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

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 28, 2012

Horizon Pharma, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation) 001-35238
(Commission File No.) 27-2179987
(IRS Employer Identification No.)

520 Lake Cook Road, Suite 520,
Deerfield, Illinois 60015
(Address of principal executive offices) 60015
(Zip Code)

Registrant’s telephone number, including area code: (224) 383-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
On February 28, 2012, we entered into a Securities Purchase Agreement with certain institutional and accredited investors and the holders of the common stock warrants previously issued on February 22, 2012 (the “Purchase Agreement”). Pursuant to the Purchase Agreement, we agreed to sell to the investors 14,033,829 shares of our common stock (the “Shares”) and warrants to purchase an aggregate of 3,508,448 shares of our common stock (the “Warrants”) with an exercise price of $4.308 per share (the “Private Placement”). For each Share purchased, the investors will receive a Warrant to purchase 0.25 of a share of common stock. The Warrants will expire on March 2, 2017 and may be exercised for cash or, if the current market price of our common stock is greater than the per share exercise price, by surrender of a portion of the Warrant in a cashless exercise. The aggregate purchase price for the Shares and the Warrants to be sold in the Private Placement will be approximately $50.8 million.

Under the terms of the Purchase Agreement, we have agreed to file, within 45 days after the closing of the Private Placement, a registration statement with the Securities and Exchange Commission (the “SEC”) to register for resale the Shares and the shares of common stock issuable upon the exercise of both the Warrants and the warrants we previously issued on February 22, 2012 (the “Prior Warrants”), which registration statement is required under the Purchase Agreement to become effective no later than 90 days following the closing (or 120 days following the closing if the SEC reviews or has written comments to the registration statement). We will be required to pay liquidated damages of 1.5% of the purchase price of the Shares, the Warrants and the Prior Warrants per month (up to a cap of 10%) if we do not meet certain obligations with respect to the registration statement.

The Purchase Agreement includes representations, warranties, covenants and closing conditions customary for transactions of this type. The securities issued in the Private Placement will be sold pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933, as amended, and Regulation D promulgated thereunder. At the request of The NASDAQ Stock Market, we are also in the process of confirming the book value per share of our common stock prior to February 28, 2012. We expect, subject to completion of our audit for the 2011 fiscal year, that as of December 31, 2011, our book value per share was no higher than the per share price at which the Shares will be sold in the Private Placement.

The foregoing is a summary of the terms of the Purchase Agreement and the Warrant. The summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement and the form of Warrant, copies of which are attached hereto as Exhibits 10.1 and 4.1, respectively.

We are also filing as Exhibits 10.2, 10.3 10.4 and 4.2 to this report the Loan and Security Agreement, Guaranty and Security Agreement, Amendment to Investors’ Rights Agreement and the form of Prior Warrant, respectively, which were each described in our Current Report on Form 8-K filed on February 22, 2012.

The information set forth in Item 1.01 of this Current Report on Form 8-K that relates to the unregistered sale of equity securities is incorporated by reference into this Item 3.02.

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(d) Exhibits

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Forward-Looking Statements
This report contains forward-looking statements, including statements regarding the expected closing of the Private Placement and our receipt of proceeds from the sale of securities in the Private Placement, the anticipated filing of a registration statement to cover the resale of certain of our securities and our expected book value per share as of December 31, 2011. These forward-looking statements are based on management’s expectations and assumptions as of the date of this press release, and actual results may differ materially from those in these forward-looking statements as a result of various factors. These factors include, but are not limited to, risks regarding our ability to meet the closing conditions associated with the Private Placement and complete the closing on our anticipated timeline, and whether the book value per share of our common stock will be different than we currently expect once the audit of our 2011 financial statements is complete. For a further description of these and other risks facing us, please see the risk factors described in our filings with the United States Securities and Exchange Commission, including those factors discussed under the caption “Risk Factors” in those filings. Forward-looking statements speak only as of the date of this report, and we undertake no obligation to update or revise these statements, except as may be required by law.
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 1, 2012

Horizon Pharma, Inc.

By: /s/ Robert J. De Vaere
    Robert J. De Vaere
    Executive Vice President and Chief Financial Officer
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THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER APPLICABLE SECURITIES LAWS OR UNLESS OFFERED, SOLD, PLEDGED, HYPOTHECATED OR TRANSFERRED PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS. THE COMPANY SHALL BE ENTITLED TO REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED TO THE EXTENT THAT AN OPINION IS REQUIRED PURSUANT TO THE AGREEMENT UNDER WHICH THE SECURITIES WERE ISSUED.

HORIZON PHARMA, INC.
WARRANT TO PURCHASE COMMON STOCK

March 2, 2012

Void After March 2, 2017

THIS CERTIFIES THAT, for value received, [ ], with its principal office at [ ], or permitted assigns (the “Holder”), is entitled to subscribe for and purchase at the Exercise Price (defined below) from Horizon Pharma, Inc., a Delaware corporation, with its principal office at 520 Lake Cook Road, Suite 520, Deerfield, Illinois 60015 (the “Company”) up to [ ] shares of the Common Stock of the Company (the “Common Stock”), subject to adjustment as provided herein. This Warrant is one of a series of Warrants being issued pursuant to the terms of the Securities Purchase Agreement, dated February 28, 2012, by and among the Company and the original Holder of this Warrant and the other parties named therein (the “Purchase Agreement”). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement.

1. DEFINITIONS. As used herein, the following terms shall have the following respective meanings:

(a) “Exercise Period” shall mean the period commencing on March 2, 2012 and ending March 2, 2017, unless sooner terminated as provided below.

(b) “Exercise Price” shall mean $4.308 per share, subject to adjustment pursuant to Section 5 below.

(c) “Exercise Shares” shall mean the shares of the Company’s Common Stock issued or issuable upon exercise of this Warrant, subject to adjustment pursuant to the terms herein, including but not limited to adjustment pursuant to Section 5 below.

2. EXERCISE OF WARRANT.

2.1 Method of Exercise. The rights represented by this Warrant may be exercised in whole or in part at any time during the Exercise Period, by delivery of the following to the Company at its address set forth above (or at such other address as it may designate by notice in writing to the Holder):

(a) An executed Notice of Exercise in the form attached hereto; and

(b) Payment of the Exercise Price either (i) in cash or by check or wire transfer of immediately available funds, or (ii) pursuant to a Cashless Exercise, as described below.

1
2.2 Cashless Exercise. Notwithstanding any provisions herein to the contrary, if, at any time during the Exercise Period, the Current Market Price (as defined below) of one share of Common Stock is greater than the Exercise Price (as defined below) at the date of calculation as set forth below, in lieu of exercising this Warrant by payment of cash, the Holder may exercise this Warrant by a cashless exercise by surrender of this Warrant at the principal office of the Company together with the properly endorsed Notice of Exercise and the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

\[ X = \frac{Y (B-A)}{B} \]

Where:

- \( X \) = the number of shares of Common Stock to be issued to the Holder.
- \( Y \) = the number of shares of Common Stock purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised.
- \( A \) = the Exercise Price.
- \( B \) = the Current Market Price of one share of Common Stock.

“Current Market Price” means on any particular date:

(a) if the Common Stock is traded on The Nasdaq Global Market or The Nasdaq Capital Market, the closing price of the Common Stock of the Company on such market on the Trading Day prior to the applicable date of valuation;

(b) if the Common Stock is traded on any registered national stock exchange but is not traded on The Nasdaq Global Market or The Nasdaq Capital Market, the closing price of the Common Stock of the Company on such exchange on the Trading Day prior to the applicable date of valuation;

(c) if the Common Stock is traded over-the-counter, but not on The Nasdaq Global Market, The Nasdaq Capital Market or a registered national stock exchange, the closing bid price of the Common Stock of the Company on the day prior to the applicable date of valuation; and

(d) if there is no active public market for the Common Stock, the value thereof, as determined in good faith by the Board of Directors of the Company upon due consideration of the proposed determination thereof by the Holder.

2.3 Partial Exercise. If this Warrant is exercised in part only, the Company shall, upon surrender of this Warrant, execute and deliver, within 10 days of the date of exercise, a new Warrant evidencing the rights of the Holder, or such other person as shall be designated in the Notice of Exercise, to purchase the balance of the Exercise Shares purchasable hereunder. In no event shall this Warrant be exercised for a fractional Exercise Share, and the Company shall not distribute a Warrant exercisable for a fractional Exercise Share. Fractional shares shall be treated as provided in Section 6 hereof.

2.4 No Settlement for Cash. Except as provided in Section 5.3, this Warrant cannot be settled with the Company for cash.

2.5 [Reserved.]

2.6 Delivery of Shares. Exercise Shares acquired hereunder shall be delivered to the Holder within three Trading Days after the date on which this Warrant shall have been validly exercised. Such Exercise Shares shall be in certificated form and bear an appropriate restrictive legend unless otherwise required under the terms of the Purchase Agreement. The person in whose name any Exercise Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was validly exercised, irrespective of the date of issuance of the shares of Common Stock, except that, if the date of such valid exercise is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.
2.7 Failure to Deliver Exercise Shares. If the Company fails to deliver to the Holder Exercise Shares pursuant to Section 2.6 by noon, Eastern Standard Time, on the third Trading Day after the date of a valid exercise of this Warrant, then the Company shall,

(a) at the option of the Holder, either,

(i) rescind such exercise and reinstate the portion of the Warrant and equivalent number of Exercise Shares for which such exercise was not honored, in lieu of delivering such Exercise Shares; or

(ii) deliver to the Holder the Exercise Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder; and

(b) if after noon, Eastern Standard Time, on the third Trading Day the Holder or the Holder’s brokerage firm purchases shares of the same class and series as the Exercise Shares to deliver in satisfaction of a sale by the Holder of the Exercise Shares which the Holder anticipated receiving upon such exercise (a “Buy-In”), pay in cash to the Holder the amount by which,

(i) the Holder’s total purchase price (including brokerage commissions, if any) for the shares so purchased, exceeds

(ii) the amount obtained by multiplying (1) the number of Exercise Shares that the Company was required to deliver to the Holder in connection with the exercise, by (2) the price at which the sell order giving rise to such purchase obligation was executed.

The Holder shall provide the Company prompt written notice indicating the amounts payable to the Holder in respect of any Buy-In, together with applicable confirmations and other evidence reasonably requested by the Company (a “Buy-In Notice”). The Company shall pay the amounts payable to the Holder in respect of any Buy-In within three Trading Days after the Company’s receipt of the Buy-In Notice.

3. COVENANTS OF THE COMPANY.

3.1 Covenants as to Exercise Shares. The Company covenants and agrees that it will at all times during the Exercise Period, have authorized and reserved, free from preemptive rights, a sufficient number of shares of its Common Stock to provide for the exercise of the rights represented by this Warrant. All Exercise Shares will, upon issuance, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. If at any time during the Exercise Period the number of authorized but unissued shares of Common Stock shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock (or other securities as provided herein) to such number of shares as shall be sufficient for such purposes.

3.2 No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not, by amendment of its Certificate of Incorporation (as such may be amended from time to time), or through any means, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may be necessary or appropriate in order to protect the exercise rights of the Holder against impairment.

3.3 Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to (a) receive any dividend (other than a Common Stock dividend subject to Section 5.1) or (b) vote with respect to a capital reorganization of the Company, a reclassification, recapitalization or exchange of the capital stock of the Company, a consolidation or merger of the Company

3
with, or any sale, transfer or other disposition of all or substantially all the property, assets or business of the Company to, another Person, or a voluntary
dissolution, liquidation or winding up of the Company, then the Company shall mail to the Holder, at least ten Trading Days prior to such record date, a
notice specifying the date on which any such record is to be taken for the purpose of such dividend or vote.

3.4 Automatic Exercise. Notwithstanding anything herein to the contrary other than Section 2.5, to the extent this Warrant remains exercisable
and is exercisable pursuant to Section 2.2, this Warrant shall be deemed to be fully exercised pursuant to Section 2.2, without the need for any action by the
Holder or the Company, immediately prior to the end of the Exercise Period; provided, however, that notwithstanding any other provision hereof or in the
Purchase Agreement, the Company may delay the delivery of Exercise Shares pursuant to such an automatic exercise until the Holder delivers to the
Company a certification substantially in the form of Section 3 of the Notice of Exercise attached hereto.

4. REPRESENTATIONS OF HOLDER.

4.1 Acquisition of Warrant for Personal Account. The Holder represents and warrants that it is acquiring the Warrant and the Exercise Shares
solely for its account for investment and not with a present view toward the public distribution of said Warrant or Exercise Shares or any part thereof and has
no intention of selling or distributing said Warrant or Exercise Shares or any arrangement or understanding with any other persons regarding the sale or
distribution of said Warrant or, except in accordance with the provisions of Article 6 of the Purchase Agreement, the Exercise Shares, and except as would not
result in a violation of the Securities Act. The Holder will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to
buy, purchase or otherwise acquire or take a pledge of) the Warrant except in accordance with the Securities Act and will not, directly or indirectly, offer, sell,
pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) the Exercise Shares except in
accordance with the provisions of Article 6 of the Purchase Agreement or pursuant to and in accordance with the Securities Act.

4.2 Securities Are Not Registered. 

(a) The Holder understands that the offer and sale of the Warrant or the Exercise Shares have not been registered under the Securities Act
on the basis that no distribution or public offering of the stock of the Company is to be effected. The Holder realizes that the basis for the exemption may not
be present if, notwithstanding its representations, the Holder has a present intention of acquiring the securities for a fixed or determinable period in the future,
selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the securities. The Holder has no such present
intention.

(b) The Holder recognizes that the Warrant and the Exercise Shares must be held indefinitely unless they are subsequently registered
under the Securities Act or an exemption from such registration is available. The Holder recognizes that the Company has no obligation to register the
Warrant or, except as provided in the Purchase Agreement, the Exercise Shares.

4.3 Disposition of Warrant and Exercise Shares.

(a) The Holder further agrees not to make any disposition of all or any part of the Warrant or Exercise Shares in any event unless and
until:

(i) The Company shall have received a letter secured by the Holder from the SEC stating that no action will be recommended to the
SEC with respect to the proposed disposition;

(ii) There is then in effect a registration statement under the Securities Act covering such proposed disposition and such
disposition is made in accordance with said registration statement; or

(iii) The Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a
detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, the Holder shall have furnished
the Company with an opinion of counsel, reasonably
satisfactory to the Company, for the Holder to the effect that such disposition will not require registration of such Warrant or Exercise Shares under the Securities Act or any applicable state securities laws; provided, that no opinion shall be required for any disposition made or to be made in accordance with the provisions of Rule 144.

(b) The Holder understands and agrees that all certificates evidencing the Exercise Shares to be issued to the Holder may bear a legend in substantially the following form; provided, that such legend shall be removed (or such Exercise Shares shall be issued without such legend upon exercise of this Warrant) as required pursuant to Section 3.8(b) of the Purchase Agreement:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER APPLICABLE SECURITIES LAWS, OR UNLESS OFFERED, SOLD, PLEDGED, HYPOTHECATED OR TRANSFERRED PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS. THE COMPANY SHALL BE ENTITLED TO REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED TO THE EXTENT THAT SUCH OPINION IS REQUIRED PURSUANT TO THAT CERTAIN SECURITIES PURCHASE AGREEMENT UNDER WHICH THE SECURITIES WERE ISSUED.

5. CERTAIN ADJUSTMENTS.

5.1 Subdivisions, Combinations and Other Issuances. In the event the Company pays a dividend in Common Stock or makes a distribution in Common Stock to holders of its outstanding Common Stock; subdivides its outstanding Common Stock into a greater number of shares; combines its outstanding Common Stock into a smaller number of shares; or issues any shares of its capital stock in a reclassification of the Common Stock, the number and class of shares available under the Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder of the Warrant, on exercise for the same aggregate Exercise Price, the total number, class, and kind of shares as the Holder would have owned had the Warrant been exercised prior to the event and had the Holder continued to hold such shares until after the event requiring adjustment. The form of this Warrant need not be changed because of any adjustment in the number, class, and kind of shares subject to this Warrant. The Company shall promptly provide a certificate from its Chief Financial Officer notifying the Holder in writing of any adjustment in the Exercise Price and/or the total number, class, and kind of shares issuable upon exercise of this Warrant, which certificate shall specify the Exercise Price and number, class and kind of shares under this Warrant after giving effect to such adjustment.

5.2 Pro Rata Distributions. If the Company, at any time while this Warrant is outstanding, distributes to holders of Common Stock (i) evidences of its indebtedness, (ii) any security (other than a distribution of Common Stock subject to Section 5.1), (iii) rights or warrants to subscribe for or purchase any security, or (iv) any other asset (in each case, “Distributed Property”), then in each such case the Holder shall be entitled upon exercise of this Warrant for the purchase of any or all of the Exercise Shares, to receive the amount of Distributed Property which would have been payable to the Holder had such Holder been the holder of such Exercise Shares on the record date for the determination of stockholders entitled to such Distributed Property. The Company will at all times set aside and keep available for distribution to the Holder upon exercise of this Warrant a portion of the Distributed Property to satisfy the distribution to which such Holder is entitled pursuant to the preceding sentence. The Company shall promptly provide a certificate from its Chief Financial Officer notifying the Holder in writing of any distributions to which this Section 5.2 applies.

5.3 Fundamental Transactions.

(a) If the Company consummates (i) a merger or consolidation with or into another entity, as a result of which the holders of the Company’s outstanding voting securities as of immediately prior to such merger or consolidation hold less than a majority of the outstanding voting securities of the surviving or successor entity as of immediately after such merger or consolidation or (ii) a sale, transfer or other disposition of all or substantially all its property, assets or business to another person or entity (any such transaction being hereinafter referred to as a “Fundamental Transaction”), then the
Company shall ensure that lawful and adequate provision shall be made whereby the Holder shall thereafter have the right to purchase and receive upon the basis and upon the terms and conditions herein specified and in lieu of the Exercise Shares immediately theretofore issuable upon exercise of this Warrant, such shares of stock, securities or assets as would have been issuable or payable with respect to or in exchange for a number of Exercise Shares equal to the number of Exercise Shares immediately theretofore issuable upon exercise of this Warrant, had such Fundamental Transaction not taken place. The provisions of this Section 5.3 shall similarly apply to successive consolidations, mergers, sales, transfers or other dispositions.

(b) Notwithstanding the foregoing, if any Fundamental Transaction (i) constitutes or results in a “going private” transaction as defined in Rule 13e-3 under the Exchange Act or (ii) pursuant to the operation of Section 5.3(a), results in this Warrant being exercisable, in whole or in part, for securities of a Person not traded on an Eligible Market, then the Company (or any such successor or surviving entity) will redeem this Warrant from the Holder for a purchase price, payable in cash on the closing date of such Fundamental Transaction, equal to the Black Scholes Value of the remaining unexercised portion of this Warrant on the closing date of such Fundamental Transaction. “Black Scholes Value” means the value of this Warrant based on the Black Scholes Option Pricing Model obtained from the “OV” function on Bloomberg determined as of the day immediately following the public announcement of the applicable Fundamental Transaction and reflecting (i) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of such date and (ii) an expected volatility equal to the 30-day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately prior to such day.

6. FRACTIONAL SHARES. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Exercise Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of an Exercise Share by such fraction.

7. NO STOCKHOLDER RIGHTS. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a stockholder of the Company.

8. TRANSFER OF WARRANT. Subject to applicable laws and compliance with Section 4.3 hereof, this Warrant and all rights hereunder are transferable, by the Holder in person or by duly authorized attorney, upon delivery of this Warrant and the form of assignment attached hereto to any transferee designated by Holder. The transferee shall sign an investment letter in form and substance satisfactory to the Company.

9. LOST, STOLEN, MUTILATED OR DESTROYED WARRANT. If this Warrant is lost, stolen, mutilated or destroyed, the Company may, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

10. MODIFICATIONS AND WAIVER. This Warrant and any provision hereof may be waived, modified or amended only by an instrument in writing signed by the Company and the Holder.

11. NOTICES, ETC. All notices required or permitted hereunder 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 email, telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address listed on the signature page and to the Holders at the addresses on the Company records, or at such other address as the Company or Holder may designate by ten days’ advance written notice to the other party hereto.
12. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

13. GOVERNING LAW. This Warrant and all rights, obligations and liabilities hereunder shall be governed by the laws of the State of New York without regard to the principles of conflict of laws.

14. DESCRIPTIVE HEADINGS. The descriptive headings of the several paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The language in this Warrant shall be construed as to its fair meaning without regard to which party drafted this Warrant.

15. SEVERABILITY. The invalidity or unenforceability of any provision of this Warrant in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction, or affect any other provision of this Warrant, which shall remain in full force and effect.

16. ENTIRE AGREEMENT. This Warrant constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and undertakings of the parties, whether oral or written, with respect to such subject matter.

[Signature Page Follows]
IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of March 2, 2012.

HORIZON PHARMA, INC.

By:  
Name:  
Title:  

Address:  520 Lake Cook Road, Suite 520  
Deerfield, Illinois 60015  
Attention: Chief Executive Officer  
Fax: (847) 572-1372
NOTICE OF EXERCISE

TO: HORIZON PHARMA, INC.

(1) The undersigned hereby elects to (check one box only):

☐ purchase shares of the Common Stock of Horizon Pharma, Inc. (the “Company”) pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full for such shares.

☐ purchase the number of shares of Common Stock of the Company by cashless exercise pursuant to the terms of the Warrant as shall be issuable upon cashless exercise of the portion of the Warrant relating to shares.

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

(3) The undersigned represents that (i) the aforesaid shares of Common Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares; (ii) the undersigned 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 regarding its investment in the Company; (iii) the undersigned is experienced in making investments of this type and has such knowledge and background in financial and business matters that the undersigned is capable of evaluating the merits and risks of this investment and protecting the undersigned’s own interests; (iv) the undersigned understands that the shares of Common Stock issuable upon exercise of this Warrant have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; and (v) the undersigned agrees not to make any disposition of all or any part of the aforesaid shares of Common Stock unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, to the effect that such disposition is not required to be registered pursuant to the Securities Act or any applicable state securities laws; provided, that no opinion shall be required for any disposition made or to be made in accordance with the provisions of Rule 144.

(Date)  

(Signature)  

(Print name)
ASSIGNMENT FORM

(To assign the foregoing Warrant, subject to compliance with section 4.3 hereof, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: ____________________________________________

(Please Print)

Address: ____________________________________________

(Please Print)

Dated: ________________, 201__

Holder's Signature: ________________________________

Holder's Address: __________________________________

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.
NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS WARRANT NOR THE SECURITIES INTO WHICH SUCH SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT, OR (B) AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER OF THE SECURITIES THAT REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER THE SECURITIES ACT. ANY TRANSFEREE OF THIS WARRANT SHOULD CAREFULLY REVIEW THE TERMS OF THIS SECURITY.

Date of Issuance: February 22, 2012

HORIZON PHARMA, INC.

WARRANT TO PURCHASE COMMON STOCK

THIS WARRANT CERTIFIES THAT, for value received, [    ] and its registered permitted assigns (the “Holder”) are entitled to purchase from Horizon Pharma, Inc. (the “Company”), in whole or in part and at the times set forth below, up to [                ] shares (the “Warrant Shares”) of the Company’s common stock, $0.0001 par value per share (“Common Stock”), at an exercise price per share of $0.01 (the “Exercise Price”). The number of Warrant Shares into which this Warrant shall be exercisable and the Exercise Price are each subject to adjustment pursuant to the terms of this Warrant. Capitalized terms used herein, but not defined in the body of this Warrant, have the meanings given in Annex I.

1. Term.

This Warrant shall become exercisable on the Initial Exercisability Date and, subject to the provisions of Sections 2.3 and 4.3(a), shall expire at 5:00 p.m. (New York time) on January 22, 2017 (the “Expiration Time”).

2. Method of Exercise; Net Exercise; Automatic Exercise; Exercise Limitations.

2.1(a) Method of Exercise. The purchase right represented by this Warrant may be exercised by the Holder, in whole or in part, by:

(i) the delivery to the Company of an executed notice of exercise, in the form attached hereto as Attachment A (which may be by facsimile), an Investment Representation Statement, in the form attached hereto as Attachment B (which may be by facsimile) and, if required pursuant to Section 2.1(b), the original of this Warrant
or a proper Certificate of Loss (collectively, the “Exercise Documents”); and

(ii) subject to Section 2.2, the payment to the Company, by certified check or wire transfer, of an amount equal to the Exercise Price per share multiplied by the number of Warrant Shares then being purchased (such aggregate amount of money, the “Purchase Price”);

provided that this Warrant shall be exercisable only pursuant to the Conversion Right set forth in Section 2.2 if, on the date of exercise, the Exercise Price is less than the par value per Warrant Share.

(b) Book Entry; Physical Delivery of Warrant. The Holder shall not be required to physically surrender this Warrant upon exercise, unless the Holder is purchasing all of the Warrant Shares obtainable upon exercise of this Warrant. If the Holder is purchasing the full amount of Warrant Shares obtainable upon exercise of this Warrant, the Holder shall, pursuant to Section 2.1(a), (i) physically surrender the original copy of this Warrant or (ii) if the original of this Warrant is lost, deliver to the Company a certification to such effect and an indemnity reasonably satisfactory to the Company (a “Certificate of Loss”). The Holder and the Company shall maintain records showing the number of Warrant Shares purchased hereunder and the dates of such purchases or shall use such other method, reasonably satisfactory to the Company, so as not to require physical surrender of this Warrant upon exercise. The Holder and any assignee, by acceptance of this Warrant or any new Warrant, acknowledge and agree that, by reason of the provisions of this Section 2.1(b), following exercise of any portion of this Warrant, the number of Warrant Shares which may be purchased upon exercise may be less than the number of Warrant Shares set forth on the face hereof. The Holder agrees to furnish to any assignee of this Warrant the Holder’s records showing the number of Warrant Shares previously purchased hereunder and the dates of such purchases, if any.

2.2 Net Exercise. The Holder may elect to exercise all or any portion of this Warrant into Warrant Shares, the aggregate value of which Warrant Shares shall be equal to the value of this Warrant or the portion thereof being converted (the “Conversion Right”). The Conversion Right may be exercised by the Holder by delivery to the Company of the Exercise Documents, together with notice of the Holder’s intention to exercise the Conversion Right. Upon exercise of the Conversion Right, the Company shall issue to the Holder a number of Warrant Shares computed using the following formula:

\[ X = \frac{Y(A - B)}{A} \]

Where

- \( X \) = The number of Warrant Shares to be issued to the Holder upon exercise of its Conversion Right.
- \( Y \) = The number of Warrant Shares with respect to which the Conversion Right is being exercised.
A = The Fair Market Value of one Warrant Share, as determined at the time the Conversion Right is exercised pursuant to this Section 2.2.

B = The Exercise Price (as adjusted to the date of such calculation).

2.3 Automatic Exercise. Notwithstanding anything herein to the contrary, to the extent this Warrant remains exercisable, this Warrant shall be deemed to be fully exercised pursuant to the Conversion Right, without the need for any action by the Holder or the Company, immediately prior to the Expiration Time or, if earlier, the termination of this Warrant pursuant to Section 4.3(a), provided, however, that notwithstanding any other provision hereof, the Company may delay the delivery of Warrant Shares until the Holder delivers to the Company an Investment Representation Statement, in the form attached hereto as Attachment B with respect to such exercise.

2.4 Conditional Exercise. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with a public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may at the election of the Holder be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

2.5 Exercise Mechanics.

(a) Delivery of New Warrant. In the event that this Warrant is being exercised for less than all of the Warrant Shares, at the request of the Holder, the Company shall, promptly after the physical delivery of the original of this Warrant (or a Certificate of Loss) to the Company, issue a new Warrant exercisable for the remaining number of Warrant Shares, and such new Warrant shall be deemed to be an “original” hereof.

(b) Rights as Shareholder. Upon delivery to the Company of the Exercise Documents, together with, if applicable, the aggregate Purchase Price, the Holder shall be deemed to be the holder of record of the applicable number of Warrant Shares, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates or book entries representing such Warrant Shares shall not then be actually delivered to the Holder.

(c) Listing. If any shares of Common Stock required to be reserved for purposes of exercise of this Warrant require listing on the Principal Market before such shares may be issued upon exercise, the Company will, at its expense and as expeditiously as possible, use its best efforts to cause such shares to be duly approved for listing or listed on the Principal Market.

(d) Governmental Filings and Approvals. The Company shall reasonably assist and cooperate with the Holder to make any governmental filings or obtain any governmental approvals prior to or in connection with any exercise of this Warrant (including, without limitation, making any filings required to be made by the Company).
(e) Taxes and Other Expenses of Exercise. The Company shall pay any and all documentary stamp, duty, registration or similar issue or transfer
taxes and expenses payable in respect of the Company’s issuance or delivery of the Warrant Shares, and the issuance of certificates for Warrant Shares shall be
made without charge to the Holder for any such taxes or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses
shall be paid by the Company.

(f) Delivery of Share Certificates. The Holder exercising its purchase rights in accordance with Section 2.1 or Section 2.2 shall be entitled to
receive a certificate for the number of Warrant Shares so purchased. Certificates for shares purchased hereunder shall be delivered to the Holder within three
Trading Days after the date on which this Warrant shall have been validly exercised. Such Warrant Shares shall bear an appropriate restrictive legend unless
either (i) at the time of such issuance, a registration statement (as defined in the Securities Act) covering the resale of the Warrant Shares and naming the
Holder as a selling stockholder hereunder is then effective and the Holder delivers to the Company a representation that the Warrant Shares to be issued were
transferred pursuant to such effective registration statement and in compliance with the prospectus delivery requirements of the Securities Act; (ii) the
Warrant Shares issued upon such exercise are being issued pursuant to a cashless exercise and the Holder delivers to the Company an opinion of counsel
reasonably satisfactory to the Company to the effect that such Warrant Shares have been transferred in compliance with Rule 144 under the Securities Act or
(iii) the Warrant Shares issued upon such exercise are being issued pursuant to a cashless exercise and the Holder delivers to the Company together with the
Exercise Documents an opinion of counsel reasonably satisfactory to the Company to the effect that the Warrant Shares issued upon such exercise are freely
transferable without volume and manner of sale restrictions pursuant to Rule 144 under the Securities Act (including in compliance with Rules 144(b)(1)(ii)
and 144(d)(1)(ii) under the Securities Act). If any of clauses (i), (ii) or (iii) of the immediately preceding sentence is satisfied at the time of such issuance, and
if the Holder shall have so requested in a writing delivered to the Company together with the Exercise Documents, then the Company shall use commercially
reasonable efforts to deliver the Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing
corporation performing similar functions, if available, provided, that the Company shall have no obligation to change its transfer agent if its current transfer
agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation.

(g) Failure to Deliver Share Certificates. If the Company fails to deliver to the Holder a certificate or certificates representing Warrant Shares,
pursuant to this Section 2.5(g) (but subject to Section 2.3) by noon, Eastern Standard Time, on the third Trading Day after the date of the valid exercise of this
Warrant, then the Company shall,

(i) at the option of the Holder, either,

(A) rescind such exercise and reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such
exercise was not honored, in lieu of delivering such Warrant Shares and certificates for such Warrant Shares; or
deliver to the Holder the Warrant Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder; and

(ii) if after noon, Eastern Standard Time, on such third Trading Day the Holder or the Holder’s brokerage firm purchases shares of the same class and series as the Warrant Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a “Buy-In”), pay in cash to the Holder the amount by which,

(A) the Holder’s total purchase price (including brokerage commissions, if any) for the shares so purchased, exceeds

(B) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise, by (2) the price at which the sell order giving rise to such purchase obligation was executed.

The Holder shall provide the Company prompt written notice indicating the amounts payable to the Holder in respect of any Buy-In, together with applicable confirmations and other evidence reasonably requested by the Company (a “Buy-In Notice”). The Company shall pay the amounts payable to the Holder in respect of any Buy-In within three Trading Days after the Company’s receipt of the Buy-In Notice.

Nothing herein shall limit a Holder’s right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company’s failure to timely deliver certificates representing common shares upon exercise of the Warrant as required pursuant to the terms hereof; provided, however, that the Holder shall not be entitled to both (i) reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored and (ii) receive such Warrant Shares or the value thereof.

3. **Stock Fully Paid; Reservation of Warrant Shares; Avoidance of Warrant Terms**

All shares of stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free from all liens and encumbrances with respect to the issue thereof, except for liens and encumbrances imposed upon the Holder and restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that during the period the Warrant is exercisable, it will reserve from its authorized and unissued shares of Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the valid exercise of the purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the valid exercise of the purchase rights under this Warrant. The Company
will take all reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any law or regulation applicable to the Company, or of any requirements of the Principal Market.

The Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will,

(a) not increase the par value of any Warrant Shares above the Exercise Price then in effect;

(b) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant; and

(c) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

4. Adjustment of Number of Warrant Shares

The number of and kind of securities and other property purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

4.1 Subdivisions, Combinations and Other Issuances. If the Company shall, at any time after the date hereof and prior to the expiration of this Warrant,

(a) pay a dividend in Common Stock or make a distribution in Common Stock to holders of its outstanding Common Stock;

(b) subdivide its outstanding Common Stock into a greater number of shares;

(c) combine its outstanding Common Stock into a smaller number of shares; or

(d) issue any shares of its capital stock in a reclassification of the Common Stock;

then the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto shall be adjusted so that the Holder shall be entitled to receive the kind and number of Warrant Shares or other securities of the Company which it would have owned or have been entitled to receive had such Warrant been exercised immediately prior to such action. An adjustment made pursuant to this paragraph shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

6
4.2 Reclassification, Reorganization and Exchange. Subject to Section 4.3, if the Company shall, at any time after the date hereof and prior to the expiration of this Warrant,

(a) reorganize its capital;

(b) reclassify its capital stock; or

(c) exchange its capital stock;

and such reorganization, reclassification or exchange affects the class and series of capital stock issuable upon exercise of this Warrant immediately prior to such event, then the Holder shall have the right thereafter to receive upon exercise of this Warrant (in lieu of the shares of capital stock otherwise issuable upon exercise of this Warrant), the kind and number of securities and property which it would have owned or have been entitled to receive had this Warrant been exercised immediately prior to such event. An adjustment made pursuant to this paragraph shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

4.3 Fundamental Transaction.

(a) If the Company engages in a Fundamental Transaction in which the sole consideration is cash or the right to receive cash, this Warrant shall terminate on and as of the closing of such Fundamental Transaction, subject to Section 2.3 hereof. The Company shall provide the Holder with written notice of any proposed Fundamental Transaction described in this Section 4.3(a) not later than 10 Trading Days prior to the closing thereof setting forth the material terms and conditions thereof, and shall provide the Holder with such information respecting such proposed Fundamental Transaction as may reasonably be requested by the Holder, subject to any confidentiality obligations to third parties with respect to such information.

