other than the Permitted Encumbrances.

(iv) Seller has not purported to transfer or assign any of the Product Trademarks to any Person.

(v) To Seller's Knowledge, all Product Trademarks are currently in compliance in all material respects with all Applicable Law (including the timely post-registration filing of affidavits of use and incontestability and renewal applications or similar documents required for such material compliance), and are valid and enforceable.

(vi) To Seller's Knowledge, no Product Trademark has been or is now involved in any opposition, invalidation or cancellation Proceeding and, to Seller's Knowledge, no such action is threatened with respect to any of the Product Trademarks.

(vii) To Seller's Knowledge, no Product Trademark is infringed or has been challenged, or threatened in writing to be challenged, by any Third Person. To Seller's Knowledge, none of the Product Trademarks used by Seller or any of its Affiliates infringes or is alleged to infringe any trade name, trademark or service mark of any Third Person.

(m) No Brokers Fees. Neither Seller nor any of its Affiliates has retained any Person to whom any brokerage commission, finder's fee or other like payment is or will be due in connection with this Agreement or the other Transaction Documents to which Seller is a party or the consummation of the transactions contemplated hereby or thereby.

(n) Subordination. The claims and rights of Purchaser created by any Transaction Document in, to and under the Purchased Receivables are not subordinated to any creditor of Seller or any other Person or Governmental Authority.

(o) UCC Representations and Warranties. Seller's exact legal name is, and has always been "Ophthotech Corporation". The principal place of business and principal executive offices of Seller have been, and the office where it keeps its books and records relating to the Product Patent Rights, Product Trademarks and the Purchased Receivables has been located at 90 Cleveland Lane, Princeton NJ 08540 (from January 5, 2007 until December 9, 2007) or 5 Vaughn Drive, Princeton, NJ 08540 (from December 10, 2007 until the Effective Date); with the Seller maintaining a satellite office at One Penn Plaza, New York, NY 10119 (from September 30, 2007 until the Effective Date). Seller's Federal Employer Identification Number is 20-818-5347. Seller has not changed its jurisdiction of organization in the five (5) years prior to the Effective Date.

(p) No Encumbrances; No Material Liabilities. Without limiting the generality of any of the representations or warranties of Seller to Purchaser herein, no Encumbrance exists on the Collateral other than Permitted Encumbrances. There are no material Liabilities of Seller or its Affiliates relating to or affecting the Purchased Receivables or the Additional Collateral, whether accrued, contingent, absolute, determined, determinable or otherwise, which would reasonably be expected to result, individually or in the aggregate, in any Material Adverse Effect.

(q) Disclosure. Seller has delivered or made available to Purchaser true and complete copies of each agreement, data, contract or other document or information that has been requested in writing by Purchaser. To the Knowledge of Seller, no representation or warranty by Seller contained in this Agreement, the Security Interest Agreement or the Bill of Sale contains any untrue statement of a material fact or omits to state any material fact necessary to make any statement contained herein or therein not misleading, in either case that would reasonably be expected to have a Material Adverse Effect; provided that, for clarity, this representation and warranty has no effect on any other representation or warranty by Seller contained in this Agreement, the Security Interest Agreement or the Bill of Sale.

(r) No Other Commitments. Neither Seller nor any of its Affiliates is a party to or otherwise bound by any contract, agreement, commitment or instrument that provides any counterparty thereto or issuer thereof with any rights, the exercise of which would reasonably be expected to conflict with Purchaser's rights or Seller's obligations under this Agreement, the Security Interest Agreement or the Bill of Sale.

(s) Taxes. Seller has timely filed with the appropriate Tax authorities all material Tax returns required to be filed, and all such Tax returns are complete and accurate in all material respects. All material Taxes due and owing by Seller (whether or not shown on any Tax returns) have been paid. No material deficiencies for Taxes of Seller have been claimed, proposed or assessed in writing by any Taxing or other Governmental Authority. There are currently no audits, assessments or other actions for or relating to any material Liability in respect of Taxes of Seller, and Seller has received no written notification that any such proceeding is pending, threatened or contemplated by any Governmental Authority, except as would not reasonably be expected to have a Material Adverse Effect.

(t) Listed Anti-PDGF Aptamers. The Listed Anti-PDGF Aptamers constitute all of the aptamers that have previously been identified in Seller's development program for Fovista as potential back-ups for Fovista or as having sufficient anti-PDGF activity to be reasonably considered as potential back-ups for Fovista.

3.2 Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller, as of the Closing Date, as follows:

(a) Organization. Purchaser is a company duly incorporated and validly existing under the laws of Denmark.

(b) Authorization. Purchaser has all necessary power, right and authority and all licenses, authorizations, consents and approvals of all Governmental Authorities (excluding any clearance under the HSR Act) required to carry on its business as it is presently carried on by Purchaser, to enter into, execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform all of the covenants, agreements, and obligations to be performed by Purchaser hereunder and under the Transaction Documents to which it is a party. This Agreement and the other Transaction Documents to which it is a party have been duly executed and delivered by Purchaser and each constitutes Purchaser's valid and binding obligation, enforceable against Purchaser in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally and to equitable principles.

(c) No Conflicts. Neither the execution and delivery of this Agreement or any other Transaction Documents by Purchaser nor the performance or consummation of this Agreement or any other Transaction Documents to which Purchaser is a party or the transactions contemplated hereby or thereby by Purchaser will contravene or conflict with, result in a Breach or violation of, constitute a default or accelerate the performance under (with due notice or lapse of time or both), in any respect, the terms of: (i) to Purchaser's Knowledge, any Applicable Law; (ii) any material contract, agreement, or other arrangement to which Purchaser is a party or by which Purchaser or any of its assets is bound or committed; or (iii) the applicable organizational or constitutional documents of Purchaser.

(d) No Consent. The execution and delivery by Purchaser of this Agreement and the other Transaction Documents, and the performance by Purchaser of its obligations and the consummation by Purchaser of any of the transactions contemplated hereby and thereby, do not require any consent, approval, license, order, authorization or declaration from, notice to,

action or registration by or filing with any Governmental Authority or any other Person, except for (i) the filing of documentation contemplated by Sections 5.5 or 5.6 or the Security Interest Agreement, (ii) filings required by federal securities laws or stock exchange rules, (iv) any filings or clearances required under Section 1.9 and (v) marketing and pricing approvals for the Products.

(e) No Brokers Fees. Neither Purchaser nor any of its Affiliates has retained any Person to whom any brokerage commission, finder's fee or other like payment is or will be due in connection with this Agreement or the other Transaction Documents to which Purchaser is a party or the consummation of the transactions contemplated hereby or thereby.

(f) Resources and Liquidity. Purchaser has as of the Effective Date, and will have prior to the First Closing Date, the Second Closing Date and the Third Closing Date, as applicable, sufficient cash to fund the First Purchase Price, the Second Purchase Price, the Third Purchase Price and any other amounts required to be paid by Purchaser in connection with the consummation of the transactions contemplated by this Agreement, and there is no restriction on the use of such cash for such purposes that would interfere with Purchaser's obligations under this Agreement. Purchaser has the financial resources and capabilities to fully perform all of its obligations under this Agreement.

3.3 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, EACH PARTY EXPRESSLY DISCLAIMS, WAIVES, RELEASES, AND RENOUNCES ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

3.4 No Guarantee. Without limiting Seller's express representations, warranties and covenants in this Agreement or obligations under this Agreement, Purchaser acknowledges that Seller cannot and does not Guarantee or otherwise assure (i) the market potential or commercial success of Fovista, (ii) that Third Persons do not have Intellectual Property or other rights, or would not take actions, that may adversely impact the development, marketing and/or commercialization of Fovista or (iii) that any Governmental Authority, insurer or other Third Person will not take any action or fail to take any action that may adversely impact the development, pricing, marketing and/or commercialization of Fovista.

ARTICLE 4
JOINT OVERSIGHT COMMITTEE.

4.1 Overview of the JOC. Seller and Purchaser shall establish a joint oversight committee in accordance with this Section 4.1 (the ***"JOC"***). The JOC shall be formed within [**] days following any point in time period during the Term at which all Person(s) designated or appointed by Purchaser or an Affiliate of Purchaser cease to hold a seat on Seller's board of directors, and thereafter shall remain in effect unless and until such a Person designated or appointed by Purchaser does hold a seat on Seller's board of directors, subject to Section 4.5. The JOC shall serve as a forum for discussing and sharing information relating to Seller's progress, itself and with or through Affiliates or Partners, in the development, manufacture and commercialization of Products.

4.2 Composition of the JOC. Each Party shall appoint [**] representatives as its members of the JOC. The Parties' respective representatives shall jointly be responsible for calling meetings, setting the agenda, circulating the agenda at least [**] days prior to each meeting and distributing minutes of the meetings within [**] days following such meetings (provided that the JOC may elect to delegate the performance of such responsibilities to individual members of the JOC from time to time). The Parties' respective representatives will coordinate with one another to schedule each JOC meeting at least [**] in advance of such meeting. Each Party's representatives shall disclose to the other Party's representatives any proposed agenda items, along with appropriate information and materials reasonably in advance of each meeting of the JOC. Each Party's members of the JOC shall have substantial experience in pharmaceutical product research and development. Each Party may replace its members of the JOC upon written notice to the other Party. From time to time, the JOC may invite personnel of either Party to participate in discussions of the JOC.

4.3 Responsibilities of the JOC. The JOC's responsibilities will include (i) reviewing progress under and (subject to Section 5.1(j)) any changes to the Fovista Development Plan and Fovista Development Timeline, and discussing the bases for such changes, (ii) performing quarterly reviews of the progress of development, manufacturing and commercialization of Fovista or, if applicable, other Products, and activities with respect to the filing, prosecution, registration, maintenance and enforcement of the Product Patent Rights or the Product Trademarks; (iii) reviewing progress toward obtaining Regulatory Approval of Products, including relevant filings with Regulatory Authorities, (iv) reviewing any proposal to stop, impose a hold on or otherwise suspend any clinical trial for a Product, (v) reviewing and discussing initial commercialization plans and sales forecasts for Fovista or other Products; (vi) discussing information with respect to developments with respect to any Partnering Transactions relating to Products, Material Licenses, Seller's and Third Person's Intellectual Property relating to Products or competitive products, potential or actual infringement or misappropriation of the Product Patent Rights and challenges to or enforcement of such Patents, or any Proceedings with respect to the foregoing, (vii) facilitating the exchange of information and materials with respect to the foregoing, and with respect to other information required to be provided to Purchaser under this Agreement, (viii) performing such other functions as appropriate to further the purposes of this Agreement as determined by the Parties. Notwithstanding the foregoing, the Parties acknowledge that (A) Seller must be enabled to comply with any confidentiality obligations to its Partners and accordingly, the JOC shall structure its meetings so as to observe Seller's confidentiality obligations to its Partners, provided that Seller shall use Commercially Reasonable Efforts to obtain from its Partners permission to disclose the foregoing information to Purchaser, subject to Purchaser's confidentiality obligations and (B) Purchaser's JOC representatives may be excluded from access to any information or material of Seller if the Seller determines in good faith that such exclusion is reasonably necessary to preserve the attorney-client privilege or to protect highly confidential proprietary information.

4.4 Meetings of the JOC. The JOC shall hold meetings at Seller's offices or at such other times and places as may be agreed by the members of the JOC, but in no event shall such meetings be held less frequently than once every [**] months during time periods when it is in

existence. Meetings of the JOC will be effective only if [**] representatives of each Party are in attendance or participating in the meeting. Each Party will be responsible for the expenses incurred in connection with its employees, consultants and its members of the JOC attending or otherwise participating in JOC meetings.

4.5 Disbanding. Purchaser shall have the right in its sole discretion to disband the JOC and, after doing so, subject to Section 4.1, to recommence its participation in the JOC, in each case upon advance written notice to Seller.

ARTICLE 5
COVENANTS OF SELLER; SECURITY INTEREST

Seller covenants and agrees with Purchaser that for the duration of the Term, Seller will perform the obligations set forth below:

5.1 Seller's Responsibilities.

(a) Except as otherwise set forth in Section 1.8(k), Seller (directly or with or through a Partner), shall use Commercially Reasonable Efforts to do the following:

(i) complete activities under the Fovista Development Plan substantially in accordance with the Fovista Development Timeline;

(ii) apply for, in accordance with the Fovista Development Plan and Fovista Development Timeline, and obtain and maintain, Regulatory Approval of Fovista for the treatment of AMD in at least the Major Markets;

(iii) provide, or require Third Person suppliers or licensees or sublicensees to provide, a consistent supply of the Product to meet Seller's and its Affiliates', licensees' and sublicensees' requirements of Product for clinical and commercial purposes, except to the extent that failure to provide, or to require provision of, such supply would not adversely affect the development or commercialization of Products in any material respect;

(iv) comply with any and all requirements for post-marketing follow-up studies imposed by Regulatory Authorities with respect to Products, and information reporting requirements with respect to Products in accordance with Applicable Laws, except to the extent that noncompliance would not adversely affect the development or commercialization of Products in any material respect; and

(v) commercialize Fovista, on a country by country basis, after obtaining Regulatory Approval of Fovista in such country.

Seller's obligations to use Commercially Reasonable Efforts as specified in this Section 5.1(a) will extend to all activities with respect to Fovista set forth in the Fovista Development Plan without regard for whether or not Seller obtains additional financing beyond the Purchase Price paid by Purchaser hereunder, but notwithstanding the foregoing, prior to the occurrence of Seller entering into a Partnering Transaction pursuant to which Seller has granted or committed to grant to a Third Person a license or other right to develop and commercialize Products in at

least one Major Market and such Third Person either provides substantial funding or assumes substantial financial responsibility for Fovista Development Plan or other development or commercialization activities for Fovista, or the closing of a Change of Control of Seller, such obligations with respect to activities for Fovista beyond those in the Fovista Development Plan, including commercialization activities, shall be subject to Seller's obtaining any additional financing necessary to carry out such activities. If Purchaser's obligations to close the Second Purchase and/or Third Purchase are terminated pursuant to Section 1.8(c) because the representation in the second sentence of Section 3.1(p) is not true, then notwithstanding anything to the contrary in this Section 5.1, Seller's obligations to use Commercially Reasonable Efforts as specified in this Section 5.1 shall be limited to conducting activities that can reasonably be conducted using the then-unspent portions of the Purchase Price that Purchaser paid to Seller prior to such termination and of proceeds received by Seller from any Partnering Transaction.

(b) If Seller decides to commercialize Fovista itself or through its Affiliates in one or more countries, Seller shall establish a trained sales force sufficiently in advance, as reasonably determined by Seller, of the anticipated Commercial Launch of Fovista in such country(ies). Any such sales force shall have an appropriate size given the market potential, competitive position of the Product, regional variation in forecasted demand, industry practices and other factors relevant to determining the size of such sales force. If Seller decides to commercialize Fovista with or through Partners in one or more countries, Seller shall select Partners for such purpose having, or having resources enabling such Partners to field, appropriate sales capabilities in the relevant countries for such purpose, as reasonably determined by Seller.

(c) Seller shall establish good faith working forecasts for Fovista sales following Regulatory Approval of Fovista, and provide such forecasts to Purchaser (such information may be provided through the JOC when it is in effect).

(d) If the development of Fovista is terminated or suspended for more than [**] months, then Seller shall, if consistent with using Commercially Reasonable Efforts, select an alternative Product described in subsection (b) of the definition of "Product" to develop in place of Fovista, and thereafter use Commercially Reasonable Efforts to develop, seek regulatory approval for, and commercialize such alternative Product on terms and conditions substantially similar to those provided in this Article 4, provided that Seller shall not be obligated to [**]. If Seller terminates development of all Products described in subsections (a) and (b) of the definition of "Product", and Seller, or, acting pursuant to a license from Seller with respect to antagonists of PDGF, Seller's Affiliates, licensees or sublicensees, research or develop products that are not described in subsections (a) and (b) of the definition of "Product" but that are antagonists of PDGF (***"Other Products"***), then prior to the earlier of (A) the end of the [**] year period following the date upon which all development of Products described in subsections (a) and (b) of the definition of "Product" terminates, or (B) the [**] anniversary of the Effective Date, then such Other Products shall become Products (even if such Other Products are not Covered by the Product Patent Rights). Notwithstanding the foregoing, if any Other Product is developed [**], and the proceeds of the Purchase Price are [**], then, notwithstanding subsection (c) of the definition of "Product," such Other Product shall be [**] (for clarity, if Seller uses the Purchase Price to fund [**] the development of such Other Product [**] and such [**], then such Other Product developed [**].

(e) If Seller selects an alternative Product to develop after the development of Fovista is terminated in accordance with Section 5.1(d), Seller shall propose an updated Fovista Development Plan and Fovista Development Timeline that shall govern the development of such alternative Product.

(f) Within [**] days after the First Closing Date, Seller shall [**]. Seller shall [**].

(g) As between Seller and Purchaser, Seller shall fund all expenses associated with the discovery, development and commercialization of Product, including the Funded Activities.

(h) With respect to the performance of this Agreement and the activities contemplated hereby, Seller will, and will require its Affiliates and sublicensees to, comply with all Applicable Law, except where compliance therewith is contested in good faith by appropriate proceedings or except as would not reasonably be expected to have a Material Adverse Effect.

(i) Seller shall not modify the Fovista Development Plan or the Fovista Development Timeline in any material manner without Purchaser's written consent, which Purchaser shall not unreasonably withhold, delay or condition. It shall be unreasonable for Purchaser to withhold its consent, without limitation, if any modifications to such plan or timeline are required by a Regulatory Authorities.

(j) Seller will not, without the prior written consent of Purchaser:

(i) create, grant or allow to exist any Encumbrance on any of the Collateral other than (A) as required under this Agreement and (B) Permitted Encumbrances; or

(ii) commit to do or engage in any of the foregoing.