(b) Upon the closing of any Fundamental Transaction other than as particularly described in Section 4.3(a), (i) this Warrant shall thereafter be exercisable for the same kind and number of securities and property which the Holder would have owned or have been entitled to receive had this Warrant been exercised immediately prior to such closing and (ii) the successor or acquiring entity (the “Acquiring Entity”) shall expressly assume all the obligations and liabilities of the Company hereunder, subject to such modifications as may be deemed appropriate (as determined in good faith by resolution of the Board of Directors of the Company) in order to provide for adjustments of Warrant Shares for which this Warrant is exercisable pursuant to clause (i) (disregarding any limitations on exercisability pursuant to Section 1). The foregoing provisions of this Section 4.3(b) shall similarly apply to successive Fundamental Transactions.

4.4 Dividends. If the Company declares or pays a dividend (except for (a) a stock dividend payable in shares of Common Stock and (b) any dividend consisting of rights which are not immediately exercisable and are attached to and not immediately separable from shares of Common Stock, provided that the Company makes provisions for such rights to attach to shares of Common Stock issued thereafter and while such rights remain outstanding (“Non-Separable Rights”)) on its outstanding shares of Common Stock not covered by Section 4.1, Section 4.2, or...
Section 4.5 (a "Dividend"), then the Company shall pay to the Holder at the time of payment thereof the Dividend which would have been paid to the Holder had the exercisable portion of this Warrant (disregarding any limitations on exercisability pursuant to Section 1) been fully exercised on a cashless basis immediately prior to the date on which a record is taken for such Dividend, or, if no record is taken, the date as of which the record holders of stock entitled to such dividends are to be determined.

4.5 Purchase Rights. If no adjustment pursuant to this Section 4 would otherwise result, if at any time the Company grants the right to acquire or otherwise offers to all or substantially all holders of record of its outstanding Common Stock on a pro rata basis, shares of Common Stock, Options, Convertible Securities or rights to purchase stock, warrants, securities or other property (the "Purchase Rights"), the Holder shall be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder would have acquired if the Holder had held the number of Warrant Shares acquirable upon complete exercise of the exercisable portion of this Warrant (disregarding any limitations on exercisability pursuant to Section 1) on a cashless basis immediately before the date on which a record is taken for the grant or offer of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant or offer of such Purchase Rights. Anything herein to the contrary notwithstanding, the Holder shall not be entitled to the Purchase Rights granted herein with respect to any Excluded Issuances.

4.6 Adjustment of Exercise Price. Upon each such adjustment of the kind and number of Warrant Shares or other securities of the Company which are purchasable hereunder, the Holder shall thereafter be entitled to purchase the number of Warrant Shares or other securities resulting from such adjustment at an Exercise Price per Warrant Share or other security obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Warrant Shares purchasable pursuant hereto immediately prior to such adjustment (disregarding any limitations on exercisability pursuant to Section 1) and dividing by the number of Warrant Shares or other securities of the Company resulting from such adjustment.

4.7 Notice of Adjustment. (a) When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Exercise Price, the Company shall promptly notify the holder of such event.

(b) In addition, if at any time:

(i) the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, or any right to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property, or to receive any other right;

(ii) there shall be any capital reorganization of the Company, any reclassification, recapitalization or exchange of the capital stock of the Company or any consolidation or merger of the Company with, or any sale, transfer or other disposition of all or substantially all
the property, assets or business of the Company to, another entity; or

(iii) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company; then, in any one or more of such cases to the extent there is not a resulting adjustment to this Warrant or grant of Purchase Rights pursuant to Sections 4.1, 4.2, 4.3, 4.4 or 4.5 or to the extent a stockholder vote is to be solicited for purposes of approving such action, the Company shall give to the Holder (i) at least 10 Trading Days’ prior written notice of the record date for such dividend, distribution or right or for determining rights to vote in respect of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, liquidation or winding up, and (ii) in the case of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, at least 10 Trading Days’ prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause also shall specify (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, the date on which the holders of Common Stock shall be entitled to any such dividend, distribution or right, and the amount and character thereof, and (ii) the date on which any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up is to take place and the time, if any such time is to be fixed, as of which the holders of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such disposition, dissolution, liquidation or winding up.

4.8 Investors’ Rights Agreement. This Warrant and all Warrant Shares issuable upon exercise of this Warrant are and shall become subject to, and have the benefit of, the Investors’ Rights Agreement.

5. Fractional Warrant Shares.

No fractional Warrant Shares will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Fair Market Value of one Warrant Share.

6. Transferability of Warrant.

Subject to the restrictions on transferability set forth in the legend endorsed hereon, this Warrant may be transferred or assigned to any Person in whole or in part without the prior consent of the Company, at the address set forth on the signature pages hereto, by the Holder in person or by duly authorized attorney, upon surrender of (a) the original of this Warrant together with an assignment form and (b) any other documentation reasonably necessary to satisfy the Company that such transfer is in compliance with all applicable securities laws; provided, however that the Holder may not sell, transfer, assign, pledge or otherwise dispose of any portion of this Warrant to a third party not affiliated with the Holder with respect to the lesser of (x) 100,000 Warrant Shares (subject to adjustment for stock splits, consolidations and the like) and (y) all remaining Warrant Shares for which this Warrant is then exercisable.
7. **No Rights as Stockholder.**

   Except as expressly set forth in this Warrant, no Holder of this Warrant shall be entitled to vote or be deemed the holder of Common Stock for any purpose, nor shall anything contained herein be construed to confer upon the Holder of this Warrant, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant has been exercised.

8. **Governing Law.**

   The terms and conditions of this Warrant (including any claim or controversy arising out of or relating to this Warrant) shall be governed by the law of the State of New York without regard to conflict of law principles that would result in the application of any law other than the law of the State of New York.

9. **Closing of Books.**

   The Company will not close its stockholder books or records in any manner not in the ordinary course with the primary intention of preventing the timely exercise of this Warrant, pursuant to the terms hereof.

10. **Loss, Theft, Destruction or Mutilation of Warrant.**

    The Company covenants that upon receipt by the Company of a Certificate of Loss, and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant, and such new Warrant shall be deemed to be an “original” hereof.

11. **Representations and Warranties of Holder.**

    11.1 **Purchase for Own Account.** This Warrant and the securities to be acquired upon exercise of this Warrant by Holder will be acquired for investment for Holder’s account, not as a nominee or agent, and not with a view to the public resale or distribution in violation of the Securities Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Warrant Shares.

    11.2 **Investment Experience.** Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies similar to the Company and acknowledges that Holder can bear the economic risk of such Holder’s investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its...
11.3 Accredited Investor Status. Holder is an “accredited investor” within the meaning of Regulation D promulgated under the Securities Act.

11.4 No Registration. Holder understands that this Warrant and the securities issuable upon exercise or conversion hereof have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder’s investment intent as expressed herein. Holder understands that this Warrant and the Warrant Shares issued upon any exercise or conversion hereof must be held indefinitely unless subsequently registered under the Securities Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available.

12. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Warrant shall be in writing and delivered personally, mailed by certified or registered mail, return receipt requested and postage prepaid, sent via a nationally recognized overnight courier, or via facsimile. Such notices, demands and other communications will be sent to the addresses set forth on the signature pages hereto or such other address or to the attention of such other person (including any transfer agent) as the recipient party shall have specified by prior written notice to the sending party; provided that, the failure to deliver copies of notices as indicated above shall not affect the validity of any notice. Any such communication shall be deemed to have been received (i) when delivered, if personally delivered or sent by nationally recognized overnight courier or sent via facsimile or (ii) on the third Business Day following the date on which the piece of mail containing such communication is posted if sent by certified or registered mail.

(b) Removal of Legend; Transfer Restrictions. The transfer restrictions imposed by the legend endorsed on this Warrant and/or any Warrant Shares shall cease and terminate (i) when a registration statement (as defined in the Securities Act) covering the resale of the Warrant and/or Warrant Shares, as applicable, pursuant to such effective registration statement and in compliance with the prospectus delivery requirements of the Securities Act; (ii) when, in the opinion of counsel reasonably satisfactory to the Company, the Warrant and/or Warrant Shares, as applicable, have been transferred in compliance with Rule 144 under the Securities Act or (iii) when, in the opinion of counsel reasonably satisfactory to the Company, the Warrant and/or Warrant Shares, as applicable, are freely transferable without volume and manner of sale restrictions pursuant to Rule 144 under the Securities Act (including in compliance with Rules 144(b)(1)(ii) and 144(d)(1)(ii) under the Securities Act). Whenever such restrictions shall cease and terminate as to this Warrant or such Warrant Shares, the Holder thereof (or such Holder’s permissible transferee) shall be entitled to receive from the Company, without expense, a new Warrant containing the same terms as this Warrant, or new certificates evidencing such Warrant Shares, in each case not bearing a legend with respect to transfer restrictions, and such new Warrant shall
be deemed to be an “original” hereof. The Company shall, within three Business Days after a valid written request therefor, deliver such new Warrants or new certificates evidencing such Warrant Shares, as applicable, to the Holder in accordance with this paragraph; provided, however, that with respect to Warrant Shares as to which the continuing need for any legend has ceased and terminated as provided for in this paragraph, if the Holder shall have so requested in writing, then the Company shall use commercially reasonable efforts to deliver, within three Business Days after a written request therefor, the Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, if available, provided, that the Company shall have no obligation to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation.

(c) Saturday, Sundays and Holidays. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or a legal holiday, then such action may be taken or such right may be exercised on the next succeeding day not a Saturday, Sunday or legal holiday.

(d) Non-Waiver and Expenses; Dispute Resolution Fees; Specific Performance. No delay or omission to exercise any right, power, or remedy accruing to the Holder upon any breach or default of the Company under this Warrant shall impair any such right, power, or remedy of the Holder, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of 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. Any waiver, permit, consent, or approval of any kind or character on the part of the Holder of any breach or default under this Warrant, or any waiver on the part of the Holder of any provisions or conditions of this Warrant, must be in writing and shall be effective only to the extent specifically set forth in such writing or as provided in this Warrant. Except as otherwise provided herein, all remedies, either under this Warrant or by law or otherwise afforded to the Holder, shall be cumulative and not alternative. If any action at law or in equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorneys’ fees, costs, and disbursements in addition to any other relief to which such party may be entitled. Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages may not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate. For the sake of clarity, no party will be entitled to specific performance and monetary damages for the same damage or loss.

(e) Limitation of Liability. No provision hereof, in the absence of the Holder’s exercise (including an automatic exercise pursuant to Section 2.3) of this Warrant or purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, to the extent such liability is asserted by, on behalf of or through the Company.
(f) **Warrant Exchangeable for Different Denominations.** This Warrant is exchangeable, upon the surrender of the original hereof or a Certificate of Loss by the Holder at the principal office of the Company, for new Warrants of same tenor representing in the aggregate the purchase rights hereunder, and each such new Warrant shall represent such portion of such rights as is designated by the Holder at the time of such surrender. The date the Company initially issues this Warrant shall be deemed to be the “Date of Issuance” hereof regardless of the number of times new certificates representing the unexpired and unexercised rights formerly represented by this Warrant shall be issued. All Warrants representing portions of the rights hereunder are referred to herein as the “Warrants” and each shall be deemed to be an “original” hereof.

(g) **Successors and Assigns.** This Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of the Holders from time to time of this Warrant and shall be enforceable by any such Holder.

(h) **Amendment.** This Warrant may be modified or amended or the provisions hereof waived only with the written consent of the Company and the Holder.

(i) **Severability.** Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(j) **Headings.** The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(k) **Waiver of Jury Trial.** Each party acknowledges and agrees that any controversy which may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

(l) **Consent to Jurisdiction and Service of Process.** Each of the parties irrevocably submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Warrant, any related agreement or any transaction contemplated hereby or thereby. Each of the parties hereto further agrees that service of any process, summons, notice or document by U.S. registered mail to such party’s respective address set forth below shall be effective service of process for any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.
OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS WARRANT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(m) **Counterparts.** This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant.

(n) **No Strict Construction.** This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the Company and the Holder have duly executed this Warrant on the date first written above.

HORIZON PHARMA, INC.

By:                                                
Name:  
Title:  
Address: 520 Lake Cook Road, Suite 520  
Deerfield, Illinois 60015  
Attention: Chief Executive Officer  
Fax: (847) 572-1372  
Phone: (224) 383-3000

By:                                                
Name:  
Title:  
Address: [        ]  
[        ]  
Attention: [        ]  
Fax: [        ]  
Phone: [        ]

(Signature Page to Warrant)
TO: Horizon Pharma, Inc.

1. The undersigned hereby elects to purchase [ ] shares of Common Stock of Horizon Pharma, Inc. (the “Company”), pursuant to the terms of the attached Warrant to Purchase Common Stock (the “Warrant”), and tenders herewith payment of the aggregate purchase price of such shares in full as follows:
   [ ] Certified check in the amount of $ [ ] payable to order of the Company enclosed herewith
   [ ] Wire transfer of immediately available funds in the amount of $ [ ] to the Company’s account
   [ ] Net Exercise pursuant to Section 2.2 of the Warrant

2. Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below:

   ___________________________
   (Name)

   ___________________________
   (Address)

3. The undersigned represents that the aforesaid shares of Common Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares in violation of the Securities Act of 1933. In support thereof, the undersigned has executed an Investment Representation Statement attached hereto as Attachment B.

   Name of Warrantholder: ___________________________

   By: ___________________________
   Name: ___________________________
   Title: ___________________________
ATTACHMENT B TO WARRANT
INVESTMENT REPRESENTATION STATEMENT

PURCHASER : 
COMPANY : Horizon Pharma, Inc.
SECURITY : 
AMOUNT : 
DATE :

In connection with the purchase of the above-listed securities and underlying stock (the "Securities"), I , the Purchaser, represent to the Company that the representations set forth in Section 11 of the Warrant to which this Investment Representation Statement relates are true and correct as to the undersigned, as if made on the date hereof.

Name of Purchaser: 

By: 
Name: 
Title:
Annex I

Definitions

“Bloomberg” means Bloomberg, L.P.

“Board of Directors” means board of directors of the Company or any committee thereof duly authorized to act on behalf of such board.

“Business Day” means any day, except a Saturday, Sunday or legal holiday, on which banking institutions in New York are authorized or obligated by law or executive order to close.

“Closing Bid Price” and “Closing Sales Price” means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price, as the case may be, then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the “pink sheets” by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.). If the Closing Bid Price or the Closing Sales Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sales Price, as the case may be, of such security on such date shall be the fair market value as determined in good faith by the Board of Directors. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

“Common Stock” has the meaning given the introductory paragraph to this Warrant; provided that if the class or series of equity securities obtainable upon exercise of this Warrant shall be adjusted pursuant to the terms of this Warrant, Common Stock shall refer to each such class or series of equity securities obtainable upon exercise of this Warrant.

“Convertible Securities” means any stock or securities (directly or indirectly) convertible into or exchangeable for Common Stock.


“Excluded Issuances” means any issuance or sale (or deemed issuance or sale in accordance with Section 4) by the Company after the date hereof of: (a) shares of Common Stock issued upon the exercise of this Warrant; (b) shares of Common Stock (as such number of shares is equitably adjusted for subsequent stock splits, stock combinations, stock dividends and recapitalizations) issued directly or upon the exercise of Options to directors, officers,
employees, or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board of Directors and issued pursuant to the Company’s 2011 Equity Incentive Plan (including all such shares of Common Stock and Options outstanding prior to the date hereof); (c) shares of Common Stock issued upon the conversion or exercise of Options (other than Options covered by clause (b) above) or Convertible Securities issued prior to the date hereof, provided that such securities are not amended after the date hereof to increase the number of shares of Common Stock issuable thereunder or to lower the exercise or conversion price thereof or (d) Non-Separable Rights.

“Fair Market Value” means, for any security as of any date,

(i) if such security is listed on any national or regional stock exchange or a national market system, the Closing Sales Price for the security or the Closing Bid Price if no sales were reported, as quoted on any national or regional stock exchange or a national market system on which the security is listed, for the date the value is to be determined (or if there are no sales for such date, then for the last preceding business day on which there were sales), as reported in The Wall Street Journal or similar publication,

(ii) if such security is regularly quoted by a recognized securities dealer but selling prices are not reported, the mean between the high bid and low asked prices for the security on the date the value is to be determined (or if there are no quoted prices for the date of grant, then for the last preceding business day on which there were quoted prices), and

(iii) otherwise, the value that would be paid by a willing buyer to an unaffiliated willing seller for such security in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company.

“Fundamental Transaction” means the Company’s (a) merger or consolidation with or into another entity, as a result of which the holders of the Company’s outstanding voting securities as of immediately prior to such merger or consolidation hold less than a majority of the outstanding voting securities of the surviving or successor entity as of immediately after such merger or consolidation or (b) sale, transfer or other disposition of all or substantially all its property, assets or business to another person or entity.

“Initial Exercisability Date” means the earlier of (a) 180 days from the date hereof, or (b) the date on which the Company is required to provide a written notice to the Holder pursuant to Section 4.7 hereof.

“Investors’ Rights Agreement” means that certain Investors’ Rights Agreement, dated as of the date hereof, by and among the Company, the original Holder hereof and such other parties as named therein, as such agreement may be amended from time to time.

“Options” means any warrants or other rights or options to subscribe for or purchase Common Stock or Convertible Securities.
“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Principal Market” means, at any time, the principal securities exchange or automated quotation system on which the Common Stock is then listed, quoted or traded at such time.

“Trading Day” means any day on which shares of Common Stock are traded on the Principal Market; provided that “Trading Day” shall not include any day on which shares of Common Stock are scheduled to trade on the Principal Market for less than 4.5 hours or any day that shares of Common Stock are suspended from trading during the final hour of trading on the Principal Market (or if the Principal Market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).
SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (this “Agreement”), dated as of February 28, 2012, is made by and among HORIZON PHARMA, INC., a Delaware corporation (the “Company”), the Purchasers listed on Exhibit A hereto, together with their permitted transferees (each, a “Purchaser” and collectively, the “Purchasers”) and, solely with respect to Article 6 and Section 8.5, the warrant holders listed on Exhibit B hereto, together with their permitted transferees (each a “Warrant Holder” and collectively, the “Warrant Holders”).

RECITALS:

A. The Company and the Purchasers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(2) of the Securities Act.

B. The Purchasers, severally and not jointly, desire to purchase and the Company desires to sell, upon the terms and conditions stated in this Agreement, up to a maximum of $50,820,033.4 of Common Stock and warrants to purchase Common Stock of the Company.

C. The Warrant Holders hold certain warrants issued on February 22, 2012 to purchase up to an aggregate of 3,277,191 shares of Common Stock (the “Debt Warrants”).

D. The capitalized terms used herein and not otherwise defined have the meanings given them in Article 7.

AGREEMENT

In consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Purchasers (severally and not jointly) and, solely with respect to Article 6, the Warrant Holders (severally and not jointly) hereby agree as follows:

ARTICLE 1
PURCHASE AND SALE OF SECURITIES

1.1 Purchase and Sale of Securities. At the Closing, the Company will issue and sell to each Purchaser, and each Purchaser will, severally and not jointly, purchase from the Company the number of shares of Common Stock (the “Shares”) and the number of warrants (the “Warrants”) to purchase shares of Common Stock set forth opposite such Purchaser’s name on Exhibit A hereto (the Shares and Warrants referred to collectively as the “Securities”). The purchase price for each Security shall be $3.62125 (the “Purchase Price”), which is the sum of (i) $3.59 (the “Stock Purchase Price”), the consolidated closing bid price of the Common Stock as reported on Nasdaq (symbol “HZNP”) on the date of this Agreement, and (ii) $0.03125. For each Share purchased by a Purchaser, such Purchaser shall receive a Warrant to purchase 0.25 of a share of Common Stock at an exercise price per share equal to $4.308 pursuant to a Warrant substantially in the form attached as Exhibit C hereto.

1.2 Payment. At the Closing, each Purchaser will pay the aggregate Purchase Price set forth opposite its name on Exhibit A hereto by wire transfer of immediately available funds in accordance with wire instructions provided by the Company to the Purchasers prior to the Closing. On or before the Closing, the Company will instruct its transfer agent to deliver stock certificates to the Purchasers representing the Shares set forth on Exhibit A and will deliver Warrants against delivery of the aggregate Purchase Price on the Closing Date. The foregoing notwithstanding, if the Purchaser has indicated to the Company at the time of execution of this Agreement a need to settle “delivery versus payment”, the Company shall deliver to such Purchaser or such Purchaser’s designated custodian the original stock certificates and Warrants on or prior to the Closing and, upon receipt, the Purchaser shall wire the aggregate Purchase Price as provided in the first sentence of this Section 1.2.

1.3 Closing Date. The closing of the transaction contemplated by this Agreement will take place on March 2, 2012 (the “Closing Date”) and the closing (the “Closing”) will be held at the offices of Cooley LLP, 4401 Eastgate Mall, San Diego, CA 92121 or at such other time and place as shall be agreed upon by the Company and the Purchasers hereunder of a majority in interest of the Securities.

1
ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as specifically contemplated by this Agreement, the Company hereby represents and warrants to the Purchasers that:

2.1 Organization and Qualification. The Company is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to conduct its business as currently conducted as disclosed in the SEC Documents. The Company is duly qualified to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not reasonably be expected to have a Material Adverse Effect.

2.2 Authorization; Enforcement. The Company has all requisite corporate power and authority to enter into and to perform its obligations under this Agreement, to consummate the transactions contemplated hereby and to issue the Securities in accordance with the terms hereof. The execution, delivery and performance of this Agreement by the Company and the consummation by it of the transactions contemplated hereby (including the issuance of the Securities) have been duly authorized by the Company’s Board of Directors or a duly authorized committee thereof and no further consent or authorization of the Company, its Board of Directors, or its stockholders is required. This Agreement has been duly executed by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or moratorium or similar laws affecting creditors’ and contracting parties’ rights generally and except as enforceability may be subject to general principles of equity and except as rights to indemnity and contribution may be limited by state or federal securities laws or public policy underlying such laws.

2.3 Capitalization. The authorized capital stock of the Company, as of January 31, 2012, consisted of 200,000,000 shares of Common Stock, $0.0001 par value per share, of which 19,627,744 shares were issued and outstanding, and 10,000,000 shares of blank check Preferred Stock, $0.0001 par value per share, none of which have been designated. All of the issued and outstanding shares of Common Stock have been duly authorized, validly issued, fully paid, and nonassessable. Options to purchase an aggregate of 2,532,262 shares of Common Stock, restricted stock units covering an aggregate of 814,890 shares of Common Stock and warrants to purchase an aggregate of 377,370 shares of Common Stock were outstanding as of January 31, 2012. Except as disclosed in or contemplated by the SEC Documents, the Company does not have outstanding any options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of its capital stock or any such options, rights, convertible securities or obligations other than options granted under the Company’s stock option plans and its employee stock purchase plan. The Company’s Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”), as in effect on the date hereof, and the Company’s Amended and Restated Bylaws (the “Bylaws”) as in effect on the date hereof, are each filed as exhibits to the SEC Documents.

2.4 Issuance of Securities. The Shares and all of the shares of Common Stock issuable upon exercise of the Warrants (the “Warrant Shares”) are duly authorized and, upon issuance in accordance with the terms of this Agreement (and in case of the Warrant Shares, the Warrants), will be validly issued, fully paid and non-assessable and will not be subject to preemptive rights or other similar rights of stockholders of the Company.

2.5 No Conflicts; Government Consents and Permits.

(a) The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Securities) will not (i) conflict with or result in a violation of any provision of its Certificate of Incorporation or Bylaws or require the approval of the Company’s stockholders, (ii) violate or conflict with, or result in a breach of any
The Company has all franchises, permits, licenses, and any similar authority necessary for the conduct of its business as now being conducted by it and as currently proposed to be conducted as disclosed in the SEC Documents, except for such franchise, permit, license or similar authority, the lack of which would not reasonably be expected to have a Material Adverse Effect. The Company has not received any actual notice of any proceeding relating to revocation or modification of any such franchise, permit, license, or similar authority except where such revocation or modification would not reasonably be expected to have a Material Adverse Effect.

2.6 SEC Documents, Financial Statements. The Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC since July 28, 2011, pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date hereof, as well as the Company’s registration statement on Form S-1 (File No. 333-168504), as amended, and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits) incorporated by reference therein that were filed prior to the date hereof, being hereinafter referred to herein as the “SEC Documents”). The Company has delivered to each Purchaser, or each Purchaser has had access to, true and complete copies of the SEC Documents. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act or the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, the Financial Statements and the related notes compiled as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements and the related notes have been prepared in accordance with accounting principles generally accepted in the United States, consistently applied, during the periods involved (except (i) as may be otherwise indicated in the Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, may be condensed or summary statements or may conform to the SEC’s rules and instructions for Reports on Form 10-Q) and fairly present in all material respects the consolidated financial position of the Company as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal and recurring year-end audit adjustments). All material agreements that were required to be filed on or prior to the date hereof as exhibits to the SEC Documents under Item 601 of Regulation S-K to which the Company or any Subsidiary of the Company is a party, or the property or assets of the Company or any Subsidiary of the Company are subject, have been filed as exhibits to the SEC Documents (all such material agreements, together with the agreements dated February 22, 2012 and described in the Company’s Form 8-K filed with the SEC on February 22, 2012, being hereinafter referred to as the “Material Agreements”). All Material Agreements are valid and enforceable against the Company in accordance with their respective terms, except (i) as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or moratorium or similar laws affecting creditors’ and contracting parties’ rights generally, (ii) as enforceability may be subject to general principles of equity and except as rights to indemnity and contribution may be limited by state or federal securities laws or public policy underlying such laws and (iii) as otherwise described in the SEC Documents. The Company is not in breach of or default under any of the
Material Agreements, and to the Company’s knowledge, no other party to a Material Agreement is in breach of or default under such Material Agreement, except in each case, for such breaches or defaults as would not reasonably be expected to have a Material Adverse Effect. The Company has not received a notice of termination nor is the Company otherwise aware of any threats to terminate any of the Material Agreements.

2.7 Disclosure Controls and Procedures. Except as disclosed in the SEC Documents, the Company has established and maintains disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) that are effective in all material respects to ensure that material information relating to the Company, including any consolidated Subsidiaries, is made known to its chief executive officer and chief financial officer by others within those entities. The Company’s certifying officers have evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered by the most recently filed quarterly or annual periodic report under the Exchange Act (such date, the “Evaluation Date”). The Company presented in its most recently filed quarterly or annual periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no significant changes in the Company’s internal control over financial reporting (as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) or, to the Company’s knowledge, in other factors that could significantly affect the Company’s internal control over financial reporting.

2.8 Accounting Controls. Except as disclosed in the SEC Documents, the Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management’s general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles as applied in the United States and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management’s general or specific authorization, and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2.9 Absence of Litigation. As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the Company’s knowledge, threatened against the Company that if determined adversely to the Company would reasonably be expected to have a Material Adverse Effect or would reasonably be expected to impair the ability of the Company to perform its obligations under this Agreement. Neither the Company, nor any director or officer thereof, is or has been the subject of any action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty relating to the Company. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC of the Company or any current or former director or officer of the Company. The Company has not received any order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act and, to the Company’s knowledge, the SEC has not issued any such order.

2.10 Intellectual Property Rights. The Company and its Subsidiaries own, possess or can acquire on reasonable terms sufficient trademarks, trademark applications, service marks, service names, trade names, patents, patent applications, patent rights, inventions, know-how, copyrights, domain names, licenses, approvals, trade secrets and other similar rights reasonably necessary to conduct their businesses as now conducted and, to the knowledge of the Company, as proposed to be conducted as described in the SEC Documents (the “Intellectual Property”); except to the extent failure to own, possess or acquire such Intellectual Property would not result in a Material Adverse Effect. To the Company’s knowledge, neither the Company nor any of its Subsidiaries has infringed the intellectual property rights of third parties and no third party, to the Company’s knowledge, is infringing the Intellectual Property, in each case, which could reasonably be expected to result in a Material Adverse Effect. Except as disclosed in the SEC Documents, there are no material options, licenses or agreements relating to the Intellectual Property, nor is the Company bound by or a party to any material options, licenses or agreements relating to the patents, patent applications, patent rights, inventions, know-how, trade secrets, trademarks, trademark applications, service marks, service names, trade names or copyrights of any other person or entity. Except as described in the SEC Documents, there is no material claim or action or proceeding pending or, to the Company’s knowledge, threatened that challenges any of the rights of the Company in or to, or otherwise with respect to, any Intellectual Property.
2.11 Placement Agents. The Company has taken no action that would give rise to any claim by any person for brokerage commissions, placement agent’s fees or similar payments relating to this Agreement or the transactions contemplated hereby, except for dealings with the Placement Agents, whose commissions and fees will be paid by the Company.

2.12 Investment Company. The Company is not and, after giving effect to the offering and sale of the Securities, will not be an “investment company” as such term is defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”). The Company shall conduct its business in a manner so that it will not become subject to the Investment Company Act.

2.13 No Material Adverse Change. Since September 30, 2011, except as described or referred to in the SEC Documents and except for cash expenditures in the ordinary course of business, there has not been any change in the assets, business, properties, financial condition or results of operations of the Company that would reasonably be expected to have a Material Adverse Effect. Since September 30, 2011, (i) there has not been any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, (ii) the Company has not sustained any material loss or interference with the Company’s business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, and (iii) the Company has not incurred any material liabilities except in the ordinary course of business.

2.14 The Nasdaq Global Market. The Common Stock is listed on The Nasdaq Global Market, and, except as disclosed in the SEC Documents, to the Company’s knowledge, there are no proceedings to revoke or suspend such listing or the listing of the Shares and the Warrant Shares. The Company is in compliance with the requirements of Nasdaq for continued listing of the Common Stock thereon and any other Nasdaq listing and maintenance requirements, and the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Securities) will not result in any noncompliance by the Company with any such requirements.

2.15 Acknowledgment Regarding Purchasers’ Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm’s length purchaser with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity with respect to the Company) with respect to this Agreement and the transactions contemplated hereby and any advice given by any Purchaser or any of their respective representatives or agents to the Company in connection with this Agreement and the transactions contemplated hereby is merely incidental to such Purchaser’s purchase of the Securities. The Company further represents to each Purchaser that the Company’s decision to enter into this Agreement has been based on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

2.16 Accountants. PricewaterhouseCoopers LLP, who will express their opinion with respect to the audited financial statements and schedules to be included as a part of any Registration Statement prior to the filing of any such Registration Statement, are independent accountants as required by the Securities Act.

2.17 Insurance. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Company believes are prudent and customary for a company (i) in the businesses and location in which the Company is engaged, (ii) with the resources of the Company, and (iii) at a similar stage of development as the Company. The Company has not received any written notice that the Company will not be able to renew its existing insurance coverage as and when such coverage expires. The Company believes it will be able to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

2.18 Foreign Corrupt Practices. Since January 1, 2007, neither the Company, its Subsidiaries, nor to the Company’s knowledge, any director, officer, agent, employee or other person acting on behalf of the Company or any Subsidiary has, in the course of its actions for, or on behalf of, the Company or any Subsidiary (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of in any material respect any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.
2.19 Private Placement. Neither the Company nor its Subsidiaries or any affiliates, nor any person acting on its or their behalf, has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under any circumstances that would require registration of the Securities under the Securities Act. Assuming the accuracy of the representations and warranties of the Purchasers contained in Article 3 hereof, the issuance of the Securities and the Warrant Shares are exempt from registration under the Securities Act.

2.20 No Registration Rights. No person has the right to (i) prohibit the Company from filing a Registration Statement or (ii) other than as disclosed in the SEC Documents, require the Company to register any securities for sale under the Securities Act by reason of the filing of a Registration Statement except in the case of clause (ii) for rights which have been properly waived. The granting and performance of the registration rights under this Agreement will not violate or conflict with, or result in a breach of any provision of, or constitute a default under, any agreement, indenture, or instrument to which the Company is a party.

2.21 Taxes. The Company has filed (or has obtained an extension of time within which to file) all necessary federal, state and foreign income and franchise tax returns and has paid all taxes shown as due on such tax returns, except where the failure to so file or the failure to so pay would not reasonably be expected to have a Material Adverse Effect.

2.22 Real and Personal Property. The Company has good and marketable title to, or has valid rights to lease or otherwise use, all items of real and personal property that are material to the business of the Company free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use of such property by the Company, (ii) are described in the SEC Documents or (iii) would not reasonably be expected to have a Material Adverse Effect.

2.23 Application of Takeover Protections. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not impose any restriction on any Purchaser, or create in any party (including any current stockholder of the Company) any rights, under any share acquisition, business combination, poison pill (including any distribution under a rights agreement), or other similar anti-takeover provisions under the Company’s charter documents or the laws of its state of incorporation.

2.24 No Manipulation of Stock. The Company has not taken, nor will it take, directly or indirectly any action designed to stabilize or manipulate the price of the Common Stock or any security of the Company to facilitate the sale or resale of any of the Shares.

2.25 Related Party Transactions. Except with respect to the transactions (i) that are not required to be disclosed and (ii) contemplated hereby to the extent an affiliate of any director purchases Securities hereunder, all transactions that have occurred between or among the Company, on the one hand, and any of its officers or directors, or any affiliate or affiliates of any such officer or director, on the other hand, prior to the date hereof have been disclosed in the SEC Documents.

2.26 Use of Proceeds. The Company shall use the net proceeds of the sale of the Securities under this Agreement for research, development, sales and marketing of the Company’s products and product candidates, working capital and general corporate purposes, including any required repayments of indebtedness.