5.2 Seller's Obligations with Respect to IP and In-Licenses.

(a) Seller shall, and shall cause its Affiliates (where applicable) to, use Commercially Reasonable Efforts to file, prosecute and maintain Patents included in the Product Patent Rights, including without limitation Patents Covering material new inventions arising after the Effective Date relating to the composition, manufacture, use, formulation, administration or other aspects of Products (but, with respect to such Patents licensed to Seller, only to the extent permitted under the applicable license agreements, including the In-License Agreements) ("New Patents"), and to use reasonable business judgment in determining whether to enforce such Patents against Third Person infringers commercializing competitive products (and, so long as Seller has determined to enforce such Patents, Seller shall, and shall cause its Affiliates (as applicable) to, use Commercially Reasonable Efforts to do so, to the extent it has the right to do so under the In-License Agreements or other applicable license agreements). Without diminishing the foregoing obligation, subject to any limitations on Seller's right to do so pursuant to the In-License Agreements or other applicable license agreements, Seller shall permit Purchaser to enforce such Patents against such Third Person infringers commercializing competitive products if for any reason Seller and its Affiliates, licensors, licensees and sublicensees do not do so within [**] days after Seller learns of such infringement. If Purchaser

so elects to enforce such rights, Seller shall, and shall require its Affiliates, licensees and sublicensees to, cooperate at Purchaser's expense in enforcing such Patents against such infringers, and after Seller's licensors under the In-License Agreements or other applicable license agreements have been paid their shares of the proceeds from such enforcement action, if applicable, any remaining proceeds shall first be allocated to reimburse Purchaser for its out-of-pocket expenses in prosecuting such enforcement action and then [**] percent ([**]%) of any remaining proceeds shall be paid to Seller (but deemed not to be Product-Related Damages). Seller shall promptly notify Purchaser if Seller learns of potential or actual infringement of the Product Patent Rights and shall keep Purchaser updated periodically on any plans known to Seller for actions to be, or that have been, taken by Seller, its Affiliates, licensors, licensees and sublicensees to enforce such Patents against such infringement or otherwise to cause such infringement to cease (unless Purchaser has elected to pursue such enforcement as provided above, in which case Purchaser shall keep Seller updated on such enforcement activities). Seller shall, promptly after filing any applications for New Patents or any applications for or registrations of trademarks with a Governmental Authority, file all documents necessary to perfect Purchaser's security interest therein as Additional Collateral.

(b) Seller will, and will cause its Affiliates (as applicable) to, use Commercially Reasonable Efforts to maintain Know-How related to Products that is Controlled by Seller in confidence, subject to Seller's right to exercise reasonable business judgment in disclosing Know-How in a manner consistent with Seller's normal business practices relating to the protection of Seller's proprietary information.

(c) With respect to the Product Trademarks, Seller will, and will cause its Affiliates (as applicable) to, use Commercially Reasonable Efforts to (i) prosecute pending trademark applications and (ii) maintain, keep in full force and effect and seek available trademark term extensions for such trademarks, subject to Seller's right to exercise reasonable business judgment in maintaining trademark protection for the Products in a manner consistent with Seller's normal business practices.

(d) Seller shall not terminate or amend in any respect that would have a Material Adverse Effect any material licenses necessary to develop, manufacture or commercialize Products, including the In-Licenses ("***Material Licenses***") without Purchaser's prior written consent, which Purchaser shall not unreasonably withhold, delay or condition; provided that, Seller may terminate or allow to lapse its Expanded Field (as such term is defined in the Archemix In-License) rights under the Archemix In-License without Purchaser's prior written consent.

(e) Seller shall cure within the applicable grace period any material Breach of any Material License that, if uncured, would enable the licensor to have the right to terminate such license or diminish Seller's rights thereunder.

(f) Other than Permitted Encumbrances, Seller shall not, and shall cause its Affiliates not to, pledge or grant a security interest to a Third Person in any Intellectual Property that is Controlled by Seller or, if applicable its Affiliates, and primarily related to Products or that cover the manufacture, use, composition, administration, delivery or formulation of Products or components thereof, or are otherwise incorporated into Products.

(g) Other than Permitted Encumbrances, Seller shall not grant to any Affiliate or Third Person any right to receive any royalty on sales of Products or other interest in revenues from sales of Products that would conflict with or diminish the interest of Purchaser in the Product Payments.

(h) Seller shall not sell, transfer or out-license Intellectual Property that primarily relates to Products or that cover the manufacture, use, composition, administration, delivery or formulation of Products or components thereof, or is otherwise incorporated into Products, in any transaction that would allow a Third Person to use such Intellectual Property to develop or commercialize a product competitive with Products.

(i) Seller shall structure any Partnering Transaction, or any other grant to an Affiliate or Third Person of rights to make, use, sell, offer for sale or import Products, so as not to conflict or be inconsistent with, Seller's obligations or Purchaser's rights under this Agreement and not to create any Encumbrance (other than Permitted Encumbrances) on the Collateral.

(j) Seller shall structure any Change of Control, or any sale or transfer of any rights related to Products so as to require the acquirer or transferee to comply with, or, if Seller will survive such transaction, so that Seller remains obligated to comply with, and so as not to conflict or be inconsistent with, Seller's obligations and Purchaser's rights under this Agreement. Seller shall notify Purchaser in writing upon the effective date of any agreement governing a transaction described in this Section 5.2(j).

(k) Seller shall remain liable to Purchaser for its performance under this Agreement notwithstanding any Partnering Transaction or any Change of Control or sale or transfer of rights described in Sections 5.2(i) and (j).

(l) Seller shall, upon written request by Purchaser, keep Purchaser informed directly or, if applicable, through the JOC or Purchaser's designee on Seller's board of directors, regarding efforts to negotiate a Partnering Transaction, sale or transfer or any rights related to Products at a reasonable level of detail commensurate with the type of information provided to Seller's board of directors. Upon execution of any such transaction, Seller shall provide Purchaser a copy of the agreement governing such transaction along with sufficient information to confirm that the transaction does not conflict with this Agreement as required hereunder, and, in the case of an acquisition or transfer (but not in the case of a license or sublicense) that the acquirer or transferee has assumed such obligations and agreed to abide by this Agreement, or, if Seller will survive such transaction, that Seller remains required to comply with this Agreement, including the requirements described in Sections 5.2(j) and (k) above. Notwithstanding the foregoing, the Parties acknowledge that, in providing information to Purchaser pursuant to this Section 5.2(l), (A) Seller must be enabled to comply with any confidentiality obligations to its Partners; provided that Seller shall use Commercially Reasonable Efforts to obtain from its Partners permission to disclose the foregoing information to Purchaser, subject to Purchaser's confidentiality obligations and (B) Purchaser may be excluded from access to any information or material of Seller if Seller determines in good faith that such exclusion is reasonably necessary to preserve the attorney-client privilege or to protect highly confidential proprietary information.

(m) To the extent within Seller's Knowledge, Seller shall provide to Purchaser reports of material events and activities occurring with respect to the filing, prosecution, maintenance and enforcement of the Product Patent Rights or other Intellectual Property Controlled by Seller or its Affiliates relating to Products, or Intellectual Property of Third Persons that is relevant to Products, no less frequently than [**] each Calendar Quarter (with such reports being provided directly to Seller, or to Seller through the JOC or Purchaser's designee on Seller's board of directors).

(n) Promptly following the Effective Date, Seller shall use Commercially Reasonable Efforts to obtain all Third Person consents necessary to include Seller's interests in the In-Licenses in the Additional Collateral.

5.3 Reimbursement of Fees and Expenses. Except as provided in Section 1.9, Seller shall bear its own expenses and legal fees incurred on its behalf with respect to this Agreement and the transactions contemplated hereby. Except as provided in Section 1.9, Seller shall reimburse all of Purchaser's reasonable out-of-pocket expenses and legal fees incurred with respect to this Agreement and the transactions contemplated hereby, including in connection with the negotiation of, and conduct of closings under, this Agreement and the other Transaction Documents, provided that such reimbursement shall not exceed, for fees for legal work conducted prior to and through the First Closing, an aggregate of $[**] (the "***Cap***"). Within [**] days following the First Closing, Seller shall reimburse all such documented expenses and legal fees incurred by Purchaser prior to and through the First Closing, subject to the Cap on legal fees and expenses. Within [**] days following the Second Closing and Third Closing, as applicable, Seller shall reimburse all such documented expenses and legal fees not previously reimbursed and incurred by Purchaser after the First Closing or Second Closing, as applicable, and prior to and through such closing.

5.4 Provision of Other Information.

(a) Seller shall provide to Purchaser information known to Seller (to the extent such information is not provided to Purchaser through the board of directors of Seller or the JOC) with respect to the following matters:

(i) material developments under any license agreements relating to Products and other material information requested in writing by Purchaser relating to such license agreements;

(ii) information relating to Seller's and Third Persons' Intellectual Property relating to Products or competitive products (including without limitation developments relating to allegations of infringement, invalidity, enforceability, oppositions, interferences and similar proceedings) that could reasonably be expected to adversely affect development or commercialization of Products in any material respect, and any other material information requested in writing by Purchaser relating to such Intellectual Property, upon written request by Purchaser; and

(iii) material interactions and communications with Regulatory Authorities with respect to Products, and any other material information requested in writing by Purchaser relating to interactions and communications with Regulatory Authorities with respect to Products.

(b) Additionally, without limiting subsection (a), Seller shall notify Purchaser in writing as to the following matters within [**] Business Days (unless otherwise provided below) after Seller obtains Knowledge thereof:

(i) the filing of a DAA for a Product or an investigational new drug application for any new formulation of Fovista or any other Product;

(ii) the receipt by Seller, its Affiliates, licensees or sublicensees of any written communication from a Governmental Authority pertaining to a revocation, withdrawal, suspension, cancellation, termination or material modification of any DAA or other material approval by Governmental Authorities with respect to Products;

(iii) any decision of Seller to terminate the development and/or commercialization of any particular Product;

(iv) the receipt by Seller, its Affiliates, licensees or sublicensees of any written certification filed under the U.S. Drug Price Competition and Patent Term Restoration Act of 1984, or any other written communication, alleging or claiming that any Patent in the Product Patent Rights (or any claims in such documents) is invalid or that no infringement of a Patent in the Product Patent Rights will arise from the manufacture, use, import, export, offer for sale or sale of a product by a Third Person;

(v) the actual commencement of (or receipt by Seller of written notice of the threatened commencement of) any Proceeding to which Seller is (or, if commenced, would be) a Party related to Product, including such Proceedings alleging a Third Person's infringement or misappropriation of the Product Patent Rights or Product Trademarks and such Proceedings alleging Seller's or its Affiliate's (or any of their respective licensees' or sublicensees') infringement or misappropriation of a Third Person's Intellectual Property in the manufacture, use, sale, offer for sale or importation of a Product, to the extent any such matter referenced above would reasonably be expected to result in a Material Adverse Effect;

(vi) in the event Seller, its Affiliates, licensees or sublicensees are debarred, excluded, suspended, or otherwise ineligible to participate in federal health care programs in the United States, such as Medicare or Medicaid, or in federal procurement or other federal programs applicable to Products;

(vii) in the event Seller, its Affiliates, licensees or sublicensees become party to a settlement, consent or similar material agreement with any Governmental Authority regarding a Product;

(viii) in the event Seller, its Affiliates, licensees or sublicensees are charged by a Governmental Authority with, or convicted of, violating Applicable Law regarding a Product;

(ix) in the event of any recall, suspension, market withdrawal or seizure, any material warning letter, or other written communication asserting lack of compliance with Applicable Law in any material respect by Seller, its Affiliates, licensees or sublicensees, in each case, with respect to Product;

(x) in the event that any clinical trial of a Product conducted by or on behalf of Seller, its Affiliates, licensees or sublicensees is suspended, put on hold or terminated prior to completion as a result of any action by the FDA or other Regulatory Authority or voluntarily;

(xi) the receipt by Seller, its Affiliates, licensees or sublicensees of any adverse written notice from the FDA or any other Regulatory Authority regarding the approvability or Regulatory Approval of a Product, excluding routine inquiries supporting registration;

(xii) any material Breach by Seller of any covenant, agreement or other provision of this Agreement or the Security Interest Agreement;

(xiii) that any representation or warranty made by Seller in this Agreement or the Security Interest Agreement or in any certificate delivered to Purchaser pursuant hereto or thereto that is qualified by materiality shall prove to be untrue, inaccurate or incomplete on the date as of which made, or that any representation or warranty made by Seller in this Agreement or the Security Interest Agreement that is not qualified by materiality shall prove to be untrue, inaccurate or incomplete in any material respect on the date as of which made;

(xiv) any event, occurrence or development that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect;

(xv) Purchaser's failure to have a first-priority perfected security interest in any of the Collateral under the applicable UCC (or any comparable law) of all applicable jurisdictions in the United States, and all federal laws of the United States, to the extent that such a security interest can be perfected by the filing of UCC financing statements or other filings; and

(xvi) the occurrence of a Bankruptcy Event, as to which Seller will, notwithstanding the [**] Business Day timeframe otherwise provided in this subsection (b), notify Purchaser in writing within [**] Business Days after Seller obtains Knowledge thereof.

(c) Each notification under the foregoing subsection (b) shall contain a summary of the event described therein.

(d) At the reasonable written request of Purchaser, Seller shall promptly provide to Purchaser such additional information as Purchaser shall reasonably request as to any applicable matter as to which Seller provides Purchaser with information pursuant to this Section 5.4, and Seller shall keep Purchaser reasonably informed, as reasonably requested by Purchaser, as to the status and proposed resolution of each such matter.

(e) Notwithstanding the foregoing, the Parties acknowledge that, in providing information to Purchaser pursuant to this Section 5.4, (A) Seller must be enabled to comply with any confidentiality obligations to its Partners; provided that Seller shall use Commercially Reasonable Efforts to obtain from its Partners permission to disclose the foregoing information to Purchaser, subject to Purchaser's confidentiality obligations, and (B) Purchaser may be excluded from access to any information or material of Seller if Seller determines in good faith that such exclusion is reasonably necessary to preserve the attorney-client privilege.

(f) The Parties agree that Purchaser may, on written notice to Seller, waive all or any part of its rights to receive further information from Seller under this Section 5.4; provided that Purchaser may reinstate its rights to receive further information from Seller under this Section 5.4 by subsequent written notice to Seller.

5.5 True Sale. Seller intends to transfer all right, title and interest in and to the Purchased Receivables to Purchaser pursuant to this Agreement. Purchaser and Seller intend and agree that the sale, conveyance, assignment and transfer of the Purchased Receivables shall constitute a true sale by Seller to Purchaser of the Purchased Receivables that is absolute and irrevocable and that provides Purchaser with the full benefits and detriments of ownership of the Purchased Receivables, and neither Purchaser nor Seller intends the transactions contemplated hereunder to be a financing transaction, borrowing or a loan from Purchaser to Seller. Each Party further agrees that it will treat the sale of the Purchased Receivables as a sale of "accounts" in accordance with the UCC. Seller disclaims any ownership interest in the Purchased Receivables upon the applicable closing hereunder with respect thereto and following such closing each of Seller and Purchaser waives any right to contest that Seller has transferred all right, title and interest in and to the Purchased Receivables to Purchaser or otherwise assert that this Agreement is other than a true, absolute and irrevocable sale and assignment by Seller to Purchaser of the Purchased Receivables under Applicable Law, which waiver will be enforceable against the applicable Party in any bankruptcy, insolvency or similar proceeding relating to such Party, except to the extent required by GAAP or the rules of the SEC or any Tax authority. Seller authorizes and consents to Purchaser filing, including with the Secretary of State of the State of Delaware, one or more UCC financing statements (and continuation statements with respect to such financing statements when applicable) or other instruments and notices, in such manner and in such jurisdictions as in Purchaser's determination may be necessary or appropriate to evidence the purchase, acquisition and acceptance by Purchaser of the Purchased Receivables hereunder and to perfect and maintain the perfection of Purchaser's ownership in the Purchased Receivables and the security interest in the Purchased Receivables granted by Seller to Purchaser pursuant to Section 5.6; provided, however, that Purchaser will provide Seller with a reasonable opportunity to review any such financing statements (or similar documents) prior to filing. For sake of clarification, the foregoing statements in this Section 5.5 shall not bind either Party regarding the reporting of the transactions contemplated hereby for GAAP, SEC or Tax reporting purposes.

5.6 Precautionary Security Interest in Purchased Receivables. Without limiting Section 5.5 and as set forth in the Security Interest Agreement it is the intent and expectation of both Seller and Purchaser that the sale, conveyance, assignment and transfer of the Purchased Receivables be a true, irrevocable and absolute sale by Seller to Purchaser for all purposes. Notwithstanding the foregoing, in an abundance of caution to address the possibility that,

notwithstanding that Seller and Purchaser expressly intend and expect for the sale, conveyance, assignment and transfer of the Purchased Receivables hereunder to be a true and absolute sale and assignment for all purposes, in the event that such sale and assignment will be characterized as a loan or other financial accommodation and not a true sale or such sale will for any reason be ineffective or unenforceable as such, as determined in a judicial, administrative or other proceeding (any of the foregoing being a "***Recharacterization***"), then this Agreement will be deemed to constitute a security agreement under the UCC and other Applicable Law. For this purpose and without being in derogation of the intention of Seller and Purchaser that the sale of the Purchased Receivables will constitute a true sale thereof, Seller does hereby grant to Purchaser a continuing security interest of first priority in all of Seller's right, title and interest in, to and under the Purchased Receivables, whether now or hereafter existing, and any and all "proceeds" thereof (as such term is defined in the UCC), in each case, for the benefit of Purchaser as security for the prompt and complete performance when due of all of Seller's obligations now or hereafter existing under this Agreement, which security interest will, upon the filing of a duly prepared financing statement in the office of the secretary of state of the state of Delaware, be perfected and prior to all other Encumbrances thereon. Purchaser will have, in addition to the rights and remedies which it may have under this Agreement, all other rights and remedies provided to a secured creditor after default under the UCC and other Applicable Law, which rights and remedies will be cumulative. Seller hereby authorizes Purchaser, as secured party, to file the UCC financing statements contemplated hereby.

5.7 Security Interest in Additional Collateral.

(a) Pursuant to the Security Interest Agreement, Seller has granted to Purchaser a security interest in all of Seller's right, title and interest in, to and under the Additional Collateral, to secure the prompt and complete payment and performance when due of all obligations of Seller hereunder, which security interest will, upon the filing of a duly prepared financing statement in the appropriate filing office (and the filing of a duly prepared patent security agreement in the PTO), be perfected and prior to all other Encumbrances thereon.

(b) Seller will notify Purchaser in writing at least [**] days (or such shorter period of time as may be agreed to by Purchaser) prior to any change in, or amendment or alteration to, (i) its legal name, (ii) its form or type of organizational structure or jurisdiction of organization (including its status as a corporation organized under the laws of the State of Delaware), or (iii) its Federal Employer Identification Number or state organizational identification number. Seller agrees not to effect or permit any such change referred to in this Section 5.7(b) unless all filings have been made under the UCC or otherwise that are required or advisable in order for Purchaser to continue at all times following such change to have a valid, legal and perfected Encumbrance (prior and superior in right and interest to any other Person) in all the Collateral.

(c) Without limiting the generality of Section 9.4(a), Seller will execute any and all further documents, financing statements, agreements and instruments, and take all further action that may be required under Applicable Law, or that Purchaser may reasonably request, in order to grant, create, preserve, enforce, protect and perfect the validity and priority of the security interests created by this Agreement in the Collateral. Without limiting the foregoing, Seller will do or cause to be done all acts and things that may be required, or that Purchaser from time to time may reasonably request, to assure and confirm that Purchaser holds duly created and enforceable and perfected security interests upon the Collateral (including any property or assets that are acquired or otherwise become Collateral after the date of this Agreement), in each case, as contemplated by, and with the lien priority required under, this Agreement.