ARTICLE 3
PURCHASER’S REPRESENTATIONS AND WARRANTIES

Each Purchaser represents and warrants to the Company, severally and not jointly, with respect to itself and its purchase hereunder, that:

3.1 Investment Purpose. The Purchaser is purchasing the Securities for its own account and not with a present view toward the public sale or distribution thereof and has no intention of selling or distributing any of
3.2 Reliance on Exemptions. The Purchaser understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws.

3.3 Information. The Purchaser has been furnished with all relevant materials relating to the business, finances and operations of the Company necessary to make an investment decision, and materials relating to the offer and sale of the Securities, that have been requested by the Purchaser, including, without limitation, the Company’s SEC Documents, and the Purchaser has had the opportunity to review the SEC Documents. The Purchaser has been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other investigation conducted by or on behalf of such Purchaser or its representatives or counsel shall modify, amend or affect such Purchaser’s right to rely on the truth, accuracy and completeness of the SEC Documents and the Company’s representations and warranties contained in the Agreement.

3.4 Acknowledgement of Risk.

(a) The Purchaser acknowledges and understands that its investment in the Securities involves a significant degree of risk, including, without limitation, (i) an investment in the Company is speculative, and only Purchasers who can afford the loss of their entire investment should consider investing in the Company and the Securities; (ii) the Purchaser may not be able to liquidate its investment; (iii) transferability of the Securities is extremely limited; (iv) in the event of a disposition of the Securities, the Purchaser could sustain the loss of its entire investment; and (v) the Company has not paid any dividends on its Common Stock since inception and does not anticipate the payment of dividends in the foreseeable future. Such risks are more fully set forth in the SEC Documents;

(b) The Purchaser is able to bear the economic risk of holding the Securities for an indefinite period, and has knowledge and experience in financial and business matters such that it is capable of evaluating the risks of the investment in the Securities; and

(c) The Purchaser has, in connection with the Purchaser’s decision to purchase Securities, not relied upon any representations or other information (whether oral or written) other than as set forth in the representations and warranties of the Company contained herein and the SEC Documents, and the Purchaser has, with respect to all matters relating to this Agreement and the offer and sale of the Securities, relied solely upon the advice of such Purchaser’s own counsel and has not relied upon or consulted any counsel to the Placement Agents or counsel to the Company.

3.5 Governmental Review. The Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities or an investment therein.

3.6 Transfer or Resale. The Purchaser understands that:

(a) the Securities have not been and are not being registered under the Securities Act (other than as contemplated in Article 6) or any applicable state securities laws and, consequently, the Purchaser may have to bear the risk of owning the Securities for an indefinite period of time because the Securities may not be transferred unless (i) the resale of the Securities is registered pursuant to an effective registration statement under the Securities Act, as contemplated in Article 6; (ii) the Purchaser has delivered to the Company an opinion of counsel (in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration; or (iii) the Securities are sold or transferred pursuant to Rule 144;
(b) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and

(c) except as set forth in Article 6, neither the Company nor any other person is under any obligation to register the resale of the Shares or the Warrant Shares under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

3.7 Legends.

(a) The Purchaser understands the certificates representing the Securities will bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for such Securities):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER APPLICABLE SECURITIES LAWS, OR UNLESS OFFERED, SOLD, PLEDGED, HYPOTHECATED OR TRANSFERRED PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS. THE COMPANY SHALL BE ENTITLED TO REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED TO THE EXTENT THAT SUCH OPINION IS REQUIRED PURSUANT TO THAT CERTAIN SECURITIES PURCHASE AGREEMENT UNDER WHICH THE SECURITIES WERE ISSUED.

(b) To the extent the resale of Shares or Warrant Shares is registered under the Securities Act pursuant to an effective Registration Statement naming the holder thereof as a selling stockholder, the Company agrees to promptly (i) authorize the removal of the legend set forth in Section 3.8(a) and any other legend not required by applicable law from such Shares and/or Warrant Shares and (ii) cause its transfer agent to issue such Shares and/or Warrant Shares without such legends to the holder thereof by electronic delivery at the applicable balance account at the Depository Trust Company upon surrender of any stock certificates evidencing such Shares or Warrant Shares. Any fees (with respect to the Company’s transfer agent, counsel or otherwise) associated with the removal of such legend(s) shall be borne by the Company. The Purchaser hereby covenants and agrees that to the extent resales of the Shares or Warrant Shares are made pursuant to such effective Registration Statement, that such resales will be made only during the time that such Registration Statement is effective and not withdrawn or suspended and only as permitted by such Registration Statement, and otherwise in compliance with the Securities Act (including applicable prospectus delivery obligations).

(c) The Purchaser may request that the Company remove, and the Company agrees to authorize the removal of any legend from the Shares and Warrant Shares (i) following any sale of the Shares or Warrant Shares pursuant to Rule 144, or (ii) if such Shares or Warrant Shares are eligible for sale under Rule 144 following the expiration of the one-year holding requirement under subparagraphs (b)(1)(i) and (d) thereof. Following the time a legend is no longer required for the Shares or Warrant Shares under this Section 3.8(c), the Company will, no later than three Business Days following the delivery by a Purchaser to the Company or the Company’s transfer agent of a legended certificate representing such securities, deliver or cause to be delivered to such Purchaser a certificate representing such securities that is free from all restrictive and other legends.

3.8 Authorization; Enforcement. The Purchaser has the requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The Purchaser has taken all necessary action to authorize the execution, delivery and performance of this Agreement. Upon the execution and delivery of this Agreement, this Agreement shall constitute a valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ and contracting parties’ rights generally and except as enforceability may be subject to general principles of equity and except as rights to indemnity and contribution may be limited by state or federal securities laws or public policy underlying such laws.
3.9 Residency. The Purchaser is a resident of the jurisdiction set forth immediately below such Purchaser’s name on the signature pages hereto.

3.10 No Short Sales. Between the time the Purchaser learned about the Offering and the public announcement of the Offering, the Purchaser has not engaged in any short sales or similar transactions with respect to the Common Stock, nor has the Purchaser, directly or indirectly, caused any Person to engage in any short sales or similar transactions with respect to the Common Stock.

3.11 Acknowledgements Regarding Placement Agents. The Purchaser acknowledges that the Placement Agents are acting as the exclusive placement agents on a “best efforts” basis for the Securities being offered hereby and will be compensated by the Company for acting in such capacity. The Purchaser represents that (i) the Purchaser, unless affiliated with a member of the Company’s Board of Directors, was contacted regarding the sale of the Securities by the Placement Agent (or an authorized agent or representative thereof) with whom the Purchaser entered into a confidentiality agreement and (ii) to its knowledge no Securities were offered or sold to it by means of any form of general solicitation or general advertising.

3.12 Beneficial Ownership. Assuming the accuracy of the Company’s representation in Section 2.3 hereof and assuming that no additional shares of capital stock have been issued by the Company since January 31, 2012, the purchase by such Purchaser of the Shares and Warrants hereunder will not result in such Purchaser (individually or together with any other Person with whom such Purchaser has identified, or will have identified, itself as part of a “group” in a public filing made with the SEC involving the Company’s securities) acquiring, or obtaining the right to acquire, in excess of 19.99% of the outstanding shares of Common Stock or the voting power of the Company on a post-transaction basis that assumes that the Closing shall have occurred. Such Purchaser does not presently intend to, alone or together with others, make a public filing with the SEC to disclose that it has (or that it together with such other Persons have) acquired, or obtained the right to acquire, as a result of the purchase by such Purchaser of the Shares and Warrants hereunder (when added to any other securities of the Company that it or they then own or have the right to acquire), in excess of 19.99% of the outstanding shares of Common Stock or the voting power of the Company on a post-transaction basis that assumes that the Closing has occurred.

3.13 Purchaser Status. At the time such Purchaser was offered the Shares and Warrants, it was, and at the date hereof it is, an “accredited investor” as defined in Rule 510(a) of the Securities Act.

ARTICLE 4
COVENANTS

4.1 Reporting Status. The Company’s Common Stock is registered under Section 12 of the Exchange Act. During the Registration Period, the Company will timely file all documents with the SEC, and the Company will not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would permit such termination.

4.2 Expenses. The Company and each Purchaser is liable for, and will pay, its own expenses incurred in connection with the negotiation, preparation, execution and delivery of this Agreement, including, without limitation, attorneys’ and consultants’ fees and expenses.

4.3 Financial Information. The financial statements of the Company to be included in any documents filed with the SEC will be prepared in accordance with accounting principles generally accepted in the United States, consistently applied (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, may be condensed or summary statements or may conform to the SEC’s rules and instructions for Reports on Form 10-Q), and will fairly present in all material respects the consolidated financial position of the Company and consolidated results of its operations and cash flows as of, and for the periods covered by, such financial statements (subject, in the case of unaudited statements, to normal and recurring year-end audit adjustments).
4.4 Securities Laws Disclosure; Publicity. On or before 9:00 a.m., New York local time, on the Business Day immediately following the date hereof, the Company shall issue a press release announcing the signing of this Agreement and describing the terms of the transactions contemplated by this Agreement. On or before March 5, 2012, the Company shall file a Current Report on Form 8-K with the SEC describing the terms of the transactions contemplated by this Agreement and including as an exhibit to such Current Report on Form 8-K this Agreement, in the form required by the Exchange Act. The Company shall not publicly disclose the name of any Purchaser or any affiliate of the Purchaser, or include the name of any Purchaser or an affiliate of the Purchaser in any filing with the SEC (other than in a Registration Statement and any exhibits to filings made in respect of this transaction in accordance with periodic report or current report filing requirements under the Exchange Act) or any regulatory agency, without the prior written consent of such Purchaser, except to the extent such disclosure is required by law or regulations, in which case the Company shall provide each Purchaser whose name is to be disclosed with prior notice of such disclosure and a reasonable opportunity to comment on the proposed disclosure insofar as it relates specifically to such Purchaser.

4.5 Sales by Purchasers. Each Purchaser will sell any Securities and Warrant Shares held by it in compliance with applicable prospectus delivery requirements, if any, or otherwise in compliance with the requirements for an exemption from registration under the Securities Act and the rules and regulations promulgated thereunder. No Purchaser will make any sale, transfer or other disposition of the Securities in violation of federal or state securities laws.

4.6 Reservation of Common Stock. The Company shall reserve and keep available at all times during which the Warrants remain exercisable, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue Warrant Shares pursuant to this Agreement.

ARTICLE 5
CONDITIONS TO CLOSING

5.1 Conditions to Obligations of the Company. The Company’s obligation to complete the purchase and sale of the Securities and deliver such stock certificate(s) and Warrants to each Purchaser is subject to the waiver by the Company or fulfillment as of the Closing Date of the following conditions:

(a) Receipt of Funds. The Company shall have received immediately available funds in the full amount of the purchase price for the Securities being purchased hereunder as set forth opposite such Purchaser’s name on Exhibit A hereto.

(b) Representations and Warranties. The representations and warranties made by each Purchaser in Article 3 shall be true and correct in all material respects as of the Closing Date.

(c) Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Purchasers on or prior to the Closing Date shall have been performed or complied with in all material respects.

(d) Blue Sky. The Company shall have obtained all necessary blue sky law permits and qualifications, or secured exemptions therefrom, required by any state for the offer and sale of the Securities.

(e) Nasdaq Qualification. The Shares to be issued shall be duly authorized for listing by Nasdaq, subject to official notice of issuance, to the extent required by the rules of Nasdaq.

(f) Absence of Litigation. No proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any court, arbitrator, governmental body, agency or official.
5.2 Conditions to Purchasers’ Obligations at the Closing. Each Purchaser’s obligation to complete the purchase and sale of the Securities is subject to the waiver by such Purchaser or fulfillment as of the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties made by the Company in Article 2 shall be true and correct in all material respects as of the Closing Date.

(b) Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date shall have been performed or complied with in all material respects.

(c) Blue Sky. The Company shall have obtained all necessary blue sky law permits and qualifications, or secured exemptions therefrom, required by any state or foreign or other jurisdiction for the offer and sale of the Securities.

(d) Legal Opinion. The Company shall have delivered to such Purchaser an opinion, dated as of the Closing Date, from Cooley LLP, counsel to the Company, in substantially the form attached hereto as Exhibit D.

(e) Transfer Agent Instructions. The Company shall have delivered to its transfer agent irrevocable instructions to issue to such Purchaser or in such nominee name(s) as designated by such Purchaser in writing one or more certificates representing such Shares set forth opposite such Purchaser’s name on Exhibit A hereto; provided, however, that if such Purchaser has indicated to the Company at the time of execution of this Agreement a need to settle “delivery versus payment”, the Company shall deliver to such Purchaser or such Purchaser’s designated custodian such original stock certificates and Warrants to be acquired by such Purchaser.

(f) Nasdaq Qualification. The Shares shall be duly authorized for listing by Nasdaq, subject to official notice of issuance, to the extent required by the rules of Nasdaq.

(g) Absence of Litigation. No proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any court, arbitrator, governmental body, agency or official.

(h) No Governmental Prohibition. The sale of the Shares by the Company shall not be prohibited by any law or governmental order or regulation.

(i) Minimum Aggregate Investment. The Company shall have received at the Closing at least $45 million of aggregate gross proceeds from the sale of Securities hereunder.

ARTICLE 6
REGISTRATION RIGHTS

6.1 As soon as reasonably practicable, but in no event later than 45 days after the Closing Date (the “Filing Date”), the Company shall file a registration statement covering the resale of the Registrable Securities with the SEC for an offering to be made on a continuous basis pursuant to Rule 415, or if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Holders of a majority of the Registrable Securities may reasonably specify (the “Initial Registration Statement”). The Initial Registration Statement shall be on Form S-3 (except if the Company is ineligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form). In the event the SEC informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to
promptly (i) inform each of the Holders thereof, (ii) use its reasonable efforts to file amendments to the Initial Registration Statement as required by the SEC and/or (iii) withdraw the Initial Registration Statement and file a new registration statement (a “New Registration Statement”), in either case covering the maximum number of Registrable Securities permitted to be registered by the SEC, on Form S-3 or, if the Company is ineligible to register for resale the Registrable Securities on Form S-3, such other form available to register for resale the Registrable Securities as a secondary offering; provided, however, that prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its reasonable efforts to advocate with the SEC for the registration of all of the Registrable Securities on the Initial Registration Statement. In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (ii) or (iii) above, the Company will use its reasonable efforts to file with the SEC, as promptly as allowed by the SEC, one or more registration statements on Form S-3 or, if the Company is ineligible to register for resale the Registrable Securities on Form S-3, such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the “Remainder Registration Statements”). Notwithstanding any other provision of this Agreement and subject to the payment of damages in Section 6.3, if the SEC limits the number of Registrable Securities permitted to be registered on a particular Registration Statement (and notwithstanding that the Company used diligent efforts to advocate with the SEC for the registration of all or a greater number of Registrable Securities), any required cutback of Registrable Securities shall be applied to the Holders pro rata in accordance with the number of such Registrable Securities sought to be included in such Registration Statement by reference to the amount of Registrable Securities set forth opposite such Holder’s name on Exhibit A and/or Exhibit B (and in the case of a subsequent transfer, the initial Holder’s relative to the aggregate amount of all Registrable Securities. In the event that Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form and (ii) undertake to register the Registrable Securities on Form S-3 after such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the SEC.

6.2 All Registration Expenses incurred in connection with any registration, qualification, exemption or compliance pursuant to Section 6.1 shall be borne by the Company. All Selling Expenses relating to the sale of securities registered by or on behalf of Holders shall be borne by such Holders pro rata on the basis of the number of securities so registered.

6.3 The Company further agrees that, in the event that (i) the Initial Registration Statement has not been filed with the SEC within 45 days after the Closing Date, (ii) the Initial Registration Statement or the New Registration Statement, as applicable, has not been declared effective by the SEC by the Effectiveness Deadline, or (iii) after such Registration Statement is declared effective by the SEC, it is suspended by the Company or ceases to remain continuously effective as to all Registrable Securities for which it is required to be effective, other than, in each case, within the time period(s) permitted by Section 6.7(b) (each such event referred to in clauses (i), (ii) and (iii), (a “Registration Default”)), for all or part of any thirty-day period (a “Penalty Period”) during which the Registration Default remains uncured (which initial thirty-day period shall commence on the fifth Business Day after the date of such Registration Default if such Registration Statement has not been cured by such date), the Company shall pay to each Holder 1.5% of such Holder’s aggregate purchase price of his or her Shares, Warrant Shares and/or Debt Warrant Shares, as applicable, that remain Registrable Securities for which such Registration Statement is required to be effective and for which there is not otherwise an effective Registration Statement at such time, for each Penalty Period during which the Registration Default remains uncured; provided, however, that if a Holder fails to provide the Company with any information that is required to be provided in such Registration Statement with respect to such Holder as set forth herein, then the commencement of the Penalty Period described above with respect to such Holder shall be extended until two Business Days following the date of receipt by the Company of such required information from such Holder; and provided, further, that in no event shall the Company be required hereunder to pay to any Holder pursuant to this Agreement more than 1.5% of such Holder’s aggregate purchase price of all of his or her securities for which such Registration Statement is required to be effective in any Penalty Period and in no event shall the Company be required hereunder to pay to any Holder pursuant to this Agreement an aggregate amount that exceeds 10.0% of the aggregate purchase price paid by such Holder for such Holder’s securities. For purposes of clarification, and solely for purposes of calculating the liquidated damages pursuant to this Section 6.3, each Holder’s purchase price for each Share shall be deemed to be the Stock Purchase Price and each Holder’s purchase price for each Warrant Share or Debt Warrant Share shall be deemed to be $0.125.
The Company shall deliver said cash payment to the Holder by the fifth Business Day after the end of such Penalty Period. If the Company fails to pay said cash payment to any Holder in full by the fifth Business Day after the end of such Penalty Period, the Company will pay interest thereon at a rate of 12% per annum (or such lesser maximum amount that is permitted to be paid by applicable law, and calculated on the basis of a year consisting of 360 days) to such Holder, accruing daily from the date such liquidated damages are due until such amounts, plus all such interest thereon, are paid in full.

6.4 In the case of the registration, qualification, exemption or compliance effected by the Company pursuant to this Agreement, the Company shall, upon reasonable request, inform each Holder as to the status of such registration, qualification, exemption and compliance. At its expense the Company shall:

(a) except for such times as the Company is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, use its commercially reasonable efforts to keep such registration, and any qualification, exemption or compliance under state securities laws which the Company determines to obtain, continuously effective with respect to a Holder, and to keep the applicable Registration Statement free of any material misstatements or omissions, until the earlier of the following: (i) the third anniversary of the Closing Date or (ii) the date all Shares and Warrant Shares held by such Holder may be sold under Rule 144 during any 90 day period, provided that the Common Stock then trades on a national securities exchange and such Holder owns less than 1% of the Company’s outstanding capital stock. The period of time during which the Company is required hereunder to keep a Registration Statement effective is referred to herein as the “Registration Period.”

(b) advise the Holders within five Business Days:

(i) when a Registration Statement or any amendment thereto has been filed with the SEC and when such Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the SEC for amendments or supplements to any Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the SEC of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading;

(c) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable;

(d) if a Holder so requests in writing, promptly furnish to each such Holder, without charge, at least one copy of each Registration Statement and each post-effective amendment thereto, including financial statements and schedules, and, if explicitly requested, all exhibits in the form filed with the SEC;

(e) during the Registration Period, promptly deliver to each such Holder, without charge, as many copies of each prospectus included in a Registration Statement and any amendment or supplement thereto as such Holder may reasonably request in writing; and the Company consents to the use, consistent with the provisions hereof, of the prospectus or any amendment or supplement thereto by each of the selling Holders of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by a prospectus or any amendment or supplement thereto;
(f) during the Registration Period, if a Holder so requests in writing, deliver to each Holder, without charge, (i) one copy of the following documents, other than those documents available via EDGAR: (A) its annual report to its stockholders, if any (which annual report shall contain financial statements audited in accordance with generally accepted accounting principles in the United States of America by a firm of certified public accountants of recognized standing), (B) if not included in substance in its annual report to stockholders, its annual report on Form 10-K (or similar form), (C) its definitive proxy statement with respect to its annual meeting of stockholders, (D) each of its quarterly reports to its stockholders, and, if not included in substance in its quarterly reports to stockholders, its quarterly report on Form 10-Q (or similar form), and (E) a copy of each full Registration Statement (the foregoing, in each case, excluding exhibits); and (ii) if explicitly requested, all exhibits excluded by the parenthetical to the immediately preceding clause (E);

(g) prior to any public offering of Registrable Securities pursuant to any Registration Statement, promptly take such actions as may be necessary to register or qualify or obtain an exemption for offer and sale under the securities or blue sky laws of such United States jurisdictions as any such Holders reasonably request in writing, provided that the Company shall not for any such purpose be required to qualify generally to transact business as a foreign corporation in any jurisdiction where it is not so qualified or to consent to general service of process in any such jurisdiction, and do any and all other acts or things reasonably necessary or advisable to enable the offer and sale in such jurisdictions of the Registrable Securities covered by any such Registration Statement;

(h) upon the occurrence of any event contemplated by Section 6.4(b)(v) above, except for such times as the Company is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of a Registration Statement, the Company shall use its commercially reasonable efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) otherwise use its commercially reasonable efforts to comply in all material respects with all applicable rules and regulations of the SEC which could affect the sale of the Registrable Securities;

(j) use its commercially reasonable efforts to cause all Registrable Securities to be listed on each securities exchange or market, if any, on which equity securities issued by the Company have been listed;

(k) use its commercially reasonable efforts to take all other steps necessary to effect the registration of the Registrable Securities contemplated hereby and to enable the Holders to sell Registrable Securities under Rule 144;

(l) provide to each Holder and its representatives, if requested, the opportunity to conduct a reasonable inquiry of the Company’s financial and other records during normal business hours and make available its officers, directors and employees for questions regarding information which such Holder may reasonably request in order to fulfill any due diligence obligation on its part; and

(m) permit counsel for the Holders to review any Registration Statement and all amendments and supplements thereto, within two Business Days prior to the filing thereof with the SEC;

provided that, in the case of clauses (l) and (m) above, the Company shall not be required (A) to delay the filing of any Registration Statement or any amendment or supplement thereto as a result of any ongoing diligence inquiry by or on behalf of a Holder or to incorporate any comments to any Registration Statement or any amendment or supplement thereto by or on behalf of a Holder if such inquiry or comments would require a delay in the filing of such Registration Statement, amendment or supplement, as the case may be, or (B) to provide, and shall not provide, any Holder or its representatives with material, non-public information unless such Holder agrees to receive such information and enters into a written confidentiality agreement with the Company in a form reasonably acceptable to the Company.
The Holders shall have no right to take any action to restrain, enjoin or otherwise delay any registration pursuant to Section 6.1 hereof as a result of any controversy that may arise with respect to the interpretation or implementation of this Agreement.

6.6 (a) To the extent permitted by law, the Company shall indemnify each Holder and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which any registration that has been effected pursuant to this Agreement, against all claims, losses, damages and liabilities (or action in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened (subject to Section 6.6(c) below), arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any Registration Statement, prospectus, any amendment or supplement thereof, or other document prepared by the Company and incident to any such registration, qualification or compliance or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances in which they were made, or any violation by the Company of any rule or regulation promulgated by the Securities Act applicable to the Company and relating to any action or inaction required of the Company in connection with any such registration, qualification or compliance, and will reimburse each Holder and each person controlling such Holder, for reasonable legal and other out-of-pocket expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action as incurred; provided that the Company will not be liable in any such case to the extent that any untrue statement or omission or allegation thereof is made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Holder for use in preparation of any Registration Statement, prospectus, amendment or supplement; provided further, that the Company will not be liable in any such case where the claim, loss, damage or liability arises out of or is based on the failure of such Holder to comply with the covenants and agreements contained in this Agreement respecting sales of Registrable Securities, and except that the foregoing indemnity agreement is subject to the condition that, insofar as it relates to any such untrue statement or alleged untrue statement or omission or alleged omission made in any preliminary prospectus but eliminated or remedied in the amended prospectus on file with the SEC at the time any Registration Statement becomes effective or in an amended prospectus filed with the SEC pursuant to Rule 424(b) which meets the requirements of Section 10(a) of the Securities Act (each, a “Final Prospectus”), such indemnity shall not inure to the benefit of any such Holder or any such controlling person, if a copy of a Final Prospectus furnished by the Company to the Holder for delivery was not furnished to the person or entity asserting the loss, liability, claim or damage at or prior to the time such furnishing is required by the Securities Act and a Final Prospectus would have cured the defect giving rise to such loss, liability, claim or damage.

(b) Each Holder will severally, and not jointly, indemnify the Company, each of its directors and officers, and each person who controls the Company within the meaning of Section 15 of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened (subject to Section 6.6(c) below), arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any Registration Statement, prospectus, or any amendment or supplement thereof, incident to any such registration, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances in which they were made, and will reimburse the Company, such directors and officers, and each person controlling the Company for reasonable legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action as incurred, in each case to the extent, but only to the extent, that such untrue statement or omission or allegation thereof is made in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Holder for use in preparation of any Registration Statement, prospectus, amendment or supplement; provided that the indemnity shall not apply to the extent that such claim, loss, damage or liability results from the fact that a current copy of a prospectus was not made available to the person or entity asserting the loss, liability, claim or damage at or prior to the time such furnishing is required by the Securities Act and a Final Prospectus would have cured the defect giving rise to such loss, claim, damage or liability. Notwithstanding the foregoing, a Holder’s aggregate liability pursuant to this subsection (b) and subsection (d) shall be limited to the net amount received by the Holder from the sale of the Registrable Securities.

(c) Each party entitled to indemnification under this Section 6.6 (the “Indemnified Party”) shall give notice to the party required to provide indemnification (the “Indemnifying Party”) promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the
Indemnifying Party (at its expense) to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such Indemnified Party’s expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Agreement, unless such failure is materially prejudicial to the Indemnifying Party in defending such claim or litigation. An Indemnifying Party shall not be liable for any settlement of an action or claim effected without its written consent (which consent will not be unreasonably withheld). No Indemnifying Party, in its defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which 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.

(d) If the indemnification provided for in this Section 6.6 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage or expense referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense as well as 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 alleged untrue statement of a material fact or the omission to state 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.

6.7 (a) Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event requiring the preparation of a supplement or amendment to a prospectus relating to Registrable Securities so that, as thereafter delivered to the Holders, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, each Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement and prospectus contemplated by Section 6.1 until its receipt of copies of the supplemented or amended prospectus from the Company and, if so directed by the Company, each Holder shall deliver to the Company all copies, other than permanent file copies then in such Holder’s possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

(b) Each Holder shall suspend, upon request of the Company, any disposition of Registrable Securities pursuant to any Registration Statement and prospectus contemplated by Section 6.1 during no more than two periods of no more than 30 calendar days each during any 12-month period to the extent that the Board of Directors of the Company determines in good faith that the sale of Registrable Securities under any such Registration Statement would be reasonably likely to cause a violation of the Securities Act or Exchange Act, provided that the Company shall not register any securities for the account of itself or any other stockholder during any such 30-day period.

(e) As a condition to the inclusion of its Registrable Securities, each Holder shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing, including completing a Registration Statement Questionnaire in the form provided by the Company or in a mutually agreeable form, or as shall be required in connection with any registration referred to in this Article 6.

(d) Each Holder hereby covenants with the Company (i) not to make any sale of the Registrable Securities without effectively causing the prospectus delivery requirements under the Securities Act to be satisfied, and (ii) if such Registrable Securities are to be sold by any method or in any transaction other than on a national securities exchange or in the over-the-counter market, in privately negotiated transactions, or in a combination of such methods, to notify the Company at least five Business Days prior to the date on which the Holder first offers to sell any such Registrable Securities.
Each Holder agrees not to take any action with respect to any distribution deemed to be made pursuant to a Registration Statement which would constitute a violation of Regulation M under the Exchange Act or any other applicable rule, regulation or law.

At the end of the Registration Period the Holders shall discontinue sales of shares pursuant to any Registration Statement upon receipt of notice from the Company of its intention to remove from registration the shares covered by any such Registration Statement which remain unsold, and such Holders shall notify the Company of the number of shares registered which remain unsold immediately upon receipt of such notice from the Company.

With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which at any time permit the sale of the Registrable Securities to the public without registration, so long as the Holders still own Registrable Securities, the Company shall use its reasonable best efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Exchange Act; and

(c) so long as a Holder owns any Registrable Securities, furnish to such Holder, upon any reasonable request, a written statement by the Company as to its compliance with Rule 144 under the Securities Act, and of the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company as such Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing a Holder to sell any such securities without registration.

The rights to cause the Company to register Registrable Securities granted to the Holders by the Company under Section 6.1 may be assigned by a Holder in connection with a transfer by such Holder of all or a portion of its Registrable Securities, provided, however, that such transfer must be made at least ten days prior to the Filing Date and that (i) such transfer may otherwise be effected in accordance with applicable securities laws; (ii) such Holder gives prior written notice to the Company at least ten days prior to the Filing Date; and (iii) such transferee agrees to comply with the terms and provisions of this Agreement, and such transfer is otherwise in compliance with this Agreement. Except as specifically permitted by this Section 6.11, the rights of a Holder with respect to Registrable Securities as set out herein shall not be transferable to any other Person, and any attempted transfer shall cause all rights of such Holder therein to be forfeited.

Prior to the time that Registration Statement(s) covering the resale of all Registrable Securities have been declared effective by the SEC, the Company shall not file with the SEC a registration statement under the Securities Act of any of its equity securities other than a registration statement required to be filed pursuant to this Agreement, a registration statement on Form S-8 or, in connection with an acquisition, a registration statement on Form S-4; provided, however, that the foregoing restrictions in this Section 6.10 shall terminate upon such time as all of the Registrable Securities (i) have been publicly sold by the Holders or (ii) may be sold under Rule 144 during any 90-day period, provided that the Common Stock then trades on a national securities exchange and such Holder owns less than 1% of the Company’s outstanding securities.

The rights of any Holder under any provision of this Article 6 may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) or amended by an instrument in writing signed by such Holder.
ARTICLE 7
DEFINITIONS

7.1 “Agreement” has the meaning set forth in the preamble.

7.2 “Affiliate” means, with respect to any Person (as defined below), any other Person controlling, controlled by or under direct or indirect common control with such Person (for the purposes of this definition “control,” when used with respect to any specified Person, shall mean the power to direct the management and policies of such person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” shall have meanings correlative to the foregoing).

7.3 “Business Day” means a day Monday through Friday on which banks are generally open for business in New York City.

7.4 “Bylaws” has the meaning set forth in Section 2.3.

7.5 “Certificate of Incorporation” has the meaning set forth in Section 2.3.

7.6 “Closing” has the meaning set forth in Section 1.3.

7.7 “Closing Date” has the meaning set forth in Section 1.3.

7.8 “Common Stock” means the common stock, par value $0.0001 per share, of the Company.

7.9 “Company” means Horizon Pharma, Inc.

7.10 “Debt Warrants” has the meaning set forth in Recital C.

7.11 “Debt Warrant Shares” means the shares of Common Stock issuable upon exercise of the Debt Warrants.

7.12 “Effectiveness Deadline” means, with respect to the Initial Registration Statement or the New Registration Statement, the 90th calendar day following the Closing Date (or, in the event the SEC reviews or has written comments to the Initial Registration Statement or the New Registration Statement, the 120th calendar day following the Closing Date); provided, however, that if the Company is notified by the SEC that the Initial Registration Statement will not be reviewed or is no longer subject to further review and comments, the Effectiveness Deadline as to such Registration Statement shall be the 5th Business Day following the date on which the Company is so notified if such date precedes the dates otherwise required above; provided, further, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business.

7.13 “Evaluation Date” has the meaning set forth in Section 2.7.


7.15 “Filing Date” has the meaning set forth in Section 6.1.

7.16 “Final Prospectus” has the meaning set forth in Section 6.6(a).

7.17 “Financial Statements” means the financial statements of the Company included in the SEC Documents.

7.18 “Financing” has the meaning set forth in Section 8.14.

7.19 “Holders” means any person holding Registrable Securities or any person to whom the rights under Article 6 have been transferred in accordance with Section 6.9 hereof.

7.20 “Indemnified Party” has the meaning set forth in Section 6.6(c).

7.21 “Indemnifying Party” has the meaning set forth in Section 6.6(c).
7.22 “Initial Registration Statement” has the meaning set forth in Section 6.1.
7.23 “Intellectual Property” has the meaning set forth in Section 2.10.
7.24 “Investment Company Act” has the meaning set forth in Section 2.12.
7.25 “Material Adverse Effect” means a material adverse effect on (a) the business, operations, assets or financial condition of the Company, taken as a whole, or (b) the ability of the Company to perform its obligations pursuant to the transactions contemplated by this Agreement.
7.26 “Material Agreements” has the meaning set forth in Section 2.6.
7.27 “Nasdaq” means The Nasdaq Stock Market LLC.
7.28 “New Registration Statement” has the meaning set forth in Section 6.1.
7.29 “Offering” means the private placement of the Company’s Securities contemplated by this Agreement.
7.30 “Penalty Period” has the meaning set forth in Section 6.3.
7.31 “Person” means any person, individual, corporation, limited liability company, partnership, trust or other nongovernmental entity or any governmental agency, court, authority or other body (whether foreign, federal, state, local or otherwise).
7.33 “Purchasers” has the meaning set forth in the preamble to this Agreement.
7.34 “Purchase Price” has the meaning set forth in Section 1.1.
7.35 The terms “register,” “registered” and “registration” refer to the registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.
7.36 “Registrable Securities” means (i) the Shares, (ii) the Warrant Shares and (iii) the Debt Warrant Shares; provided, however, that securities shall only be treated as Registrable Securities if and only for so long as they (A) have not been disposed of pursuant to a registration statement declared effective by the SEC, (B) have not been sold in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act so that all transfer restrictions and restrictive legends with respect thereto are removed upon the consummation of such sale and (C) are held by a Holder or a permitted transferee pursuant to Section 6.9.
7.37 “Registration Default” has the meaning set forth in Section 6.3.
7.38 “Registration Expenses” means all expenses incurred by the Company in complying with Section 6.1 hereof, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and expenses of counsel for the Company, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the fees of legal counsel for any Holder).
7.39 “Registration Statement” means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement (including without limitation the Initial Registration Statement, the New Registration Statement and any Remainder Registration Statements) and amendments and supplements to such Registration Statements, including post-effective amendments.

19
7.40 “Registration Period” has the meaning set forth in Section 6.4(a).

7.41 “Remainder Registration Statement” has the meaning set forth in Section 6.1.

7.42 “Rule 144” means Rule 144 promulgated under the Securities Act, or any successor rule.

7.43 “Rule 415” means Rule 415 promulgated under the Securities Act, or any successor rule.

7.44 “SEC” means the United States Securities and Exchange Commission.

7.45 “SEC Documents” has the meaning set forth in Section 2.6.

7.46 “Securities” has the meaning set forth in Section 1.1.

7.47 “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute.

7.48 “Selling Expenses” means all selling commissions applicable to the sale of Registrable Securities and all fees and expenses of legal counsel for any Holder in connection with any such sale.

7.49 “Shares” has the meaning set forth in Section 1.1.

7.50 “Stock Purchase Price” has the meaning set forth in Section 1.1.

7.51 “Subsidiary” of any person shall mean any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either above or through or together with any other subsidiary) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

7.52 “Warrant Holder” has the meaning set forth in the preamble to this Agreement.

7.53 “Warrant Shares” has the meaning set forth in Section 2.4.

7.54 “Warrants” has the meaning set forth in Section 1.1.

ARTICLE 8
GOVERNING LAW; MISCELLANEOUS

8.1 Governing Law; Jurisdiction. This Agreement will be governed by and interpreted in accordance with the laws of the State of New York without regard to the principles of conflict of laws.

8.2 Counterparts; Signatures by Facsimile. This Agreement may be executed in two or more counterparts, all of which are considered one and the same agreement and will become effective when counterparts have been signed by each party and delivered to the other parties. This Agreement, once executed by a party, may be delivered to the other parties hereto by facsimile or e-mail transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

8.3 Headings. The headings of this Agreement are for convenience of reference only, are not part of this Agreement and do not affect its interpretation.
8.4 Severability. If any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision will be deemed modified in order to conform with such statute or rule of law. Any provision hereof that may prove invalid or unenforceable under any law will not affect the validity or enforceability of any other provision hereof.

8.5 Entire Agreement; Amendments. This Agreement (including all schedules and exhibits hereto and, with respect to any Purchaser, any letter agreements requested by such Purchaser and executed by the Company with reference to this Agreement) constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. For purposes of clarification, each undersigned Warrant Holder hereby irrevocably waives, forfeits and relinquishes any and all rights pursuant to Section 1 of that certain Investors’ Rights Agreement, dated as of April 1, 2010, between the Company and the Investors named therein and shall cease to be a party to or an “Investor” or a “Holder” thereunder. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the party to be charged with enforcement. Any amendment or waiver by a party effected in accordance with this Section 8.5 shall be binding upon such party, including with respect to any Securities purchased under this Agreement or Debt Warrants at the time outstanding and held by such party (including securities into which such Securities or Debt Warrants are convertible and for which such Securities or Debt Warrants are exercisable) and each future holder of all such securities.

8.6 Notices. All notices required or permitted hereunder 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 email, telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. The addresses for such communications are:

If to the Company: Horizon Pharma, Inc.
520 Lake Cook Road
Deerfield, Illinois 60015
Attn: Timothy P. Walbert
Fax: (847) 572-1372

With a copy to: Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121
Attn: Kay Chandler and Sean Clayton
Fax: (858) 550-6420

If to a Purchaser: To the address set forth immediately below such Purchaser’s name on the signature pages hereto. Each party will provide ten days’ advance written notice to the other parties of any change in its address.

8.7 Successors and Assigns. This Agreement is binding upon and inures to the benefit of the parties and their successors and assigns. The Company will not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchasers and the Holders, and no Purchaser or Holder may assign this Agreement or any rights or obligations hereunder without the prior written consent of the Company, except as permitted in accordance with Section 6.9 hereof.

8.8 Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto, their respective permitted successors and assigns and the Placement Agents, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

8.9 Further Assurances. Each party will do and perform, or cause to be done and performed, all such further acts and things, and will execute and deliver all other agreements, certificates, instruments and documents, as another party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.
8.10 No Strict Construction. The language used in this Agreement is deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

8.11 Equitable Relief. The Company recognizes that, if it fails to perform or discharge any of its obligations under this Agreement, any remedy at law may prove to be inadequate relief to the Purchasers and Holders. The Company therefore agrees that the Purchasers and Holders are entitled to seek temporary and permanent injunctive relief in any such case. Each Purchaser and each Holder also recognizes that, if it fails to perform or discharge any of its obligations under this Agreement, any remedy at law may prove to be inadequate relief to the Company. Each Purchaser and each Holder therefore agrees that the Company is entitled to seek temporary and permanent injunctive relief in any such case.

8.12 Survival of Representations and Warranties. Notwithstanding any investigation made by any party to this Agreement, all representations and warranties made by the Company and the Purchasers herein shall survive for a period of one year following the date hereof.

8.13 Independent Nature of Purchasers' and Holders' Obligations and Rights. The obligations of each Purchaser and each Holder under this Agreement are several and not joint with the obligations of any other Purchaser or Holder, and no Purchaser or Holder shall be responsible in any way for the performance of the obligations of any other Purchaser or Holder under this Agreement. Nothing contained herein and no action taken by any Purchaser or Holder pursuant thereto, shall be deemed to constitute the Purchasers or Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers or Holders are in any way acting in concert or as a group, or are deemed affiliates with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser and each Holder shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser or Holder to be joined as an additional party in any proceeding for such purpose.

8.14 Waiver of Conflicts. Each Purchaser and each Holder acknowledges that Cooley LLP, outside general counsel to the Company, has in the past performed and is or may now or in the future represent one or more Purchasers or Holders or their affiliates in matters unrelated to the transactions contemplated by this Agreement (the “Financing”), including representation of such Purchasers or Holder or their affiliates in matters of a similar nature to the Financing. The applicable rules of professional conduct require that Cooley LLP inform the Purchasers and Holders hereunder of this representation and obtain their consent. Cooley LLP has served as outside general counsel to the Company and has negotiated the terms of the Financing solely on behalf of the Company. Each Purchaser and each Holder hereby (a) acknowledges that they have had an opportunity to ask for and have obtained information relevant to such representation, including disclosure of the reasonably foreseeable adverse consequences of such representation; (b) acknowledges that with respect to the Financing, Cooley LLP has represented solely the Company, and not any Purchaser or Holder or any stockholder, director or employee of the Company or any Purchaser or Holder; and (c) gives its informed consent to Cooley LLP’s representation of the Company in the Financing.

8.15 Exculpation. Each Purchases and each Holder acknowledges that it is not relying upon any person, firm or corporation, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. Each Purchaser agrees that no other Purchaser nor the respective controlling persons, officers, directors, partners, agents or employees of any other Purchaser shall be liable to any other Purchaser or Holder for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase of the Securities.

[Signature Page Follows]
IN WITNESS WHEREOF, the undersigned Purchasers and the Company have caused this Agreement to be duly executed as of the date first above written.

HORIZON PHARMA, INC.

By:  

Name:  

Title:  

[Signature Page to Securities Purchase Agreement]
[NAME OF PURCHASER / WARRANT HOLDER]

By: ________________________________

Name: ______________________________

Title: ______________________________

[Signature Page to Securities Purchase Agreement]
## SCHEDULE OF PURCHASERS

<table>
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<th>Purchaser</th>
<th>Shares</th>
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<td>Fidelity Advisor Series I: Fidelity Advisor Dividend Growth Fund</td>
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<td>27,294</td>
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<td>Fidelity Securities Fund: Fidelity Dividend Growth Fund</td>
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<td>253,903</td>
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<td>Variable Insurance Products Fund III: Balanced Portfolio</td>
<td>160,549</td>
<td>40,137</td>
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<td>Fidelity Rutland Square Trust II: Strategic Advisers Core Multi-Manager Fund</td>
<td>687</td>
<td>172</td>
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<td>Fidelity Rutland Square Trust II: Strategic Advisers Core Fund</td>
<td>94,695</td>
<td>23,674</td>
<td>$342,914.27</td>
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<td>Fidelity Select Portfolios: Biotechnology Portfolio</td>
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<td>Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund</td>
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<td>Epworth-Ayer Capital</td>
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<td>161,455</td>
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<td>CD Venture GmbH</td>
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<td>Atlas Venture Fund VI, L.P.</td>
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<td>Atlas Venture Fund VI GmbH &amp; Co. KG</td>
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<td>Iriquois Master Fund Ltd.</td>
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<td>Cowen Overseas Investment LP</td>
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<td>Capital Ventures International</td>
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<td>ANMA GmbH</td>
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<td>Carter Mack</td>
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<td>Dan Stauder</td>
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<td>BPC Opportunities Fund L.P.</td>
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<td>Beach Point Select Master Fund, L.P.</td>
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<td>Beach Point Total Return Master Fund, L.P.</td>
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<td>Royal Mail Pension Plan</td>
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<td>FHP Pharma, L.L.C.</td>
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<td>Quaker BioVentures II, L.P.</td>
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<td><strong>Total</strong></td>
<td><strong>3,277,191</strong></td>
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LOAN AND SECURITY AGREEMENT

Dated as of February 22, 2012

among

HORIZON PHARMA USA, INC. and
HORIZON PHARMA, INC.

(as Borrowers),

CORTLAND CAPITAL MARKET SERVICES LLC

(as Administrative Agent)

and

The Other Lenders Party Hereto
THIS LOAN AND SECURITY AGREEMENT (this “Agreement”), dated as of February 22, 2012 (the “Effective Date”) by and among HORIZON PHARMA USA, INC., a Delaware corporation (formerly called HORIZON THERAPEUTICS, INC.) (“Horizon”) and HORIZON PHARMA, INC., a Delaware corporation (“Horizon Pharma” and together with Horizon, each a “Borrower” and, collectively, jointly and severally, the “Borrowers”), the Lenders listed on the signature pages hereto or otherwise party hereto from time to time, and CORTLAND CAPITAL MARKET SERVICES LLC, a Delaware limited liability company, with an office located at 225 West Washington Street, Suite 1450, Chicago, Illinois 60606 (“Cortland”), as administrative agent for the Lenders, or any successor administrative agent (in such capacity, the “Administrative Agent”), provides the terms on which the Lenders shall make, and Borrowers shall repay, the Credit Extensions (as hereinafter defined). The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Except as otherwise expressly provided herein, all accounting terms not otherwise defined in this Agreement shall have the meanings assigned to them in conformity with Applicable Accounting Standards. Calculations and determinations must be made following Applicable Accounting Standards. No change in the accounting principles used in the preparation of any financial statement hereafter adopted by Horizon Pharma shall be given effect for purposes of measuring compliance with any provision of Section 6.12 or Section 7 unless the Borrowers and the Required Lenders agree to modify such provisions to reflect such changes in Applicable Accounting Standards and, unless such provisions are so modified, all financial statements, Compliance Certificates and similar documents provided hereunder shall be provided together with a reconciliation between the calculations and amounts set forth therein before and after giving effect to such change in Applicable Accounting Standards. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 14. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. All references to “Dollars” or “$” are United States Dollars, unless otherwise noted.

2. LOANS AND TERMS OF PAYMENT

2.1. Promise to Pay.

Borrowers hereby unconditionally promise to pay each Lender, the outstanding principal amount of all Term Loans advanced to Borrowers by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2.2. Term Loans.

(a) Availability. Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, to make term loans to Borrowers on the Effective Date in the aggregate amount of Sixty Million Dollars ($60,000,000), to be allocated as between the Borrowers as the Borrowers shall determine, according to, and not exceeding the amount of, such Lender’s respective Term Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a “Term Loan”, and collectively as the “Term Loans”); provided that no Lender shall have any liability for the failure of any other Lender to do so. After repayment, no Term Loan may be re-borrowed.

(b) Repayment. Borrowers shall make quarterly payments of interest in arrears commencing on the first (1st) Payment Date following the Effective Date, and continuing on the Payment Date of each successive quarter thereafter. All unpaid principal and accrued and unpaid interest with respect to the Term Loans are due and payable in full on the Term Loan Maturity Date. The Term Loans may be prepaid only in accordance with Section 2.2(c) or 2.2(d), except as provided in Section 9.1.

(c) Mandatory Prepayments.

(i) Upon the receipt of any Net Cash Proceeds of any Transfer by (or for the benefit of) Horizon Pharma or any of its Subsidiaries (other than (i) any Permitted License, the Net Cash Proceeds of which for all such Permitted Licenses from and after the Effective Date do not exceed $10,000,000 in
the aggregate and which have been duly notified to the Administrative Agent and the Lenders in writing and (ii) any Transfer of Inventory in the ordinary course of business), each Lender may elect to require Borrowers to prepay its Term Loans, upon written notice given to Administrative Agent, the other Lenders and Borrowers (each such notice, a “Transfer Prepayment Election”) no later than ten (10) Business Days after receipt by the Administrative Agent of a Transfer Notice with respect to such Transfer, in which case Borrowers shall pay to the Administrative Agent, for distribution to the Lenders that have submitted a Transfer Prepayment Election within such ten (10) Business Day period, an amount equal to their respective Pro Rata Share of 100% of the Net Cash Proceeds received by Horizon Pharma or such Subsidiary in connection with such Transfer, such payment by the Borrowers to be on the date that is thirteen (13) Business Days after receipt by the Administrative Agent of the applicable Transfer Notice, to the extent such Net Cash Proceeds exceed $500,000 in the aggregate in any fiscal year. Nothing contained in this clause (i) shall permit any Borrower or any of their respective Subsidiaries to make a Transfer of any property that is not otherwise permitted by the terms of this Agreement. Borrowers shall promptly, and in any event no later than two (2) Business Days thereafter, notify Administrative Agent and Lenders in writing of the receipt (directly or indirectly) of Net Cash Proceeds of any Transfer by (or for the benefit of) Horizon Pharma or any of its Subsidiaries, other than those excluded as set forth above, which notice shall include reasonable detail as to the nature and amount thereof (such notice, a “Transfer Notice”). After receipt by the Administrative Agent of a Transfer Prepayment Election from any Lender, the Administrative Agent shall, no later than two (2) Business Days thereafter, notify Borrowers and such Lender of its respective Pro Rata Share of the applicable prepayment. For the avoidance of doubt, no Change in Control Premium or Special Premium shall be payable in connection with a prepayment solely pursuant to this Section 2.2(c)(i).

(ii) Upon the receipt of any Extraordinary Receipts by (or for the benefit of) any Credit Party, each Lender may elect to require Borrowers to prepay its Term Loans, upon written notice given to Administrative Agent, the other Lenders and Borrowers (each such notice, an “Extraordinary Receipts Prepayment Election”) no later than ten (10) Business Days after receipt by the Administrative Agent of an Extraordinary Receipts Notice with respect to the receipt of such Extraordinary Receipts, in which case Borrowers shall pay to the Administrative Agent, for distribution to the Lenders that have submitted an Extraordinary Receipts Prepayment Election within such ten (10) Business Day period, an amount equal to their respective Pro Rata Share of 100% of such Extraordinary Receipts received by such Credit Party, such payment by the Borrowers to be on the date that is thirteen (13) Business Days after receipt by the Administrative Agent of the applicable Extraordinary Receipts Notice. Borrowers shall promptly, and in any event no later than two (2) Business Days thereafter, notify Administrative Agent and Lenders in writing of the receipt of any Extraordinary Receipts by (or for the benefit of) any Credit Party, which notice shall include reasonable detail as to the nature and amount thereof (such notice, an “Extraordinary Receipts Notice”). After receipt by the Administrative Agent of an Extraordinary Receipts Prepayment Election from any Lender, the Administrative Agent shall, no later than two (2) Business Days thereafter, notify Borrowers and such Lender of its respective Pro Rata Share of the applicable prepayment. For the avoidance of doubt, no Prepayment Premium, Makewhole Amount, Change in Control Premium or Special Premium shall be payable in connection with a prepayment solely pursuant to this Section 2.2(c)(ii).

(iii) The foregoing to the contrary notwithstanding, a Borrower shall not be required to make a prepayment otherwise required pursuant to Section 2.2(c)(i) or Section 2.2(c)(ii) with Reinvestment Eligible Funds so long as: (A) no Default or Event of Default has occurred and is continuing on the date the applicable Credit Party receives such Reinvestment Eligible Funds or on the date such amounts are to be released from the Reinvestment Proceeds Account to the applicable Borrower for reinvestment pursuant to this Section 2.2(c)(iii). (B) such Borrower delivers a notice (a “Reinvestment Notice”) on or prior to the date that the applicable Credit Party receives the monies constituting such Reinvestment Eligible Funds notifying Administrative Agent and the Lenders of the intent of such Credit Party to use such Reinvestment Eligible Funds (1) to repair, restore, or replace the assets that were the subject of the Transfer or Event of Loss giving rise to such amounts with long term assets (for the avoidance of doubt, which long term assets shall not include Inventory) of equal or greater fair market value which will be useful in the conduct of its business in accordance with past practice, (2) within the - 2 -
period specified in such notice, which period shall not exceed the earlier of (x) 180 days after the receipt of such Reinvestment Eligible Funds by such Credit Party and (y) the Term Loan Maturity Date, and (C) pending the reinvestment described in clause (B)(1) above, such Reinvestment Eligible Amounts are deposited in a cash collateral account over which Administrative Agent (on behalf of the Secured Parties) has a perfected first-priority Lien pursuant to a Control Agreement in form and substance satisfactory to the Administrative Agent and the Required Lenders (the “Reinvestment Proceeds Account”). If all or any portion of such Reinvestment Eligible Funds are not used within the period specified in the Reinvestment Notice (subject to the limitations set forth in the preceding sentence regarding the outside date of any such period), the remaining portion shall be applied to the Term Loans on the last day of such specified period (or such lesser period as a result of the limitations set forth in the preceding sentence) in accordance with Section 2.2(c)(i) or Section 2.2(c)(ii), as applicable.

(iv) Upon a Change in Control, each Lender may elect to require Borrowers to prepay its Term Loans in full, upon written notice given to Administrative Agent and Borrowers (each such notice, a “Change in Control Prepayment Election”) no later than ten (10) Business Days after receipt by the Administrative Agent of a Change in Control Notice with respect to the consummation of such Change in Control, in which case Borrowers shall pay to the Administrative Agent, for distribution to the Lenders that have submitted a Change in Control Prepayment Election within such ten (10) Business Day period in accordance with their respective Pro Rata Share thereof, an amount equal to the sum of the Term Loans of all Lenders that have submitted a Change in Control Prepayment Election together with an amount equal to the applicable Change in Control Premium, such payment by the Borrowers to be on the date that is thirteen (13) Business Days after receipt by the Administrative Agent of the applicable Change in Control Notice. Borrowers shall promptly, and in any event no later than two (2) Business Days thereafter, notify Administrative Agent and Lenders in writing of the consummation of a Change in Control, which notice shall include reasonable detail as to the nature and other circumstances of such Change in Control (each such notice, a “Change in Control Notice”). For the avoidance of doubt, no Prepayment Premium, Makewhole Amount or Special Premium shall be payable in connection solely with a prepayment pursuant to this Section 2.2(c)(iv).

(v) Each Lender may elect to require Borrowers to prepay a portion of its Term Loans on the first day of each fiscal quarter of Horizon Pharma, commencing with the fiscal quarter beginning April 1, 2013 by delivering an Amortization Election to the Administrative Agent, the other Lenders and the Borrowers no later than fifteen (15) calendar days preceding the beginning of each such fiscal quarter, which notice shall indicate such Lender’s election to require Borrowers to prepay a portion of its Term Loans and the aggregate amount of such Lender’s Term Loans (not to exceed $3,978,296 per Amortization Payment Date) such Lender is electing to require Borrowers to prepay. On the applicable Amortization Payment Date, Borrowers shall prepay to the Administrative Agent, for distribution to the Lenders that have delivered an Amortization Election no later than (15) calendar days preceding the beginning of the applicable fiscal quarter, an amount determined as follows:

(1) if all Lenders that have delivered Amortization Elections within such fifteen (15) calendar day period have elected, in the aggregate, to have $3,978,296 or less of their Term Loans prepaid, Borrowers shall prepay to the Administrative Agent, for distribution to each such Lender, the amount of each such Lender’s Term Loans that each such Lender has elected to have prepaid;

(2) if all Lenders that have delivered Amortization Elections within such fifteen (15) calendar day period have elected, in the aggregate, to have more than $3,978,296 of their Term Loans prepaid, Borrowers shall prepay to the Administrative Agent, for distribution to each such Lender, an amount of each such Lender’s Term Loans equal to the lesser of (x) $3,978,296 multiplied by such Lender’s Pro Rata Share, and (y) the amount of such Lender’s Term Loans such Lender has elected to have prepaid (the sum of all such resulting payments on such Amortization Payment Date, the “Initial Amortization Amount”). If the Initial Amortization Amount is less than $3,978,296 then each Lender that received less than the amount set forth in its Amortization Election as a result of the application of subclause (x) in the immediately preceding
sentence (the “Specified Lenders”) shall also receive its Pro Rata Share (calculated on a basis taking into account only the Term Loans of the Specified Lenders) of an amount equal to $3,978,296 less the Initial Amortization Amount.

For the avoidance of doubt, no Prepayment Premium, Makewhole Amount, Change in Control Premium or Special Premium shall be payable in connection solely with a prepayment pursuant to this Section 2.2(c)(v).

(d) Permitted Prepayment of Term Loans. Borrowers shall have the option to prepay all, but not less than all, of the Term Loans advanced by the Lenders under this Agreement, provided (i) Borrowers provide written notice to Administrative Agent of their election (which shall be irrevocable unless the Required Lenders otherwise consent in writing) to prepay the Term Loans at least ten (10) Business Days prior to such prepayment and (ii) such prepayment shall be accompanied by any amounts payable pursuant to Section 2.2(f)(i) or Section 2.2(f)(ii), as applicable, and all other amounts payable or accrued and not yet paid hereunder and the other Loan Documents. For the avoidance of doubt, no Change in Control Premium or Special Premium shall be payable in connection solely with a prepayment pursuant to this Section 2.2(d).

(e) Prepayment Application. All prepayments by the Borrowers pursuant to Section 2(c) and Section 2(d) shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to the date of payment in full, which, for the avoidance of doubt, shall not include any such interest that has already been capitalized and added to the then outstanding principal amount of the Term Loans in accordance with Section 2.3(a). Any prepayment of the Term Loans (together with any accompanying Makewhole Amount, Prepayment Premium, Change in Control Premium or Special Premium, as the case may be, that is payable pursuant to Section 2.2(c)(iv) or Section 2.2(f)(i)), whether pursuant to Section 2.2(c) or Section 2.2(d) or as a result of acceleration of the Term Loans pursuant to Section 9, shall be paid to the Administrative Agent for application to the Obligations in the following order: (i) first, to due and unpaid Agent Expenses, (ii) second, to due and unpaid Lender Expenses, (iii) third, to accrued and unpaid interest at the Default Rate, (iv) fourth, to accrued and unpaid interest at the non-Default Rate, (v) fifth, to the Prepayment Premium, Makewhole Amount, or Change in Control Premium, (vi) sixth, to the outstanding principal amount of the Term Loans being prepaid and (vii) seventh, to any remaining amounts then due and payable hereunder.

(f) Makewhole Amount; Prepayment Premium; Special Premium.

(i) Any prepayments of the Term Loans by the Borrowers (w) pursuant to Section 2.2(c)(i), (x) pursuant to Section 2.2(d), (y) as a result of the acceleration of the Term Loan Maturity Date due to an Event of Default described in Section 8.5 or (z) as a result of any other circumstance where any of the Credit Parties violate their obligations under this Agreement to avoid payment of such Makewhole Amount, in any such case, prior to the two and one half year anniversary of the Effective Date shall be accompanied by payment of the applicable Makewhole Amount.

(ii) Any prepayments of the Term Loans by the Borrowers (w) pursuant to Section 2.2(c)(i), (x) pursuant to Section 2.2(d), (y) as a result of the acceleration of the Term Loan Maturity Date due to an Event of Default described in Section 8.5 or (z) as a result of any other circumstance where any of the Credit Parties violate their obligations under this Agreement to avoid payment of such Prepayment Premium, in any such case, on or after the two and one half year anniversary of the Effective Date and prior to the four and one half year anniversary of the Effective Date shall be accompanied by payment of the applicable Prepayment Premium.

(iii) In addition to the foregoing, in the event that any prepayment or repayment of the Term Loans occurs or is required to occur on or prior to the Term Loan Maturity Date due to an automatic acceleration of the Obligations pursuant to Section 9.1(a), the Borrowers shall be required to pay an additional prepayment premium (the “Special Premium”) in an amount equal to $9,187,859 multiplied by a fraction equal to the number of days from the date of acceleration to the Term Loan Maturity Date over 1795.

2.3. Payment of Interest on the Credit Extensions.
(a) **Interest Rate.** Subject to Section 2.3(b), the principal amount outstanding under the Term Loans shall accrue interest at a fixed per annum rate (which rate shall be fixed for the duration of the Term Loans) equal to seventeen percent (17%) per annum, which interest shall be payable quarterly in accordance with Sections 2.2(b) and 2.3(d). Interest shall accrue on each Term Loan commencing on, and including, the day on which the Term Loan is made, and shall accrue on a Term Loan, or any portion thereof, for the day on which the Term Loan or such portion is paid. Notwithstanding the foregoing, provided that no Event of Default has occurred and is continuing, Borrowers may by written notice to the Administrative Agent and the Lenders no later than sixty (60) days prior to the applicable Payment Date (each, a “PIK Election Notice”) elect to pay interest on the Term Loans as follows: twelve percent (12%) per annum in cash and five percent (5%) per annum paid-in-kind (which payment-in-kind interest shall be capitalized on the applicable Payment Date and such capitalized amount shall be added to the then outstanding principal amount of the Term Loans and constitute outstanding principal for all purposes hereof). Notwithstanding the foregoing, to the extent the Obligations are accelerated or prepaid for any reason prior to delivery of a PIK Election Notice for the applicable Payment Date, if a PIK Election Notice was delivered in connection with the immediately preceding Payment Date, interest on the Obligations so accelerated or prepaid, as the case may be, for the period from and after the immediately preceding Payment Date through the date of such acceleration or prepayment, shall be paid as follows: twelve percent (12%) per annum in cash and five percent (5%) per annum paid-in-kind (which payment-in-kind interest shall be capitalized on the applicable Payment Date and such capitalized amount shall be added to the then outstanding principal amount of the Term Loans and constitute outstanding principal for all purposes hereof).

(b) **Default Rate.** Immediately upon the occurrence and during the continuance of an Event of Default (and without notice to the Borrowers or demand by the Lenders for payment thereof), the Obligations shall bear interest at a rate per annum which is four percentage points (4.00%) above the rate that is otherwise applicable thereto (the “Default Rate”), and such interest shall be payable entirely in cash on demand of the Administrative Agent or the Required Lenders; provided that, absent payment of such interest at the Default Rate when due, such Default Rate interest shall be capitalized on the last day of each fiscal month and such capitalized amount shall be added to the then outstanding principal amount of the Term Loans and constitute outstanding principal for all purposes hereof. Payment, capitalization or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent.

(c) **360-Day Year.** Interest shall be computed on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days.

(d) **Payments.** Except as otherwise expressly provided herein, all loan payments by Borrowers hereunder shall be made to the Administrative Agent, for the account of the Lenders to which such payments are owed, at the Administrative Agent’s office in immediately available funds on the date specified herein. Unless otherwise provided, interest is payable quarterly on the Payment Date of each calendar quarter. Payments of principal and/or interest received after 2:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next Business Day and additional fees or interest, as applicable, shall continue to accrue until paid. All payments to be made by Borrowers hereunder or under any other Loan Document, including payments of principal and interest made hereunder and pursuant to any other Loan Document, and all fees, expenses, indemnities and reimbursements, shall be made without set-off, recoupment or counterclaim, in lawful money of the United States and in immediately available funds.

2.4. **Fees.** Borrowers shall pay:

(a) **Facility Fee; Agent Fee.** To the Lenders on the Effective Date, a fully earned, non-refundable facility fee of Six Hundred Thousand Dollars ($600,000) to be shared between the Lenders pursuant to their respective Pro Rata Share, and to the Administrative Agent on the Effective Date, the fully-earned, non-refundable first annual fee of Forty Five Thousand Dollars ($45,000). The Borrowers shall pay the annual fee of the Administrative Agent in the same amount on each anniversary of the Effective Date for so long as the Term Loan is outstanding;
2.5. Requirements of Law; Increased Costs. In the event that any applicable Change in Law:

(a) Does or shall subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Term Loans made hereunder, or change the basis of taxation of payments to such Lender of principal, fee, interest or any other amount payable hereunder (except, in each case, Indemnified Taxes and Taxes described in clauses (b) through (c) of the definition of Excluded Taxes and Connection Income Taxes);

(b) Does or shall impose, modify or hold applicable any reserve, capital requirement, special deposit, compulsory loan or similar requirements against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any applicable lending office of any Lender making Term Loans hereunder; or

(c) Does or shall impose on such Lender any other condition; and the result of any of the foregoing is to increase the cost to such Lender (as determined by such Lender in good faith using calculation methods customary in the industry) of making, renewing or maintaining any Term Loan or to reduce the amount receivable in respect thereof or to reduce the rate of return on the capital of such Lender or any Person controlling such Lender,

then, in any such case, Borrowers shall promptly pay to the Administrative Agent for remittance to such Lender, upon its receipt of the certificate described below, any additional amounts necessary to compensate such Lender for such additional cost or reduced amounts receivable or rate of return as reasonably determined by such Lender with respect to this Agreement or the Term Loans made hereunder. If a Lender becomes entitled to claim any additional amounts pursuant to this Section 2.5, it shall promptly notify Borrowers through the Administrative Agent of the event by reason of which it has become so entitled, and a certificate as to any additional amounts payable pursuant to the foregoing sentence containing the calculation thereof in reasonable detail submitted by a Lender, through the Administrative Agent, to Borrowers shall be conclusive in the absence of manifest error. The provisions hereof shall survive the termination of this Agreement and payment of the outstanding Term Loans and all other Obligations. Failure or delay on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital under this Section 2.5 shall not constitute a waiver of such Lender’s right to demand such compensation; provided that Borrowers shall not be under any obligation to compensate any Lender under this Section 2.5 with respect to increased costs or reductions with respect to any period prior to the date that is 180 days prior to the date of the delivery of the notice required pursuant to the foregoing provisions of this paragraph; provided further that the foregoing limitation shall not apply to any increased costs or reductions arising out of the retroactive application of any Change in Law within such 180-day period.

2.6. Taxes; Withholding, etc.

(a) All sums payable by any Credit Party hereunder and under the other Loan Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax imposed, levied, collected, withheld or assessed by or within the United States of America or any political subdivision in or of the United States of America or any other jurisdiction from or to which a payment is made by or on behalf of any Credit Party or by any federation or organization of which the United States of America or any such jurisdiction is a member at the time of payment. In addition, Borrowers agree to pay, and shall indemnify and hold Administrative Agent and each Lender harmless from, Other Taxes, and within thirty days after the date of paying such sum, the Borrowers shall furnish to the Lender and the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof.

(b) If any Credit Party or any other Person is required by law to make any deduction or withholding on account of any Tax from any sum paid or payable by any Credit Party to the Administrative Agent or any Lender under any of the Loan Documents: (i) Borrowers shall notify the Administrative Agent of any such
requirement or any change in any such requirement as soon as any Borrower becomes aware of it; (ii) Borrowers shall pay any such Tax before the date on
which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is
imposed on the Administrative Agent or such Lender, as the case may be) on behalf of and in the name of the Administrative Agent or such Lender; (iii) if the
Tax is an Indemnified Tax, the sum payable by such Credit Party in respect of which the relevant deduction, withholding or payment is required shall be
increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment (including any deductions applicable to
additional sums payable under this Section 2.6(b)), the Administrative Agent or such Lender, as the case may be, receives on the due date a net sum equal to
what it would have received had no such deduction, withholding or payment been required or made; and (iv) within thirty days after paying any sum from
which it is required by law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by
clause (ii) above to pay, Borrowers shall deliver to the Administrative Agent evidence satisfactory to the other affected parties of such deduction,
withholding or payment and of the remittance thereof to the relevant taxing or other Governmental Authority. The Borrowers shall indemnify the
Administrative Agent and each Lender for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to
amounts payable under this Section 2.6(b)) paid by each Lender and any liability (including penalties, interest and expense) arising therefrom or with respect
thereto whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Any indemnification
payment pursuant to this Section 2.6 shall be made within thirty days from written demand therefor.