(d) Upon the reasonable request of Purchaser at any time after the occurrence and during the continuance of a Seller Event of Default, Seller will permit Purchaser or any advisor, auditor, consultant, attorney or representative acting for Purchaser, upon reasonable notice to Seller and during normal business hours, to make extracts from and copy the books and records of Seller (and its Affiliates, as applicable) relating to the Collateral, and to discuss any matter pertaining to the Collateral with the officers and employees of Seller (and its Affiliates, as applicable), provided that the foregoing shall be undertaken in a manner that does not unreasonably disrupt Seller's or its Affiliates' business or operations.

(e) Seller will not, and will cause its Affiliates not to (i) directly or indirectly, sell, transfer, assign, lease, license, sublicense, convey or otherwise directly or indirectly dispose of any of the Collateral or any interest therein, except as permitted by this Agreement or (ii) except for the security interest in the Collateral granted to Purchaser, cause or suffer to exist or become effective any Encumbrance of any kind, other than a Permitted Encumbrance, on or with respect to any of the Collateral or any interest therein, or, in each case, enter into any agreement to do any of the foregoing. For the avoidance of doubt, nothing in this Section 5.7(e) shall restrict Seller or its Affiliates from entering into, subject to Section 5.2(i), a Partnering Transaction or, subject to Section 5.2(j), a Change of Control.

ARTICLE 6

CONFIDENTIALITY

6.1 Definition of Confidential Information. For purposes of this Agreement, the term ***"Confidential Information"*** of a Party means any information furnished by or on behalf of such Party to the other Party or its Affiliates pursuant to this Agreement or learned through observation during visit(s) to the other Party's facilities, in each case which information (a) is of the nature that is typically known to be of a confidential nature, or (b) if disclosed in tangible form, is marked "Confidential" or with other similar designation to indicate its confidential or proprietary nature, or (c) if disclosed orally, is indicated orally to be confidential or proprietary at the time of such disclosure. Without limiting the generality of the foregoing, except as provided in the immediately succeeding sentence, all Royalty Reports and information and documents provided by or on behalf of Seller to Purchaser pursuant to Articles 4 and 5 will be deemed the Confidential Information of Seller. Notwithstanding the foregoing, a Party's Confidential Information will not include information that, in each case as demonstrated by written documentation or other competent evidence: (i) was already known to the receiving Party, other than under an obligation of confidentiality, at the time of disclosure; (ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party; (iii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party in Breach of this Agreement or any other agreement between the Parties or in breach of a fiduciary duty; (iv) was subsequently lawfully disclosed to the receiving Party by a Third Person having no confidentiality obligation of which the receiving Party was aware to the disclosing Party or its Affiliates; or (v) is independently developed by the receiving Party without the benefit of Confidential Information of the disclosing Party.

6.2 Obligations. Except as authorized in this Agreement or except upon obtaining the other Party's prior written permission to the contrary, each Party agrees that during the Term and for [**] years thereafter it will: (a) maintain in confidence, and not disclose to any Person, the other Party's Confidential Information; (b) not use the other Party's Confidential Information for any purpose, except as contemplated in this Agreement; and (c) protect the other Party's Confidential Information in its possession by using the same degree of care as it uses to protect its own Confidential Information (but no less than a reasonable degree of care). Notwithstanding anything to the contrary in this Agreement, a Party will be entitled to injunctive relief to restrain the Breach or threatened Breach by the other Party of this Article 6 without having to prove actual Damages or threatened irreparable harm. Such injunctive relief will be in addition to any rights and remedies available to the aggrieved Party at law, in equity, and under this Agreement for such Breach or threatened Breach.

6.3 Permitted Disclosures.

(a) Permitted Persons. A Party may disclose the other Party's Confidential Information, without the other Party's prior written permission, to:

(i) its and its Affiliates' members, trustees, managers, directors, employees, partners, agents, consultants, attorneys, accountants, shareholders, investors, banks and other financing sources, licensees and sublicensees and permitted assignees, purchasers, transferees or successors-in-interest under Section 9.3, in each case, who need to know such Confidential Information solely in connection with this Agreement and who are, prior to receiving such disclosure, bound by written confidentiality and non-use obligations no less stringent than those contained herein; or

(ii) permitted assignees, purchasers, transferees, or successors-in-interest (or potential assignees, purchasers, transferees, or successors-in-interest) under Section 9.3 and investors, licensees and sublicensees and other Partners, in each case who need to know such Confidential Information in connection with such assignment, sale, transfer, investment or Partnering Transaction (or potential assignment, sale, transfer, investment or Partnering Transaction) and who are bound by written confidentiality and non-use obligations no less stringent than those contained herein. For clarity, if a Party receives the other Party's Confidential Information, but the receiving Party does not, directly or indirectly, share or provide such Confidential Information with or to its Affiliates such that its Affiliates in fact do not receive such Confidential Information, the receiving Party's Affiliates shall be deemed not to have received such Confidential Information.

(b) Legally Required. A Party may disclose the other Party's Confidential Information, without the other Party's prior written permission, to any Person to the extent such disclosure is necessary to comply with Applicable Law, applicable stock exchange requirements, or an order or subpoena from a court of competent jurisdiction; provided that the compelled Party, to the extent it may legally do so, will give reasonable advance notice to the other Party of such disclosure and, at such other Party's reasonable request and expense, the compelled Party

will use its reasonable efforts to secure confidential treatment of such Confidential Information prior to its disclosure (whether through protective orders or otherwise). Notwithstanding the foregoing, if a Party receives a request from an authorized representative of a U.S. or foreign Tax authority for a copy of this Agreement, that Party may provide a copy of this Agreement to such Tax authority representative without advance notice to, or the permission or cooperation of, the other Party.

6.4 Terms of Agreement. Upon the execution of this Agreement, the Parties shall issue a press release announcing such execution in the form attached as **Exhibit C**. Following such initial press release, except to the extent allowed under Section 6.3 or as otherwise permitted in accordance with this Section 6.4, neither Party will make any public announcements concerning this Agreement or the terms hereof, without the prior written consent of the other Party. Each Party agrees that it will each treat the contents and terms of this Agreement and the consideration for this Agreement as Confidential Information of the other Party. Consistent with Section 6.3(b), Purchaser and Seller agree to use reasonable efforts to provide the other with a copy of any required SEC or other filing regarding this Agreement or its terms to review prior to filing and to consider any comments of the other Party in good faith, and to the extent either Party has to file or disclose this Agreement with the SEC, such Party will consider in good faith the other Party's comments with respect to confidential treatment of this Agreement's terms and will redact this Agreement in a manner the filing Party believes in good faith is allowed by the SEC to protect sensitive terms, and will be permitted to file this Agreement, as so redacted, with the SEC. For purposes of clarity, each Party is free to discuss with Third Persons the information regarding this Agreement and Parties' relationship disclosed in such SEC filings and any other authorized public announcements.

ARTICLE 7

TERM AND TERMINATION

7.1 Term of Agreement; Termination. This Agreement will commence as of the Effective Date and will continue until all of Purchaser's right to receive payments with respect to the Purchased Receivables set forth in this Agreement have expired, unless earlier terminated pursuant to the mutual written agreement of the Parties (the ***"Term"***). Upon expiration or earlier termination of the Term, this Agreement shall terminate.

7.2 Survival. Notwithstanding anything to the contrary in this Article 6, the following provisions shall survive termination of this Agreement: Article 6 (Confidentiality), Article 8 (Indemnification), Article 9 (Miscellaneous) and Exhibit A (to the extent necessary for the interpretation of any surviving provisions). Termination of this Agreement shall not relieve any Party of liability in respect of breaches of this Agreement by any Party on or prior to termination.

ARTICLE 8

INDEMNIFICATION

8.1 Indemnification.

(a) Indemnification by Seller. Seller shall hold harmless and indemnify the Purchaser Indemnitees from and against, and shall compensate and reimburse each of the Purchaser Indemnitees for, any Damages that are suffered or incurred by any of the Purchaser Indemnitees or to which any of the Purchaser Indemnitees may otherwise become subject at any time to the extent such Damages arise from or result from any Proceeding commenced or threatened to be commenced by any Third Person (a "***Third Person Claim***") arising from any of the following:

(i) any material Breach by Seller of a representation or warranty of Seller contained in this Agreement or the Security Interest Agreement or any certificates or other documents delivered pursuant to this Agreement or the material Breach by Seller of any covenant, condition, agreement, or obligation of Seller contained in this Agreement or the Security Interest Agreement or any certificates, notices or other documents delivered pursuant to this Agreement or the Security Interest Agreement;

(ii) the negligence, recklessness, or intentional wrongful acts or omissions related to this Agreement or the Security Interest Agreement of Seller or its Affiliates or any of their respective directors, employees or agents;

(iii) any product liability claims or claims of infringement or misappropriation of any intellectual property rights of any Third Persons with respect to Products arising out of Purchaser's purchase of the Purchased Receivables or other transactions contemplated by this Agreement;

(iv) any Proceeding initiated against Purchaser by a Third Person based on a material Breach by Seller of the Material Licenses or other material agreements between Seller and Third Persons relating to Products;

(v) any Seller Event of Default;

(vi) any assignment by Seller as provided in Section 9.3(b)(iii); or

(vii) any Proceeding initiated against Purchaser by a Third Person based on Seller's Breach or alleged Breach of any representation, warranty, covenant, condition, agreement or obligation under this Agreement, the Security Interest Agreement, the Purchaser Bill of Sale or any certificates, notices or financing statements delivered pursuant to this Agreement, the Security Interest Agreement or the Purchaser Bill of Sale or any matter of a type referred to in subsections (i) through (v);

provided, that Damages arising from or resulting under the foregoing subsection (i) through (vi) are not subject to indemnification by Purchaser under Section 8.1(b).

(b) Indemnification by Purchaser. Purchaser shall hold harmless and indemnify the Seller Indemnitees from and against, and shall compensate and reimburse each of the Seller Indemnitees for, any Damages that are suffered or incurred by any of the Seller Indemnitees or to which any of the Seller Indemnitees may otherwise become subject at any time to the extent such Damages arise from or result from any Third Person Claim arising from any of the following:

(i) any material Breach by Purchaser of a representation or warranty of Purchaser contained in this Agreement or the Security Interest Agreement or any certificates or other documents delivered pursuant to this Agreement or the material Breach by Purchaser of any covenant, condition, agreement, or obligation of Purchaser contained in this Agreement or the Security Interest Agreement or any certificates or other documents delivered pursuant to this Agreement;

(ii) the negligence, recklessness, or intentional wrongful acts or omissions related to this Agreement or the Security Interest Agreement of Purchaser, its Affiliates involved in this Agreement, or any of their respective trustees, employees or agents;

(iii) any Proceeding initiated against Seller by a Third Person based on Purchaser's Breach or alleged Breach of any representation, warranty, covenant, condition, agreement or obligation under this Agreement, the Security Interest Agreement, the Purchaser Bill of Sale or any certificates or financing statements delivered pursuant to this Agreement, the Security Interest Agreement or the Purchaser Bill of Sale or any matter of a type referred to in subsections (i) and (ii); or

(iv) any failure to pay any withholding Tax due on any amounts payable to Purchaser under this Agreement or any failure by the Parties to make a required filing under the HSR Act with respect to the transactions under this Agreement or any of the other Transaction Documents.

provided, that Damages arising from or resulting under the foregoing subsections (i) through (iv) are not subject to indemnification by Seller under Section 8.1(a).

(c) Indemnification Procedures.

(i) In the event a Party becomes aware of a Third Person Claim that such Party reasonably believes may result in a demand for indemnification pursuant to Sections 8.1(a) or (b), as applicable, such Party shall promptly and in good faith notify the other Party in writing of such claim. For purposes of this Section 8.1(c), the Party responsible for giving any such notice (a "***Claim Notice***") shall be deemed to be the "***Notifying Party***," and the Party receiving the Claim Notice shall be deemed to be the "***Notified Party***." If the contents and delivery of a Claim Notice satisfy the content and delivery requirements of an Indemnification Demand pursuant to Section 8.1(c)(ii), then such Claim Notice shall also be deemed an Indemnification Demand. The Claim Notice shall be accompanied by any documentation submitted by the Third Person making such Third Person Claim (to the extent then in the possession of the Notifying Party) and shall describe in reasonable detail (to the extent known by the Notifying Party) the facts constituting the basis for such Third Person Claim and the amount

of claimed Damages resulting from such Third Person Claim; provided, however, that no delay or failure on the part of the Notifying Party in delivering a Claim Notice shall relieve the Notified Party from any Liability hereunder except to the extent of any Damages caused by or arising out of such delay or failure. Within [**] days after receipt of any Claim Notice, the Notified Party may, upon written notice thereof to the Notifying Party, assume control of the defense of the claim referred to therein at the Notified Party's sole cost and expense with counsel reasonably satisfactory to the Notifying Party. If the Notified Party does not so assume control of the defense of such claim, the Notifying Party shall control the defense of such claim, and the reasonable fees and expenses of counsel to the Notifying Party shall be considered "Damages" for purposes of this Agreement. The Party not controlling the defense of any claim (the "***Non-controlling Party***") may participate therein at its own expense; provided, however, that if the Notified Party assumes control of the defense of such claim and the Notified Party and the Notifying Party have materially conflicting interests or different defenses available with respect to such claim which cause the Notifying Party to hire its own separate counsel with respect to such Proceeding, the reasonable fees and expenses of the Notifying Party by one law firm (and all other Persons within such Notifying Party's indemnitee group) for each jurisdiction shall be considered "Damages" for purposes of this Agreement. The Party controlling the defense of such claim (the "***Controlling Party***") shall keep the Non-controlling Party advised of the status of such claim and the defense thereof and shall consider in good faith recommendations made by the Non-controlling Party with respect thereto. The Non-controlling Party shall furnish the Controlling Party upon the Controlling Party's reasonable request with such information as it may have with respect to such claim (including copies of any summons, complaint or other pleading which may have been served on such Party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise cooperate with and assist the Controlling Party in the defense of such claim. Neither the Notified Party nor the Notifying Party shall agree to any settlement of, or the entry of any judgment arising from, any such claim without the prior written consent of the other of such Parties, which shall not be unreasonably withheld or delayed; provided, however, that the consent of the Notifying Party shall not be required with respect to any such settlement or judgment if the Notified Party agrees in writing to pay or cause to be paid any amounts payable pursuant to such settlement or judgment and such settlement or judgment includes a complete release of the Notifying Party from further Liability and has no other material adverse effect on the Notifying Party.

(ii) In order to seek indemnification under this Article 8, a Person entitled to indemnification under Section 8.1 (an "***Indemnified Party***") shall deliver, in good faith, a written demand (an "***Indemnification Demand***") to Purchaser (in the case of Indemnification Demands from any Seller Indemnitee) or Seller (in the case of Indemnification Demands from any Purchaser Indemnitee) which contains (1) a description and the amount (the "***Asserted Damages Amount***") of any Damages incurred or reasonably expected to be incurred by the Indemnified Party, (2) a statement that the Indemnified Party is entitled to indemnification under this Article 8 for such Damages and a reasonable explanation of the basis therefor, and (3) a demand for payment in the amount of such Damages, provided that, as to Damages that are expected but have not yet been incurred, the indemnifying Party shall not have any obligation to pay such amounts unless and until such amounts are actually incurred. For all purposes of this Section 8.2(c)(ii) Seller shall be entitled to deliver Indemnification Demands to Purchaser on behalf of the Seller Indemnitees, and Purchaser shall be entitled to deliver Indemnification Demands to Seller on behalf of the Purchaser Indemnitees.

(iii) Within [**] days after delivery of an Indemnification Demand to Purchaser or Seller, as applicable, such Party shall deliver to the other of such Parties a written response (the "***Response***") in which the Party providing the Response shall: (i) agree that the Indemnified Party is entitled to receive all of the Asserted Damages Amount; (ii) agree that the Indemnified Party is entitled to receive part, but not all, of the Asserted Damages Amount; or (iii) dispute that the Indemnified Party is entitled to receive any of the Asserted Damages Amount. Any disputes with respect to any indemnification Demands shall be resolved pursuant to Section 9.10.

(iv) Limitations. Notwithstanding anything herein to the contrary, but subject to the remainder of this Section 8.1(c)(iv) and each Party's right to exercise any remedies available to it in the event of a Breach of this Agreement or the Security Interest Agreement by Seller or a Seller Event of Default (as to Purchaser) or a Breach of this Agreement or the Security Interest Agreement by Purchaser or a Bankruptcy Event of Purchaser (as to Seller) at law or in equity for such event, including all rights and remedies, as to Purchaser, of a secured party under the UCC, in no event shall any Party or any Indemnitee of such Party be liable for any indirect, incidental, special or consequential, punitive or exemplary damages, including loss of profits, whether in contract or tort, regardless of whether the other Party shall be advised, shall have reason to know, or in fact shall know of the possibility of such damages suffered or incurred by such other Party or any Indemnified Party in connection with this Agreement, except to the extent any such Damages are actually paid to a Third Person in connection with Section 8.1 of this Agreement. Notwithstanding the foregoing, the limitations set forth in this Section 8.1(c)(iv) shall not apply to a Party's claim for indemnification hereunder in the case of actual fraud by the other Party.

ARTICLE 9

MISCELLANEOUS

9.1 Entire Agreement. This Agreement (including the Transaction Documents, and the Exhibits and Schedules to this Agreement) sets forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties and supersedes and terminates all prior agreements and understandings between or among the Parties relating to the subject matter hereof.

9.2 Amendments. This Agreement may be amended or supplemented only by a written agreement signed by an authorized officer of each Party.

9.3 Binding Agreement; Successors and Assigns.

(a) Subject to the limitations set forth in this Section 9.3, the terms, conditions and obligations of this Agreement will inure to the benefit of and be binding upon the Parties hereto and their respective permitted successors and assigns thereof. Neither this Agreement nor any rights or obligations hereunder may be sold, assigned, hypothecated or otherwise transferred in whole or in part by any Party, by operation of law or otherwise, without the prior written consent of the other Party; provided, however, that without the applicable prior written consent the following shall be permitted:

(b) Seller may assign this Agreement upon written notice to Purchaser to an Affiliate or in connection with a sale or transfer of all or substantially all of Seller's business or assets to which this Agreement relates, whether by way of merger, consolidation, sale of stock, sale of assets or other business combination, provided that (i) Seller reasonably believes that, following such assignment, such assignee will have resources and expertise comparable to or greater than those of Seller such that such assignee will be able to perform all of Seller's obligations hereunder, (ii) if any such sale or transfer transaction results in an assignment of Seller's interest in this Agreement to a legal entity other than Seller, the assignee also agrees in writing to assume all such obligations of Seller, including without limitation Seller's obligations under Section 5, (iii) Seller shall indemnify Purchaser for any Taxes that are both (A) required to be withheld from Seller's payments to Purchaser under this Agreement, and (B) are in the aggregate in excess of the Tax amounts, if any, that would otherwise have been required to be withheld from such payments in the absence of such assignment; (iv) following such assignment, Seller shall remain liable to Purchaser for all of Seller's obligations hereunder, and (v) after giving effect to such assignment, Purchaser shall continue to have a first priority security interest in or ownership of the Purchased Receivables and a first priority security interest in the Additional Collateral, and, if such assignment effects a change in the legal entity that is Seller under this Agreement, the assignee shall execute such reasonable documents as Purchaser may request to confirm such continued first priority security interest in or ownership of the Purchased Receivables and continued first priority security interest in the Additional Collateral.