(c) Each Lender (including any assignee or participant that will be a Lender as of the Effective Date) that is not a United States Person (as such
term is defined in Section 7701(a)(30) of the IRC) for U.S. federal income Tax purposes (a “Non U.S. Lender”) shall deliver to the Administrative Agent for
transmission to the Borrowers, on or prior to, the Effective Date and, the date on which a Lender transfer occurs, and at such other times as may be necessary
in the determination of Borrowers or the Administrative Agent (each in the reasonable exercise of its discretion), two original copies of Internal Revenue
Service Form W-8BEN, W-8ECI or W-8IMY (along with Form W-9 or W-8BEN for each beneficial owner that it expects to receive, directly or indirectly, a
payment of interest on a Term Loan), or any successor forms, properly completed and duly executed by such Lender, and such other documentation required
under the IRC and reasonably requested by Borrowers to establish the appropriate amount of any deduction or withholding of United States federal Tax, if
any, with respect to any payments to such Lender of principal, interest, fees or other amounts payable under any of the Loan Documents. If a Non U.S. Lender
is an Approved Fund, partnership, trust, estate or other entity for which the amount of any deduction or withholding of Federal Tax will be determined at the
owner, partner or beneficiary level, or if the Lender serves as an intermediary, such additional documentation shall include Internal Revenue Service Form W-
8IMY (or any successor forms) and such other information as may be necessary (i) to determine the appropriate amount of Federal Tax to deduct and withhold,
and (ii) to allow the Borrowers to comply with their obligation to deduct and withhold any Tax and their Tax reporting obligations. Each non U.S. Lender
that is not a bank described in Section 881(c)(3)(A) of the IRC shall provide a statement to the Administrative Agent and the Borrowers stating whether it, or
any of the beneficial owners for whom it is receiving a payment of interest on a Term Loan, is entitled to claim an exemption from a deduction or withholding
of Federal Tax pursuant to the portfolio interest exception contained in Section 871(h) or Section 881(c) of the IRC. If the Lender, or any of the beneficial
owners for whom it is receiving a payment of interest on a Term Loan, is entitled to claim such an exemption it shall provide the Administrative Agent and
the Borrowers a statement, signed under penalty of perjury, that it, or any of the beneficial owners for whom it is receiving a payment of interest on a Term
Loan, is not (i) a “bank” as described in Section 881(c)(3)(A) of the IRC, or (ii) a 10% shareholder of any Borrower (within the meaning of Section 871(h)(3)
(B) of the IRC). A non U.S. Lender claiming the portfolio interest exception shall also provide the Administrative Agent for transmission to the Borrowers
with a properly completed and executed IRS Form W-8BEN or Form W-8IMY (with proper attachments, including Form W8-BEN for each beneficial owner
for whom it is receiving a payment of interest on a Term Loan) and such other information as the Administrative Agent or the Borrowers may reasonably
request. Each Lender (including any assignee or participant that will be a Lender as of the Effective Date) that is a United States Person (as such term is
defined in Section 7701(a)(30) of the IRC) for United States federal income Tax purposes (a “U.S. Lender”) shall deliver to the Administrative Agent and
Borrowers on or prior to the Effective Date and, the date on which a Lender transfer occurs, two original copies of Internal Revenue Service Form W-9 (or any
successor form), properly completed and duly executed by such Lender, certifying that such U.S. Lender is entitled to an exemption from United States
backup withholding. Each Lender
required to deliver any forms, statements, certificates or other evidence with respect to United States federal Tax or backup withholding matters pursuant to this Section 2.6(c) hereby agrees, from time to time after the initial delivery by such Lender of such forms, certificates or other evidence, whenever a lapse in time, change in circumstances or law, or additional guidance by a Governmental Authority renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that such Lender shall promptly deliver to the Administrative Agent and the Borrowers two new original copies of Internal Revenue Service Form W-8BEN, W-8ECI, W-9 or W-8IMY (along with Forms W-9 and W-8BEN for each beneficial owner for whom it expects to receive a payment of interest on a Term Loan), or any successor form, as the case may be, properly completed and duly executed by such Lender, and such other documentation required under the IRC and reasonably requested by Borrowers to confirm or establish that such Lender is not subject to deduction, backup withholding or withholding of United States federal Tax with respect to payments to such Lender under the Loan Documents, or notify the Administrative Agent and Borrowers of its inability to deliver any such forms, certificates or other evidence. Borrowers shall not be required to pay any additional amount to any Non-U.S. Lender under Section 2.6(b)(iii) if such Lender (or Administrative Agent) shall have failed (1) to timely deliver to the Administrative Agent (or the Borrowers) the forms, certificates or other evidence referred to in this Section 2.6(c), or (2) to notify the Administrative Agent and Borrowers of its inability to deliver any such forms, certificates or other evidence, as the case may be; provided, if such Lender shall have satisfied the requirements of the first sentence of this Section 2.6(c) on the Effective Date, nothing in this last sentence of this Section 2.6(c) shall relieve Borrowers of their obligations to pay any additional amounts pursuant to this Section 2.6 in the event that, solely as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof by any applicable Governmental Authority, such Lender is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Lender is not subject to withholding as described herein.

(d) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to the Borrowers and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Borrowers or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(e) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes or a credit or offset for any Taxes as to which it has been indemnified pursuant to this Section 2.6 (including by the payment of additional amounts pursuant to this Section 2.6), it shall pay to the indemnifying party an amount equal to such refund, credit or offset (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the extent of indemnity payments made by such indemnifying party pursuant to this paragraph (e) and any additional amounts of withholding on such refund. Such indemnified party is required to repay, credit or offset such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (e) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

2.7. Defaulting Lenders. Anything contained herein to the contrary notwithstanding, in the event that any Lender, other than at the direction or request of any regulatory agency or authority, defaults (a “Defaulting Lender”) in its obligation to fund (a “Funding Default”) any Term Loan on the Effective Date when such funding

- 8 -
is due according to the terms and conditions hereof (in each case, a "Defaulted Loan"), then (a) during any Default Period with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender" for purposes of voting on any matters (including the granting of any consents or waivers) with respect to any of the Loan Documents; and (b) to the extent permitted by applicable law, until such time as the Defaulting Lender has cured such Funding Default, (i) any voluntary prepayment of the Term Loans shall, if such paying Borrower so directs at the time of making such voluntary prepayment, be applied to the Term Loans of other Lenders as if such Defaulting Lender had no Term Loans outstanding, and (ii) any mandatory prepayment of the Term Loans shall, if such paying Borrower so directs at the time of making such mandatory prepayment, be applied to the Term Loans of other Lenders (but not to the Term Loans of such Defaulting Lender) as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender, it being understood and agreed that such paying Borrower shall be entitled to retain any portion of any mandatory prepayment of the Term Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (b). No Term Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in this Section 2.7, performance by Borrowers of their obligations hereunder and the other Loan Documents shall not be excused or otherwise modified as a result of any Funding Default or the operation of this Section 2.7. The rights and remedies against a Defaulting Lender under this Section 2.7 are in addition to other rights and remedies which Borrowers may have against such Defaulting Lender with respect to any Funding Default and which the Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default.

2.8. Evidence of Debt; Register; Lenders’ Books and Records; Term Loan Notes.

(a) **Lenders’ Evidence of Debt.** Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of each Borrower to such Lender, including the amounts of the Term Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on Borrowers, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender’s Term Commitments or Borrowers’ Obligations in respect of any applicable Term Loans; and provided further, in the event of any inconsistency between the Register and any Lender’s records, the recordations in the Register shall govern, absent manifest error.

(b) **Register.** Administrative Agent (or its agent or sub-agent appointed by it) shall maintain at its principal office (as specified in, or as otherwise identified upon notice to the other parties hereto in accordance with, Section 11), a register for the recordation of the names and addresses of each Lender, such Lender’s Term Commitments, the related principal of, and stated interest on, the Term Loans of each Lender and the Term Loan Notes held by such Lender (the "Register"). The Register shall be available for inspection by Borrowers and any Lender (with respect to any entry relating to such Lender’s Term Loans) at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record, or shall cause to be recorded, in the Register the Term Commitments and the related principal of, and interest on, the Term Loans of each Lender in accordance with the provisions of Section 13.1, and each repayment or prepayment in respect of the principal amount of the Term Loans and any such recordation shall be conclusive and binding on Borrowers and each Lender, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect any Lender’s Term Commitments or Borrowers’ Obligations in respect of any Term Loan. Borrowers hereby designate Administrative Agent to serve as Borrowers’ agent solely for purposes of maintaining the Register as provided in this Section 2.8, and Borrowers hereby agree that, to the extent Administrative Agent serves in such capacity, Administrative Agent and its officers, directors, employees, agents, sub-agents and affiliates shall constitute "Indemnified Persons."

(c) **Term Loan Notes.** If so requested by any Lender by written notice to Borrowers and Administrative Agent at least two Business Days prior to the Effective Date, or at any time thereafter, Borrowers with respect to such Term Loan shall execute and deliver to such Lender and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 13.1 on the Effective Date (or, if such notice is delivered after the Effective Date, promptly after Borrowers’ receipt of such notice) a Term Loan Note to evidence such Lender’s Term Loan.

- 9 -
3. CONDITIONS OF LOANS

3.1. Conditions Precedent to Term Loans. Each Lender’s obligation to advance the Term Loans is subject to the condition precedent that the Administrative Agent and each Lender shall have received, in form and substance satisfactory to the Administrative Agent and the Lenders, such documents, and completion of such other matters, as the Administrative Agent and the Lenders may reasonably deem necessary or appropriate, including, without limitation:

(a) copies of the Loan Documents originally executed and delivered by each applicable Credit Party, and each schedule to such Loan Documents (such schedules to be in form and substance reasonably satisfactory to the Administrative Agent and the Lenders), including, without limitation, this Agreement, the Security Agreement, each IP Agreement and each Control Agreement required by the Lenders;

(b) Operating Documents of each of the Credit Parties;

(c) the Perfection Certificates for Horizon Pharma and its Subsidiaries;

(d) the organizational structure and capital structure of Horizon Pharma and each of its Subsidiaries shall be as set forth on Schedule 3.1(d);

(e) a good standing certificate for each Credit Party, certified by the Secretary of State of the State of incorporation of such Credit Party as of a date no earlier than thirty (30) days prior to the Effective Date;

(f) a Secretary’s Certificate with completed Borrowing Resolutions for each Credit Party;

(g) certified copies, dated as of a recent date, of lien searches, as the Administrative Agent or the Required Lenders shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements or other documents either constitute Permitted Liens or have been or, in connection with the Term Loans, will be terminated or released;

(h) each Credit Party shall have obtained all Governmental Approvals and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Loan Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Administrative Agent and the Lenders. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Loan Documents or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired;

(i) a landlord’s consent in favor of the Administrative Agent for each Credit Party’s leased locations (other than the leased location located at 533 Bryant Street, Suite 6; Palo Alto, CA 94301) by the respective landlord thereof (which consent shall include an agreement by such landlord to permit reasonable access to such leased premises by the Administrative Agent or its agents upon an Event of Default for purposes of removal of any and all Collateral, if such leased premises is a warehouse, distribution center or other location at which a material amount of Collateral is located), together with the duly executed original signatures thereto;

(j) opinions of counsel (which counsel shall be reasonably satisfactory to the Administrative Agent and the Lenders) to the Credit Parties (including the opinion of Cooley LLP in the form attached hereto as Exhibit D) with respect to the creation and perfection of the security interests in favor of the Administrative Agent in such Collateral and such other matters governed by the laws of each jurisdiction in which any Credit Party or any personal property Collateral is located as the Administrative Agent or any Lender may reasonably request, in each case in form and substance reasonably satisfactory to Administrative Agent and the Lenders;
(k) a copy of any registration rights agreement, investors' rights agreement or other similar agreement relating to, governing or otherwise affecting the ownership of the capital stock or other equity ownership interests of any Credit Party, and any amendments thereto;

(l) evidence that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements in favor of the Administrative Agent, for the ratable benefit of the Lenders;

(m) payoff letters from Kreos, Oxford and SVB in respect of the Indebtedness outstanding under the Existing Kreos Loan Agreement and the Existing Oxford/SVB Loan Agreement;

(n) evidence that (i) the Liens securing any Indebtedness, guaranty or other obligations of the Borrowers and Horizon AG to Kreos under the Existing Kreos Loan Agreement have been terminated, (ii) the Liens securing any Indebtedness, guaranty or other obligations of the Borrowers to Oxford or SVB under the Existing Oxford/SVB Loan Agreement have been terminated and (iii) the documents and/or filings evidencing the perfection of the foregoing Liens, including without limitation any financing statements and/or control agreements, have or will, concurrently with the funding of the Term Loans on the Effective Date, be terminated;

(o) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Administrative Agent and/or any Lender;

(p) all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the U.S.A. Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act");

(q) copies of the Warrants originally executed and delivered by Horizon Pharma to Lenders;

(r) the original intercompany note dated June 28, 2010 issued by Horizon AG to Horizon Pharma in the original principal amount of $5,500,000, duly endorsed to the Administrative Agent (as amended and as the same may be amended from time to time to evidence advances from the Borrowers to Horizon AG permitted hereunder, the "Horizon AG Intercompany Note");

(s) the original intercompany note dated June 2, 2011 issued by Horizon AG to Horizon Pharma in the original principal amount of €1,000,000, duly endorsed to the Administrative Agent (as amended and as the same may be amended from time to time to evidence advances from the Borrowers to Horizon AG permitted hereunder, the "Additional Horizon AG Intercompany Note");

(t)(i) audited consolidated financial statements for Horizon Pharma and its Subsidiaries for the period ended December 31, 2010; and (ii) for the interim period from the most recent audited period to the Effective Date, internally prepared, unaudited consolidated financial statements for each quarterly period completed prior to the Effective Date, all in form and substance satisfactory to the Administrative Agent and Lenders, subject, in the case of any material, non-public information, to a confidentiality agreement that satisfies the requirements of Regulation FD;

(u) evidence satisfactory to Administrative Agent and to each Lender in the form of a certificate of the Chief Financial Officer of Horizon Pharma that, as of the Effective Date, after giving effect to the transactions occurring on such date, including, without limitation, the incurrence of Indebtedness under the Term Loan Notes, Horizon Pharma is Solvent and the Credit Parties, on a consolidated basis, are Solvent;

(v) payment of the fees, the Agent Expenses and other Lender Expenses then due as specified in Section 2.4 hereof;
payment of fees and expenses of Beach Point Capital Management LP ("BPC") related to BPC’s engagement of Houlihan Lokey in connection with the transactions contemplated hereby;

(x) evidence that there shall be no litigation, public or private, or administrative proceedings, governmental investigation or other legal or regulatory developments, actual or threatened, that, singly or in the aggregate, could reasonably be expected to result in a Material Adverse Change, except as set forth on Schedule 5.6;

(y) a bailee waiver from each bailee in possession of any Collateral (other than Sanofi-Aventis, or any successor in interest), which bailee waivers shall be reasonably satisfactory in form and substance to the Lenders; and

(z) a certificate, dated the Effective Date and signed by a Responsible Officer of Horizon Pharma, confirming satisfaction of the conditions precedent set forth in this Section 3.1 and Section 3.2(b) and (c).

3.2. Additional Conditions Precedent to Term Loans. The obligation of each Lender to make the Term Loans is subject to the following additional conditions precedent:

(a) except as otherwise provided in Section 3.4, timely receipt of one or more executed Payment/Advance Forms in the form of Exhibit A hereto;

(b) the representations and warranties of the Credit Parties in this Agreement and the other Loan Documents shall be true, accurate, and complete on the Effective Date as if made on such date; and

(c) there shall not have occurred (i) any Material Adverse Change or (ii) any Default or Event of Default.

3.3. Covenant to Deliver. The Credit Parties agree to deliver to the Administrative Agent and the Lenders each item required to be delivered to the Administrative Agent and the Lenders under this Agreement as a condition precedent to any Credit Extension. The Credit Parties expressly agree that a Credit Extension made prior to the receipt by the Administrative Agent or the Lenders of any such item shall not constitute a waiver by the Administrative Agent or the Lenders of the Credit Parties’ obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in the Administrative Agent’s and the Lenders’ sole discretion. The request and acceptance by Borrowers of the proceeds of the Term Loan shall be deemed to constitute, as of the Effective Date, a representation and warranty by the Borrowers that the conditions in Section 3.1 and Section 3.2 have been satisfied.

3.4. Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of the Term Loans set forth in this Agreement, Borrowers shall notify the Administrative Agent (which notice shall be irrevocable on and after the date on which such notice is given and Borrowers shall be bound to make a borrowing in accordance therewith) by electronic mail, facsimile, or telephone by 12:00 noon Eastern time two (2) Business Days prior to the Effective Date. Together with any such electronic or facsimile notification, Borrowers shall deliver to the Administrative Agent by electronic mail or facsimile a completed Payment/Advance Form for the requested Term Loans executed by a Responsible Officer of each applicable Borrower, or his or her designee. The Administrative Agent may rely on any telephone notice given by a person who the Administrative Agent believes is a Responsible Officer or designee. Each Lender shall make the amount of its Pro Rata Share of the Term Loans available to Administrative Agent not later than 2:00 p.m. (Eastern time) on the Effective Date by wire transfer of same day funds in Dollars, at the Principal Office designated by the Administrative Agent. Except as provided herein, upon satisfaction or waiver of the conditions precedent to the making of Term Loans specified herein, upon receipt from all Lenders of the entire principal amount of the Term Loans, Administrative Agent shall make the proceeds of such Term Loans that it receives from the Lenders available to the requesting Borrower(s) on the Effective Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Term Loans received by Administrative Agent from Lenders to be made available to the requesting Borrower(s) by wire transfer of immediately available funds in Dollars to such account as may be designated in writing to the Administrative Agent by the requesting Borrower(s).
4. CREATION OF SECURITY INTEREST

4.1. Grant of Security Interest. Without limiting any other security interest granted to the Administrative Agent, for the benefit of the Secured Parties, pursuant to any Collateral Document, each of the Credit Parties hereby grants the Administrative Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to the Administrative Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

4.2. Priority of Security Interest.

(a) Each Credit Party represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted by the terms of this Agreement to have superior priority to the Lien in favor of the Administrative Agent and the Lenders). If a Credit Party shall acquire a commercial tort claim, such Credit Party shall promptly notify the Administrative Agent in a writing signed by such Credit Party of the general details thereof and grant to the Administrative Agent, for the ratable benefit of the Lenders, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders.

(b) If this Agreement is terminated, the Administrative Agent’s Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are paid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligations to make Credit Extensions has terminated, the Administrative Agent shall, at the Credit Parties’ sole cost and expense, release its Liens in the Collateral and all rights therein shall revert to the appropriate Credit Parties.

4.3. Authorization to File Financing Statements. The Credit Parties hereby authorize the Administrative Agent to file financing statements, without notice to the Credit Parties, with all jurisdictions which the Administrative Agent and/or any Lender determines appropriate to perfect or protect the Administrative Agent's interest or rights hereunder, including a notice that any disposition of the Collateral, by either the Credit Parties or any other Person, shall be deemed to violate the rights of the Administrative Agent under the Code, except dispositions permitted hereunder. Such financing statements may indicate the Collateral as “all assets of the Debtor” or words of similar effect, or as being of an equal or lesser scope, or with greater detail.

5. REPRESENTATIONS AND WARRANTIES

In order to induce Lenders and the Administrative Agent to enter into this Agreement and to make the Credit Extensions to be made on the Effective Date, each Credit Party, jointly and severally, represents and warrants to each Lender and the Administrative Agent that the following statements are true and correct as of the Effective Date:

5.1. Due Organization, Authorization; Power and Authority. Each of Horizon Pharma and each of its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified in Schedule 5.1, (b) has all requisite power and authority to own, license and operate its properties, to carry on its business as now conducted and as proposed to be conducted, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations except where the failure to do so could not reasonably be expected to have a Material Adverse Change. Each Credit Party has all requisite power and authority to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

5.2. Equity Interests and Ownership. The Equity Interests of Horizon Pharma and each of its Subsidiaries have been duly authorized and validly issued and are fully paid and non assessable. Except as set forth on Schedule 5.2, as of the date hereof, there is no existing option, warrant, call, right, commitment or other agreement to which Horizon Pharma or any of its Subsidiaries is a party requiring, and there is no membership interest or other Equity Interests of Horizon Pharma or any of its Subsidiaries outstanding which upon conversion or
exchange would require, the issuance by Horizon Pharma or any of its Subsidiaries of any additional membership interests or other Equity Interests of Horizon Pharma or any of its Subsidiaries or other Equity Interests convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Equity Interests of Horizon Pharma or any of its Subsidiaries. Schedule 5.2 correctly sets forth the ownership interest of Horizon Pharma and its Subsidiaries in each of its respective Subsidiaries as of the Effective Date. The organizational structure and capital structure of Horizon Pharma and each of its Subsidiaries is as set forth on Schedule 5.1(d).

5.3. No Conflict; Government Consents. The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party have been duly authorized and do not (i) conflict with any of such Credit Party’s Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which such Credit Party or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except (x) such Governmental Approvals which have already been obtained and are in full force and effect, (y) for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Administrative Agent for filing and/or recordation on or after the Effective Date and (z) any registration, consent, approval, notice or action to the extent that the failure to undertake or obtain such registration, consent, approval, notice or action could not reasonably be expected to result in a Material Adverse Change), (v) constitute an event of default under any material agreement by which such Credit Party is bound or (vi) require any approval of stockholders, members or partners or any approval or consent of any Person except for such approvals or consents which will be obtained on of before the Effective Date and disclosed in writing to the Administrative Agent except for any such approvals or consents the failure of which to obtain will not result in a Material Adverse Change. Neither Horizon Pharma nor any of its Subsidiaries is in default under any agreement to which it is a party or by which it or its assets is bound in which the default could reasonably be expected to have a Material Adverse Change.

5.4. Binding Obligation. Each Loan Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors’ rights generally or by equitable principles relating to enforceability.

5.5. Collateral. In connection with this Agreement, each Credit Party has delivered to the Administrative Agent a completed certificate signed by such Credit Party and its Subsidiaries (each, a “Perfection Certificate, and collectively, the “Perfection Certificates”). Each Credit Party represents and warrants to the Administrative Agent that:

(a)(i) its exact legal name is that indicated on its Perfection Certificate and on the signature page hereof; (ii) it is an organization of the type and is organized in the jurisdiction set forth in its Perfection Certificate; (iii) its Perfection Certificate accurately sets forth its organizational identification number or accurately states that it has none; (iv) its Perfection Certificate accurately sets forth its place of business, or, if more than one, its chief executive office as well as its mailing address (if different than its chief executive office); (v) it (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (vi) all other information set forth on its Perfection Certificate pertaining to it and each of its Subsidiaries is accurate and complete (it being understood and agreed that each Credit Party may from time to time update certain information in its Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If any Credit Party is not now a Registered Organization but later becomes one, it shall promptly notify the Administrative Agent of such occurrence and provide the Administrative Agent with such Credit Party’s organizational identification number. The Administrative Agent and the Lenders hereby agree that the Perfection Certificates shall be deemed to be updated to reflect information provided in any notice delivered by any Credit Party to the Administrative Agent pursuant to the last full paragraph of Section 7.2 below; provided that any update to the Perfection Certificates by any Credit Party pursuant to the last full paragraph of Section 7.2 below shall not relieve any Credit Party of any other Obligation under this Agreement, including (without limitation) its Obligations pursuant to Section 6.7(b).
(b)(i) it has good title to, has rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder or
under any Collateral Document, free and clear of any and all Liens except Permitted Liens, (ii) it has no deposit accounts, securities accounts, commodity
accounts or other investment accounts other than the deposit accounts, securities accounts, commodity accounts or other investment accounts described in
the Perfection Certificates delivered to the Administrative Agent in connection herewith, or of which such Credit Party has given the Administrative Agent
notice and taken such actions as are necessary to give Administrative Agent a perfected security interest therein (and upon delivery of such notice and taking
such action, the Perfection Certificates will be deemed to be updated with the information contained in such notice), (iii) Collateral is not in the possession of
any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificates or as permitted pursuant to Section 7.2. None of the
components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

(c) All Inventory of Horizon Pharma and its Subsidiaries is in all material respects of good and marketable quality, free from material defects.

(d) An accurate, true and complete list of all registered or issued Intellectual Property and all applications for registration and issuance, which as
of the Effective Date is owned by or exclusively licensed to any of the Credit Parties or its Subsidiaries or that any of the Credit Parties or its Subsidiaries has
the right to acquire or license (including the name/title, current owner, registration or application number, and registration or application date and such other
information as reasonably requested by the Required Lenders) (the "Company IP") is set forth on Schedule 5.5(d). Except as set forth on Schedule 5.5(d),
(x) each item of Company IP which is owned by any Credit Party or its Subsidiaries is valid and subsisting and no such Intellectual Property has lapsed,
expired, been cancelled or become abandoned and (y) to the knowledge of the Credit Parties and their Subsidiaries, each such item of Company IP which is
licensed by any such Credit Party or any of its Subsidiaries from another Person is valid and subsisting and has not been denied, rejected or invalidated,
lapsed, expired, been cancelled or become abandoned. There are no published patents, patent applications, articles or prior art references that would
reasonably be expected to materially adversely affect the validity or enforceability of any of the Patents or Patent applications within the Company IP. Each
Person who has or has had any rights in or to the Company IP, including, each inventor named on the Patents and Patent applications within such Company
IP filed by any Credit Party and/or its Subsidiaries, has executed an agreement assigning his, her or its entire right, title and interest in and to such Company
IP, and the inventions embodied, described and/or claimed therein, to the stated owner thereof and, to the knowledge of such Credit Party or such Subsidiary,
no such Person has any contractual or other obligation that would preclude or conflict with exploitation of the Included Products or entitle such Person to
ongoing payments.

(e) Except for the Permitted Licenses: (i) the Credit Parties and their respective Subsidiaries possesses sole, exclusive and valid title to the
Company IP for which it is listed as the owner on Schedule 5.5(d) and (ii) there are no Liens on or to any Company IP, other than Permitted Liens.

(f) There are no maintenance, annuity or renewal fees that are currently overdue beyond their allotted grace period for any of the Company IP
which is owned by any of the Credit Parties or their Subsidiaries nor have any applications or registrations therefore lapsed or become abandoned, been
cancelled or expired. To the knowledge of any Credit Party or any of their Subsidiaries, there are no maintenance, annuity or renewal fees that are currently
overdue beyond their allotted grace for any of the Company IP which is not owned by any of the Credit Parties or their Subsidiaries, nor, to the knowledge of
any Credit Party or any of their Subsidiaries, have any applications or registrations therefore lapsed or become abandoned, been cancelled or expired.

(g) Schedule 5.5(p) sets forth an accurate, true and complete list of all agreements pursuant to which any Credit Party or any of its Subsidiaries
has the legal right to exploit Company IP that is owned by another Person for the manufacture, use, sale or supply of Included Products (the "Company IP
Agreements"). There are no unpaid fees or royalties under any Company IP Agreement that have become due, or are expected to become overdue, as of the
Effective Date. Each Company IP Agreement is legal, valid, binding, enforceable, and in full force and effect. Neither Horizon Pharma nor any of its
Subsidiaries is in breach of any Company IP Agreement to which it is a party and, to the knowledge of Horizon Pharma or such Subsidiary, no circumstances
or grounds exist that would give rise to a claim of breach or right of rescission, termination, non-renewal, revision, or
amendment of any of the Company IP Agreements, including the execution, delivery and performance of this Agreement and the other Loan Documents.

(h) No payments by any Credit Party or any of its Subsidiaries are due to any other Person in respect of the Company IP, other than pursuant to the Company IP Agreements and those fees payable to patent offices in connection with the prosecution and maintenance of such Company IP and associated attorney fees.

(i) No Credit Party or any of its Subsidiaries, or, to the knowledge of any Credit Party or any of its Subsidiaries, any other Person, has undertaken or omitted to undertake any acts, and no circumstance or grounds exist that are known to any Credit Party or any of its Subsidiaries, that would invalidate, reduce or eliminate, in whole or in part, the enforceability or scope of any Company IP or, in the case of Company IP owned or licensed by any Credit Party or any of its Subsidiaries, other than with respect to Permitted Licenses and except as set forth on Schedule 5.5(i), such Credit Party’s or such Subsidiary’s entitlement to exclusively exploit such Company IP.

(j) There is no pending, decided or settled opposition, interference proceeding, reexamination proceeding, cancellation proceeding, injunction, lawsuit, hearing, investigation, complaint, arbitration, mediation, demand, International Trade Commission investigation, decree, or any other dispute, disagreement, or claim, in each case alleged in writing to Horizon Pharma or any of its Subsidiaries (collectively referred to hereinafter as “Specified Disputes”), nor has any such Specified Dispute been threatened, in each case challenging the legality, validity, enforceability or ownership of any Company IP.

(k) Except as noted on Schedule 5.5(k), no Credit Party is a party to, nor is it bound by, any Restricted License.

5.6. Adverse Proceedings, etc. Except as set forth on Schedule 5.6, there are no Adverse Proceedings, individually or in the aggregate, that could reasonably be expected to result in a Material Adverse Change. Neither Horizon Pharma nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change, or (b) is subject to or in default with respect to any final judgments, orders, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change.

5.7. Financial Statements; Financial Condition; Books and Records. All consolidated financial statements of Horizon Pharma and each of its Subsidiaries delivered to the Administrative Agent were prepared in conformity with Applicable Accounting Standards and fairly present in all material respects the consolidated financial condition of Horizon Pharma and its Subsidiaries and their consolidated results of operations. There has not been any material deterioration in the consolidated financial condition of Horizon Pharma and its Subsidiaries since the date of the most recent financial statements submitted to the Administrative Agent. Neither Horizon Pharma nor any of its Subsidiaries has any contingent liability or liability for Taxes, long term lease (other than long-term leases entered into in the ordinary course of business) or unusual forward or long term commitment that is not reflected in the consolidated financial statements or the notes thereto and which in any such case is material in relation to the business, operations, properties, assets, or condition (financial or otherwise) of Horizon Pharma and its Subsidiaries taken as a whole. There has not been any Material Adverse Change since the date of the most recent financial statements submitted to the Administrative Agent. Horizon Pharma’s and each of its Subsidiaries’ Books contain full, true and correct entries of all dealings and transactions in relation to its business and activities in conformity with Applicable Accounting Standards and all Requirements of Law.

5.8. Solvency. As of the Effective Date, the fair salable value of each Credit Party’s assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; no Credit Party is left with unreasonably small capital after the transactions in this Agreement, and each Credit Party is able to pay its debts (including trade debts) as they mature. Without limiting the generality of the foregoing, as of the Effective Date, there has been no proposal made or resolution adopted by any competent corporate body for the dissolution or liquidation of any Credit Party, nor do any circumstances exist which may result in the dissolution or liquidation of any Credit Party.
As of the Effective Date, no proposal has been made nor any resolution been adopted by any competent corporate body of any Credit Party for the statutory merger of such Credit Party with any other Person. As of the Effective Date, none of the Credit Parties has (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by any creditor, (iii) suffered the appointment of a receiver to take possession of all or any portion of its assets, (iv) suffered the attachment or judicial seizure of all or any portion of its assets, (v) admitted in writing its inability to pay its debts as they come due, nor (vi) made an offer of settlement, extension or composition to its creditors generally.

5.9. Payment of Taxes. All federal, material state, material provincial and other material Tax returns and reports (or extensions thereof) of each Credit Party and its Subsidiaries required to be filed by any of them have been timely filed, and all Taxes reflected therein which are due and payable and all assessments, fees and other governmental charges upon any Credit Party and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable. No Credit Party knows of any proposed Tax deficiency or assessment against it or any of its Subsidiaries which is not being actively contested by it or such Subsidiary in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with Applicable Accounting Standards shall have been made or provided therefor. Each Credit Party has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and no Credit Party has withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of such Credit Party, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority. Neither any Credit Party nor any of its Subsidiaries have executed or filed with the Internal Revenue Service or any other Governmental Authority any agreement or other document extending, or having the effect of extending, the period for assessment or collection of any Taxes nor has there been any request in writing for such extension. Neither any Credit Party nor any of its Subsidiaries has agreed or has been requested to make any adjustment under IRC Section 481(a) by reason of a change in accounting method or otherwise. Neither any Credit Party nor any of its Subsidiaries has any obligation under any written tax sharing agreement. No Credit Party nor any Subsidiary has been a member of an affiliated group filing a consolidated U.S. federal income tax return within the meaning of the IRC and has no liability for Taxes of any other Person under IRC Section 11502-6 (or similar provision of foreign, state, or local law) as a transferee or successor, by contract, or otherwise. No Credit Party nor any Subsidiary has distributed stock of another Person, nor has has its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by IRC Sections 355 or 361, during any year for which the statute of limitations does not bar the assessment of U.S. federal income tax.

5.10. Environmental Matters. Neither Horizon Pharma nor any of its Subsidiaries nor any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials Activity that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change. Neither Horizon Pharma nor any of its Subsidiaries has received any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9604) or any comparable state law. There are and, to each Credit Party’s knowledge, have been, no conditions, occurrences, or Hazardous Materials Activities which could reasonably be expected to form the basis of an Environmental Claim against Horizon Pharma or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change. To any Credit Party’s knowledge, no predecessor of Horizon Pharma or any of its Subsidiaries has filed any notice under any Environmental Law indicating past or present treatment of Hazardous Materials at any Facility, and neither Horizon Pharma’s nor any of its Subsidiaries’ operations involves the generation, transportation, treatment, storage or disposal of hazardous waste, as defined under 40 C.F.R. Parts 260 270 or any state equivalent. Compliance by Horizon Pharma and its Subsidiaries with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws could not be reasonably expected to result in, individually or in the aggregate, a Material Adverse Change. No event or condition has occurred or is occurring with respect to any Credit Party relating to any Environmental Law, any Release of Hazardous Materials, or any Hazardous Materials Activity which individually or in the aggregate has resulted in, or could reasonably be expected to result in, a Material Adverse Change.
5.11. Material Contracts. Schedule 5.11 contains a true, correct and complete list of all the Material Contracts in effect on the Effective Date, and, after giving effect to consummation of the transactions contemplated by this Agreement, except as described thereon, all such Material Contracts are in full force and effect and no defaults currently exist thereunder.

5.12. Regulatory Compliance. No Credit Party is an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. No Credit Party is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board). Each Credit Party has complied in all material respects with the Federal Fair Labor Standards Act. Each of Horizon Pharma and its Subsidiaries and each of their respective ERISA Affiliates is in compliance with the applicable provisions of ERISA and the IRC and the regulations and published interpretations thereunder, except where such failure to comply could not reasonably be expected to result in any material liability of Horizon Pharma or its Subsidiaries or their respective ERISA Affiliates. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in material liability of Horizon Pharma or its Subsidiaries or any of their respective ERISA Affiliates or the imposition of a Lien on any of the property of Horizon Pharma or any of its Subsidiaries. The present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $250,000 the fair market value of the property of all such underfunded Plans. Using actuarial assumptions and computation methods consistent with subpart I of subtitle E of Title IV of ERISA, the aggregate liabilities of Horizon Pharma or its Subsidiaries or their respective ERISA Affiliates to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most recent fiscal year of each such Multiemployer Plan, could not reasonably be expected to result in a Material Adverse Change.