(c) After the Permitted Purchaser Assignment Date, Purchaser may assign this Agreement, upon written notice to Seller, to an Affiliate or in connection with a sale or transfer of all or substantially all of Purchaser's business or assets to which this Agreement relates, whether by way of merger, consolidation, sale of stock, sale of assets or other business combination, provided that (i) any such assignee does not, at the time of such transaction, have a material interest in a product or product candidate competitive with Products, (ii) any such assignment is permitted under Applicable Laws, (iii) such assignee has resources necessary to perform Purchaser's obligations hereunder, and (iv) in the case of any such sale or transfer transaction that results in an assignment of Purchaser's interest in this Agreement to a legal entity other than Purchaser, the assignee also agrees in writing to assume all such obligations of Purchaser. "Permitted Purchaser Assignment Date" means the first to occur of (i) a Change of Control of Seller, (ii) the Third Closing Date, or (iii) the date upon which Purchaser's right to fund the Third Tranche terminates under Section 1.8.

(d) Purchaser may, at any time upon written notice to Seller, subject to Purchaser's compliance with Applicable Law, sell, assign, hypothecate or otherwise transfer all or any part of the Purchased Receivables (without also assigning or delegating its obligations under this Agreement) to an Affiliate, or to one or more Third Persons that do not, at the time of such transaction, have a material interest in a product or product candidate competitive with Products, so long as such Third Persons agree with Purchaser to comply with confidentiality provisions analogous to those agreed to by Purchaser in this Agreement.

9.4 Further Assurances. Seller and Purchaser covenant and agree, at any time or from time to time after the First Closing Date, to execute and deliver such other documents, certificates, agreements, instruments and other writings and to take such other actions as may be necessary or desirable, or reasonably requested by the other Party, in each case, without further

consideration but at the expense of Seller, in order to vest and maintain in Purchaser good and marketable title in, to and under the Purchased Receivables free and clear of any and all Encumbrances (other than Permitted Encumbrances), and to consummate the other transactions contemplated hereby, including the perfection under the applicable UCC (or any comparable law) of all applicable jurisdictions in the United States and maintenance of perfection of Purchaser's ownership interest in the Purchased Receivables, the back-up security interest in the Purchased Receivables granted by Seller to Purchaser pursuant to Section 5.6 and the security interest in the Additional Collateral granted by Seller to Purchaser pursuant to the Security Interest Agreement.

9.5 Counterparts and Facsimile Execution. This Agreement may be executed in two or more counterparts, each of which will be an original, but all of which together will constitute one and the same instrument. To evidence the fact that it has executed this Agreement, a Party may send a copy of its executed counterpart to the other Party by facsimile or other electronic transmission. In such event, such Party will forthwith deliver to the other Party the counterpart of this Agreement executed by such Party.

9.6 Interpretation. When a reference is made in this Agreement to Articles, Schedules, Sections or Exhibits, such reference will be to an Article, Section, Schedule or Exhibit to this Agreement unless otherwise indicated. The words "include," "includes," and "including" when used herein will be deemed in each case to be followed by the words "without limitation" and will not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it. The headings and captions in this Agreement are for convenience and reference purposes only and will not be considered a part of or affect the construction or interpretation of any provision of this Agreement. Unless specified otherwise, all statements of, or references to, monetary amounts in this Agreement are in U.S. dollars. Provisions that require that a Party or the Parties "agree," "consent," or "approve" or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise. Words of any gender include the other gender. Neither Party hereto will be or be deemed to be the drafter of this Agreement for the purposes of construing this Agreement against one Party or any other.

9.7 Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, will be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

9.8 Relationship of the Parties. The Parties acknowledge and agree that the relationship between Purchaser and Seller under this Agreement is intended to be that of buyer and seller, and nothing in this Agreement is intended to be construed so as to suggest that either Purchaser or Seller (except as expressly set forth herein) is obligated to provide, directly or indirectly, any advice, consultations or other services to the other Party. Each Party is an independent contractor relative to the other Party under this Agreement, and this Agreement is not a partnership agreement and nothing in this Agreement will be construed to establish a relationship of co-partners or joint venturers between the Parties.

9.9 Notices. All notices, consents, waivers, requests and other communications hereunder will be in writing and will be sent by mail, delivered in person, sent by overnight courier (e.g., Federal Express) or sent by confirmed facsimile transmission, to following addresses of the Parties:

If to Purchaser:

Novo A/S
Tuborg Havnevej 19
DK-2900 Hellerup
Denmark
Attn: Thomas P. Dyrberg, MD, DMSc
Telephone: +45 3527 6593
Facsimile: +45 3527 6510

with a copy (which will not constitute notice) to:

Latham & Watkins
650 Town Center Drive
20th Floor
Costa Mesa, CA 92626-1925
Attention: Charles Ruck
Telephone: (714) 755-8245
Facsimile: (714) 755-8290

If to Seller:

Ophthotech Corporation
5 Vaughn Drive Suite 106
Princeton, NJ 08540
Attention: Chief Executive Officer
Telephone: (609) 945-6050
Facsimile: (609) 452-7435

with a copy (which will not constitute notice) to:

WilmerHale
60 State Street
Boston, Massachusetts 02109
Attention: David E. Redlick, Esq.
Telephone: (617) 526-6000
Facsimile: (617) 526-5000

or to such other address or addresses as Purchaser or Seller may from time to time designate by notice as provided herein. Any such notice will be deemed given (a) when actually received when so delivered personally, by overnight courier or sent by mail or (b) if sent by confirmed facsimile transmission, on the date sent if such day is a Business Day or the next following Business Day if such day is not a Business Day.

9.10 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT AND ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT, TORT OR OTHERWISE) WILL BE GOVERNED BY, AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER WILL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) EACH PARTY (i) IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR PURPOSES OF ANY ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, AND (ii) IRREVOCABLY WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH ACTION, SUIT OR OTHER PROCEEDING, THAT SUCH COURT DOES NOT HAVE ANY JURISDICTION OVER SUCH PARTY.

(c) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY ACTION OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT, TORT OR OTHERWISE).

(d) EACH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK.

(e) EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE SENDING OF COPIES THEREOF BY FEDERAL EXPRESS OR OTHER OVERNIGHT COURIER COMPANY, TO SUCH PARTY AT ITS ADDRESS SPECIFIED BY SECTION 9.9, SUCH SERVICE TO BECOME EFFECTIVE FOUR (4) DAYS AFTER DELIVERY TO SUCH COURIER COMPANY.

(f) NOTHING HEREIN WILL AFFECT THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

9.11 Equitable Relief. Each of the Parties hereto acknowledges that each other Party may have no adequate remedy at law if a Party fails to perform any of its obligations under this Agreement in any material respect. In such event, the Parties agree that, in addition to any other rights the Parties may have (whether at law or in equity), in the event of any material Breach or threatened material Breach by any Party of any covenant, obligation or other provision set forth in this Agreement, the non-Breaching Party will be entitled (in addition to any other remedy that may be available to it) to seek (a) a decree or other of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (b) an injunction restraining such material Breach or threatened material Breach.

9.12 No Third-Party Beneficiaries. All rights, benefits and remedies under this Agreement are solely intended for the benefit of the Parties (including their permitted successors and assigns), and no other Person other than the Parties will have any rights whatsoever to (a) enforce any obligation contained in this Agreement, (b) seek a benefit or remedy for any Breach of this Agreement, or (c) take any other action relating to this Agreement under any legal theory, including but not limited to, actions in contract, tort (including but not limited to negligence, gross negligence and strict liability), or as a defense, set-off or counterclaim to any action or claim brought or made by the Parties (or any of their permitted successors and assigns).

9.13 Severability. If any provision hereof should be held invalid, illegal or unenforceable in any jurisdiction, the Parties will negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties and all other provisions hereof will remain in full force and effect in such jurisdiction and will be liberally construed in order to carry out the intentions of the Parties as nearly as may be possible. Such invalidity, illegality or unenforceability will not affect the validity, legality or enforceability of such provision in any other jurisdiction. Nothing in this Agreement will be interpreted so as to require a Party to violate any Applicable Law.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

PURCHASER:

Novo A/S

By: /s/ Henrik Gürtler
Name: Henrik Gürtler
Title: Chief Executive Officer

PURCHASER:

Novo A/S

By: /s/ Jørgen Boe
Name: Jørgen Boe
Title: Director

SELLER:

OPHTHOTECH CORPORATION

By: /s/ David R. Guyer
Name: David R. Guyer
Title: Chief Executive Officer

[Signature Page to Purchase and Sale Agreement]

EXHIBIT A
DEFINED TERMS

"Additional Collateral" means all of Seller's right, title and interest in, to and under the following property, whether now owned or hereafter acquired, wherever located:

(a) all Product Patent Rights and all of Seller's rights and privileges with respect thereto;

(b) all Product Trademarks and all of Seller's rights and privileges with respect thereto and related goodwill;

(c) all rights and privileges in the service marks, trade names, trade dress, logos, packaging design, slogans and Internet domain names that are Controlled by Seller, and the registrations and applications for registration of any of the foregoing, in each case, that are primarily related to Product;

(d) all rights and privileges in Know-How that is Controlled by Seller and is primarily related to Product;

(e) all Regulatory Approvals for Products owned by Seller or its Affiliates;

(f) all of Seller's books and records relating to any and all of the foregoing; and

(g) all Proceeds (as such term is defined in the UCC) and products of and to any and all of the foregoing but excluding, for clarity, inventory and any proceeds thereof.

Notwithstanding anything to the contrary contained herein, the security interests granted under this Agreement shall not extend to, and the definition of "Additional Collateral" shall not include Seller's interests in either of the In-License Agreements to the extent that the grant of a security interest in such In-License Agreement in the manner contemplated by this Agreement, under the terms thereof or under Applicable Law, is prohibited and would result in the termination thereof or give the other party or parties thereto the right to terminate, accelerate or otherwise alter the Seller's rights, titles and interests thereunder (including upon the giving of notice of the lapse of time or both), except to the extent that such provisions would be ineffective under Section 9-406, 407, 408 or 409 of the UCC. The foregoing shall not limit Seller's obligations under Section 5.2(n).

The Seller and the Purchaser hereby acknowledge and agree that the security interest created in the Additional Collateral (i) constitutes continuing collateral security for the Seller's obligations under this Agreement whether now existing or hereafter arising and (ii) is not to be construed as an absolute assignment of Additional Collateral.

"Affiliate" means, with respect to an entity, any business entity controlling, controlled by, or under common control with such entity, but only so long as such control exists. For the purposes of this definition, ***"controlling"***, ***"controlled"***, and ***"control"*** means, as to corporate entities, ownership of fifty percent (50%) or more of the voting securities of such entity (or, in the case of an entity that is not a corporation, ownership of fifty percent (50%) or more of the corresponding interest for the election of the entity's managing authority) and, as to other Persons, possession, directly (or indirectly through one or more intermediary entities), of the power to direct the management or policies of such Person.

"AMD" means age-related macular degeneration.

"Applicable Law" means, with respect to any Person, all provisions of (a) all constitutions, statutes, laws, rules, regulations, ordinances and orders of Governmental Authorities, (b) any authority, consent, approval, license, permit (or the like) or exemption (or the like) of any Governmental Authority, and (c) any orders, decisions, judgments, writs and decrees issued or entered by any Governmental Authority; in each case, applicable to such Person or any of its properties or assets.

"Archemix In-License" means the Amended and Restated Exclusive License Agreement, by and between Archemix Corp. and Ophthotech Corporation, effective as of September 12, 2011, as amended by Amendment No. 1, between Archemix Corp. and Ophthotech Corporation, dated as of December 20, 2011, and as may be further amended during the Term (subject to Section 5.2(d)).

"Bankruptcy Event" means, with respect to Seller, the occurrence of any of the following:

(a) Seller voluntarily commences any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, relief of debtors or the like, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any portion of its assets, or Seller makes a general assignment for the benefit of its creditors;

(b) there is commenced against Seller any case, proceeding or other action of a nature referred to in clause (a) above that remains undismissed or undischarged for a period of 60 consecutive calendar days from the commencement thereof; or

(c) the entry of an order or decree issuing a warrant of attachment, execution, distraint or similar process against all or any substantial portion of Seller's assets relating to Products that has not been vacated, discharged, stayed or satisfied pending appeal for sixty (60) consecutive calendar days from the entry thereof.

"Bill of Sale" means a Bill of Sale in the form attached hereto as **Exhibit D**.

"Breach" of a representation, warranty, covenant, agreement, obligation or other provision will be deemed to have occurred if there is or has been any inaccuracy in or breach of, or any failure to comply with or perform, such representation, warranty, covenant, agreement, obligation or other provision, and ***"Breach"*** will be deemed to refer to any such inaccuracy, breach or failure.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by Applicable Law to remain closed.

"Calendar Quarter" means the 3-month period ended March 31, June 30, September 30 or December 31, as applicable.

"Calendar Year" means the 12-month period from January 1 through December 31.

"Change of Control" means:

(a) the acquisition at any time by a "person" or "group" (as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as in effect on the Effective Date (the "Exchange Act")) who or which become, as a result of such acquisition, the beneficial owners (as defined in Rule 13(d)-3 under the Exchange Act), directly or indirectly, of securities representing more than fifty percent (50%) of the combined voting power in the election of directors of the then outstanding securities of Seller or any successor of Seller, other than any such acquisition by any person or group who or which is, as of the Effective Date, a beneficial owner of Seller's Series A or Series B Preferred Stock or an Affiliate of such a beneficial owner;

(b) consummation of any sale or disposition of all or substantially all of the assets or earning power of Seller related to Products; or

(c) consummation of any merger, consolidation, or statutory share exchange to which Seller is a party, as a result of which the Persons who were stockholders immediately prior to the effective date of the merger, consolidation or share exchange shall, immediately after such merger, consolidation or share exchange, have beneficial ownership of less than fifty percent (50%) of the combined voting power in the election of directors of the surviving corporation;

(d) during any period of twelve (12) consecutive months during which Seller and each of its consolidated Affiliates are not subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, or of comparable securities laws of countries outside the United States, a majority of the members of the board of directors (or functional equivalent thereof) of Seller ceases to be composed of individuals who were either (x) nominated by, or whose nomination was approved by, the board of directors of Seller with the affirmative vote of a majority of the members of said board of directors at the time of such nomination or election or (y) appointed by members of said board of directors so nominated or elected;

provided, however, that, notwithstanding subsections (a) or (c) above, a sale of a Party's securities to institutional investors in a public offering of such Party's securities that is underwritten on a firm commitment basis to multiple non-affiliated investors shall not constitute a Change of Control.

"Collateral" means the Additional Collateral and, in the event of a Recharacterization, the Additional Collateral plus the Purchased Receivables.

"Commercial Launch" means with respect to a Product in a country, the first sale invoiced for use or consumption by an end-user of such Product in such country after Regulatory Approval of such Product has been granted, or such marketing and sale is otherwise permitted by the Regulatory Authority of such country, excluding registration samples, compassionate use, and use in clinical trials for which no payment has been received.

"Commercially Reasonable Efforts" means as to Seller and a Product, efforts consistent with the efforts and resources normally used by a pharmaceutical or biotechnology company comparable to Seller in the exercise of its reasonable business discretion relating to the research, development or commercialization of a similar product with similar product characteristics, that is of similar market potential at a similar stage in its development or product life, taking into account issues of patent coverage and duration thereof, safety and efficacy, product profile, the competitiveness of the marketplace, the proprietary position of the Product, the risk that Generic Versions will reach the market, development risk, the regulatory structure involved, other relevant technical, legal, scientific and/or medical factors, and the profitability of the Product.

"Confidential Information" has the meaning set forth in Section 6.1.

"Controlled" means, with respect to Intellectual Property, the ability and authority of an entity, whether arising by ownership, possession, or pursuant to a license or sublicense, or control over an Affiliate with such ability and authority, to grant licenses, sublicenses, or other rights under or to such item of Know-How, Patent or Intellectual Property to another without breaching the terms of any agreement between such entity and any Third Person and without requiring consent of a Third Person.

"Cover" means, as to a given Patent and a given Product, that, in the absence of ownership of or a license under such Patent, the manufacture, use, offer for sale, sale or importation of such Product or components thereof would infringe such Patent (assuming, for patent applications, that the claims existing therein have issued in the form they exist at the time a determination of Coverage is made).

"Damages" means any loss, damage, Liability, claim, demand, settlement amount, judgment, award, fine, interest, penalty, Tax, fee (including any reasonable legal fee, expert fee, accounting fee or advisory fee), charge, cost (including any reasonable cost of investigation and court cost) or expense of any nature.

"Data Safety Monitoring Board" means an independent group of experts who monitor patient safety and treatment efficacy data while a clinical trial is ongoing.

"Drug Approval Application" or "DAA" means an application for Regulatory Approval required before commercial sale or use of a Product as a therapeutic product in a regulatory jurisdiction.

"Effective Date" has the meaning set forth in the Preamble.

"EMA" means the European Medicines Agency or any successor agency thereto.

"Encumbrance" means any lien, charge, security interest, mortgage, option, pledge, assignment or any other encumbrance of any Person of any kind whatsoever.

"Enforcement Action" means any Proceeding brought, or assertion made, by Seller (whether as plaintiff or by means of counterclaim) against any Third Person relating to arising out of any infringement, misuse or misappropriation by such Third Person of any Product Patent Rights.

"Established Development Company" means an acquirer or assignee [**] as demonstrated by the following: (i) such acquirer [**], (ii) such acquirer is [**], and (iii) such acquirer is in [**].

"Established Development Company Acquisition" means a transaction in which Seller engages in a merger, acquisition or sale of all or substantially all of its assets related to Products with or to an Established Development Company.