5.13. Margin Stock. No Credit Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as “Margin Stock”). No Credit Party owns any Margin Stock, and none of the proceeds of the Credit Extensions or other extensions of credit under this Agreement will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any Margin Stock or for any other purpose that might cause any of the Term Loans or other extensions of credit under this Agreement to be considered a “purpose credit” within the meaning of Regulations T, U or X of the Federal Reserve Board. No Credit Party or any of its Subsidiaries will take or permit to be taken any action that might cause any Loan Document to violate any regulation of the Federal Reserve Board.

5.14. Subsidiaries; Investments; Affiliate Transactions. Neither Horizon Pharma nor any of its Subsidiaries owns any stock, partnership interest or other equity securities except for Permitted Investments. Set forth on Schedule 5.14 hereto is a list of all transactions with any Affiliate of any Credit Party or any holder of 10% or more of the Equity Interests of any Credit Party or any of their respective Subsidiaries or any Affiliate of any such Person.

5.15. Employee Matters. Neither Horizon Pharma nor any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to result in a Material Adverse Change. There is (a) no unfair labor practice complaint pending against Horizon Pharma or any of its Subsidiaries, or to the best knowledge of any Credit Party, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Horizon Pharma or any of its Subsidiaries or to the best knowledge of any Credit Party, threatened against any of them, (b) no strike or work stoppage in existence or threatened involving Horizon Pharma or any of its Subsidiaries, and (c) to the best knowledge of any Credit Party, no union representation question existing with respect to the employees of Horizon Pharma or any of its Subsidiaries and, to the best knowledge of any Credit Party, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as is not reasonably likely to result in a Material Adverse Change.
5.16. Use of Proceeds. Borrowers shall use the proceeds of the Credit Extensions solely to repay the outstanding Indebtedness under the Existing Kreos Loan Agreement and the Existing Oxford/SVB Loan Agreement in full and to fund their general business requirements and not for personal, family, household or agricultural purposes.

5.17. Full Disclosure. No representation or warranty of any Credit Party contained in any Loan Document or in any other documents, certificates or written statements furnished to the Administrative Agent or Lenders by or on behalf of any Credit Party for use in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact (known to any Credit Party, in the case of any document not furnished by it) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by the Credit Party furnishing such materials to be reasonable at the time made. There are no facts known (or which should upon the reasonable exercise of diligence be known) to any Credit Party (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change and that have not been disclosed herein or in such other documents, certificates and statements furnished to Lenders for use in connection with the transactions contemplated hereby.

5.18. Patriot Act. To the extent applicable, Horizon Pharma and each of its Subsidiaries is in compliance, in all material respects, with the (i) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds of the Credit Extensions will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

5.19. Additional Representations and Warranties. The transactions contemplated by those agreements by and among the Credit Parties pursuant to which Horizon and Horizon AG became wholly owned Subsidiaries of Horizon Pharma have been consummated in accordance with their respective terms without derivation and the respective representations and warranties of the Credit Parties contained therein are true, accurate, and complete in all material respects on the Effective Date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.

5.20. Health Care Matters.

(a) Compliance with Health Care Laws. Each Credit Party and each of its Subsidiaries, and any Person acting on behalf of each Credit Party and each of its Subsidiaries, is in compliance in all material respects with all Health Care Laws applicable to it, its products and its properties or other assets or its business or operation.

(b) Material Statements. None of the Credit Parties or their Subsidiaries nor any officer, affiliate, employee or agent of any Credit Party or its Subsidiaries, has made an untrue statement of a material fact or fraudulent statement to any Governmental Authority, failed to disclose a material fact to any Governmental Authority, or committed an act, made a statement, or failed to make a statement that, at the time such disclosure was made, would reasonably be expected to constitute a material violation of any Health Care Law. None of the Credit Parties or their Subsidiaries, nor any officer, affiliate, employee or agent of any Credit Party or its Subsidiaries, has made any untrue statement of fact regarding material claims incurred but not reported.

(c) Billing. No Credit Party or any of its Subsidiaries bills or receives reimbursement from any Governmental Payor Program or any Private Third Party Payor Programs.
Proceedings; Audits. There are no facts, circumstances or conditions that would reasonably be expected to form the basis for any material investigation, suit, claim, audit, action (legal or regulatory) or proceeding (legal or regulatory) by a Governmental Authority pending or threatened against any Credit Party or any of its Subsidiaries relating to any of the Health Care Laws.

(e) Prohibited Transactions. None of the Credit Parties or their Subsidiaries, directly or indirectly through any person acting on behalf of any Credit Party or any of its Subsidiaries: (1) offered or paid any remuneration, in cash or in kind, to, or made any financial arrangements with, any past, present or potential patient, supplier, physician, contractor, in order to illegally obtain business or payments from such person in material violation of any Health Care Law; (2) has given or agreed to give, or is aware that there has been made or that there is any illegal agreement to make, any illegal gift or gratuitous payment of any kind, nature or description (whether in money, property or services) to any past, present or potential patient, supplier, physician, contractor, or any other person in material violation of any Health Care Law; (3) made or agreed to make, or is aware that there has been made or that there is any agreement to make on behalf of any Credit Party or any of its Subsidiaries, any contribution, payment or gift of funds or property to, or for the private use of, any governmental official, employee or agent where either the contribution, payment or gift or the purpose of such contribution, payment or gift is or was a material violation of the laws of any government entity having jurisdiction over such payment, contribution or gift; (4) established or maintained any unrecorded fund or asset for any purpose or made any materially misleading, false or artificial entries on any of its books or records for any reason; or (5) made, or agreed to make, or is aware that there has been made or that there is any agreement to make, any payment to any person with the intention or understanding that any part of such payment would be in material violation of any Health Care Law or used or was given for any purpose other than that described in the documents supporting such payment. To the Knowledge of the Credit Parties, no person has filed or has threatened to file against any Credit Party or any of its Subsidiaries or their Affiliates an action under any federal or state whistleblower statute, including without limitation, under the False Claims Act of 1863 (31 U.S.C. § 3729 et seq.).

(f) Exclusion. None of the Credit Parties or their Subsidiaries, nor any Person having authority to act on behalf of any Credit Party or any of its Subsidiaries has been, or has been threatened to be, (i) excluded from any Governmental Payor Program pursuant to 42 U.S.C. § 1320a-7b and related regulations, (ii) “suspended” or “debarred” from selling products to the U.S. government or its agencies pursuant to the Federal Acquisition Regulation, relating to debarment and suspension applicable to federal government agencies generally (42 C.F.R. Subpart 9.4), or other applicable laws or regulations, (iii) debarred, disqualified, suspended or excluded from participation in Medicare, Medicaid or any other health care program or is listed on the General Services Administration list of excluded parties, nor is any such debarment, disqualification, suspension or exclusion threatened or pending, or (iv) made a part to any other action by any Governmental Authority that may prohibit it from selling products or providing Services to any governmental or other purchaser pursuant to any Health Care Laws.

(g) HIPAA. Each Credit Party and each of its Subsidiaries is in material compliance with all applicable federal, state and local laws and regulations regarding the privacy and security of health information and electronic transactions, including HIPAA, and the provisions of all business associate agreements (as such term is defined by HIPAA) to which it is a party and has implemented adequate policies, procedures and training designed to assure continued compliance and to detect non-compliance. To the extent applicable to any Credit Party and for so long as (1) any Credit Party is a “covered entity” as defined in 45 C.F.R. § 160.103, (2) any Credit Party is a “business associate” as defined in 45 C.F.R. § 160.103, (3) any Credit Party is subject to or covered by the HIPAA Administrative Requirements codified at 45 C.F.R. Parts 160 & 162 and/or the HIPAA Security and Privacy Requirements codified at 45 C.F.R. Parts 160 & 162, and/or (4) any Credit Party sponsors any “group health plans” as defined in 45 C.F.R. § 160.103, such Credit Party has: (i) completed thorough and detailed surveys, audits, inventories, reviews, analyses and/or assessments, including risk assessments, (collectively “Assessments”) of all material areas of its business and operations subject to HIPAA and/or that could be materially and adversely affected by the failure of such Credit Party, or any Person acting on behalf of any Credit Party, as the case may be, to the extent these Assessments are appropriate or required for such Credit Party to be in material compliance with HIPAA; (ii) developed a detailed plan and time line for becoming in material compliance with HIPAA (a “HIPAA Compliance Plan”); and (iii) implemented those provisions of its HIPAA Compliance Plan necessary to ensure that such Credit Party is in material compliance with HIPAA.
(h) Corporate Integrity Agreement. None of the Credit Parties or their Subsidiaries or their Affiliates, nor any officer, director, managing employee or agent (as those terms are defined in 42 C.F.R. § 1001.1001) thereof, is a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement or other written agreement with any Governmental Authority concerning compliance with any laws, rules, regulations, manuals, orders, ordinances, statutes, guidelines and requirements issued under or in connection with the Federal Health Care Program.

(i) Reimbursement Coding. To the extent any Credit Parties or its Subsidiaries provides to its customers or any other Persons reimbursement coding or billing advice, such advice is complete and accurate, conforms to the applicable American Medical Association’s Current Procedural Terminology (CPT), the International Classification of Disease, Ninth Revision, Clinical Modification (ICD 9 CM), and other applicable coding systems, and the advice can be relied upon to create accurate claims for reimbursement by federal, state and commercial payors.

5.21. Regulatory Approvals.

(a) Schedule 5.21 contains a list of all Included Products as of the Effective Date. Horizon Pharma has previously made available to the Lenders all Regulatory Approvals, all material correspondence with Regulatory Agencies (including the FDA) with respect to such Regulatory Approvals, and all adverse event reports with respect to the Included Products and all requested documents related to the Included Products in each case in the possession and control of Horizon Pharma or its Subsidiaries. Horizon Pharma has not withheld any document or information with respect to the Included Products that would reasonably be considered to be material to the Lenders’ decision to provide the financing contemplated by this Agreement.

(b) Horizon Pharma and its Subsidiaries, and, to the knowledge of Horizon Pharma, each licensee of Horizon Pharma or any of its Subsidiaries of any Intellectual Property, are in compliance with, and have complied with, all applicable federal, state, local and foreign laws, rules, regulations, standards, orders and decrees governing its business, including all regulations promulgated by each applicable Regulatory Agency, the failure of compliance with which would reasonably be expected to result in a Material Adverse Change. Horizon Pharma has not received any notice from any Regulatory Agency citing action or inaction by Horizon Pharma or any of its Subsidiaries that would constitute a violation of any applicable federal, state, local and foreign laws, rules, regulations, or standards, which would reasonably be expected to result in a Material Adverse Change.

(c) To the knowledge of Horizon Pharma, the studies, tests and preclinical and clinical trials conducted relating to the Included Products were conducted in all material respects in accordance with experimental protocols, procedures and controls pursuant to, where applicable, accepted professional and scientific standards at the time when conducted; the descriptions of the results of such studies, tests and trials provided to the Lenders are accurate in all material respects; and Horizon Pharma has not received any notices or correspondence from any applicable Regulatory Agency or comparable authority requiring the termination, suspension, material modification or clinical hold of any such studies, tests or preclinical or clinical trials conducted by or on behalf of Horizon Pharma, which termination, suspension, material modification or clinical hold would reasonably be expected to result in a Material Adverse Change.

6. AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that, until payment in full of all Obligations (other than inchoate indemnity obligations), each Credit Party shall, and shall cause each of its Subsidiaries to:

6.1. Government Compliance. Maintain its and all its Subsidiaries’ legal existence (except as provided in Section 7.3(a)) and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to result in a Material Adverse Change. Each Credit Party shall (i) comply, and cause each of its Subsidiaries to comply, with all Requirements of Law of any Governmental Authority to which it is subject, noncompliance with which could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change, (ii) assure that each of its employees has all required licenses, credentials, approvals and other certifications to perform his or her duties
and (iii) obtain, and take all necessary action to timely renew, all material permits, licenses and authorizations which are necessary in the proper conduct of its business.

6.2. **Financial Statements, Reports, Certificates.** Deliver to the Administrative Agent and each Lender:

(a) **Financial Statements; Compliance Certificate.**

   (i) **Monthly Financial Statements.** As soon as available, but in no event later than thirty (30) days after the last day of each calendar month, commencing with the calendar month ending January 31, 2012, monthly unaudited consolidated financial statements of Horizon Pharma and its Subsidiaries, including a consolidated balance sheet and a consolidated statement of income for such month and for the period from the beginning of such year to the end of such month, and a consolidated statement of cash flows for the period from the beginning of such year to the end of such month, together with a comparison against the corresponding period in the prior fiscal year and the annual fiscal budget as well as other operating reports as may be reasonably requested by Administrative Agent or Lenders, in each case, certified by a Responsible Officer and in a form acceptable to the Administrative Agent and the Required Lenders;

   (ii) **Quarterly Compliance Certificate.** As soon as available, but in no event later than forty-five (45) days after the last day of each calendar quarter, commencing with the calendar quarter ending March 31, 2012, a duly completed Compliance Certificate signed by a Responsible Officer (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) in the case of any such quarterly Compliance Certificate setting forth computations in reasonable detail satisfactory to the Administrative Agent and the Required Lenders, acting reasonably, demonstrating compliance with the covenants contained in **Section 6.12**;

   (iii) **Quarterly Consolidated Financial Statements.** As soon as available, but in no event later than forty-five (45) days after the last day of each calendar quarter, commencing with the calendar quarter ending March 31, 2012, quarterly unaudited consolidated financial statements of Horizon Pharma and its Subsidiaries, including a consolidated balance sheet and a consolidated statement of income for such quarter and for the period from the beginning of such year to the end of such quarter, and a consolidated statement of cash flows for the period from the beginning of such year to the end of such quarter, together with a comparison against the corresponding period in the prior fiscal year and the annual fiscal budget as well as other operating reports as may be reasonably requested by Administrative Agent or Lenders (together with MD&A and other SEC-style reporting regardless of whether subject to SEC reporting requirements at the time), in each case, certified by a Responsible Officer and in a form acceptable to the Administrative Agent and the Required Lenders;

   (iv) **Annual Financial Statements.** As soon as available, but in no event later than ninety (90) days after the last day of Horizon Pharma’s fiscal year, commencing with the fiscal year ending December 31, 2011, annual audited consolidated financial statements of Horizon Pharma and its Subsidiaries prepared under Applicable Accounting Standards, consistently applied, including a consolidated balance sheet, consolidated statement of income, consolidated statement of cash flows, and notes, together with an unqualified opinion on the financial statements from an independent certified public accounting firm acceptable to the Required Lenders in their reasonable discretion, together with a management comparison against the prior fiscal year and the annual fiscal budget (together with MD&A and other SEC-style reporting regardless of whether subject to SEC reporting requirements at the time);

(b) **Aged Listings.** Within 30 days after the end of each calendar quarter, or more often as may be requested by Administrative Agent or Lenders, aged listings of accounts receivable and accounts payable (by invoice date);

(c) **Other Statements.** Within five (5) days of delivery, copies of all statements, reports and notices made available to Horizon Pharma’s security holders or to any holders of Subordinated Debt;
(d) **SEC Filings.** Within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by any Credit Party with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such Credit Party posts such documents, or provides a link thereto, on a website on the Internet at a website address provided to the Administrative Agent;

(e) **Legal Action Notice.** A prompt report of any legal action, litigation, investigation or proceeding pending or threatened in writing against any Credit Party or any Subsidiary, or any material development in any such legal action, litigation, investigation or proceeding (x) that could result in damages or costs to such Credit Party or such Subsidiary in an amount in excess of One Hundred Thousand Dollars ($100,000), individually, or Two Hundred and Fifty Thousand Dollars ($250,000), in the aggregate, when aggregated with all pending or threatened legal actions against all Credit Parties and their respective Subsidiaries or (y) which alleges potential violations of the Health Care Laws or the FDA Laws which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Change;

(f) **Board Approved Projections; Consolidated Plan and Financial Forecast.** No later than January 15th of each fiscal year, a consolidated plan and financial forecast through the Term Loan Maturity Date including a forecasted consolidated balance sheet, statements of income and cash flows, and an explanation of the assumptions on which such forecasts are based and demonstrating projected compliance with financial covenants;

(g) **Tax Returns.** Within 15 days after filing, copies of the federal income tax returns of Horizon Pharma and Horizon; and

(h) **Other Financial Information.** Other financial information reasonably requested by the Administrative Agent or any Lender.

(i) **Section 2.2(c) Notices.** Each Transfer Notice, Extraordinary Receipts Notice, Reinvestment Notice and Change in Control Notice pursuant to and in accordance with the requirements of Section 2.2(c).

(j) **Intellectual Property; Regulatory.** Written notice as promptly as practicable (and in any event within five (5) Business Days) after becoming aware of any of the following:

   (i) any material breach or default by Horizon Pharma or any of its Subsidiaries of any covenant, agreement or other provision of this Agreement or any other Loan Document, any Company IP Agreement or any Material Contract;

   (ii) any license to a third party of any rights to develop, manufacture, use or sell Included Products anywhere in the world;

   (iii) any material breach or default by a third party under any of the Company IP Agreements or any Material Contract, or the termination of any such Company IP Agreement or Material Contract;

   (iv) the commencement of any action or proceeding against Horizon Pharma or any of its Subsidiaries which, if adversely determined, would reasonably be expected to result in a Material Adverse Change, or which challenges the validity of any claim in any Patent within the Company IP utilized in connection with any Included Product that would be reasonably be expected to materially and adversely affect the exploitation of such Included Product by Horizon Pharma or any of its Subsidiaries;

   (v) any notice that the FDA or other Regulatory Agency is limiting, suspending or revoking any Regulatory Approval, changing the market classification or labeling of or otherwise materially restricting manufacture or sale of any Included Product, or considering any of the foregoing;
(vi) Horizon Pharma or any of its Subsidiaries, becoming subject to any administrative or regulatory enforcement action, inspection, inspectional observation, warning letter, or notice of violation letter from the FDA or other Regulatory Agency, or any Included Product of Horizon Pharma or any of its Subsidiaries being seized, withdrawn, recalled, detained, or subject to a suspension of manufacturing, or the commencement of any proceedings in the United States or any other jurisdiction seeking the withdrawal, recall, suspension, import detention, or seizure of any Included Product are pending or threatened against Horizon Pharma or any of its Subsidiaries; and

(vii) the occurrence of any event (including the occurrence of a serious adverse drug experience or manufacturing disruption) with respect to any Included Product, or component of such Included Product, which would reasonably be expected to have a Material Adverse Change; provided, however, that any required notice of a serious adverse drug experience hereunder shall only take place following any required notice to the relevant Regulatory Agency.

(k) Governmental Recommendations. Within five (5) Business Days of receipt thereof, copies of any written recommendation from any Governmental Authority or other regulatory body that Horizon Pharma or any of its Subsidiaries should have its licensure, provider or supplier number, or accreditation suspended, revoked, or limited in any material way, or any penalties or sanctions imposed.

The financial statements and other reports delivered to Administrative Agent and Lenders pursuant to this Section 6.2 shall be subject to a confidentiality agreement that satisfies the requirements of Regulation FD, to the extent that any such financial statements or reports contain material, non-public information.

6.3. Inventory; Returns; Maintenance of Properties. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between each Borrower and its Account Debtors shall follow such Borrower’s customary practices as they exist at the Effective Date. Each Credit Party must promptly notify the Administrative Agent of all returns, recoveries, disputes and claims that involve more than Two Hundred Fifty Thousand Dollars ($250,000), individually, or more than Five Hundred Thousand Dollars ($500,000), in the aggregate, when aggregated with all other returns, recoveries, disputes and claims. Each Credit Party will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear, casualty and condemnation excepted, all material tangible properties used or useful in its respective business, and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof.

6.4. Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required Tax returns and reports or extensions therefor and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local Taxes, assessments, deposits and contributions imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrue thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if (i) such Tax or claim does not exceed Two Hundred Fifty Thousand Dollars ($250,000), individually, or more than Five Hundred Thousand Dollars ($500,000), in the aggregate, when aggregated with all other such Taxes or claims, or (ii) it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with Applicable Accounting Standards shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. Each Credit Party shall deliver to the Administrative Agent, on demand, appropriate certificates attesting to any such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms. No Credit Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income Tax return with any Person (other than Borrowers or any of their Subsidiaries).

6.5. Insurance. Maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty
insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Horizon Pharma and its Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts, with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons and, in any event, at a minimum as in effect on the Effective Date. All property policies of the Credit Parties shall have a loss payable endorsement showing the Administrative Agent as loss payee and waive subrogation against the Administrative Agent and shall provide that the insurer must give the Administrative Agent at least twenty (20) days notice before canceling, amending, or declining to renew its policy. All liability policies of the Credit Parties shall show, or have endorsements showing, the Administrative Agent as an additional insured, and all such policies (or the loss payable and additional insured endorsements) shall provide that the insurer shall give the Administrative Agent at least twenty (20) days notice before canceling, amending, or declining to renew its policy. At the request of the Required Lenders, each Credit Party shall deliver certified copies of policies and evidence of all premium payments. If Horizon Pharma or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and the Administrative Agent, the Administrative Agent (on behalf of the Required Lenders) may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies the Required Lenders deem prudent.

6.6. Operating Accounts. In the case of any Credit Party, not establish any new Collateral Account at or with any bank or financial institution unless (i) such bank or financial institution is reasonably acceptable to the Required Lenders and (ii) contemporaneously with such establishment, such account is subject to a Control Agreement that is reasonably acceptable to the Administrative Agent and the Required Lenders. For each Collateral Account that each Credit Party at any time maintains, such Credit Party shall cause the applicable bank or financial institution at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect the Administrative Agent’s Lien in such Collateral Account in accordance with the terms hereunder, which Control Agreement may not be terminated without the prior written consent of the Administrative Agent. The provisions of the previous two sentences shall not apply to (i) deposit accounts exclusively used for payroll, payroll Taxes and other employee wage and benefit payments to or for the benefit of any Credit Party’s employees and identified to the Administrative Agent by such Credit Party as such, or (ii) the deposit account(s) exclusively used as security for Borrowers’ obligations to SVB or another financial institution with respect to its credit card program and other cash management services provided that the aggregate balance in all such accounts does not exceed $1,500,000 at any one time.


(a) (i) Protect, defend and maintain the validity and enforceability of Copyrights, Trademarks and Patents owned by any Credit Party or its Subsidiaries; (ii) maintain the confidential nature of any material trade secrets and trade secret rights; (iii) promptly advise the Administrative Agent in writing of material infringements, misappropriations or violations of Intellectual Property owned by any Credit Party or its Subsidiaries; and (iv) not allow any Intellectual Property owned by any Credit Party or its Subsidiaries and material to its business to be abandoned, forfeited or dedicated to the public or material Company IP Agreement to be terminated by the Credit Party or its Subsidiary, as applicable, without the Administrative Agent’s prior written consent.

(b) Provide written notice to the Administrative Agent and the Lenders within thirty (30) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Each Credit Party shall take such commercially reasonable steps as the Administrative Agent requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to, without giving effect to Section 9-408 of the Code, be deemed “Collateral” and for the Administrative Agent to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) the Administrative Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with the Administrative Agent’s rights and remedies under this Agreement and the other Loan Documents.

(c) Horizon Pharma shall, and shall cause each of its Subsidiaries to: (1) use commercially reasonable efforts, at its sole expense, either directly or, with respect to any licensee or licensor under the terms of
Horizon Pharma’s (or its Subsidiaries’) agreement with the respective licensee or licensor, as applicable, to take any and all actions (including taking legal action to specifically enforce the applicable terms of any license agreement) and prepare, execute, deliver and file agreements, documents or instruments which are necessary or desirable to (A) prosecute and maintain the Copyrights, Trademarks and Patents within the Company IP and (B) diligently defend or assert Company IP against infringement, misappropriation, violation or interference by any other Persons, and in the case of Copyrights, Trademarks and Patents within the Company IP against any claims of invalidity or unenforceability (including by bringing any legal action for infringement, dilution, violation or defending any counterclaim of invalidity or action of a non-Affiliate third party for declaratory judgment of non-infringement or non-interference), in each case of (A) and (B), only when not taking such action would reasonably be expected to have a Material Adverse Change; (2) keep the Administrative Agent informed of all of such actions and provide the Required Lenders with the opportunity to meaningfully consult with Horizon Pharma with respect to the direction thereof and Horizon Pharma shall consider all of the Required Lenders’ comments in good faith; and (3) shall not, and shall use commercially reasonable efforts to cause any licensee or licensor of Company IP, as applicable, not to, disclaim or abandon, or fail to take any action necessary or desirable to prevent the disclaimer or abandonment of Copyrights, Trademarks and Patents within the Company IP, in each of (1), (2) and (3) that would have a Material Adverse Change.

6.8. Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to the Administrative Agent, without expense to the Administrative Agent, each Credit Party and its officers, employees and agents and such Credit Party’s books and records, to the extent that the Administrative Agent may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against the Administrative Agent with respect to any Collateral or relating to such Credit Party.

6.9. Access to Collateral; Books and Records. Allow the Administrative Agent and any Lender, or their respective agents, at reasonable times, on one (1) Business Day’s notice (provided no notice is required if an Event of Default has occurred and is continuing), to inspect the Collateral and audit and copy any Credit Party’s Books. The foregoing inspections and audits shall be at the relevant Credit Party’s expense. Such inspections or audits shall be conducted no more often than once every twelve (12) months per Lender and the Administrative Agent unless an Event of Default has occurred and is continuing.

6.10. Lenders Meetings. Upon the request of Administrative Agent or Required Lenders, participate in a meeting of Administrative Agent and Lenders once during each fiscal year to be held at Borrowers’ corporate offices (or at such other location as may be agreed to by Borrowers and Administrative Agent and Lenders) at such time as may be agreed to by Borrowers and Administrative Agent and Lenders.

6.11. Environmental.

   (a) Environmental Disclosure. Deliver to Administrative Agent:

   (i) as soon as practicable following receipt thereof, copies of all environmental audits, investigations, analyses and reports of any kind or character, whether prepared by personnel of Horizon Pharma or any of its Subsidiaries or by independent consultants, governmental authorities or any other Persons, with respect to significant environmental matters at any Facility or any material Environmental Claims;

   (ii) promptly upon an officer of any Credit Party obtaining knowledge of the occurrence thereof, written notice describing in reasonable detail (1) any Release required to be reported to any federal, state or local governmental or regulatory agency under any applicable Environmental Laws, (2) any remedial action taken by any Credit Party or any other Person in response to (A) any Hazardous Materials Activities the existence of which has a reasonable possibility of resulting in one or more Environmental Claims resulting in, individually or in the aggregate, a Material Adverse Change, or (B) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of resulting in a Material Adverse Change, and (3) any Credit Party’s discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Facility that could cause such Facility or any part thereof to be
subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws;

(iii) as soon as practicable following the sending or receipt thereof by any Credit Party, a copy of any and all written communications with respect to (1) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of resulting in a Material Adverse Change, (2) any Release required to be reported to any federal, state or local governmental or regulatory agency, and (3) any request for information from any governmental agency that suggests such agency is investigating whether any Credit Party or any of its Subsidiaries may be potentially responsible for any Hazardous Materials Activity that, individually or in the aggregate, has a reasonable possibility of resulting in a Material Adverse Change;

(iv) prompt written notice describing in reasonable detail (1) any proposed acquisition of stock, assets, or property by Horizon Pharma or any of its Subsidiaries that could reasonably be expected to (A) expose Horizon Pharma or any of its Subsidiaries to, or result in, Environmental Claims that could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Change or (B) affect the ability of Horizon Pharma or any of its Subsidiaries to maintain in full force and effect all material Governmental Approvals required under any Environmental Laws for their respective operations and (2) any proposed action to be taken by Horizon Pharma or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject Horizon Pharma or any of its Subsidiaries to any additional material obligations or requirements under any Environmental Laws; and

(v) with reasonable promptness, such other documents and information as from time to time may be reasonably requested by Administrative Agent in relation to any matters disclosed pursuant to this Section 6.11(a).

Each Credit Party shall, and shall cause each of its Subsidiaries to, promptly take any and all actions necessary to (i) cure any violation of applicable Environmental Laws by Horizon Pharma or any of its Subsidiaries that could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Change, and (ii) make an appropriate response to any Environmental Claim against Horizon Pharma or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Change.

6.12. Financial Covenants. Maintain the following financial ratios and covenants:

(a) Liquidity. (i) On March 31, 2012, without violating any other term or provision of this Agreement, the sum of (x) the Liquidity of the Credit Parties plus (y) the Non-Domestic Liquidity, shall not be less than $70,000,000; and (ii) from and after the Effective Date, after giving effect to the transactions contemplated hereunder, the Credit Parties shall have consolidated Liquidity of not less than $10,000,000 at all times unless Consolidated EBITDA of Horizon Pharma and its Subsidiaries for the most recently ended fiscal quarter is greater than or equal to $6,000,000.

(b) Minimum Net Revenue. Consolidated revenue of Horizon Pharma and its Subsidiaries on a trailing twelve month basis (“TTM Revenue”), tested quarterly as of the last day of each quarter set forth below, of not less than the corresponding amount listed opposite each such quarter. TTM Revenue will include all net revenue (net of promotions, coupons and other similar programs) of Horizon Pharma and its Subsidiaries, and with respect to DUEXIS during 2012, all deferred revenue recorded on the consolidated balance sheet of Horizon Pharma and its Subsidiaries during such period, net of discounts, allowances, returns, and other adjustments substantiated by the Horizon Pharma’s books and records, with the exception of extraordinary or non-recurring revenue and revenue from asset sales, licenses (other than ordinary course royalty or similar payments based on product sales) and other transactions outside the ordinary course of business.

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>TTM Revenue</th>
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<tbody>
<tr>
<td>June 30, 2012</td>
<td>$10,000,000</td>
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6.13. Further Assurances. At any time or from time to time upon the request of the Administrative Agent or the Required Lenders, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent or the Required Lenders may reasonably request in order to effect fully the purposes of the Loan Documents.

6.14. Additional Collateral; Guarantors. Without limiting the generality of Section 6.13 and except as otherwise approved in writing by Required Lenders, the Credit Parties shall cause (i) each of their Domestic Subsidiaries (other than Domestic Subsidiaries owned indirectly by such Credit Party through a Foreign Subsidiary) and, (ii) to the extent no 956 Impact exists, Foreign Subsidiaries (other than Horizon UK, Horizon AG and Horizon GmbH), and Domestic Subsidiaries owned by such Credit Party indirectly through a Foreign Subsidiary, to, in each case, guarantee the Obligations and to cause each such Subsidiary to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in, subject to the limitations hereinafter set forth, all of such Subsidiary’s property and assets to secure such guaranty. Furthermore and except as otherwise approved in writing by Required Lenders, each Credit Party shall, and shall cause each of its Domestic Subsidiaries (other than Domestic Subsidiaries owned indirectly by such Credit Party through a Foreign Subsidiary) to, pledge all of the Equity Interests of each of its Domestic Subsidiaries (other than Domestic Subsidiaries owned indirectly through a Foreign Subsidiary) and first tier Foreign Subsidiaries (provided that, with respect to Horizon UK, Horizon AG and, if a 956 Impact exists, any other first tier Foreign Subsidiary, such pledge shall be limited to sixty five percent (65%) of such Foreign Subsidiary’s outstanding voting Equity Interests and one hundred percent (100%) of such Foreign Subsidiary’s outstanding non voting Equity Interests) and to the extent no 956 Impact exists, each of its Foreign Subsidiaries to pledge all of the Equity Interests of each of its Subsidiaries (other than the Equity Interests of Horizon GmbH owned by Horizon AG), in each instance, to the Administrative Agent, for the benefit of the Secured Parties, to secure the Obligations. In connection with each pledge of Equity Interests, the Credit Parties shall deliver, or cause to be delivered, to the Administrative Agent, irrevocable proxies and stock powers and/or assignments, as applicable, duly executed in blank. In the event any Credit Party or any Domestic Subsidiary (other than Domestic Subsidiaries owned indirectly through a Foreign Subsidiary or, to the extent no 956 Impact exists, any Domestic Subsidiary owned indirectly through a Foreign Subsidiary) or, any Domestic Subsidiary acquired any real estate (owned or leased), simultaneously with such acquisition, such Person shall execute and/or deliver, or cause to be executed and/or delivered, to the Administrative Agent, (v) an appraisal complying with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, (w) within forty-five days of receipt of notice from the Administrative Agent that such real estate is located in a Special Flood Hazard Area, Federal Flood Insurance, (x) a fully executed Mortgage, in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders together with an A.L.T.A. lender’s title insurance policy issued by a title insurer reasonably satisfactory to the Administrative Agent and the Required Lenders, in form and substance (including any endorsements) and in an amount reasonably satisfactory to the Administrative Agent and the Required Lenders insuring that the Mortgage is a valid and enforceable first priority Lien on the respective property, free and clear of all defects, encumbrances and Liens, (y)
then current A.L.T.A. surveys, certified to the Administrative Agent by a licensed surveyor sufficient to allow the issuer of the lender’s title insurance policy to issue such policy without a survey exception and (z) an environmental site assessment prepared by a qualified firm reasonably acceptable to the Administrative Agent and the Required Lenders, in form and substance satisfactory to the Administrative Agent and the Required Lenders. A “956 Impact” will be deemed to exist to the extent the issuance of a guaranty by, grant of a Lien by, or pledge of greater than two-thirds of the voting Equity Interests of, a Foreign Subsidiary, would result in material and onerous incremental income tax liability as reasonably determined by the Borrowers as a result of the application of Section 956 of the IRC, taking into account actual anticipated repatriation of funds, foreign tax credits and other relevant factors.

6.15. Filing of Actions. Horizon Pharma shall file an action against any applicant seeking FDA approval to market a generic version of DUEXIS or LODOTRA, including Par Pharmaceutical, Inc., as warranted after a reasonable, good faith pre-litigation review, alleging infringement of the patents identified in such applicant’s notice-of-certification letter pursuant to Section 505(j)(2)(B)(ii) of the U.S. Federal Food, Drug and Cosmetic Act within 45 days after receiving such applicant’s detailed statement of the factual and legal bases for such applicant’s opinion regarding invalidity, unenforceability and non-infringement of such patents. Horizon Pharma shall provide a copy of such applicant’s detailed statement and the related complaint filed by Horizon Pharma to the Administrative Agent and the Lenders in accordance with Section 11, and, upon reasonable request of the Lenders, will make its officers available to provide reasonable updates to the Lenders regarding the status of such litigation.

7. NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, until payment in full of all Obligations (other than inchoate indemnity obligations), such Credit Party shall not, and shall cause each of its Subsidiaries not to:

7.1. Dispositions. Convey, sell, lease, transfer, assign, exclusively license out, non-exclusively license out, agree to any covenant not to sue, co-existence agreement or otherwise dispose of (including any sale-leaseback), directly or indirectly and whether in one or a series of transactions, all or any part of its property or assets (collectively, “Transfer”), except (a) Transfers of Inventory in the ordinary course of business; (b) Transfers of worn out or obsolete Equipment; (c) Permitted Licenses; (d) Transfers made in connection with Permitted Liens and Permitted Investments; and (e) other Transfers made in the ordinary course of business on commercially reasonable arm’s length terms (collectively, “Permitted Transfers”). For clarification, a Transfer excludes a Change in Control.

7.2. Changes in Business, Management, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by it and such Subsidiary, as applicable, or reasonably incidental thereto; (b) liquidate or dissolve; or (c) have a change in senior management and a replacement satisfactory to such Credit Party’s Board of Directors is not made within ninety (90) days after such person’s departure.

No Credit Party shall, and shall not permit any of its Subsidiaries to, without at least thirty (30) days prior written notice to the Administrative Agent: (1) add any new office or business location, including a warehouse (unless such new office or business location contains less than Two Hundred and Fifty Thousand Dollars ($250,000) in such Credit Party’s assets or property) or deliver any portion of the Collateral valued, individually in excess of Two Hundred and Fifty Thousand Dollars ($250,000) or, in the aggregate, in excess of Five Hundred Thousand Dollars ($500,000) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificates, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If any Credit Party intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Five Hundred Thousand Dollars ($500,000) to a bailee, and the Administrative Agent and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which such Credit Party intends to deliver the Collateral, then such Credit Party will first receive the written consent of the Required Lenders, and such bailee shall execute and deliver a bailee agreement in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders.
7.3. **Mergers or Acquisitions.** (a) Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, except that (i) Horizon Pharma and Horizon may merge or consolidate with one another, provided that either Horizon Pharma or Horizon is the surviving entity, (ii) any Subsidiary of Horizon that is a Credit Party may merge or consolidate with Horizon or any other Subsidiary of Horizon that is a Credit Party provided that Horizon or such other Credit Party is the surviving entity, (iii) a Subsidiary of Horizon Pharma that is not a Credit Party may merge or consolidate with another Subsidiary of Horizon Pharma that is not a Credit Party, and (iv) a Subsidiary of Horizon Pharma that is not a Credit Party may merge or consolidate with a Credit Party, provided that such Credit Party is the surviving entity; or (b) make or enter into any contracts to make, or permit any of its Subsidiaries to make or enter into any contracts to make, Acquisitions outside the ordinary course of business, including, without limitation, any purchase of the assets of any division or line of business of any other Person, other than Permitted Acquisitions.

7.4. **Indebtedness.** Directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, other than Permitted Indebtedness.

7.5. **Encumbrance.** Except for Permitted Liens, create, incur, allow, or suffer any Lien on any of its property or assets, or assign or convey any right to receive income, including the sale of any Accounts, or permit any Collateral not to be subject to the first priority security interest granted herein or otherwise pursuant to the Collateral Documents.

7.6. **No Further Negative Pledges; Negative Pledge.**

(a) Except with respect to (i) specific property encumbered by Permitted Liens to secure payment of Permitted Indebtedness, (ii) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business, provided, however, that (x) such Credit Party shall use commercially reasonable efforts to limit any such restrictions to the extent it is a licensee and (y) such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be, and (iii) Permitted Licenses, no Credit Party nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired.

(b) No Credit Party will, and will not permit any Subsidiary to, sell, assign, transfer, exchange or otherwise dispose of any Equity Interests issued by any Subsidiary which are owned or otherwise held by such Credit Party or any Subsidiary, except (i) any Lien or claim in favor of Administrative Agent and (ii) sales, assignments, transfers, exchanges or other dispositions to another Credit Party or to qualify directors if required by applicable law; provided that, in the case of sales, assignments, transfers, exchanges or other dispositions to qualify directors as required by applicable law, such sale, assignment, transfer, exchange or other disposition shall be for the minimum number of Equity Interests as are necessary for such qualification under applicable law. No Credit Party will create, incur, assume or suffer to exist, any Lien on the Equity Interests issued by any Subsidiary which are owned or otherwise held by such Credit Party, except for any Lien or claim in favor of Administrative Agent.

7.7. **Maintenance of Collateral Accounts.** Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

7.8. **Distributions; Investments.** (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock; provided that (i) a Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) a Borrower may pay dividends solely in non-cash pay and non-redeemable capital stock; and (iii) a Borrower may repurchase the stock of former employees, directors or consultants pursuant to stock repurchase agreements so long as (A) an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase and (B) the amount paid for all such repurchases shall not exceed One Hundred Thousand Dollars ($100,000), in the aggregate, in any twelve (12) month period, or (b) directly or indirectly make any Investment other than Permitted Investments. Notwithstanding the foregoing, (i) Horizon shall be permitted to pay dividends or make distributions to Horizon Pharma, (ii) Subsidiaries that are not Credit Parties shall be permitted to
pay dividends or make distributions to the Borrowers, and (iii) Subsidiaries that are not Credit Parties shall be permitted to pay dividends or make distributions to other Subsidiaries that are not Credit Parties.

7.9. Restrictions on Subsidiary Distributions. Except pursuant to the Horizon AG Intercompany Note and the Additional Horizon AG Intercompany Note, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of Borrowers to (a) pay dividends or make any other distributions on any of such Subsidiary’s Equity Interests owned by Borrowers or any other Subsidiary of Borrowers, (b) repay or prepay any Indebtedness owed by such Subsidiary to Borrowers or any other Subsidiary of Borrowers, (c) make loans or advances to Borrowers or any other Subsidiary of Borrowers, or (d) transfer, lease or license any of its property or assets to Borrowers or any other Subsidiary of Borrowers other than restrictions (i) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and similar agreements entered into in the ordinary course of business, (ii) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Equity Interests not otherwise prohibited under this Agreement that imposes restrictions on such Equity Interests or assets or (iii) that exist under or by reason of applicable law.

7.10. Disposal of Subsidiary Interests. Except for the Liens arising under this Agreement and the other Loan Documents, directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Equity Interests of any of its Subsidiaries, except to qualify directors if required by applicable law.

7.11. Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of any Credit Party or any holder of 10% or more of the Equity Interests of any Credit Party or any of its Subsidiaries or any Person known by any Credit Party to be an Affiliate of any such holder of 10% or more of the Equity Interests of any Credit Party or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of such Credit Party’s business, upon fair and reasonable terms that are no less favorable to such Credit Party or such Subsidiary than would be obtained in an arm’s length transaction with a non-affiliated Person, (b) any transaction between and among any Credit Party and its Subsidiaries, (c) reasonable and customary fees paid to members of the Board of Directors (or similar governing body) of any Credit Party in the ordinary course of business, (d) reasonable compensation arrangements for officers and other employees of Horizon Pharma and its Subsidiaries entered into in the ordinary course of business, (e) Investments permitted under sub-clauses (e), (f) or (g) of the definition of Permitted Investments, and (f) Investments in Horizon Pharma comprised of the proceeds of equity financings and unsecured debt financings from Horizon Pharma’s investors, so long as all such Indebtedness is Subordinated Debt.

7.12. Subordinated Debt. Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or adversely affect the subordination thereof to Obligations owed to the Lenders.

7.13. Amendments or Waivers of Organizational Documents. Agree to any amendment, restatement, supplement or other modification to, or waiver of, any of its Operating Documents in a manner that would adversely affect its ability to perform its obligations under the Loan Documents or adversely affect the rights, remedies and benefits available to, or conferred upon, the Administrative Agent or any Lender under any Loan Document.

7.14. Fiscal Year. No Credit Party shall, nor shall it permit any of its Subsidiaries to, change its fiscal year.

7.15. Compliance. Become an “investment company” or a company controlled by an “investment company”, under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; no ERISA Affiliate shall cause or suffer to exist (a) any event that could result in the imposition of a Lien on any asset of a Credit Party or a Subsidiary of a Credit Party with respect to any Plan or Multiemployer Plan or (b) any other ERISA Event that, in
the case of clauses (a) and (b), would, in the aggregate, result in liabilities in excess of which reasonably could be expected to result in a Material Adverse Change; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Change; or permit the occurrence of any other event with respect to any present pension, profit sharing or deferred compensation plan which could reasonably be expected to result in a Material Adverse Change.

7.16. Compliance with Anti-Terrorism Laws. Administrative Agent hereby notifies each Credit Party that pursuant to the requirements of Anti-Terrorism Laws, and Administrative Agent’s and each Lender’s policies and practices, Administrative Agent and each Lender is required to obtain, verify and record certain information and documentation that identifies each Credit Party and its principals, which information includes the name and address of each Credit Party and its principals and such other information that will allow Administrative Agent and each Lender to identify such party in accordance with Anti-Terrorism Laws. No Credit Party will, nor will any Credit Party permit any Subsidiary or Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Each Credit Party shall immediately notify Administrative Agent and each Lender if any Credit Party has knowledge that any Credit Party or any Subsidiary or Affiliate is listed on the OFAC Lists or (a) is convicted on, (b) pleads nolo contendere to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. No Credit Party will, nor will any Credit Party permit any Subsidiary or Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.

7.17. Change in Business. Engage in any business, or permit any of its Subsidiaries to engage in any business, other than or reasonably related or incidental to the businesses currently engaged in by Horizon Pharma and its Subsidiaries on the Effective Date.

7.18. Amendments or Waivers of Material Contracts; Schedule 5.5(g) Agreements. Agree to (i) waive, amend, cancel or terminate, exercise or fail to exercise, any material rights constituting or relating to any of the agreements listed on Schedule 5.5(g) or any Material Contract or (ii) default under, or take any action or fail to take any action which with the passage of time or the giving of notice or both would constitute a default or event of default under, any of the agreements listed on Schedule 5.5(g) or any Material Contract, in each case which could have a material adverse effect on the rights of the Lenders or otherwise would reasonably be expected to result in a Material Adverse Change.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an “Event of Default”) under this Agreement:

8.1. Payment Default. Any Credit Party fails to (a) make any payment of any principal of any Term Loan when and as the same shall become due and payable, whether at the due date thereof (including pursuant to 2.2(c)) or at a date fixed for prepayment (whether voluntary or mandatory) thereof or by acceleration thereof or otherwise, (b) any payment of interest or premium pursuant to Section 2.2 on its due date, or (c) pay any other Obligations, in the case of this subclause (c) only, within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date or the date of acceleration pursuant to Section 9.1(a) hereof). A failure to pay any other Obligations pursuant to the foregoing subclause (c) prior to the end of such three (3) Business Day period shall not constitute an Event of Default;

8.2. Covenant Default.
(a) The Credit Parties fail or neglect to perform any obligation in Sections 6.2, 6.4, 6.5, 6.6, 6.7, 6.12 or 6.15 or violate any covenant in Section 7; or

(b) The Credit Parties fail or neglect to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified elsewhere in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, have failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by the Credit Parties be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then the Credit Parties shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this Section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3. Material Adverse Change. A Material Adverse Change occurs;

8.4. Attachment; Levy; Restraint on Business.

(a)(i) The service of process seeking to attach, by trustee or similar process, any funds of any Credit Party or of any entity under the control of any Credit Party (including a Subsidiary) on deposit or otherwise maintained with any Lender or any Lender’s Affiliate, or (ii) a notice of lien or levy is filed against Horizon Pharma’s or any of its Subsidiaries’ assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b)(i) Any material portion of Horizon Pharma’s or any of its Subsidiaries’ assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Horizon Pharma or any of its Subsidiaries from conducting any material part of its business;

8.5. Insolvency. (a) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Credit Party or any Subsidiary, or of a substantial part of the property of any Credit Party or any Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or any Subsidiary or for a substantial part of the property of any Credit Party or any Subsidiary; or (iii) the winding-up or liquidation of any Credit Party or any Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) any Credit Party or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (a) above; (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or any Subsidiary or for a substantial part of the property of any Credit Party or any Subsidiary; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding; (v) make a general assignment for the benefit of creditors; (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due; (vii) take any action for the purpose of effecting any of the foregoing; or (viii) wind up or liquidate;

8.6. Other Agreements. There is under any agreement to which a Credit Party or any Subsidiary is a party with a third party or parties, (i) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Two Hundred and Fifty Thousand Dollars ($250,000), individually, or in excess of Five Hundred Thousand Dollars ($500,000), when
aggregated with all other defaults by Credit Parties or any Subsidiary under agreements with third parties, or (ii) any default or breach by any Credit Party or any Subsidiary, the result of which could have a Material Adverse Change;

8.7. Judgments. One or more final judgments, orders, or decrees for the payment of money in an amount in excess of Two Hundred and Fifty Thousand Dollars ($250,000), individually, or in excess of Five Hundred Thousand Dollars ($500,000), when aggregated with all other final judgments, orders, or decrees for the payment of money (but excluding any final judgments, orders, or decrees for the payment of money that are covered by independent third-party insurance as to which liability has been accepted by such insurance carrier), shall be rendered against one or more Credit Parties or any Subsidiary and the same are not, within ten (10) days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay;

8.8. Misrepresentations. Any Credit Party or any Person acting for any Credit Party makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to the Administrative Agent and/or any Lender or to induce the Administrative Agent and/or any Lender to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made or renewed;

8.9. Loan Documents; Collateral. Any material provision of any Loan Document shall for any reason cease to be valid and binding on or enforceable against any Credit Party or any Subsidiary of any Credit Party thereto or any Credit Party or any Subsidiary of any Credit Party shall so state in writing or bring an action to limit its obligations or liabilities thereunder; or any Collateral Document shall for any reason (other than pursuant to the terms thereof) cease to create a valid security interest in the Collateral purported to be covered thereby or such security interest shall for any reason cease to be a perfected and first priority security interest in the Collateral subject thereto subject only to Permitted Liens; or

8.10. Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement.

8.11. Regulatory Approvals. (a) The FDA or any other Governmental Authority initiates enforcement action against Horizon Pharma or any of its Subsidiaries that causes Horizon Pharma or such Subsidiary to discontinue marketing or withdraw LODOTRA, DUEXIS or any Other Included Product in the United States or Europe, which enforcement action remains undischarged or unstayed for more than ninety (90) days; (b) the FDA or any other Governmental Authority issues a warning letter with respect to any manufacturing issue with respect to LODOTRA, DUEXIS or any Other Included Product to Horizon Pharma, any of its Subsidiaries or any non-Affiliate third party which provides manufacturing services to Horizon Pharma or any of its Subsidiaries which could reasonably be expected to result in a Material Adverse Change; or (c) Horizon Pharma or any of its Subsidiaries conducts a withdrawal or recall of LODOTRA, DUEXIS or any Other Included Product which could reasonably be expected to result in expenses payable by Horizon Pharma and its Subsidiaries in connection therewith in excess of the greater of (i) $2,500,000 or (ii) 7.5% of TTM Revenue of Horizon Pharma and its Subsidiaries as of the most recently ended fiscal quarter.

8.12. Entry of Generic Into Market. Prior to the Term Loan Maturity Date, (a) if there is a final decision on the merits (including any appealable decision) in any action seeking FDA approval to market a generic version of LODOTRA or DUEXIS (including the paragraph IV filing described on Schedule 5.6), finding that the marketing of a generic version of LODOTRA or DUEXIS would not infringe any issued U.S. patents covering LODOTRA or DUEXIS, as applicable, which are listed in the FDA’s Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book, or that none of such patents is valid and enforceable, or (b) if a Credit Party enters into a settlement of any such action, and in the case of either (a) or (b), such generic version of LODOTRA or DUEXIS enters the market in the United States.

9. RIGHTS AND REMEDIES UPON AN EVENT OF DEFAULT
9.1. Rights and Remedies. While an Event of Default occurs and continues the Administrative Agent may, and at the direction of the Majority Lenders shall, without notice or demand:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are automatically and immediately due and payable without any action by the Administrative Agent or the Required Lenders), whereupon all Obligations for principal, interest, premium or otherwise shall become due and payable by the Borrowers without presentment, demand, protest or other notice of any kind, which are all expressly waived by the Credit Parties hereby;

(b) stop advancing money or extending credit for Borrowers’ benefit under this Agreement;

(c) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that the Required Lenders consider advisable, notify any Person owing Borrowers money of the Administrative Agent’s security interest in such funds, and verify the amount of such account;

(d) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrowers shall assemble the Collateral if the Administrative Agent (at the direction of the Required Lenders) requests and make it available as the Administrative Agent (at the direction of the Required Lenders) designates. Administrative Agent (at the direction of the Required Lenders) may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrowers grant Administrative Agent a license to enter and occupy any of their premises, without charge, to exercise any of Administrative Agent’s rights or remedies;

(e) apply to the Obligations (i) any balances and deposits of Borrowers it holds, or (ii) any amount held by Administrative Agent owing to or for the credit or the account of Borrowers;

(f) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Administrative Agent is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrowers’ labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Administrative Agent’s exercise of its rights under this Section, Borrowers’ rights under all licenses and all franchise agreements inure to Administrative Agent’s benefit;

(g) place a “hold” on any account maintained with Administrative Agent and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(h) demand and receive possession of Borrowers’ Books; and

(i) exercise all rights and remedies available to Administrative Agent and/or any Lender under the Collateral Documents or any other Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

Administrative Agent and Lenders agree that in connection with any foreclosure or other exercise of rights under this Agreement or any other Loan Document with respect to the Intellectual Property, the rights of the licensees under the Permitted Licenses will not be terminated, limited or otherwise adversely affected so long as no default exists under the Permitted License in a way that would permit the licensor to terminate such Permitted License (commonly termed a non-disturbance).

9.2. Power of Attorney. Each Borrower hereby irrevocably appoints Administrative Agent as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower’s name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims
about the Accounts directly with Account Debtors, for amounts and on terms Administrative Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower’s insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Administrative Agent or a third party as the Code permits. Each Borrower hereby appoints Administrative Agent as its lawful attorney-in-fact to file or record any documents necessary to perfect or continue the perfection of Administrative Agent’s security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and neither Administrative Agent nor any Lender is under any further obligation to make Credit Extensions hereunder. Administrative Agent’s foregoing appointment as each Borrower’s attorney in fact, and all of Administrative Agent’s rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and each Lender’s obligation to provide Credit Extensions terminates.

9.3. Protective Payments. If Borrowers fail to obtain the insurance called for by Section 6.5 or fail to pay any premium thereon or fail to pay any other amount which Borrowers are obligated to pay under this Agreement or any other Loan Document, Administrative Agent, at the direction of the Required Lenders, may obtain such insurance or make such payment, and all amounts so paid by Administrative Agent are Lender Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Administrative Agent will make reasonable efforts to provide Borrowers with notice of Administrative Agent obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Administrative Agent are deemed an agreement to make similar payments in the future or Administrative Agent’s waiver of any Event of Default.

9.4. Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Administrative Agent shall apply any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations in such order as the Required Lenders shall determine in their sole discretion; it being understood that any such application of funds made for the benefit of the Lenders shall be made in accordance with their Pro Rata Share unless otherwise provided in this Agreement or any other Loan Document. Any surplus shall be paid to Borrowers or other Persons legally entitled thereto; Borrowers shall remain liable to Administrative Agent and the Lenders for any deficiency. If Administrative Agent (at the direction of the Required Lenders, in their good faith business judgment), directly or indirectly enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Administrative Agent shall have the option, exercisable at any time (acting at the direction of the Required Lenders), of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Administrative Agent of cash therefor.

9.5. Administrative Agent's Liability for Collateral. So long as Administrative Agent complies with reasonable agency practices regarding the safekeeping of the Collateral in the possession or under the control of Administrative Agent, Administrative Agent shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; or (c) any act or default of any carrier, warehouseman, bailee, or other Person. In no event shall Administrative Agent have any liability for any diminution in the value of the Collateral for any reason. Borrowers bear all risk of loss, damage or destruction of the Collateral.

9.6. No Waiver; Remedies Cumulative. Administrative Agent’s failure, at any time or times, to require strict performance by Borrowers of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Administrative Agent thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Administrative Agent’s rights and remedies under this Agreement and the other Loan Documents are cumulative. Administrative Agent has all rights and remedies provided under the Code, by law, or in equity. Administrative Agent’s exercise of one right or remedy is not an election and shall not preclude Administrative Agent from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Administrative Agent’s waiver of any Event of Default

- 36 -
is not a continuing waiver. Administrative Agent’s delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7. Demand Waiver. Borrowers waive demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Administrative Agent on which Borrowers are liable.

10. ADMINISTRATIVE AGENT

10.1. Appointment of Administrative Agent. Cortland is hereby appointed Administrative Agent hereunder and under the other Loan Documents and each Lender hereby authorizes Cortland to act as Administrative Agent in accordance with the terms hereof and the other Loan Documents. The Administrative Agent hereby agrees to act in its capacity as such upon the express conditions contained herein and the other Loan Documents, as applicable. The provisions of this Section 10 are solely for the benefit of the Administrative Agent and Lenders and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. Except as otherwise provided in Section 2.8(b), in performing its functions and duties hereunder, the Administrative Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Borrowers or any of their Subsidiaries.

10.2. Powers and Duties. Each Lender irrevocably authorizes the Administrative Agent to take such action on such Lender’s behalf and to exercise such powers, rights and remedies hereunder and under the other Loan Documents as are specifically delegated or granted to the Administrative Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. The Administrative Agent shall have only those duties and responsibilities that are expressly specified herein and the other Loan Documents and no implied duties or responsibilities shall be read into this Agreement against the Administrative Agent. The Administrative Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. The Administrative Agent shall not have, by reason hereof or any of the other Loan Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Loan Documents, express or implied, is intended to or shall be so construed as to impose upon the Administrative Agent any obligations in respect hereof or any of the other Loan Documents except as expressly set forth herein or therein.

10.3. General Immunity.

(a) No Responsibility for Certain Matters. The Administrative Agent shall not be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Loan Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by the Administrative Agent to the Lenders or by or on behalf of any Credit Party or any Lender in connection with the Loan Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall the Administrative Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, the Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Term Loans or the component amounts thereof.

(b) Exculpatory Provisions. The Administrative Agent and any of its officers, partners, directors, employees or agents shall not be liable to the Lenders for any action taken or omitted by the Administrative Agent under or in connection with any of the Loan Documents except to the extent caused by the Administrative Agent’s gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. The Administrative Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until the
Administrative Agent shall have received instructions in respect thereof from Required Lenders (or such other Lenders as may be required to give such instructions under Section 13.5) and, upon receipt of such instructions from Required Lenders (or such other Lenders, as the case may be), the Administrative Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. The Administrative Agent may distribute documents, deliverables or other materials to the Lenders for acceptance or rejection, and may, upon appropriate notice, rely on the lack of an objection by Lenders as a deemed approval of the action presented. Without prejudice to the generality of the foregoing, (i) the Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Borrowers and their Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or (where so instructed) refraining from acting hereunder or any of the other Loan Documents in accordance with the instructions of Required Lenders (or such other Lenders as may be required to give such instructions under Section 13.5).

(c) Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Section 10.3 and of Section 10.6 shall apply to any of the Affiliates of the Administrative Agents, and shall apply to their respective activities as Administrative Agent. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 10.3 and of Section 10.6 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to the Administrative Agent, and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent. 

10.4. Administrative Agent Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, the Administrative Agent to the extent, if any, of its individual capacity as a Lender hereunder. With respect to any participation in the Term Loans, the Administrative Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term “Lender” shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent and its respective Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Borrowers or any of their Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Borrowers for services in connection herewith and otherwise without having to account for the same to Lenders.

10.5. Lenders’ Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Borrowers and their Subsidiaries in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Borrowers and their Subsidiaries. The Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any
Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Term Loans or at any time or times thereafter, and the Administrative Agent shall not have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender on the Effective Date shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by the Administrative Agent, Required Lenders or Lenders, as applicable on the Effective Date.

10.6. Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify the Administrative Agent, to the extent that the Administrative Agent shall not have been reimbursed by any Credit Party, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Loan Documents or otherwise in its capacity as the Administrative Agent in any way relating to or arising out of this Agreement or the other Loan Documents; provided, no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent’s gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. If any indemnity furnished to the Administrative Agent for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, the Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify the Administrative Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender’s Pro Rata Share thereof; and provided further, this sentence shall not be deemed to require any Lender to indemnify the Administrative Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

10.7. Successor Administrative Agent. The Administrative Agent may resign at any time by giving thirty days’ prior written notice thereof to Lenders and Borrowers, and the Administrative Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to Borrowers and the Administrative Agent and signed by Required Lenders. Upon any such notice of resignation or any such removal, Required Lenders shall have the right, upon five Business Days’ notice to Borrowers, to appoint a successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent and the resigning or removed Administrative Agent shall promptly transfer to such successor Administrative Agent all sums, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Loan Documents. If the Required Lenders have not appointed a successor Administrative Agent, the Administrative Agent shall have the right to appoint a financial institution to act as Administrative Agent hereunder and in any case, the Administrative Agent’s resignation shall become effective on the thirtieth day after such notice of resignation. If neither the Required Lenders nor the Administrative Agent has appointed a successor Administrative Agent, the Required Lenders shall be deemed to have succeeded to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent. After any resigning or removed Administrative Agent’s resignation or removal hereunder as Administrative Agent, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder.


(a) Administrative Agent under Collateral Documents and Guaranty. Each Lender hereby further authorizes the Administrative Agent, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Lenders with respect to any guaranty, the Collateral and the Collateral Documents. Subject to Section 13.5, without further written consent or authorization from any Lenders, the Administrative Agent shall, at the request and expense of Credit Parties, execute any documents or instruments necessary to, (i) in
connection with a sale or disposition of assets permitted by this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which Required Lenders (or such other Lenders as may be required to give such consent under Section 13.5) have otherwise consented or (ii) release any Guarantor from any guaranty or with respect to which Required Lenders (or such other Lenders as may be required to give such consent under Section 13.5) have otherwise consented.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Loan Documents to the contrary notwithstanding, each Credit Party, the Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral or to enforce any guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent of any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the Lenders (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Administrative Agent at such sale or other disposition.

10.9. Withholding Taxes.

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective or for any other reason, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

11. NOTICES

11.1. All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address (if any) indicated below. Administrative Agent, any Lender or Credit Party may change its mailing or electronic mail address or facsimile number by giving all other parties hereto written notice thereof in accordance with the terms of this Section 11.1.

If to Borrowers: c/o Horizon Pharma, Inc.
520 Lake Cook Road
Deerfield, Illinois 60015
Attn: Timothy P. Walbert
Fax: (847) 572-1372
Email: twalbert@horizonpharma.com

with a copy to: Cooley LLP
4401 Eastgate Mall
11.2. Each Credit Party further agrees that the Administrative Agent may make any communications available to the Lenders by posting such communications on SyndTrak or a substantially similar secure electronic transmission system (the “Platform”). Any such posting shall be deemed notice to the Lenders for all purposes hereunder. The Platform is provided “as is” and “as available.” The Administrative Agent does not warrant the accuracy or completeness of any such communications, or the adequacy of the Platform and expressly disclaims liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent in connection with such communications or the Platform. In no event shall the Administrative Agent have any liability to the Credit Parties, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party’s or the Administrative Agent’s transmission of communications through the Internet, except to the extent the liability of such person is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such person’s gross negligence or willful misconduct.

11.3. Each Credit Party hereby authorizes the Administrative Agent to distribute (i) to Private Siders all communications to be made to any Lender pursuant to this Agreement or any other Loan Document, including any
such communication that Borrowers identify in writing is to be distributed to Private Siders only ("Private Side Communications"), and (ii) to Public Siders all communications to be made to any Lender pursuant to Section 6.2(c) (solely to the extent delivered to Horizon Pharma’s securityholders generally and on a non-confidential basis), Section 6.2(d) and Section 6.2(i) (solely to the extent the substance of such communications is publicly disclosed) or as otherwise designated in writing by the Borrowers as communications that do not contain MNPI ("Public Side Communications"). To the extent that the event giving rise to a communication pursuant to Section 6.2(i) is a reportable event on Form 8-K under the rules and regulations of the Exchange Act, Horizon Pharma shall publicly disclose such event within four Business Days. Borrowers represent and warrant that no Public Side Communication contains any MNPI. Borrowors agree to use all commercially reasonable efforts to not designate any communications provided under Section 6.2(a)(i), (a)(iii) and (a)(iv) as Private Side Communications except to the extent that the Borrowers believe in good faith that such communications contain MNPI. “Private Siders” shall mean Lenders’ employees and representatives who have declared that they are authorized to receive MNPI and have expressly agreed to maintain such information in confidence. “Public Siders” shall mean Lenders’ employees and representatives who have not declared that they are authorized to receive MNPI; it being understood that Public Siders may be engaged in investment and other market-related activities with respect to any Borrower’s or its affiliates’ securities or loans. “MNPI” shall mean material non-public information (within the meaning of United States federal securities laws) with respect to any Borrower, its affiliates and any of their respective securities, business or operations.

Each Lender acknowledges that United States federal and state securities laws prohibit any person from purchasing or selling securities on the basis of material, non-public information concerning the issuer of such securities or, subject to certain limited exceptions, from communicating such information to any other person. Each Lender confirms that it has developed procedures designed to ensure compliance with these securities laws.

Each Lender acknowledges that circumstances may arise that require it to refer to communications that may contain MNPI. Accordingly, each Lender agrees that, upon the occurrence of any such circumstances, it will use commercially reasonable efforts to designate at least one individual to receive Private Side Communications on its behalf in compliance with its procedures and applicable law and identify such designee (including such designee’s contact information). Each Lender agrees to notify the Administrative Agent in writing from time to time of such Lender’s designee’s e-mail address to which notice of the availability of Private Side Communications may be sent by electronic transmission.

Each Lender that elects not to be given access to Private Side Communications does so voluntarily and, by such election, (i) acknowledges and agrees that the Administrative Agent and other Lenders may have access to Private Side Communications that such electing Lender does not have and (ii) takes sole responsibility for the consequences of, and waives any and all claims based on or arising out of, not having access to Private Side Communications.

12. CHOICE OF LAW, VENUE, AND JURY TRIAL WAIVER

New York law governs the Loan Documents without regard to principles of conflicts of law. Credit Parties, the Administrative Agent and Lenders each submit to the exclusive jurisdiction of the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court; provided, however, that nothing in this Agreement shall be deemed to operate to preclude the Administrative Agent from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of the Administrative Agent, for the ratable benefit if the Lenders. Each Credit Party expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each Credit Party hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each Credit Party hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to such Credit Party at the address set forth in Section 11 of this Agreement.
and that service so made shall be deemed completed upon the earlier to occur of such Credit Party’s actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

**TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, CREDIT PARTIES, THE ADMINISTRATIVE AGENT, AND THE LENDERS EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.**

13. **GENERAL PROVISIONS**

13.1. **Successors and Assigns.** This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No Credit Party may transfer, pledge or assign this Agreement or any other Loan Document or any rights or obligations under hereunder or thereunder without the Administrative Agent’s and each Lender’s prior written consent. The Lenders have the right, without the consent of the Borrowers, to sell, transfer, assign, pledge, negotiate, or grant participation in (such any sale, transfer, assignment, negotiation, or grant of a participation, a “**Lender Transfer**”) all or any part of, or any interest in, the Lenders’ obligations, rights, and benefits under this Agreement and the other Loan Documents to any Eligible Assignee. Borrowers and the Administrative Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned until the Administrative Agent shall have received and accepted an effective Assignment Agreement executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee as the Administrative Agent reasonably shall require.

13.2. **Indemnification; Costs and Expenses.**

(a) Borrowers agree to indemnify and hold harmless Administrative Agent and each Lender and each respective manager, partner, director, officer, employee, agent, attorney and affiliate thereof (each such person, an “**Indemnified Person**”) from and against any and all Indemnified Liabilities; provided, (i) no Credit Party shall have any obligation to any Indemnified Person hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of that Indemnified Person, in each case, as determined by a final, non-appealable judgment of a court of competent jurisdiction, and (ii) no Credit Party shall be liable for any settlement of any claim or proceeding effected by any Indemnified Person without the prior written consent of such Credit Party (which consent shall not be unreasonably withheld or delayed), but if settled with such consent or if there shall be a final judgment against an Indemnified Person, each of the Credit Parties shall indemnify and hold harmless such Indemnified Person from and against any loss or liability by reason of such settlement or judgment in the manner set forth in this Agreement.