"Equity Agreements" means the Series C Purchase Agreement; the Third Amended and Restated Investors' Rights Agreement of even date herewith by and among Seller, Purchaser and each of the other investors listed on Schedule A thereto; the Second Amended and Restated Voting Agreement of even date herewith by and among Seller,, Purchaser and each of the other Stockholders identified therein; and the Second Amended and Restated Right of First Refusal and Co-Sale Agreement, of even date herewith, by and among Seller, Purchaser, the other investors listed on Schedule A thereto and the key holders listed on Schedule B thereto.

"FDA" means the United States Food and Drug Administration and any successor entity thereto.

"First Closing" has the meaning set forth in Section 1.4.

"First Closing Date" has the meaning set forth in Section 1.4.

"First Purchase" has the meaning set forth in Section 2.1(a).

"***First Purchase Price***" has the meaning set forth in Section 1.2(a).

"Fovista" means the pharmaceutical drug product developed by Seller and known as of the Effective Date as Fovista, which is the subject of IND #72,539.

"Fovista-Related Product" any pharmaceutical drug product other than Fovista that contains a Listed Anti-PDGF Aptamer.

"Fovista Development Plan" means a clinical development and regulatory approval plan for Product for the treatment of the wet form of AMD, as set forth in **Exhibit E**.

"Fovista Development Timeline" means an outline of the timing for performance of activities under the Fovista Development Plan, as set forth in **Exhibit F**.

"FTC" has the meaning provided in Section 1.9(a).

"Funded Activities" has the meaning provided in Section 1.2(c).

"GAAP" means United States generally accepted accounting principles.

"***Generic Version***" means, as to a Product, another product that is not owned, controlled or authorized by Seller or its Affiliates, or Seller's sublicensees and licensees (acting pursuant to a license or sublicense under the Product Patent Rights) and that has received Regulatory Approval through a regulatory process by which the sponsor of the application for such Regulatory Approval for such other product or the Regulatory Authority approving such application relies, in whole or in part, on data included in the DAA for such Product.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority (including supranational authority), instrumentality, regulatory body, court, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guaranty" of any Person means any obligation, contingent or otherwise, of such Person (a) to pay any Liability of any other Person or to otherwise protect, or having the practical effect of protecting, the holder of any such Liability against loss (whether such obligation arises by virtue of such Person being a partner of a partnership or participant in a joint venture or by agreement to pay, to keep well, to purchase assets, goods, securities or services or to take or pay, or otherwise) or (b) incurred in connection with the issuance by a Third Person of a Guaranty of any Liability of any other Person (whether such obligation arises by agreement to reimburse or indemnify such Third Person or otherwise). The word ***"Guarantee"*** when used as a verb has the correlative meaning.

"HSR Act" has the meaning provided in Section 1.9(a).

"Indebtedness" of any Person means (a) any obligation of such Person for borrowed money, (b) any obligation of such Person evidenced by a bond, debenture, note or other similar instrument, (c) any obligation of such Person to pay the deferred purchase price of property or services, except trade accounts payable that arise in the ordinary course of business, (d) any obligation of such Person as lessee under a capital lease, (e) any Mandatorily Redeemable Stock of such Person, (f) any obligation of such Person to repurchase securities or other property that arises out of or in connection with the sale of the same or substantially similar securities or property, (g) any non-contingent obligation of such Person to reimburse any other Person in respect of amounts paid under a letter of credit or other Guaranty issued by such other Person, (h) any Indebtedness of others secured by an Encumbrance on any asset of such Person and (i) any Indebtedness of others Guaranteed by such Person.

"In-License Agreements" means the Archemix In-License and the Nektar Agreement, as amended from time to time (as permitted in Section 5.2(d)).

"Intellectual Property" means (i) Patents, (ii) trade names, trade dress, trademarks, service marks, logos, and all registrations and applications therefor, and the goodwill symbolized thereby; and (iii) Know-How.

"Investment Transaction" means the transaction in which Purchaser purchases preferred stock of Seller pursuant to the Equity Agreements.

"Know-How" means all know-how, trade secrets, inventions (whether or not patentable), confidential or proprietary information, research in progress, algorithms, data, databases, data collections, designs, processes, procedures, methods, protocols, materials, formulae, drawings, schematics, blueprints, flow charts, models, strategies, prototypes, techniques, and the results of experimentation and testing, including samples, existing as of the Effective Date or at any time thereafter.

"Knowledge" means, (a) when referring to Seller, the actual knowledge of any executive officer of Seller or its Affiliates at the time such knowledge is being determined, and (b) when referring to Purchaser, at any time when a member of Seller's board of directors has been designated or appointed by Purchaser or an Affiliate of Purchaser, the actual knowledge of such director, or otherwise, the actual knowledge of the executive officer of Purchaser having primary responsibility for oversight of the Transaction Documents, in each case at the time Knowledge is being determined.

"Liability" of any Person means (in each case, whether with full or limited recourse) any indebtedness, liability, obligation, covenant or duty of or binding upon, or any term or condition to be observed by or binding upon, such Person or any of its assets, of any kind, nature or description, direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, whether arising under contract, Applicable Law, or otherwise, whether now existing or hereafter arising, and whether for the payment of money or the performance or non-performance of any act.

"Listed Anti-PDGF Aptamers" means the aptamers listed on Exhibit G.

"Major European Countries" means the United Kingdom, Germany, France, Spain and Italy.

"Major Market" means the United States and the Major European Countries.

"Material Adverse Effect" means a material adverse effect on: (a) the validity or enforceability of any of this Agreement, the Security Interest Agreement, the Purchaser Bill of Sale or any certificates or financing statements delivered pursuant to this Agreement, the Security Interest Agreement or the Purchaser Bill of Sale (the "Relevant Documents"); (b) the

back-up security interest granted pursuant to Section 5.6; (c) the security interest granted pursuant to the Security Interest Agreement; (d) the right or ability of Seller to grant any of the rights or perform any of its obligations under any of the Relevant Documents or to consummate any of the transactions contemplated thereby; (e) the rights and remedies of Purchaser under any of the Relevant Documents; (f) the right of Purchaser to receive any Product Payment or the timing, amount or duration of such Product Payment; (g) the Purchased Receivables or any of Purchaser's right, title and interest therein, thereto and thereunder; (h) Seller's title to or control of, or the validity or enforceability of, any of the Product Patent Rights or Product Trademarks; or (i) the business, operations or assets of Seller relating to Products; provided that (x) the changes described in sub-clause (1) of the immediately succeeding sentence shall not be considered in determining whether a material adverse effect on any of the items described in the foregoing clauses (a) through (h) shall have occurred and (y) the changes described in the sub-clauses (1) through (4) of the immediately succeeding sentence shall not be considered in determining whether a material adverse effect on the business, operations or assets of Seller relating to Products shall have occurred. As and to the extent set forth in the proviso in the immediately preceding sentence, the following changes, events and circumstances shall not be considered in the determination of whether a Material Adverse Effect has occurred or may occur: any change, event or circumstance (1) in law, rules or regulations or generally accepted accounting principles or the interpretation or method of enforcement thereof; (2) in the pharmaceutical or biotechnology industries in general; (3) in general economic or political conditions or the financing or capital markets in general in the United States or any country or region in the world, or changes in currency exchange rates; (4) arising out of any earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, sabotage, terrorism, military action or war (whether or not declared), weather conditions or other force majeure events in the United States or any Major Market, or (5) arising out of the continued incurrence of losses by the Company in connection with its conduct of Phase III Clinical Trials of Fovista pursuant to the Development Plan.

"Material Licenses" has the meaning provided in Section 5.2(d).

"Nektar Agreement" means License, Manufacturing and Supply Agreement, by and between Nektar Therapeutics and (OSI) Eyetech, Inc., effective as of September 30, 2006, as amended by Amendment No. 1, between Nektar Therapeutics and Ophthotech Corporation (as successor in interest to Eyetech, Inc.), effective as of April 5, 2012, and as may be further amended during the Term (subject to Section 5.2(d)).

"Other Product" has the meaning set forth in Section 5.1(d).

"Partner" means any Affiliate or licensee, sublicensee, co-promotion or co-marketing partner and/or distributor with or through which Seller develops and/or commercializes Products.

"Partnering Transaction" means any transaction pursuant to which Seller either (i) grants to a Third Person a license, sublicense or equivalent right to develop and/or commercialize (alone or with such Third Person's Affiliates, other Third Persons or Seller or its Affiliates), Fovista and/or other Products, but excluding any transaction pursuant to which a Third Person independent contractor is granted a license, sublicense or right to perform research, development, manufacturing, or logistics activities on behalf of Seller or its Affiliates, where such Third Person does not pay Seller any consideration for such license, sublicense or right, or (ii) appoints a Third Person to distribute, market and/or sell Fovista and/or other Products.

"Party" or ***"Parties"*** has the meaning set forth in the Preamble.

"Patents" means all patents and patent applications existing as of the Effective Date and all patent applications filed or patents issued hereafter, including any continuation, continuation-in-part, division, provisional or any substitute applications, any patent issued with respect to any of the foregoing patent applications, any reissue, reexamination, renewal or patent term extension or adjustment (including any supplementary protection certificate) of any such patent, and any confirmation patent or registration patent or patent of addition based on any such patent, and all foreign counterparts of any of the foregoing.

"Permitted Encumbrances" means:

(a) Encumbrances created in favor of Purchaser pursuant to this Agreement;

(b) Encumbrances for Taxes not yet delinquent or that are being contested in good faith and by appropriate proceedings, for which sufficient reserves have been made in accordance with GAAP;

(c) Encumbrances in respect of property of Seller imposed by Applicable Law which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, distributors', wholesalers', materialmen's and mechanics' liens and other similar Encumbrances arising in the ordinary course of business and which do not in the aggregate materially detract from the value of the property of Seller and do not materially impair the use thereof in the operation of the business of Seller;

(d) Encumbrances (i) imposed by Applicable Law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation, (ii) incurred in the ordinary course of business to secure (whether directly or through the issuance of a letter of credit) the performance of tenders, statutory obligations (other than excise Taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or (iii) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation;

(e) Encumbrances, consisting of the rights of licensors or licensees, existing on the date of this Agreement or granted or created in the ordinary course of business after the date of this Agreement, in each such case pursuant to the In-License Agreements, other comparable agreements or in connection with a Partnering Transaction;

(f) Encumbrances on cash collateral securing reimbursement obligations under letters of credit;

(g) Normal and customary rights of setoff upon deposits of cash in favor of banks or depository institutions;

(h) Encumbrances securing judgments, awards and orders for payment of money; and

(i) Encumbrances consisting of security interests in the Seller's cash, deposit accounts, accounts, accounts receivables, payment intangibles, inventory and all proceeds thereof securing the Seller's Indebtedness,

provided, however that notwithstanding the foregoing, in the case of the Encumbrances listed in clauses (b)-(i), such Encumbrances shall only constitute Permitted Encumbrances if they are subject and subordinate to the interest of the Purchaser in the Purchased Receivables and Additional Collateral or otherwise do not encumber either the Purchased Receivables or the Additional Collateral.

"Person" means any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or any other legal entity, including public bodies, whether acting in an individual, fiduciary or other capacity.

"PDGF" means platelet-derived growth factor.

"Phase 3 Clinical Trial" means a human clinical trial of a Product conducted in accordance with Applicable Law in patients with a particular disease or condition the principal purpose of which is to establish safety and efficacy in patients with the disease target being studied as described in or contemplated by 21 C.F.R. § 312.21(c), as may be amended from time to time, or other Applicable Law, that is designed to obtain sufficient data to support approval of a Drug Approval Application for such Product.

"Purchaser" has the meaning set forth in the Preamble.

"Proceeding" means any action, suit, claim, litigation, arbitration, mediation, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding and any informal proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority, any arbitrator or arbitration panel or any mediator.

"Products" means (a) Fovista, (b) Fovista-Related Products, and (c) Other Products, if any, in each of (a) through (c), in any formulation, dosage, presentation, strength and size. For purposes of this Agreement, ***"Product"*** is used to refer both to a single Product and more than one Product, as the context dictates.

"Product Net Sales" means the gross amount invoiced by Seller, its Affiliates, licensees and sublicensees to Third Persons in bona fide arm's length transactions for the sale of Product in the Territory, or, where the sale is not both arm's length and exclusively for money, the price that would have been invoiced if it had been so, for the marketing or sale of Product in the Territory, less the following items without duplication:

(a) any reasonable and customary trade, cash and quantity discounts and promotional credits or allowances actually given or made for purchase chargebacks, price reductions, returns, rebates, quantity, trade or early-cash discounts, on account of or in relation to the invoiced sale of Product;

(b) amounts repaid, credited, accrued or reserved, and allowances or adjustments given, by reason of returns, rejections, or recalls of Product, retroactive price reductions affecting Product;

(c) reasonable and customary rebates and chargebacks to pharmacy benefit managers and managed health organizations;

(d) rebates required by Applicable Law (including Medicare rebates);

(e) write-offs or allowances for bad debts or uncollectible amounts;

(f) any duty, Tax, excise or governmental charge actually levied upon or measured by the sale, transportation and/or delivery of Product related to or based upon sales of Product, including applicable value added Taxes but excluding any income-based Taxes; and

(g) any reasonable and customary distribution, transportation and handling charges or allowances (including freight, postage, shipping and insurance) incurred on account of or in relation to the invoiced sales price of Product, provided the amounts are separately charged on the relevant invoice.

Product Net Sales comprising a formulation of a Product that also contains other active ingredients, and Net Sales of bundles or packages of products including a Product as well as other products (collectively, "***Combination Products or Bundles***"), would be calculated, to allocate the portions of net sales of such Combination Products or Bundles attributable, respectively, to a Product and to any such other active ingredients or other products, as follows:

(i) If Product and other active component(s) each are sold separately in such country, Product Net Sales will be calculated by multiplying the total Product Net Sales (as described above) of the Combination Product or Bundle by the fraction A/(A+B), where A is the average gross selling price in such country of the Product sold separately in the same formulation and dosage, and B is the sum of the average gross selling prices in such country of such other active component(s) sold separately in the same formulation and dosage, during the applicable Calendar Year.

(ii) If the Product is sold independently of the other active component(s) therein in such country, but the average gross selling price of such other active component(s) cannot be

determined, Product Net Sales will be calculated by multiplying the total Product Net Sales (as described above) of the Combination Product or Bundle by the fraction A/C where A is the average gross selling price in such country of such Product sold independently and C is the average gross selling price in such country of the entire Combination Product or Bundle.

(iii) If the other active component(s) are sold independently of the Product therein in such country, but the average gross selling price of such Product cannot be determined, Product Net Sales will be calculated by multiplying the total Product Net Sales (as described above) of the Combination Product or Bundle by the fraction [1-B/C], where B is the average gross selling price in the Territory of such other active component(s) and C is the average gross selling price in the Territory of the entire Combination Product or Bundle.

(iv) If the Product and other active component(s) are not sold separately, or if they are sold separately but the average gross selling price of neither such Product nor other active component(s) within can be determined, in such country, Product Net Sales of the Combination Product or Bundle will be calculated by multiplying the total Product Net Sales of the Combination Product in such country by a fraction that reflects the value contributed by the Product and each other active component (as determined by mutual agreement of the Parties).

For purposes of the foregoing, in the Calendar Year during which a Combination Product or Bundle is first sold in a country, a forecasted average gross selling price shall be used for the Product and the other active component(s), to be determined in good faith mutually by the Parties. Any over or under payment due to a difference between forecasted and actual average gross selling prices in such country shall be paid or credited, as applicable, in the first royalty payment of the following Calendar Year. In the following Calendar Year the average gross selling price of both the Product and the other active component(s) included in the Combination Product in the previous Calendar Year shall apply, but which shall be reconciled against the actual gross selling price for such year, subject to an appropriate payment or credit in the first royalty payment of the next following Calendar Year.

"Product Patent Rights" means all Patents Controlled by Seller that Cover a Product.

"Product Payments" means, with respect to any period occurring during the Royalty Period, the sum of ((a) all Product Net Sales during such period), and ((b) all Product-Related Damages that are actually received by Seller or its Affiliates during such period).

"Product-Related Damages" means (a) all recoveries, consideration, compensation, payments, collections, settlements and other amounts (including damages, awards, interest and penalties) of any kind or nature actually received by Seller or its Affiliates, licensees and sublicensees in substitution or compensation for, or otherwise in lieu of, any Product Net Sales arising out of or resulting from any Enforcement Action, *less* (b) all out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by Seller, its Affiliates, licensees, and sublicensees in connection with such Enforcement Action.

"Product Trademarks" means those trademarks set forth on Schedule 3.1(l), as well as all other trademarks in the Territory Controlled by Seller that are related to, or used or intended for use with, Products, excluding trademarks Controlled by Seller that are not specific to Products (e.g., excluding Seller's corporate names and logos and other non-Product-specific trademarks).

"PTO" means the United States Patent and Trademark Office.

"Purchase Price" has the meaning set forth in Section 1.2(a).

"Purchased Product Royalty" has the meaning set forth in Section 2.1(a).

"Purchased Receivables" means Seller's interest in revenues from sales of Products, in an amount equal to (a) the Purchased Product Royalty and each payment thereof and (b) any Purchased Product Royalty underpayments or other monetary recoveries resulting from an audit of Seller pursuant to Section 2.3, in each of (a) and (b) irrespective of any amounts, other than deductions set forth in the definition of Product Net Sales, that may be payable by Seller or any of its Affiliates to Third Persons.

"Purchaser" has the meaning set forth in the Preamble.

"Purchaser Indemnitees" means (i) Purchaser, (ii) the respective directors, employees, accountants, advisors, representatives and agents of Purchaser, and (iv) the respective successors, heirs and assigns of any of the Persons referred to in subsections (i) or (ii).

"Recharacterization" has the meaning set forth in Section 5.6.

"Regulatory Approval" means any and all approvals (including without limitation pricing and reimbursement approvals), product or establishment licenses, registrations, or authorizations of any regional, federal, state, or local Regulatory Authority, department, bureau, or other governmental entity, necessary to commercially distribute, sell or market a Product in a regulatory jurisdiction, including, where applicable, (a) pricing or reimbursement approval in such jurisdiction, (b) pre- and post-approval marketing authorizations (including any prerequisite manufacturing approval or authorization related thereto), (c) labeling approval and (d) technical, medical and scientific licenses.

"Regulatory Authority" means any applicable national, supranational, regional, state, provincial or local regulatory health authority, department, bureau, commission, council, or other government entity regulating or otherwise exercising authority with respect to the exploitation of Products in the Territory, including any such entity involved in the granting of Regulatory Approval for pharmaceutical products.

"Regulatory Exclusivity" means any period of regulatory data protection or market exclusivity or similar regulatory protection afforded by the Health Authorities in a country, including any such periods listed in the FDA's Orange Book or periods under national implementations of Article 10.1(a)(iii) of Directive 2001/EC/83, and all international equivalents, to the extent such protection or exclusivity effectively prevents Generic Versions of the protected product from entering the market.

"Resource Allocation Statement" has the meaning set forth in Section 2.2(c).

"Royalty Period" means on a Product by Product and country by country basis, the period of time commencing on the Commercial Launch of such Product in such country, and ending on the latest to occur of (i) the twelfth (12^{th}) anniversary of Commercial Launch of such Product in such country, (ii) the expiration of all Valid Claims of Product Patent Rights Covering such Product in such country, and (iii) the expiration of Regulatory Exclusivity for such Product in such country.

"Royalty Reports" has the meaning set forth in Section 2.2(a).

"SEC" means the U.S. Securities and Exchange Commission and any successor entity thereto.

"Second Closing" has the meaning set forth in Section 1.4.

"Second Closing Date" has the meaning set forth in Section 1.4.

"Second Request" has the meaning provided in Section 1.9(a).

"Second Closing Shares" has the meaning set forth in the Series C Purchase Agreement.

"Second Closing Trigger" means the date upon which an aggregate of [**] patients have been enrolled in Phase 3 Clinical Trial(s) of Products in accordance with the Fovista Development Plan.

"Second Investment Tranche" has the meaning set forth in Section 1.2(b).

"Second Purchase" has the meaning set forth in Section 2.1(a).

"Second Purchase Price" has the meaning set forth in Section 1.2(a).

"Security Interest Agreement" means the Security Interest Agreement attached to this Agreement as **Exhibit H**.

"Seller" has the meaning set forth in the Preamble.

"Seller Event of Default" means each of the following events or occurrences:

(a) failure of Seller to deliver or cause to be delivered to Purchaser any Purchased Product Royalty payment when and as such payment is due and payable in accordance with the terms of this Agreement and such failure is not cured within [**] days after written notice thereof is given to Seller by Purchaser, provided that if Seller disputes in writing any such payment obligation within such [**] day period, pays all undisputed amounts within such [**] day period, and thereafter pays all amounts finally determined to be payable within [**] days after the resolution of such dispute, Seller's non-payment of such disputed amounts prior thereto shall not constitute a Seller Event of Default;

(b) Seller becomes subject to a Bankruptcy Event; and

(c) Purchaser shall fail to have a first-priority perfected security interest under the applicable UCC (or any comparable law) of all applicable jurisdictions in the United States in any of the Additional Collateral and such first-priority perfected security interest is not restored within [**] Business Days after written notice thereof is given to Seller by Purchaser, to the extent that such a security interest can be perfected by the filing of UCC financing statements or other filings, and to the extent such failure is not the consequence of a Permitted Encumbrance.

"Seller Indemnitees" means (i) Seller, (ii) its current and future Affiliates, (iii) the respective directors, employees, accountants, advisors, representatives and agents of any of the foregoing and (iv) the respective successors, heirs and assigns of any of the Persons referred to in (i), (ii) and (iii) above.

"Series C Price" means $2.50 per share.

"Series C Purchase Agreement" means that Series C Preferred Stock Purchase Agreement, of even date herewith, by and among Seller, Purchaser and the other investors listed on Exhibit A thereto, as the same may be amended from time to time.

"Series C Purchasers" means, collectively, the Purchaser and each of the investors identified on Exhibit A to the Series C Purchase Agreement.

"Series C Sale Price" means the price per share that a holder of shares of Seller's equity purchased pursuant to the Series C Purchase Agreement would receive as consideration for such shares of Seller's equity in a specified Established Development Company Acquisition.

"Tax" means (1) any present or future tax, impost or withholding of any nature and whatever called and (2) any duty, assessment, charge, fee, or deduction in the nature of a tax, in each case including interest and penalties thereon and any additions thereto and imposed by any Governmental Authority, on whomsoever and wherever imposed, levied, collected, withheld or assessed.

"Term" has the meaning set forth in Section 7.1.

"Territory" means worldwide.

"Third Closing" has the meaning set forth in Section 1.4.

"Third Closing Date" has the meaning set forth in Section 1.4.

"Third Closing Shares" has the meaning set forth in the Series C Purchase Agreement.

"Third Closing Trigger" means the date upon which an aggregate of [**] patients have been enrolled in Phase 3 Clinical Trial(s) of Products in accordance with the Fovista Development Plan.

"Third Person" means any Person other than the Parties or their respective Affiliates.

"Third Investment Tranche" has the meaning set forth in Section 1.2(b).

"Third Purchase" has the meaning set forth in Section 2.1(a).

"Third Purchase Price" has the meaning set forth in Section 1.2(a).

"Third Purchase Price Date" means the date upon which the Third Investment Tranche closes.

"Transaction Documents" means, collectively, this Agreement, the Bill of Sale, the Security Interest Agreement, the Equity Agreements, and any document, certificate or other instrument delivered in connection therewith.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, if, with respect to any financing statement or by reason of any provisions of law, the perfection or the effect of perfection or non-perfection of Purchaser's ownership interest in the Purchased Receivables, the back-up security interest granted pursuant to Section 5.5, or the security interest granted pursuant to the Security Interest Agreement is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than the State of New York, then ***"UCC"*** shall mean the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of this Agreement and any financing statement relating to such perfection or effect of perfection or non-perfection.

"U.S." or ***"United States"*** means the United States of America, its territories and possessions.

"Unaudited Financial Statements" has the meaning set forth in Section 2.2(b).

"Valid Claim" (i) a claim of an issued and unexpired patent within the Product Patent Rights, as applicable, that has not been held unpatentable, invalid, or unenforceable by a court or other government agency of competent jurisdiction in an unappealed or unappealable decision or has not been admitted to be invalid or unenforceable through reissue, re-examination, disclaimer, or otherwise or (ii) a claim of a pending patent application within the Product Patent Rights that has not been abandoned, finally rejected or expired without the possibility of appeal or re-filing and that is not pending more than [**] years after the filing of the earliest patent application from which such claim derives priority.

EXHIBIT B

Opinion of Seller's Counsel

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wilmerhale.com

May 23, 2013

Novo A/S
1700 Owens Street, Suite 540
San Francisco, CA 94158

Ladies and Gentlemen:

We have acted as special counsel to Ophthotech Corporation, a Delaware corporation (the "Seller"), in connection with the preparation, execution and delivery of that certain Purchase and Sale Agreement of even date herewith (the "Purchase Agreement") by and between the Seller and Novo A/S (the "Purchaser").

This opinion is being furnished pursuant to Section 1.5 (f) of the Purchase Agreement. Capitalized terms used herein and not defined herein shall have the respective meanings given to such terms in the Purchase Agreement.

In rendering the opinions expressed below, we have examined:

a. the Purchase Agreement;

b. the Security Agreement of even date herewith (the "Security Agreement") between the Seller and the Purchaser;

c. the Bill of Sale of even date herewith, executed by the Seller (the "Bill of Sale");

d. the Notice of Grant of Security Interest in Patents and Notice of Grant of Security Interest in Trademarks, each of even date herewith, executed by the Seller;

e. the Certificate of Incorporation of the Seller, certified by the Secretary of State of the State of Delaware as of May 22, 2013 (the "Charter");

f. a Certificate of the Secretary of the Seller, dated as of the date hereof (the "Secretary's Certificate"), attesting to (i) true, correct and complete copies of the Charter and the By-Laws of the Seller, certain resolutions of the board of directors of the Seller, as each of the foregoing is in effect on the date hereof, and (ii) the authorization, incumbency and signatures of certain officers of the Seller;

g. a certificate of the Secretary of State of the State of Delaware, dated as of May 22, 2013, attesting to the legal existence and corporate good standing for the Seller in the State of Delaware;

h. the two UCC-1 financing statements (the "Financing Statements") in the forms annexed hereto as Exhibit A and Exhibit B to be filed with respect to the Seller in the filing office of the Secretary of State of the State of Delaware; and

i. such other documents, instruments and certificates (including, but not limited to, certificates of public officials and officers of the Seller) as we have considered necessary for purposes of this opinion.

The documents referred to in clauses (a), (b), (c) and (d) above are referred to together as the "Definitive Documents."

In our examination of the documents described above, we have assumed the genuineness of all signatures, the legal capacity and competence of all individuals, the completeness and accuracy of all corporate records provided to us, the authenticity of all documents submitted to us as originals, the conformity to original documents of all copies of documents submitted to us as copies, and the authenticity of the originals of such latter documents. We have not reviewed the minute books of the Seller.

In rendering this opinion, we have relied, as to all questions of fact material to this opinion, upon certificates of public officials and officers of the Seller, upon the representations and warranties of the Seller and the Purchaser in the Definitive Documents, and upon the Secretary's Certificate. We have not conducted any independent investigation of, or attempted to verify independently, such factual matters. We have not conducted a search of any electronic databases or the dockets of any court, administrative or regulatory body or agency in any jurisdiction.

For purposes of this opinion, we have assumed that (i) the Definitive Documents and all other instruments executed and delivered in connection therewith have been duly authorized, executed and delivered by all parties thereto other than the Seller, and that all such other parties have all requisite power and authority, and have taken all action necessary, to execute and deliver, and to perform their obligations under, the Definitive Documents and all other instruments executed and delivered in connection therewith, and (ii) no consent, approval, authorization, declaration or filing by or with any governmental commission, board or agency is required by any party to the Definitive Documents other than the Seller for the valid execution and delivery of, and performance of their obligations under, such documents. We have also assumed that each of the Definitive Documents and all other instruments executed and delivered in connection therewith is the valid and binding obligation of each party thereto other than the Seller and is enforceable against such other parties in accordance with its respective terms. We do not render any opinion as to the application of or compliance with any federal or state law or regulation to the power, authority or competence of any party to the Definitive Documents other than the Seller.

We are opining herein solely as to the state laws of the State of New York, the statutes codified as 8 Del.C. §§101-398 and known as the General Corporation Law of the State of Delaware (the "DGCL Statute"), the Delaware Uniform Commercial Code-Secured Transactions

Statute (the “Delaware Code”), and the federal laws of the United States of America. To the extent that any other laws govern any of the matters as to which we are opining herein, we have assumed for the purposes of this opinion, with your permission and without investigation, that such laws are identical to the state laws of the State of New York, and we express no opinion as to whether such assumption is reasonable or correct. We express no opinion herein as to the legal characterization or the treatment in bankruptcy (under 11 U.S.C. §552 or otherwise) of the obligations created by the Purchase Agreement, whether as a sale of royalty payments or a secured financing. We express no opinion herein with respect to compliance by the Seller with state securities or “blue sky” laws or with any state or federal securities anti-fraud laws.

For purposes of this opinion we have assumed that the Board of Directors of Seller has complied with its fiduciary duties in connection with the transactions contemplated by the Definitive Documents. We have also assumed, for purposes of Section 144 of the Delaware General Corporation Law, that the Definitive Documents are fair as to the Seller as of the time they were authorized, approved or ratified by the Board of Directors of the Seller, a committee thereof or the stockholders of the Seller.

We assume that the Uniform Commercial Code-Secured Transactions statute as in effect in the State of New York (the “New York Code”) governs all matters related to the creation of security interests granted by the Seller in favor of the Purchaser. Section 9-301(1) of the New York Code provides that, subject to certain exceptions, the law of the jurisdiction where a debtor is located governs the perfection of a security interest in collateral. The Seller is organized under the laws of the State of Delaware and is therefore located in the State of Delaware under Section 9-307(e) of the New York Code. Accordingly, the Delaware Code, subject to the exceptions referenced in Section 9-301 of the New York Code, governs the perfection of security interests granted by the Seller in favor of the Purchaser.

The opinion expressed in paragraph 1 below, insofar as it relates to the valid existence and good standing of the Seller, is based solely upon the certificate referred to in clause (e) above, is rendered as of the date of such certificate, and is limited accordingly. We express no opinion as to the tax good standing of the Seller in any jurisdiction.

We express no opinion as to the enforceability of any right to set-off against any deposit account of the Seller to the extent that (a) the funds on deposit in said accounts have been accepted by the Purchaser with an intent to apply such funds to a pre-existing claim rather than to hold such funds subject to withdrawals in the ordinary course, (b) the set-off is directed against checks held by the Purchaser for collection only and not for deposit, (c) the funds on deposit in said accounts are in any manner special accounts which, by the express terms on which they are created are made subject to the rights of a third party, (d) the obligations against which any deposit account is set off are not due and payable, or (e) the funds on deposit in the account are subject to a security interest granted to the Purchaser.

Except with respect to our opinion in paragraph 7 below, we express no opinion as to the creation or perfection of any security interests pursuant to the Definitive Documents. We express no opinion as to the priority of any security interest pursuant to the Definitive Documents.

Our opinions below are qualified to the extent that they may be subject to or affected by (i) applicable usury, bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer or similar laws relating to or affecting the rights of creditors generally, (ii) statutory or decisional law concerning recourse by creditors to security in the absence of notice or hearing, (iii) duties and standards imposed on creditors and parties to contracts, including, without limitation, requirements of good faith, reasonableness and fair dealing, and (iv) general principles of equity, including the availability of any equitable or specific remedy, or the successful assertion of any equitable defense. We assume that (i) there has been no mutual mistake of fact or misunderstanding, or fraud, duress, or undue influence in connection with the negotiation, execution or delivery of the Definitive Documents, and (ii) there are and have been no agreements or understandings among the parties, written or oral, and there is and has been no usage of trade or course of prior dealing among the parties that would, in either case, vary, supplement or qualify the terms of the Definitive Documents. We also express no opinion herein as to any provision of any Definitive Document (a) which may be deemed or construed to waive any right of the Seller, (b) to the effect that rights and remedies are not exclusive, and to the effect that every right or remedy is cumulative and may be exercised in addition to or with any other right or remedy and does not preclude recourse to one or more other rights or remedies, (c) relating to the effect of invalidity or unenforceability of any provision of a Definitive Document on the validity or enforceability of any other provision thereof, (d) requiring the payment of penalties, consequential damages or liquidated damages, (e) which is in violation of public policy, including, without limitation, any provision relating to non-competition and non-solicitation or relating to indemnification and contribution with respect to securities law matters, (f) purporting to indemnify any person against his, her or its own negligence or intentional misconduct, (g) relating to powers of attorney, (h) which provides that the terms of any Definitive Document may not be waived or modified except in writing, (i) purporting to establish evidentiary standards, (j) purporting to establish in advance standards of commercial reasonableness, or (k) purporting to charge interest on interest.

With respect to our opinions below, we have assumed that the execution and delivery of the Definitive Documents and consummation of the transactions contemplated thereby is necessary or convenient to the conduct, promotion, or attainment of the business of the Seller under the DGCL Statute § 122(13). For purposes of our opinions rendered below, we have assumed that the facts and law governing the future performance by the Seller of its obligations under the Definitive Documents will be identical to the facts and law governing its performance on the date of this opinion.

Based upon and subject to the foregoing and to the comments and qualifications following these opinions, it is our opinion that:

1. The Seller is a corporation validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to conduct its business as it is, to our knowledge, currently conducted.

2. The Seller has all requisite corporate power and authority to execute and deliver the Definitive Documents and to consummate the transactions contemplated thereby.

3. The execution and delivery by the Seller of the Definitive Documents and the performance by the Seller of its obligations thereunder have been duly authorized by all necessary corporate action on the part of the Seller.

4. Each of the Definitive Documents has been duly executed and delivered by the Seller, and constitutes the valid and binding obligation of the Seller enforceable against the Seller in accordance with its respective terms.

5. The execution and delivery by the Seller of the Definitive Documents and the consummation of the transactions contemplated thereby, do not (a) violate the provisions the Charter and By-laws of the Seller, each as attached to the Secretary's Certificate; or (b) violate the provisions of the state laws of the State of New York, the federal laws of the United States of America or the DGCL Statute applicable to the Seller.

6. Other than any authorization, approval, consent, filing or registration required in connection with the perfection of security interests, no authorization, approval or consent of, and no filing or registration with, any governmental or regulatory authority or agency of the United States of America or the State of New York or under the DGCL Statute is required on the part of the Seller for the execution or delivery by the Seller of the Definitive Documents or the consummation by the Seller of the transactions contemplated thereby.

7. Subject to the giving of value (within the meaning of Section 9-203 of the New York Code), and without opining as to whether it constitutes a purchase or a secured loan, the Purchase Agreement together with the Bill of Sale creates a valid security interest (as defined in Section 1-201(37) of the New York Code) in the Purchased Receivables (as defined in the Bill of Sale) in favor of the Purchaser. Subject to the giving of value (within the meaning of Section 9-203 of the New York Code), the Security Agreement creates a valid security interest in the Collateral (as defined therein and together with the Purchased Receivables, the "Seller Collateral") in favor of the Purchaser. Upon the timely and proper filing of the Financing Statements with the Secretary of State of the State of Delaware listing the Purchaser as the secured party, the Purchaser will have a perfected security interest as to all such Seller Collateral of the Seller in which a security interest can be perfected by the filing of such Financing Statements under the Delaware Code.

The foregoing opinions are subject to the following comments and qualifications:

a. We express no opinion as to the creation of security interests in property (including any intellectual property or proceeds thereof) in which a security interest cannot be created under the New York Code or the perfection of security interests in property (including any intellectual property or proceeds thereof) in which a security interest cannot be perfected by the filing of UCC-1 financing statements pursuant to Article 9 of the Delaware Code. Without limiting the foregoing, we express no opinion as to (a) the creation or perfection of any security interests in commercial tort claims, and (b) the perfection of security interests in fixtures, letter of credit rights, electronic chattel paper, as-extracted collateral, timber to be cut, a cooperative interest or deposit accounts, each as defined in the New York Code. We have assumed that the Financing Statements will be duly and timely filed with the Office of the Secretary of State of the State of Delaware , and that all appropriate fees and recording taxes (if any) will be duly and timely paid. We call your attention to the decision of the court in In re Avalon Software, Inc., 209 B.R. 517 (Bankr. D. Ariz. 1997) regarding the perfection of security interests in the proceeds of certain intellectual property. We call your attention to Sections 9-310 through 9-314 of the Delaware Code, which require or permit control or taking delivery or possession by a secured party for perfection of a security interest in certain types of collateral, and note that the security interests in such collateral may be subject to perfection by more than one method of perfection.

b. We express no opinion as to the effect of perfection or nonperfection or the priority of any security interests granted by the Seller to or for the benefit of the Purchaser. We express no opinion as to the existence of, or the right, title or interest of the Seller, to or under any property in which it has granted a security interest.

c. The perfection of the security interest granted by the Seller may be terminated as to any Seller Collateral of the Seller acquired by the Seller more than four months after the Seller changes its name so as to make the Financing Statements seriously misleading (within the meaning of Sections 9-506 and 9-507 of the Delaware Code) unless an appropriate amendment to the financing statement indicating the new name of the Seller is properly filed before the expiration of such four-month period and all fees in connection therewith are paid. A change in the location (as that term is defined in Section 9-307 of the New York Code) of the Seller may impair the perfection of the security interest in the Seller Collateral of the Seller.

d. Pursuant to the Delaware Code, continuation statements are required from time to time to be filed in order to preserve valid, perfected security interests.

e. We express no opinion as to the adequacy of the description of the Seller Collateral of the Seller as defined in the Security Agreement (a) insofar as such description includes terms which are not defined under Article 9 of the New York Code or the Delaware Code; and (b) insofar as such description is inconsistent with the description of the Seller Collateral in the Financing Statements.

f. Under certain circumstances, described in Section 9-315 of the New York Code and the Delaware Code, the right of a secured party to enforce a perfected security interest in the proceeds of collateral may be limited. Under certain circumstances described in Sections 9-406 through 9-409 of the New York Code and the Delaware Code, the assignment of interests in, or the creation or enforcement of a security interest in, certain types of collateral may be limited.

g. The grant of, or any realization on, security interests in governmental licenses, permits, authorizations and other rights, in contracts with government or governmental instrumentalities, commissions, boards or agencies and in the proceeds thereof are or may be subject to restrictions or limitations set forth therein or in applicable statutes, laws, rules or regulations, and we express no opinion as to the creation or perfection of a security interest in such rights, contracts or proceeds.

This opinion is provided to you as a legal opinion only and not as a guaranty or warranty of the matters discussed herein. This opinion is based upon currently existing facts, statutes, rules, regulations and judicial decisions, and is rendered as of the date hereof, and we disclaim any obligation to advise you of any change in any of the foregoing sources of law or subsequent developments in law or changes in facts or circumstances which might affect any matters or opinions set forth herein.

Please note that we are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is rendered only to the Purchaser and is solely for the benefit of the Purchaser, in connection with the consummation of the transactions contemplated by the Definitive Documents, and may not be used by the Purchaser for any other purpose, nor may this opinion be furnished to, quoted to or relied upon by any other person for any purpose, without our prior written consent.

Very truly yours,

WILMER CUTLER PICKERING
HALE AND DORR LLP

By: _____
John D. Sigel, a Partner

Exhibit A
Form of Financing Statement

EXHIBIT C

INITIAL PRESS RELEASE

Final ☐ Strictly Confidential

For BusinessWire Distribution on Wed., May 29, 2013 at 7:30 a.m. Eastern

Ophthotech Raises $175 Million to Finance the
Pivotal Phase 3 Program for Fovista™
Anti-PDGF Combination Therapy in Wet AMD

☐ Funding to Develop the First Therapy to Show
Superior Efficacy Over the Current Standard of Care ☐

☐ Newly Appointed CEO David R. Guyer, MD to Lead Expanded Management Team ☐

New York, NY ☐ May 29, 2013 ☐ Ophthotech Corporation today announced that it has raised $175 million to finance a global Phase 3 clinical program of its lead compound FovistaTM, an anti-platelet-derived growth factor (PDGF), in combination with anti-VEGF therapy for the treatment of neovascular age-related macular degeneration (wet AMD). The multi-national Phase 3 trial is expected to begin in the third quarter of 2013 and enroll nearly 1,900 patients in more than 200 centers worldwide.

The financing of $175 million consists of $125 million from Novo A/S, in exchange for royalties on Fovista sales. The remaining $50 million is in the form of a Series C preferred stock financing from Novo A/S and current venture investors in Ophthotech. The royalty and Series C funding is structured in three equal tranches, the first of which has closed.

“We are excited to lead this very large financing to drive Phase 3 development of Fovista,” said Henrik Gürtler, CEO, Novo A/S. “Ophthotech is well positioned to bring this important drug rapidly to market, based on the strength of Phase 2b results and the proven medical, regulatory and commercial capabilities of its management team.”

To accelerate the clinical development of Fovista, Ophthotech also announced today the expansion of its management team. David R. Guyer, MD, the company’s Chairman of the Board since its inception, has accepted the position of Chief Executive Officer (CEO), and Samir Patel, MD, co-founder and current President of Ophthotech, has been appointed to the additional role of Vice Chairman of the Board. Under the new management structure, Dr. Guyer will direct the company’s corporate and financial strategy, while Dr. Patel will focus fully on clinical development.

“We are grateful to our investors for their profound confidence in Ophthotech and Fovista as a potential game-changing therapy that we hope will improve outcomes for millions of people with wet AMD,” noted Dr. Guyer.

In a large, randomized, controlled Phase 2b study reported last year, Fovista in combination with Lucentis® (ranibizumab injection) demonstrated superior efficacy over Lucentis monotherapy in patients with wet AMD. Patients receiving the combination of Fovista (1.5 mg) and Lucentis gained a mean of 10.6 letters of vision on the ETDRS standardized chart at 24 weeks, compared to 6.5 letters for patients receiving Lucentis monotherapy (p=0.019), representing a 62% additional benefit. No significant safety issues were observed for either treatment group in the trial.

About Novo A/S

Novo A/S, a private limited liability company fully owned by the Novo Nordisk Foundation, is the holding company in the Novo Group, and responsible for managing the Foundation’s assets, which are currently valued at more than USD 30 billion. Besides being the major shareholder in Novo Nordisk A/S and Novozymes A/S, Novo A/S provides seed and venture capital to development stage companies and takes significant ownership positions in well-established companies within life science and biotechnology, as well as manages a broad portfolio of financial assets. Novo A/S is an international investor working from Copenhagen, San Francisco and London. Through its teams of scientific and commercial experts, Novo A/S actively supports its portfolio of projects and companies, and manages a range of financial investments.

About the Phase 2b Trial of Fovista

In a prospective Phase 2b study of 449 patients with wet AMD, enhanced visual outcomes of Fovista anti-PDGF (1.5 mg) combination therapy as compared to Lucentis monotherapy were demonstrated at every monthly timepoint. In addition, the relative magnitude of visual benefit continued to increase over time. The visual benefit of anti-PDGF (1.5 mg) combination therapy compared to Lucentis monotherapy was greater at the 6-month timepoint than at the 3-month timepoint. The increasing divergence of the efficacy curves suggests the benefit of chronic anti-PDGF combination therapy. A classic dose-response curve was observed. No significant safety issues were observed for either treatment group in the trial. These data were previously reported by Ophthotech, and further results will be presented at future medical congresses and published in peer-reviewed journals.

About Dr. Guyer

Dr. Guyer, a former venture capitalist and Partner at SV Life Sciences, has significant medical, drug development and commercial experience in ophthalmology. Following a successful career in academic medicine as Professor and Chairman of the Department of Ophthalmology at New York University School of Medicine, Dr. Guyer co-founded and served as CEO and Director at Eyetech Pharmaceuticals, Inc. He led Eyetech through private, public and corporate financings over $400 million, and oversaw the rapid development and successful commercialization of Macugen® (pegaptanib sodium), the first FDA-approved anti-

VEGF pharmacological treatment for wet AMD. Dr. Guyer negotiated a partnership with Pfizer for Macugen, which was one of the largest biotech-pharma deals executed at the time. The commercial launch of Macugen was the most successful ophthalmology product introduction at the time, based on the first twelve months' sales. Under Dr. Guyer's leadership, Eyetech reached a peak market capitalization of approximately $2 billion. OSI Pharmaceuticals subsequently acquired Eyetech in a deal valued at $935 million.

Dr. Guyer received his Bachelor of Science (BSc) degree from Yale College *summa cum laude* and his medical degree (MD) from Johns Hopkins Medical School. Dr. Guyer completed his ophthalmology residency at Wilmer Ophthalmological Institute, Johns Hopkins Hospital and a retinal fellowship at the Massachusetts Eye and Ear Infirmary at Harvard Medical School.

About Dr. Patel

Under Dr. Patel's leadership as founding CEO of Ophthotech, the company completed a large Phase 2b clinical trial in which Fovista combination therapy demonstrated statistically significant superiority in efficacy over Lucentis monotherapy in the treatment of wet AMD. Dr. Patel is also the former Chief Medical Officer of Eyetech, co-founded Eyetech with Dr. Guyer and served on its Board of Directors. Prior to joining Ophthotech, Dr. Patel spent over a decade in academic medicine. In 1991 he joined the Department of Ophthalmology and Visual Science at the University of Chicago, where he served as Director of the Retina Service and the residency program and was an Associate Professor of Ophthalmology. While at the University of Chicago, Dr. Patel focused on cell-based therapies for AMD, and was one of the world's first retinal surgeons to perform a human retinal transplant. Dr. Patel received his MD from the University of Massachusetts Medical School and ophthalmology training from the University of Chicago. He received his training in retinal surgery from the Massachusetts Eye and Ear Infirmary at Harvard Medical School.

About Ophthotech

Ophthotech Corporation is a privately held biopharmaceutical company focusing on discovering, developing and commercializing first-in-class therapies for the treatment of major ophthalmic diseases. Ophthotech's lead compound Fovista (previously known as E10030) is being developed for use in combination with anti-VEGF therapy for the treatment of patients with wet AMD. Today, despite the availability of anti-VEGF wet AMD drugs with worldwide sales of over $4 billion, there remains a significant unmet medical need. The majority of patients treated with anti-VEGF monotherapy, the current standard of care, are unable to achieve significant visual gain, and many of these patients lose additional vision.

In addition to Fovista, Ophthotech's pipeline includes an anti-C5 agent, ARC1905, a potent and selective inhibitor of factor C5 of the complement cascade being developed for the treatment of wet and dry AMD. There are more than 15 million patients suffering from dry AMD in just the United States and Europe, and there is no approved therapy.

Ophthotech's venture investors include SV Life Sciences, Novo Ventures, HBM Healthcare Investments, and Clarus Ventures. Ophthotech is headquartered in New York, and also has offices in Princeton, NJ. For more information, please visit www.ophthotech.com.

Forward-Looking Statements

Any statements in this news release about future expectations, plans and prospects for Ophthotech constitute forward-looking statements. Forward-looking statements in this news release include statements regarding the initiation and conduct of Ophthotech's planned Phase 3 clinical trial of Fovista in combination with anti-VEGF therapies. Actual results may differ materially from those indicated by such forward-looking statements. In particular, the favorable results from Ophthotech's completed Phase 2b clinical trial of Fovista do not guarantee favorable results in the planned Phase 3 clinical trial. Ophthotech anticipates that subsequent events and developments may cause its views to change. However, while Ophthotech may elect to update these forward-looking statements in the future, Ophthotech specifically disclaims any obligation to do so.

Contact:

Jennifer Devine
SmithSolve LLC on behalf of Ophthotech Corporation
973-442-1555 ext. 102
jennifer.devine@smithsolve.com

EXHIBIT D

BILL OF SALE

THIS BILL OF SALE (this ***"Purchaser Bill of Sale"***) is made, entered into and effective this 23rd day of May 2013, by and between **OPHTHOTECH CORPORATION**, a Delaware corporation, and its permitted successors and assigns (***"Seller"***) and **NOVO A/S** a company organized under the laws of Denmark, and its permitted successors and assigns (***"Purchaser"***). Capitalized terms used but not defined herein will have the meanings ascribed to such terms in that certain Purchase and Sale Agreement, dated as of May 23, 2013, by and between Seller and Purchaser (the ***"Purchase Agreement"***).

RECITALS

WHEREAS, Seller desires to sell, transfer, convey and assign to Purchaser, and Purchaser desires to purchase and accept from Seller, all of Seller's right, title and interest in, to and under the Purchased Receivables, on the terms and conditions set forth in the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows, subject in each case to the terms and conditions set forth in the Purchase Agreement, it being agreed by Purchaser and Seller that nothing herein increases Seller's obligations beyond those set forth in the Purchase Agreement:

1. Seller, by this Purchaser Bill of Sale, does hereby sell, transfer, convey, assign and deliver to Purchaser, and Purchaser does hereby purchase and accept, all of Seller's right, title and interest in, to and under the Purchased Receivables.

2. Seller hereby covenants that, at any time or from time to time after the date hereof, at Purchaser's reasonable request and without further consideration but at Purchaser's expense, Seller will execute and deliver to Purchaser such other instruments of sale, transfer, conveyance and assignment as Purchaser may reasonably deem necessary to sell, transfer, convey, assign and deliver to Purchaser, and to confirm Purchaser's title to, all of Seller's right, title and interest in, to and under the Purchased Receivables.

3. Seller represents, warrants and covenants that (a) it has absolute title to the Purchased Receivables free and clear of all Encumbrances (other than Permitted Encumbrances), (b) it has not made any prior sale, transfer, conveyance, assignment, grant or delivery of any Purchased Receivables, (c) it has the present lawful right, power and authority to sell, transfer, convey, assign and deliver the Purchased Receivables to Purchaser free and clear of all Encumbrances (other than Permitted Encumbrances), and (d) subject to any Recharacterization, all action has been taken which is required for Seller to make this Purchaser Bill of Sale, and this Purchaser Bill of Sale is, a legal, valid and binding obligation of Seller.

4. This Purchaser Bill of Sale will be binding upon and inure to the benefit of Seller, Purchaser and their respective permitted successors and assigns under the Purchase Agreement, for the uses and purposes set forth and referred to above, effective immediately upon its delivery to Purchaser.

5. (a) THIS PURCHASER BILL OF SALE AND ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASER BILL OF SALE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT, TORT OR OTHERWISE) WILL BE GOVERNED BY, AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER WILL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) EACH PARTY (i) IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR PURPOSES OF ANY ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF THIS PURCHASER BILL OF SALE, AND (ii) IRREVOCABLY WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH ACTION, SUIT OR OTHER PROCEEDING, THAT SUCH COURT DOES NOT HAVE ANY JURISDICTION OVER SUCH PARTY.

(c) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY ACTION OR DISPUTE ARISING OUT OF OR RELATING TO THIS PURCHASER BILL OF SALE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT, TORT OR OTHERWISE).

(d) EACH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK.

(e) EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE SENDING OF COPIES THEREOF BY FEDERAL EXPRESS OR OTHER OVERNIGHT COURIER COMPANY, TO SUCH PARTY AT ITS ADDRESS SPECIFIED BY SECTION 9.10 OF THE PURCHASE AGREEMENT, SUCH SERVICE TO BECOME EFFECTIVE FOUR DAYS AFTER DELIVERY TO SUCH COURIER COMPANY.

(f) NOTHING HEREIN WILL AFFECT THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

6. This Purchaser Bill of Sale may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all of such counterparts will together constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Bill of Sale as of the day and year first written above.

PURCHASER:

Novo A/S

By: /s/ Henrik Gürtler
Name: Henrik Gürtler
Title: Chief Executive Officer

PURCHASER:

Novo A/S

By: /s/ Jørgen Boe
Name: Jørgen Boe
Title: Director

SELLER:

OPHTHOTECH CORPORATION

By: /s/ David R. Guyer
Name: David R. Guyer
Title: Chief Executive Officer

EXHIBIT E

Fovista Development Plan

(See Attached)

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 20 pages were omitted.
[**]

EXHIBIT F

Fovista Development Timeline

[**]

EXHIBIT G
Listed Anti-PDGF Aptamers

Confidential Materials omitted and filed separately with the Securities and Exchange Commission.
A total of one page was omitted. [**]

EXHIBIT H

EXECUTION VERSION

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is entered into as of May 23, 2013 between OPHTHOTECH CORPORATION, a Delaware corporation (the "Grantor"), and NOVO A/S, a Danish private limited liability company (the "Secured Party").

RECITALS

WHEREAS, pursuant to that certain Purchase and Sale Agreement, dated as of the date hereof (the "Purchase Agreement"), between the Grantor and the Secured Party, the Secured Party will provide funding to the Grantor in exchange for royalties on sales of certain products of the Grantor; and

WHEREAS, it is a condition precedent to the effectiveness of the Purchase Agreement and the Secured Party's provision of funding thereunder that the Grantor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement. The following terms shall have the meanings ascribed to such terms in the Uniform Commercial Code in effect from time to time in the State of New York, except as such terms may be used in connection with the perfection of the Collateral and then such terms shall have the meanings ascribed to them in the Uniform Commercial Code in the applicable jurisdiction with respect to such affected Collateral (the "UCC"): Money, Proceeds.

(b) In addition, the following terms shall have the meanings set forth below:

"Collateral" has the meaning provided in Section 2 hereof.

"Fovista Intellectual Property" means all of Grantor's right, title and interest in, to and under the following property, whether now owned or hereafter acquired, wherever located:

(a) all Product Patent Rights and all of Grantor's rights and privileges with respect thereto;

(b) all Product Trademarks and all of Grantor's rights and privileges with respect thereto and related goodwill;

(c) all rights and privileges in the service marks, trade names, trade dress, logos, packaging design, slogans and Internet domain names that are Controlled by Grantor, and the registrations and applications for registration of any of the foregoing, in each case, that are primarily related to Product;

(d) all rights and privileges in Know-How that is Controlled by Grantor and is primarily related to Product;

(e) all Regulatory Approvals for Products owned by Grantor or its Affiliates;

(f) all of Grantor's books and records relating to any and all of the foregoing; and

(g) all Proceeds and products of and to any and all of the foregoing, but excluding, for clarity, inventory and any proceeds thereof.

"Obligations" means all of Grantor's obligations under the Purchase Agreement.

"Secured Obligations" means, without duplication, (a) all Obligations and (b) all costs and expenses incurred in connection with enforcement and collection of the Obligations, including the reasonable and documented fees, charges and disbursements of counsel.

2. Grant of Security Interest in the Collateral. To secure the prompt payment and performance in full when due of the Secured Obligations, the Grantor hereby grants to the Secured Party a continuing security interest in any and all right, title and interest of the Grantor in and to the Fovista Intellectual Property, whether now owned or existing or owned, acquired, or arising hereafter (collectively, the "Collateral").

Notwithstanding anything to the contrary contained herein, the security interests granted under this Agreement shall not extend to, and the definition of "Collateral" shall not include Grantor's interests in either of the In-License Agreements to the extent that the grant of a security interest in such In-License Agreement in the manner contemplated by this Agreement, under the terms thereof or under applicable law, is prohibited and would result in the termination thereof or give the other party or parties thereto the right to terminate, accelerate or otherwise alter the Grantor's rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both), except to the extent that such provisions would be ineffective under Section 9-406, 9-407, 9-408 or 9-409 of the UCC.

The Grantor and the Secured Party hereby acknowledge and agree that the security interest created hereby in the Collateral (i) constitutes continuing collateral security for all of the Secured Obligations, whether now existing or hereafter arising and (ii) is not to be construed as an absolute assignment of any Collateral.

3. Representations and Warranties. The Grantor hereby represents and warrants to the Secured Party that:

(a) Ownership. Except for Permitted Encumbrances, the Grantor is the legal and beneficial owner of the Collateral and has the right to pledge, sell, assign or transfer the same.

(b) Security Interest/Priority. This Agreement creates a valid security interest in favor of the Secured Party in the Collateral and, when properly perfected by filing, shall constitute a valid and perfected, first priority security interest in the Collateral to the extent such security interest can be perfected by filing under the UCC or by filing in the United States Patent and Trademark Office.

(c) Consents; Etc. Except for (i) the filing or recording of UCC financing statements, (ii) the filing of appropriate notices with the United States Patent and Trademark Office and (iii) consents, authorizations, filings or other actions which have been obtained or made, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other person is required for (A) the grant by the Grantor of the security interest in the Collateral granted hereby or for the execution, delivery or performance of this Agreement by the Grantor, (B) the perfection of the security interest granted hereunder (to the extent such security interest can be perfected by filing under the UCC or by filing an appropriate notice with the United States Patent and Trademark Office) or (C) the exercise by the Secured Party of the rights and remedies provided for in this Agreement.

4. Covenants. The Grantor covenants that until such time as the Secured Obligations have been paid in full and the Purchase Agreement has expired or been terminated, the Grantor shall:

(a) Filing of Financing Statements, Notices, etc. Execute and deliver to the Secured Party such agreements, assignments or instruments and do all such other things as the Secured Party may reasonably deem necessary or appropriate (i) to assure the Secured Party of its security interests hereunder, including (A) such instruments as the Secured Party may from time to time reasonably request in order to perfect and maintain the security interests granted hereunder in accordance with the UCC and federal law relating to the United States Patent and Trademark Office, (B) with regard to Product Patent Rights that constitute Collateral, a Notice of Grant of Security Interest in Patents for filing with the United States Patent and Trademark Office in the form of Schedule 4(a)(i) hereto and (C) with regard to Product Trademarks that constitute Collateral, a Notice of Grant of Security Interest in Trademarks for filing with the United States Patent and Trademark Office in the form of Schedule 4(a)(ii) hereto, (ii) to consummate the transactions contemplated hereby and (iii) to otherwise protect and assure the Secured Party of its rights and interests hereunder. Furthermore, the Grantor also hereby irrevocably makes, constitutes and appoints the Secured Party, its nominee or any other person whom the Secured Party may designate, as the Grantor's attorney in fact with full power and for the limited purpose to sign in the name of the Grantor any financing statements, or amendments and supplements to financing statements, renewal financing statements, notices (including Notices of Grant of Security with respect to Product Patent Rights and/or Product Trademarks) and intellectual property security agreements or any similar documents which in the Secured Party's reasonable discretion would be necessary or appropriate in order to

perfect and maintain perfection of the security interests granted hereunder, such power, being coupled with an interest, being and remaining irrevocable until such time as the Secured Obligations arising under the Purchase Agreement have been paid in full and the Purchase Agreement has expired or been terminated. The Grantor hereby agrees that a carbon, photographic or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Secured Party without notice thereof to the Grantor wherever the Secured Party may in its sole discretion desire to file the same.

(b) Books and Records. Mark its books and records to reflect the security interest granted pursuant to this Agreement.

(c) Collateral. Except for the Permitted Encumbrances and as permitted by the Purchase Agreement, not (a) make any assignment or agreement in conflict with the security interest granted hereunder in the Collateral or (b) pledge, grant a security interest in, sell, assign, transfer, dispose of, allow to exist any lien or other encumbrance on or otherwise encumber any of the Collateral.

5. Authorization to File Financing Statements. The Grantor hereby authorizes the Secured Party to prepare and file such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the Secured Party may from time to time deem necessary or appropriate in order to perfect and maintain the security interests granted hereunder in accordance with the UCC.

6. Advances. Upon the occurrence and during the continuation of a Seller Event of Default and upon prior notice to the Grantor, the Secured Party may, at its sole option and in its reasonable discretion after notifying the Grantor, expend such sums as the Secured Party may reasonably deem advisable in defending against any adverse claim against the Collateral and make all other reasonable expenditures which the Secured Party may make for the protection of the security hereof or which it may be compelled to make by operation of law. All such sums and amounts so expended shall be repayable by the Grantor promptly upon timely notice thereof and demand therefor, and shall constitute additional Secured Obligations. No such performance of any covenant or agreement by the Secured Party on behalf of the Grantor, and no such advance or expenditure therefor, shall relieve the Grantor of any Seller Event of Default.

7. Remedies.

(a) General Remedies. Upon the occurrence of a Seller Event of Default and during continuation thereof, the Secured Party shall have, in addition to the rights and remedies provided herein, in the Purchase Agreement, in any other documents relating to the Secured Obligations, or by law (including, but not limited to, levy of attachment, garnishment and the rights and remedies set forth in the UCC of the jurisdiction applicable to the affected Collateral), the rights and remedies of a secured party under the UCC and the Secured Party may, with or without judicial process or the aid and assistance of others but subject to compliance with applicable law, (i) enter on any premises on which any of the Collateral may be located and, without resistance or interference by the Grantor, take possession of the Collateral, (ii) dispose of any Collateral on any such premises, (iii) require

the Grantor to assemble and make available to the Secured Party at the expense of the Grantor any Collateral at any place and time designated by the Secured Party which is reasonably convenient to both parties, (iv) remove any Collateral from any such premises for the purpose of effecting sale or other disposition thereof, and/or (v) at any place and time or times, sell and deliver any or all Collateral held by or for it at public or private sale, at any exchange or broker's board or elsewhere, by one or more contracts, in one or more parcels, for Money, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems advisable, in its sole discretion (subject to any and all mandatory legal requirements). Neither the Secured Party's compliance with applicable law nor its disclaimer of warranties relating to the Collateral shall be considered to adversely affect the commercial reasonableness of any sale. The Grantor agrees that any requirement of reasonable notice shall be met if such notice, specifying the place of any public sale or the time after which any private sale is to be made, is personally served on or mailed, postage prepaid, to the Grantor in accordance with the notice provisions of the Purchase Agreement at least 10 days before the time of sale or other event giving rise to the requirement of such notice. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. To the extent permitted by applicable law, the Secured Party may be a purchaser at any such sale. To the extent permitted by applicable law, the Grantor hereby waives all of its rights of redemption with respect to any such sale. Subject to the provisions of applicable law, the Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, to the extent permitted by law, be made at the time and place to which the sale was postponed, or the Secured Party may further postpone such sale by announcement made at such time and place.

(b) Nonexclusive Nature of Remedies. Failure by the Secured Party to exercise any right, remedy or option under this Agreement, the Purchase Agreement, any other document relating to the Secured Obligations, or as provided by law, or any delay by the Secured Party in exercising the same, shall not operate as a waiver of any such right, remedy or option. No waiver hereunder shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have.

(c) Retention of Collateral. In addition to the rights and remedies hereunder, the Secured Party may, in compliance with Sections 9-620 and 9-621 of the UCC, propose to accept or retain the Collateral in satisfaction of the Secured Obligations. Unless and until the Secured Party shall have provided the notices required by such provisions, however, the Secured Party shall not be deemed to have retained any Collateral in satisfaction of any Secured Obligations for any reason.

(d) Deficiency. In the event that the proceeds of any sale, collection or realization are insufficient to pay all amounts to which the Secured Party legally entitled, the

Grantor shall be liable for the deficiency, together with the costs of collection and the reasonable and documented fees, charges and disbursements of counsel. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Grantor.

8. Rights of the Secured Party.

(a) Power of Attorney. In addition to other powers of attorney contained herein, the Grantor hereby designates and appoints the Secured Party and each of its designees or agents, as attorney-in-fact of the Grantor, irrevocably and with power of substitution, with authority to take any or all of the following actions upon the occurrence and during the continuance of a Seller Event of Default:

(i) to defend, settle or compromise any action brought in connection with the Collateral and, in connection therewith, give such discharge or release as the Secured Party may deem reasonably appropriate;

(ii) to sell, assign, transfer, make any agreement in respect of, or otherwise deal with or exercise rights in respect of, any Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes;

(iii) to adjust and settle claims under any insurance policy relating to the Collateral;

(iv) to execute and deliver all assignments, conveyances, statements, financing statements, renewal financing statements, security agreements, affidavits, notices and other agreements, instruments and documents that the Secured Party may determine necessary in order to perfect and maintain the security interests and liens granted in this Agreement and in order to fully consummate all of the transactions contemplated therein;

(v) to institute any foreclosure proceedings with respect to the Collateral that the Secured Party may deem appropriate;

(vi) to sign and endorse any assignments, verifications, notices and other documents relating to the Collateral;

(viii) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral; and

(ix) to do and perform all such other acts and things as the Secured Party may reasonably deem to be necessary, proper or convenient in connection with the Collateral.

This power of attorney is a power coupled with an interest and shall be irrevocable until such time as the Secured Obligations arising under the Purchase Agreement have been paid in full and the Purchase Agreement has expired or been terminated. The Secured Party shall be under no duty to

exercise or withhold the exercise of any of the rights, powers, privileges and options granted to the Secured Party in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Secured Party shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct. This power of attorney is conferred on the Secured Party solely to protect, preserve and realize upon its security interest in the Collateral.

(b) The Secured Party's Duty of Care. Other than the exercise of reasonable care to assure the safe custody of the Collateral while being held by the Secured Party hereunder, the Secured Party shall have no duty or liability to preserve rights pertaining thereto, it being understood and agreed that the Grantor shall be responsible for preservation of all rights in the Collateral, and the Secured Party shall be relieved of all responsibility for the Collateral upon surrendering it or tendering the surrender of it to the Grantor. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, which shall be no less than the treatment employed by a reasonable and prudent secured party in the industry, it being understood that the Secured Party shall not have responsibility for taking any necessary steps to preserve rights against any parties with respect to any of the Collateral.

(c) Releases of Collateral. If any Collateral shall be sold, transferred or otherwise disposed of by the Grantor in a transaction permitted by the Purchase Agreement, then the Secured Party, at the request and sole expense of the Grantor, shall promptly execute and deliver to the Grantor all releases and other documents, and take such other action, reasonably necessary for the release of the security interest created hereby or by any other document on such Collateral.

9. Continuing Agreement. This Agreement shall remain in full force and effect until such time as the Secured Obligations arising under the Purchase Agreement have been paid in full and the Purchase Agreement has expired or been terminated, at which time this Agreement shall be automatically terminated and the Secured Party shall forthwith release all of its liens and security interests hereunder and shall execute and deliver all UCC termination statements and/or other documents reasonably requested by the Grantor evidencing such termination.

10. Amendments; Waivers; Modifications, etc. This Agreement and the provisions hereof may not be amended, waived, modified, changed, discharged or terminated except as set forth in Section 9.2 of the Purchase Agreement.

11. Successors in Interest. This Agreement shall be binding upon the Grantor, its successors and assigns and shall inure, together with the rights and remedies of the Secured Party and its successors and permitted assigns.

12. Notices. All notices required or permitted to be given under this Agreement shall be in conformance with Section 9.9 of the Purchase Agreement.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

14. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

15. Governing Law; Submission to Jurisdiction. The terms of Section 9.10 of the Purchase Agreement with respect to governing law and submission to jurisdiction are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

16. Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

17. Entirety. This Agreement, the Purchase Agreement and the other documents relating to the Secured Obligations represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, relating thereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SECURED PARTY:

Novo A/S

By: /s/ Henrik Gürtler
Name: Henrik Gürtler
Title: Chief Executive Officer

SECURED PARTY:

Novo A/S

By: /s/ Jørgen Boe
Name: Jørgen Boe
Title: Director

GRANTOR:

OPHTHOTECH CORPORATION

By: /s/ David R. Guyer
Name: David R. Guyer
Title: Chief Executive Officer

[Signature Page to Security Agreement]

SCHEDULE 4(a)(i)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

PATENTS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security Agreement dated as of May 23, 2013 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") between Ophthotech Corporation (the "Grantor") and Novo A/S (the "Secured Party"), the Grantor has granted a continuing security interest in and continuing lien upon the patents and patent applications shown below to the Secured Party:

PATENTS

Patent No.	Country	Description of Patent Item	Date of Patent
7,759,472	United States	Combination Therapy for the Treatment of Ocular Neovascular Disorders	07/20/2010
8,206,707	United States	Combination Therapy for the Treatment of Ocular Neovascular Disorders	06/26/2012
8,187,597	United States	Combination Therapy for the Treatment of Ocular Neovascular Disorders	05/29/2012

[Signature Page to Notice of Grant of Security Interest in Patents]

PATENT APPLICATIONS

Patent Application No.	Country	Description of Patent Applied For	Date of Patent Application
12/641,270	United States	Combination Therapy for the Treatment of Ocular Neovascular Disorders	12/17/2009
13/284,221	United States	Methods for Treating or Preventing Ophthalmological Diseases	10/28/2011
61/654,672	United States	Compositions Comprising an Anti-PDGF Aptamer and a VEGF Antagonist	06/01/2012
61/778,208	United States	Compositions Comprising an Anti-PDGF Aptamer and a VEGF Antagonist	03/12/2013
13/797,821	United States	Compositions Comprising an Anti-PDGF Aptamer and a VEGF Antagonist	03/12/2013

The Grantor and the Secured Party hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

Very truly yours,

OPHTHOTECH CORPORATION

GRANTOR:

By: /s/ David R. Guyer
Name: David R. Guyer
Title: Chief Executive Officer

Acknowledged and Accepted:

SECURED PARTY:
Novo A/S

By: /s/ Henrik Gürtler
Name: Henrik Gürtler
Title: Chief Executive Officer

SECURED PARTY:
Novo A/S

By: /s/ Jørgen Boe
Name: Jørgen Boe
Title: Director

[Signature Page to Notice of Grant of Security Interest in Patents]

SCHEDULE 4(a)(ii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

TRADEMARKS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security Agreement dated as of May 23, 2013 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") between Ophthotech Corporation (the "Grantor") and Novo A/S (the "Secured Party"), the Grantor has granted a continuing security interest in and continuing lien upon the trademarks and trademark applications shown below to the Secured Party:

TRADEMARKS

Trademark No.	Description of Trademark Item	Date of Trademark

TRADEMARK APPLICATIONS

Trademark Applications No.	Description of Trademark Applied For	Date of Trademark Applications
No. 85/649525	FOVISTA	June 12, 2012

The Grantor and the Secured Party hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

OPHTHOTECH CORPORATION

GRANTOR:

By: /s/ David R. Guyer
Name: David R. Guyer
Title: Chief Executive Officer

Acknowledged and Accepted:

SECURED PARTY:
Novo A/S

By: /s/ Henrik Gürtler
Name: Henrik Gürtler
Title: Chief Executive Officer

SECURED PARTY:
Novo A/S

By: /s/ Jørgen Boe
Name: Jørgen Boe
Title: Director

Schedule 3.1

OPHTHOTECH CORPORATION

DISCLOSURE SCHEDULE

May 23, 2013

This Disclosure Schedule (the "Disclosure Schedule") is furnished by Ophthotech Corporation, a Delaware corporation (the "Company"), pursuant to the Purchase and Sale Agreement, dated as of May 23, 2013 (the "Agreement"), by and between the Company and Novo A/S. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

This Disclosure Schedule is arranged in sections corresponding to the numbered and lettered sections and subsections contained in Section 3.1 of the Agreement, and the disclosures in any numbered or lettered section or subsection of this Disclosure Schedule shall qualify both the corresponding numbered or lettered section of the Agreement and any other sections or subsections in Section 3.1 of the Agreement to the extent that it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections and subsections. This Disclosure Schedule shall not be deemed to expand in any way the scope or effect of any of the representations and warranties in the Agreement. No reference to or disclosure of any item or other matter in this Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material.

Certain information contained in this Disclosure Schedule is confidential, proprietary information of the Company.

Section 3.1(b) Ownership Rights.

The Company has granted liens over certain of its assets in connection with the financing it has obtained from MidCap Financial under that certain Second Amended and Restated Loan and Security Agreement dated March 15, 2013, by and among MidCap Financial SBIC, LP, the Company and the Lenders listed on Schedule 1 thereto from time to time (the "MidCap Loan Agreement"). In connection with the execution and delivery of the Agreement, the Company intends to payoff the MidCap Loan Agreement and satisfy and discharge the liens granted in connection therewith.

Section 3.1(f) Solvency.

The aggregate proceeds to the Company from (i) the First Purchase under the Agreement, (ii) the Second Purchase under the Agreement, (iii) the Third Purchase under the Agreement, (iv) the sale of shares of the Company's Series C Preferred Stock sold at the First Closing under the Series C Purchase Agreement, (v) the sale of the Second Closing Shares and (vi) the sale of the Third Closing Shares, in the aggregate, are expected to be insufficient to fund the activities required under the Fovista Development Plan. The Company's obligation to Novo A/S under the Agreement to pursue the Fovista Development Plan shall not be considered a debt, obligation or other liability for purposes of the representation set forth in Section 3.1(f) of the Agreement.

Section 3.1(p) Encumbrances

The Company has granted liens over certain of its assets in connection with the financing it has obtained from MidCap Financial under the MidCap Loan Agreement. In connection with the execution and delivery of the Agreement, the Company intends to payoff the MidCap Loan Agreement and satisfy and discharge the liens granted in connection therewith.

Section 3.1(s) Taxes.

New York City has requested that the Company provide invoices from its landlord in connection with the payment of the New York City commercial rent tax. The Company expects that it may have liability for unpaid taxes and that its exposure would be approximately $33,000.

[End of Disclosure Schedule]

Schedule 3.1(j) Product Patent Rights.

Product Patent Rights currently consists of all patents and patent applications owned by the Company, or licensed or sublicensed by the Company, pursuant to the In-License Agreements, including but not limited to, the following:

The following patents and patent applications owned by the Company:

Application No.	Patent No.	Country

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of three pages were omitted. [**]

Rights under the following patents and patent applications licensed to the Company pursuant to the Archemix In-License:

Application No.	Patent No.	Country

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of nine pages were omitted. [**]

Foreign counterparts to the above described patents and patent applications have been filed in [**] and rights under the same have been licensed to the Company pursuant to the Archemix In-License.

Rights under the following patents and patent applications licensed to the Company pursuant to the Nektar Agreement:

Application No.	Patent No.	Country

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of three pages were omitted. [**]

Application No.	Patent No.	Country
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]

Section 3.1(l)

The Company filed a trademark application (No. 85/649525) for the trademark FOVISTA on June 12, 2012. The FOVISTA trademark application was published for opposition on May 14, 2013. FOVISTA is not yet a registered trademark.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated July 11, 2013, in the Registration Statement (Form S-1) and related Prospectus of Ophthotech Corporation dated August 15, 2013.

/s/ Ernst & Young LLP

MetroPark, New Jersey
August 15, 2013