(b) To the extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against each Lender, the Administrative Agent and their respective Affiliates, directors, employees, attorneys, agents or sub-agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, arising out of, as a result of, or in any way related to, this Agreement or any Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Term Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each Credit Party hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(c) Any action taken by any Credit Party under or with respect to any Loan Document, even if required under any Loan Document or at the request of the Administrative Agent or the Required Lenders, shall be at the expense of such Credit Party, and neither the Administrative Agent nor any other Secured Party shall be required under any Loan Document to reimburse any Credit Party or any Subsidiary of any Credit Party therefor except as expressly provided therein. In addition, the Borrowers agree to pay or reimburse upon demand (i) the
Administrative Agent and each Lender for all reasonable out-of-pocket costs and expenses incurred by it or any of its directors, employees, attorneys, agents or sub-agents, in connection with the investigation, development, preparation, negotiation, syndication, execution, interpretation or administration of, any modification of any term of or termination of, any Loan Document, any commitment or proposal letter therefor, any other document prepared in connection therewith or the consummation and administration of any transaction contemplated therein, in each case including Agent Expenses to the Administrative Agent, (ii) the Administrative Agent for all reasonable costs and expenses incurred by it or any of its directors, employees, attorneys, agents or sub-agents, in connection with internal audit reviews and Collateral, (iii) the Administrative Agent and its directors, employees, attorneys, agents and sub-agents, for all costs and expenses incurred in connection with (A) any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a “work-out”, (B) the enforcement or preservation of any right or remedy under any Loan Document, any Obligation, with respect to the Collateral or any other related right or remedy or (C) the commencement, defense, conduct of, intervention in, or the taking of any other action with respect to, any proceeding (including any bankruptcy or insolvency proceeding) related to any Credit Party, any Subsidiary of any Credit Party, Loan Document or Obligation (or the response to and preparation for any subpoena or request for document production relating thereto), including Agent Expenses and (iv) fees and disbursements of one law firm, one financial advisor and one law firm in each relevant jurisdiction, in each case including Agent Expenses to the Administrative Agent, (ii) the Administrative Agent for all reasonable costs and expenses incurred by it or any of its directors, employees, attorneys, agents or sub-agents in connection with internal audit reviews and Collateral, (iii) the Administrative Agent and its directors, employees, attorneys, agents and sub-agents, for all costs and expenses incurred in connection with (A) any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a “work-out”, (B) the enforcement or preservation of any right or remedy under any Loan Document, any Obligation, with respect to the Collateral or any other related right or remedy or (C) the commencement, defense, conduct of, intervention in, or the taking of any other action with respect to, any proceeding (including any bankruptcy or insolvency proceeding) related to any Credit Party, any Subsidiary of any Credit Party, Loan Document or Obligation (or the response to and preparation for any subpoena or request for document production relating thereto), including Agent Expenses and (iv) fees and disbursements of one law firm, one financial advisor and one law firm in each relevant jurisdiction, in each case, on behalf of all Lenders (other than the Administrative Agent) incurred in connection with any of the matters referred to in clause (iii) above, and, in the case of an alleged conflict of interest, one additional law firm, one additional financial advisor and one additional law firm in each relevant jurisdiction to all affected Lenders taken as a whole.

13.3. Severability of Provisions. In case any provision in or obligation hereunder or under any other Loan Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

13.4. Correction of Loan Documents. The Administrative Agent may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties so long as the Administrative Agent provides Credit Parties with written notice of such correction and allows Credit Parties at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by the Administrative Agent, Required Lenders and Credit Parties.

13.5. Amendments in Writing; Integration. (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, or any consent to any departure by the Borrowers therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrowers, Administrative Agent and the Required Lenders provided that

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender’s Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender’s written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Administrative Agent shall be effective without Administrative Agent’s written consent or signature;

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Term Loan (B) postpone the date fixed for, or waive, any payment of principal of any Term Loan or of interest on any Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term “Majority Lenders”, “Required Lenders” or the percentage of Lenders which shall be required for Lenders to take any action hereunder; (D) release all or substantially all or any material portion of the Collateral or release any guarantor of all or any portion of the Obligations or its guaranty obligations with respect thereto, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 13.5 or the definitions
of the terms used in this Section 13.5 insofar as the definitions affect the substance of this Section 13.5; (F) consent to the assignment, delegation or other transfer by Borrowers of any of their rights and obligations under any Loan Document or release Borrowers of their payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 2.2(e), Section 9.4 or amend any of the definitions Pro Rata Share, Term Loan Commitment, Commitment Percentage or any other definitions or provisions that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral under any Loan Document to the extent any such amendment would modify the Pro Rata Share treatment of any fees, payments, setoffs or proceeds of Collateral under any Loan Document as in effect on the Effective Date; (H) subordinate the Liens granted in favor of Administrative Agent securing the Obligations; or (I) amend any of the provisions of Section 13.10. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the preceding sentence;

(iv) the provisions of the foregoing clauses (i), (ii) and (iii) are subject to the provisions of any interlender or agency agreement among the Lenders and Administrative Agent pursuant to which any Lender may agree to give its consent in connection with any amendment, waiver or modification of the Loan Documents only in the event of the unanimous agreement of all Lenders.

(b) Other than as expressly provided for in Section 13.5(a)(i)-(iii), Administrative Agent may, if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.

(c) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

13.6. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

13.7. Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been paid in full and satisfied. The obligation of Credit Parties in Section 13.2 to indemnify the Administrative Agent and the Lenders shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

13.8. Confidentiality. In handling any non-public information regarding Credit Parties and their Subsidiaries and their businesses which would reasonably be expected to be confidential, the Administrative Agent and each Lender shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to any Lender’s Subsidiaries or Affiliates; (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, each Lender shall use its best efforts to obtain any of its prospective transferee’s or purchaser’s agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to any Lender’s regulators or as otherwise required in connection with such Lender’s examination or audit; (e) as the Administrative Agent considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of the Administrative Agent or any Lender so long as such service providers have executed a confidentiality agreement with the Administrative Agent or Lender, as applicable, with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in the Administrative Agent’s or in any Lender’s possession when disclosed to the Administrative Agent or to any Lender, or becomes part of the public domain after disclosure to the Administrative Agent or any Lender other than as a result of a breach by the Administrative Agent or a Lender of the obligations under this Section 13.8; or (ii) disclosed to the Administrative Agent or any Lender by a third party if the Administrative Agent or such Lender does not know that the third party is prohibited from disclosing the information.
Lenders may use confidential information for the development of databases, reporting purposes, and market analysis so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly permitted by Credit Parties. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

13.9. Attorneys’ Fees, Costs and Expenses. In any action or proceeding between any Credit Party and Administrative Agent and/or any Lender arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys’ fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

13.10. Right of Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of an Event of Default and at any time thereafter during the continuance of any Event of Default, each Lender and, to the extent monies are held by the Administrative Agent, the Administrative Agent is hereby authorized by each Credit Party at any time or from time to time subject (with respect to each Lender) to the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), without notice to any Credit Party or to any other Person (other than the Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by such Lender to or for the credit or the account of any Credit Party against and on account of the obligations and liabilities of any Credit Party to such Lender hereunder and under the other Loan Documents, including all claims of any nature or description arising out of or connected hereto or with any other Loan Document, irrespective of whether or not (a) such Lender shall have made any demand hereunder or (b) the principal of or the interest on the Term Loans or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured.

13.11. Marshalling; Payments Set Aside. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or Lenders (or to the Administrative Agent, on behalf of the Secured Parties), or the Administrative Agent or Lenders enforce any Liens or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

13.12. Obligations Several; Independent Nature of Lenders’ Rights. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Term Commitment of any other Lender hereunder. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

13.13. Electronic Execution of Documents. The words “execution,” “signed,” “signature” and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

13.14. Captions. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.
13.15. Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

13.16. Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13.17. No Fiduciary Duty. The Administrative Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Credit Parties. Each Credit Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders, on the one hand, and such Credit Party, its Subsidiaries, and any of their respective stockholders or affiliates, on the other hand. Each Credit Party acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and such Credit Party, its Subsidiaries and their respective affiliates, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of such Credit Party, its Subsidiaries or their respective affiliates, management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its Subsidiaries or their respective affiliates with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its affiliates has advised or is currently advising such Credit Party, its Subsidiaries or their respective affiliates on other matters) or any other obligation to such Credit Party, its Subsidiaries or their respective affiliates except the obligations expressly set forth in the Loan Documents and (iv) each Credit Party, its Subsidiaries and their respective affiliates have consulted their own legal and financial advisors to the extent each deemed appropriate. Each Credit Party further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, its Subsidiaries or their respective affiliates in connection with such transaction or the process leading thereto.

13.18. Borrower Liability. Either Borrower may, acting singly, request Term Loans hereunder. Each Borrower hereby appoints the other as agent for the other for all purposes hereunder, including with respect to requesting Term Loans hereunder. Each Borrower hereunder shall be jointly and severally obligated to repay all Term Loans made hereunder, regardless of which Borrower actually receives said Term Loan, as if each Borrower hereunder directly received all Term Loans. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law and (b) any right to require the Administrative Agent or the Lenders to: (i) proceed against any other Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. The Administrative Agent and the Lenders may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting any other Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of the Administrative Agent and the Lenders under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by any Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by any Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section shall be null and void. If any payment is made to a Borrower in contravention of this Section, such Borrower shall hold such payment in trust for the Administrative Agent and the Lenders and such payment shall be promptly delivered to the Administrative Agent for application to the Obligations, whether matured or unmatured.
14. DEFINITIONS

14.1. Definitions. As used in the Loan Documents, the word “shall” is mandatory, the word “may” is permissive, the word “or” is not exclusive, the words “includes” and “including” are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in parentheses are negative. As used in this Agreement, the following capitalized terms have the following meanings:

“Account” is any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable, book debts, and other sums owing to Credit Parties.

“Account Debtor” is any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

“Acquisition” means (a) any Stock Acquisition, or (b) any Asset Acquisition.

“Additional Horizon AG Intercompany Note” is defined in Section 3.1(s).

“Administrative Agent” is defined in the preamble hereof.

“Adverse Proceeding” means any action, suit, proceeding, hearing (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any Credit Party or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims), whether pending or, to the knowledge of any Credit Party or any of its Subsidiaries, threatened against or adversely affecting any Credit Party or any of its Subsidiaries or any property of any Credit Party or any of its Subsidiaries.

“Affiliate” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company or limited liability partnership, that Person’s managers and members. As used in this definition, “control” means (i) direct or indirect beneficial ownership of at least 50% (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) of the voting share capital or other equity interest in a Person or (ii) the power to direct or cause the direction of the management of such Person by contract or otherwise. In no event shall any Lender be deemed to be an Affiliate of Horizon Pharma or any of its Subsidiaries.

“Agent Expenses” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) of the Administrative Agent for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to the Credit Parties in connection with the Loan Documents.

“Agreement” is defined in the preamble hereof.

“Amortization Election” means a notice delivered by a Lender to Borrowers electing to have a portion of its Term Loans prepaid pursuant to Section 2.2(c)(v).

“Amortization Payment Date” means, with respect to any Amortization Election delivered to Borrowers in accordance with Section 2.2(c)(v), the first day of Horizon Pharma’s first fiscal quarter following the delivery of such Amortization Election.

“Anti-Terrorism Laws” means any laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.
“Applicable Accounting Standards” means (i) with respect to Horizon and Horizon Pharma, generally accepted accounting principles in the United States as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, and (ii) with respect to Horizon AG, Horizon GmbH and Horizon UK, the International Financial Reporting Standards.

“Approved Fund” means any (i) investment company, fund, trust, securitization vehicle or conduit that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business or (ii) any Person (other than a natural person) which temporarily warehouses loans for any Lender or any entity described in the preceding clause (i) and that, with respect to each of the preceding clauses (i) and (ii), is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) a Person (other than a natural person) or an Affiliate of a Person (other than a natural person) that administers or manages a Lender.

“Asset Acquisition” means (i) any purchase, inbound license or other acquisition by a Borrower or any of its Subsidiaries of all or substantially all of the assets of any other Person or (ii) any other purchase or acquisition of any property or assets of another Person (other than any such purchase or acquisition of property or assets for administrative expenses and other ordinary course operating expenses) for any purpose other than the commercialization, marketing, importing, exporting, distribution, development, or production of DUEXIS or LODOTRA, but excluding from this clause (ii) any co-promotion or co-marketing arrangement regarding any product which would be developed for marketing by the same field sales force as DUEXIS or LODOTRA, calling on the same target physician group, with (a) an expected positive impact (as reasonably determined by a Responsible Officer in good faith and based upon reasonable assumptions) on Consolidated EBITDA of Horizon Pharma and its Subsidiaries on a pro forma basis as of the end of the 12 month period following commencement of such co-promotion or co-marketing arrangement, and (b) no more than a total of $5,000,000 payable by a Borrower or any of its Subsidiaries to the counterparty in upfront or deferred payments over the term of this Agreement.

“Assignment Agreement” means an Assignment and Assumption Agreement in the form attached hereto as Exhibit E, with such amendments or modifications as may be approved by the Administrative Agent.


“Blocked Person” means (a) any Person listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) a Person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224, or (e) a Person that is named a “specially designated national” or “blocked person” on the most current list published by OFAC or other similar list.

“Board of Directors” means, with respect to any person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers of such person, or if there is none, the Board of Directors of the managing member of such person, (iii) in the case of any partnership, the Board of Directors of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

“Board of Governors” means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

“Books” are all books and records including ledgers, federal and state Tax returns, records regarding a Credit Party’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.
“Borrower” is defined in the preamble hereof.

“Borrowing Resolutions” are, with respect to any Person, those resolutions adopted by such Person’s Board of Directors and delivered by such Person to Administrative Agent approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its Secretary on behalf of such Person certifying that (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that attached as Exhibit A to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Administrative Agent may conclusively rely on such certificate unless and until such Person shall have delivered to Administrative Agent a further certificate canceling or amending such prior certificate.

“BPC” is defined in Section 3.1(w).

“Business Day” is any day that is not a Saturday or a Sunday or a day on which banks are authorized or required to be closed in New York, New York.

“Cash Equivalents” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve (12) months from the date of acquisition; (b) commercial paper issued by any Person in the United States, Switzerland or Germany maturing no more than twelve (12) months after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; (c) Dollar, Euro or Swiss Franc (CHF) denominated certificates of deposit maturing no more than twelve (12) months after issue of any Lender or any commercial bank having, or which is the principal banking subsidiary of a bank holding company having, the highest long-term unsecured debt rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; and (d) investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (a) through (c) above. Notwithstanding the foregoing, Cash Equivalents do not include and the Credit Parties and their Subsidiaries are prohibited from purchasing, purchasing participations in, entering into any type of swap or other equivalent derivative transaction, or otherwise holding or engaging in any ownership interest in any type of debt instrument, including, without limitation, any corporate or municipal bonds with a long-term nominal maturity for which the interest rate is reset through a dutch auction and more commonly referred to as an auction rate security.

“Change in Control” shall mean (i) a transaction in which any “person” or “group” (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of a Borrower ordinarily entitled to vote in the election of directors, empowering such “person” or “group” to elect a majority of the Board of Directors of a Borrower, who did not have such power before such transaction or (ii) the replacement of a majority of the Board of Directors of Horizon Pharma over a two-year period from the directors who constituted the Board of Directors of Horizon Pharma at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the Board of Directors of Horizon Pharma then still in office who either were members of such Board of Directors at the beginning of such period or whose election as a member of such Board of Directors was previously so approved.

“Change in Control Notice” is defined in Section 2.2(c)(iv).

“Change in Control Premium” means, with respect to any Term Loan subject to prepayment pursuant to Section 2.2(c)(iv) upon a Change in Control, an additional fee in an amount equal to one percent (1%) of the principal amount of such Term Loan prepaid.

“Change in Control Prepayment Election” is defined in Section 2.2(c)(iv).

- 50 -
“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking into effect of any law, treaty, order, policy, rule or regulation, (b) any change in any law, treaty, order, policy, rule or regulation or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Code” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, the Administrative Agent’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“Collateral” means, collectively, “Collateral” (as defined in the Security Agreement) and all other property of whatever kind and nature subject or purported to be subject from time to time to a Lien hereunder or under any Collateral Document.

“Collateral Account” is any Deposit Account, Securities Account, or Commodity Account.

“Collateral Documents” means the Security Agreement, the Control Agreements, the IP Agreements, any Mortgages and all other bailee waivers, instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Loan Documents, in each case in order to grant to the Administrative Agent, for the benefit of Lenders, or perfect, a Lien on any real, personal or mixed property of that Credit Party as security for the Obligations.

“Commodity Account” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

“Company IP” is defined in Section 5.5(d).

“Company IP Agreement” is defined in Section 5.5(g).

“Compliance Certificate” is that certain certificate in the form attached hereto as Exhibit B.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated EBITDA” means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Subsidiaries for such period, plus without duplication, the sum of the following amounts of such Person and its Subsidiaries for such period and to the extent deducted in determining Consolidated Net Income of such Person and its Subsidiaries for such period: (i) Consolidated Net Interest Expense, (ii) net income tax expense, (iii) depreciation expense, (iv) amortization expense, (v) non-cash stock compensation expense recorded pursuant to FASB 123R, and (vi) to the extent actually paid during such period, fees and expenses related to the consummation of the transactions contemplated to be closed on the Effective Date under this Agreement.

“Consolidated Net Income” means, with respect to any Person for any period, the net income (loss) of such Person and its Subsidiaries for such period, determined on a consolidated basis and in accordance with
Applicable Accounting Standards, but excluding from the determination of Consolidated Net Income (without duplication) (a) any non-cash extraordinary or non-recurring gains or losses or non-cash gains or losses from Transfers, (b) restructuring charges, (c) effects of discontinued operations, (d) interest that is paid-in-kind, (e) interest income, (f) any tax refunds, net operating losses or other net tax benefits received during such period on account of any prior period and (g) the net income (or loss) of any Person accrued prior to the date (x) it becomes a Subsidiary or (y) all or substantially all of the property or assets of such Person are acquired by a Subsidiary.

“Consolidated Net Interest Expense” means, with respect to any Person for any period, gross cash interest expense of such Person and its Subsidiaries for such period determined on a consolidated basis and in accordance with Applicable Accounting Standards (including interest expense paid to Affiliates of such Person), less (i) the sum of (A) interest income for such period and (B) gains for such period on Hedging Agreements related to interest rates (to the extent not included in interest income above and to the extent not deducted in the calculation of gross interest expense), plus (ii) the sum of (A) losses for such period on Hedging Agreements related to interest rates (to the extent not included in such gross interest expense) and (B) the upfront costs or fees for such period associated with Hedging Agreements related to interest rates (to the extent not included in such gross interest expense), in each case, determined on a consolidated basis and in accordance with Applicable Accounting Standards.

“Contingent Obligation” is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but “Contingent Obligation” does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“Control Agreement” is any control agreement entered into among the depository institution at which a Credit Party maintains a Deposit Account or the securities intermediary or commodity intermediary at which a Credit Party maintains a Securities Account or a Commodity Account, such Credit Party, and the Administrative Agent pursuant to which the Administrative Agent obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“Copyrights” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret (and all related IP Ancillary Rights).

“Credit Extension” is any Term Loan or any other extension of credit by the Lenders for a Borrower’s benefit.

“Credit Party” is each Borrower and each Guarantor.

“Default” means an event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Default Excess” means, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender’s Pro Rata Share of the aggregate outstanding principal amount of Term Loans of all Lenders (calculated as if all Defaulting Lenders (including such Defaulting Lender) had funded all of their respective Defaulted Loans) over the aggregate outstanding principal amount of all Term Loans of such Defaulting Lender.

“Default Period” means, with respect to any Defaulting Lender, the period commencing on the date of the applicable Funding Default and ending on the earliest of the following dates: (i) the date on which all Term
Commitments are cancelled or terminated and/or the Obligations are declared or become immediately due and payable, (ii) the date on which the Default Excess with respect to such Defaulting Lender shall have been reduced to zero and (iii) the date on which Credit Parties, Administrative Agent and Required Lenders waive all Funding Defaults of such Defaulting Lender in writing.

“Defaulted Loan” is defined in Section 2.7.

“Defaulting Lender” is defined in Section 2.7.

“Deposit Account” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.

“Dollars,” “dollars” or use of the sign “$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “$” sign to denote its currency or may be readily converted into lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary other than a Foreign Subsidiary.

“DUEXIS” means DUEXIS® and any combination pharmaceutical product of Famotidine and Ibuprofen in the same dosage strengths or various formulations.

“Effective Date” is defined in the preamble hereof.

“Eligible Assignee” means (i) a Lender (other than a Defaulting Lender), (ii) an Affiliate of a Lender (other than a Defaulting Lender), (iii) an Approved Fund (other than an Approved Fund of a Defaulting Lender) or (iv) any other Person acceptable (which acceptance shall not be unreasonably withheld or delayed) to the Administrative Agent; provided that notwithstanding the foregoing, “Eligible Assignee” shall not include the Borrowers, any of the Borrowers’ Affiliates or Subsidiaries.

“Environmental Claim” means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (iii) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

“Environmental Laws” means any and all current or future foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Approvals, or any other requirements of Governmental Authorities relating to (i) environmental matters, including those relating to any Hazardous Materials Activity; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to any Credit Party or any of its Subsidiaries or any Facility.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“Equity Interests” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

“ERISA” is the Employee Retirement Income Security Act of 1974, and its regulations.
“ERISA Affiliate” shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414 of the IRC.

“ERISA Event” shall mean (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived by regulation); (b) with respect to a Plan, the failure to satisfy the minimum funding standard of Section 412 of the IRC and Section 302 of ERISA, whether or not waived; (c) the failure to make by its due date a required installment under Section 430(i) of the IRC (or Section 430(i) of the IRC, as amended by the Pension Protection Act of 2006) with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan; (d) the filing pursuant to Section 412(c) of the IRC or Section 303(c) of ERISA (or after the effective date of the Pension Protection Act of 2006, Section 412(c) of the IRC and Section 302(c) of ERISA) of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the incurrence by Horizon Pharma or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) the receipt by Horizon Pharma or its Subsidiaries or any of their respective ERISA Affiliates from the Pension Benefit Guaranty Corporation (referred to and defined in ERISA) or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (g) the incurrence by Horizon Pharma or its Subsidiaries or any of their respective ERISA Affiliates of any liability with respect to the withdrawal from any Plan or Multiemployer Plan; (h) the receipt by Horizon Pharma or its Subsidiaries or any of their respective ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (i) the “substantial cessation of operations” within the meaning of Section 4062(e) of ERISA with respect to a Plan; (j) the making of any amendment to any Plan which could result in the imposition of a lien or the posting of a bond or other security; and (k) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the IRC or Section 406 of ERISA) which could reasonably be expected to result in material liability to Horizon Pharma or its Subsidiaries.

“Event of Default” is defined in Section 8.

“Event of Loss” means with respect to any property or assets, any of the following: (a) any loss, destruction or damage of such property or assets; (b) any transfer in lieu of any pending or threatened institution of any proceedings for the condemnation or seizure of such property or assets or for the exercise of any right of eminent domain; or (c) any actual condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, of such property or assets, or confiscation of such property or assets or the requisition of the use of such property or assets.

“Exchange Act” is the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

“Excluded License” means an exclusive license or sublicense of any Intellectual Property that is tantamount to a sale of substantially all rights to such Intellectual Property in a particular geography or field of use because it conveys to the licensee or sublicensee exclusive rights to practice such Intellectual Property in the applicable geography or field of use for consideration that is not based upon future development or commercialization of products (other than pursuant to so-called earn-out payments) or services by the licensee or sublicensee (other than transition services), such as, for example, consideration of only upfront advances or initial license fees or similar payments in consideration of such rights, with no anticipated subsequent payments or de minimis payments to Horizon Pharma or any of its Subsidiaries (other than pursuant to so-called earn-out payments or transition services).

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Lender or required to be withheld or deducted from a payment to a Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Lender being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal

- 54 -
withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in the Loan pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan (other than pursuant to an assignment request by the Borrowers) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.6, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Lender’s failure to comply with Section 2.6(c) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Kreos Loan Agreement” means that certain Agreement for the Provision of a Loan Facility of up to Euro 7,500,000, dated August 15, 2008, by and between Kreos and Horizon AG, as amended, restated, or otherwise modified.

“Existing Oxford/SVB Loan Agreement” means that certain Loan and Security Agreement, dated as of June 2, 2011, by and between Oxford, as Administrative Agent, the Lenders party thereto, and Borrowers, as amended, restated, or otherwise modified.

“Extraordinary Receipts Notice” is defined in Section 2.2(c)(ii).

“Extraordinary Receipts Prepayment Election” is defined in Section 2.2(c)(ii).

“Extraordinary Receipts” means the Net Cash Proceeds of any Event of Loss.

“Facility” means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by any Credit Party or any of its Subsidiaries or any of their respective predecessors or Affiliates.

“FATCA” means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

“FDA” shall mean the United States Food and Drug Administration or any successor federal agency thereto.

“FDA Laws” shall mean all applicable statutes, rules, regulations, standards, guidelines, policies and orders administered or issued by FDA.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System.

“Foreign Subsidiary” means, with respect to any Person, a Subsidiary of such Person that is a “controlled foreign corporation” under Section 957 of the IRC.

“Funding Default” is defined in Section 2.7.

“General Intangibles” is all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other Tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“Governmental Approval” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

- 55 -
“Governmental Authority” is any nation or government, any state or other political subdivision thereof, any agency, government department, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Governmental Payor Programs” means all governmental third party payor programs in which any Credit Party or its Subsidiaries participates, including, without limitation, Medicare, Medicaid, TRICARE or any other federal or state health care programs.

“Guarantor” is any present or future guarantor of the Obligations.

“Hazardous Materials” means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

“Hazardous Materials Activity” means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

“Health Care Laws” means, collectively, any and all federal, state or local laws, rules, regulations, manuals, orders, ordinances, statutes, guidelines and requirements issued under or in connection with Medicare, Medicaid or any other Government Payor Program or any equivalent thereof applicable in any non-United States jurisdiction; governing the confidentiality of patient information, and regulatory matters primarily relating to billing and coding advice, evaluation of patients for social benefit programs, patient health care, health care providers and health care services; and accreditation standards and requirements of all applicable state laws or regulatory bodies; including without limitation HIPAA, Medicaid, Medicare, any and all federal, state and local fraud and abuse laws of any Governmental Authority, including, without limitation, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7(b)), the civil False Claims Act (31 U.S.C. § 3729 et seq.), Sections 1320a-7 and 1320a-7a of Title 42 of the United States Code and the regulations promulgated pursuant to such statutes, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. No. 108-173) and the regulations promulgated thereunder and all other applicable health care laws, rules, codes, statutes, regulations, manuals, orders, ordinances, statutes, policies, administrative guidance and requirements pertaining to Medicare or Medicaid, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto, in any manner applicable to any Credit Party or any of its Subsidiaries.

“Hedging Agreement” means any interest rate, foreign currency, commodity or equity swap, collar, cap, floor or forward rate agreement, or other agreement or arrangement designed to protect against fluctuations in interest rates or currency, commodity or equity values (including any option with respect to any of the foregoing and any combination of the foregoing agreements or arrangements), and any confirmation executed in connection with any such agreement or arrangement.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as the same may be amended, modified or supplemented from time to time, any successor statute thereto, any and all rules or regulations promulgated from time to time thereunder, and any comparable state laws.

“Horizon” is defined in the preamble hereof.

“Horizon AG” is Horizon Pharma AG, a company organized under the laws of Switzerland.

“Horizon GmbH” is Horizon Pharma GmbH, a company organized under the laws of Germany.

“Horizon AG Intercompany Note” is defined in Section 3.1(r).
“Horizon UK” is Horizon Pharma (UK) Limited, a company organized under the laws of England and Wales.

“Included Product” means, as of the Effective Date, DUEXIS and LODOTRA, any pharmaceutical products with the same active ingredients as DUEXIS or LODOTRA in various dosage strengths or formulations, and thereafter any future product (a) marketed by Horizon Pharma or its Subsidiaries which is owned or controlled by Horizon Pharma or its Subsidiaries or (b) out-licensed by Horizon Pharma or its Subsidiaries.

“Indebtedness” of any Person means, without duplication: (a) all indebtedness for advanced or borrowed money or credit extended; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business that are not more than one hundred and twenty (120) days past due); (c) the face amount of all letters of credit issued for the account of such Person and without duplication, all drafts drawn thereunder and all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments issued by such Person; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to reposition or sale of such property); (f) all capital lease obligations; (g) the principal balance outstanding under any synthetic lease, off-balance sheet loan or similar off balance sheet financing product; (h) all obligations, whether or not contingent, to purchase, redeem, retire, defease or otherwise acquire for value any of its own Equity Interests (or any Equity Interests of a direct or indirect parent entity thereof) prior to the date that is 180 days after the Term Loan Maturity Date, valued at, in the case of redeemable preferred stock, the greater of the voluntary liquidation preference and the involuntary liquidation preference of such stock plus accrued and unpaid dividends; (i) all indebtedness referred to in clauses (a) through (h) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and (j) Contingent Obligations.

“Indemnified Liabilities” means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Indemnified Persons in connection with any investigatory, administrative or judicial proceeding or hearing commenced or threatened by any Person, whether or not any such Indemnified Person shall be designated as a party or a potential party thereto (it being agreed that, such counsel fees and expenses shall be limited to one primary counsel, and any additional special and local counsel in each jurisdiction deemed necessary or advisable by the Administrative Agent or any Lender, for the Indemnified Persons, except in the case of actual or potential conflicts of interest between or among the Indemnified Persons), and any fees or expenses incurred by Indemnified Persons in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations, on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnified Person, in any manner relating to or arising out of this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby (including the Lenders’ agreement to make Credit Extensions or the use or intended use of the proceeds thereof, or any enforcement of any of the Loan Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of any guaranty of the Obligations)).

“Indemnified Person” is defined in Section 13.2.

“Indemnified Taxes” is (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Initial Amortization Amount” is defined in Section 2.2(c)(v)(2).

- 57 -
“Insolvency Proceeding” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“Intellectual Property” means all:

(a) Copyrights, Trademarks, and Patents;

(b) trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) Software (as defined in the Security Agreement);

(d) design rights; and

(c) IP Ancillary Rights.

“Inventory” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of a Credit Party’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“Investment” is (i) any beneficial ownership interest in any Person (including Equity Interests), (ii) any Acquisition, or any other acquisition of all or substantially all of the assets of another Person, or of any business or division of any Person, including without limitation, by way of merger, consolidation or other combination, (iii) any purchase of, or any commitment to make or purchase, or the making of any advance, loan, extension of credit or capital contribution in or to, any Person or (iv) any other purchase or other acquisition of any property or assets of another Person for any purpose other than the commercialization, marketing, importing, exporting, distribution, development or production of DUEXIS or LODOTRA but excluding any co-promotion or co-marketing arrangement regarding any product which would be developed for marketing by the same field sales force as DUEXIS or LODOTRA, calling on the same target physician group, with (a) an expected positive impact (as reasonably determined by a Responsible Officer in good faith and based upon reasonable assumptions) on Consolidated EBITDA of Horizon Pharma and its Subsidiaries on a pro forma basis as of the end of the 12 month period following commencement of such co-promotion or co-marketing arrangement, and (b) no more than a total of $5,000,000 payable by a Borrower or any of its Subsidiaries to the counterparty in upfront or deferred payments over the term of this Agreement.

“IP Agreements” are those certain Intellectual Property Security Agreements entered into by and between Horizon and Horizon Pharma and Administrative Agent, each dated as of the Effective Date, as such may be amended from time to time.

“IP Ancillary Rights” means, with respect to any Copyright, Trademark, or Patent, as applicable, all divisionals, reversions, continuations, continuations-in-part, reissues, reexaminations, renewals and extensions thereof, and with respect to any Copyright, Trademark, Patent, Software, trade secrets or trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals, all income, royalties, proceeds and liabilities at any time due or payable or asserted under or with respect to any of the foregoing or otherwise with respect thereto, including all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation, dilution, violation or other impairment thereof, and, in each case, all rights to obtain any other intellectual property right ancillary to any Copyright, Trademark, Patent, Software, trade secrets or trade secret rights.

“IRC” shall mean the Internal Revenue Code of 1986, as amended, and any successor thereto, and any regulations promulgated thereunder.
“Knowledge” or to the “knowledge” of a Credit Party or any of its Subsidiaries or similar qualifications means the actual knowledge, after reasonable investigation, of the Responsible Officers.

“Kreos” means Kreos Capital III (UK) Limited.

“Lender” and “Lenders” shall have the respective meanings set forth in the first paragraph of this Agreement and shall include any assignee or participant of a Loan in accordance with Section 13.1 hereof.

“Lender Expenses” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) of any Lender for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to the Credit Parties in connection with the Loan Documents.

“Lender Transfer” is defined in Section 13.1.

“Lien” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, assignment for security purposes, contingent assignment, conditional assignment, right of first or last negotiation, offer or refusal, title defect or chain of title gap whether voluntarily incurred or arising by operation of law or otherwise against any property.

“Liquidity” means the sum of the Credit Parties’ unrestricted cash and Cash Equivalents.

“Loan Documents” are, collectively, this Agreement, any Term Loan Notes, the Security Agreement, the IP Agreements, the Swiss Pledge Agreement, the UK Security Deed, the UK Share Charge, the Warrants, the Post Closing Matters Agreement, each Compliance Certificate, the Perfection Certificates, any Control Agreement, any other Collateral Document, any guaranties executed by a Credit Party, and any other present or future agreement between a Credit Party and the Administrative Agent, in each case for the benefit of the Lenders, in connection with this Agreement, all as amended, restated, or otherwise modified.

“LODOTRA” means NP01/LODOTRA/RAYOS® and, other than as used in the definition of Permitted Investments, any pharmaceutical product with prednisone in the same dosage strengths or various formulations.

“Majority Lenders” means one or more Lenders holding fifty one percent (51%) or more of the aggregate outstanding principal balance of the Term Loans. For purposes of this definition only, a Lender shall be deemed to include itself, and any Lender that is an Affiliate or Approved Fund of such Lender.

“Makewhole Amount” means, on the date of the applicable prepayment, an amount equal to:

(i) eight and one-half percent (8.5%) of the principal amount of the Term Loans prepaid (calculated in a manner to include the accrued portion of payment-in-kind interest that has not yet been capitalized and added to the then outstanding principal amount of the Term Loans as indicated in the applicable PIK Election Notice plus any Special Premium, if any); plus

(ii) an amount (not less than zero) equal to the present value of the sum of all interest payments that would have otherwise been payable under this Agreement from the date of the relevant prepayment of the Term Loans through the two and one half year anniversary of the Effective Date with respect to the Term Loans that are being so prepaid discounted to the date of prepayment on a quarterly basis (assuming a 365/366-day year and actual days elapsed) at a rate per annum equal to the Treasury Rate as of the date of prepayment plus fifty (50) basis points. For purposes hereof, “Treasury Rate” means, as of any prepayment date, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such date (or, if such Statistical Release is no longer published, any publicly
available source of similar market data)) most nearly equal to the period from such date to the two and one half year anniversary of the Effective Date; provided, however, that if the period from the prepayment date to the two and one half year anniversary of the Effective Date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate will be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such date to the two and one half year anniversary of the Effective Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Margin Stock” is defined in Section 5.13.

“Material Adverse Change” is a material adverse change in or material adverse effect on: (i) the business, condition (financial or otherwise), assets, liabilities (actual or contingent), operations, management, performance, or properties of the Credit Parties and their Subsidiaries, taken as a whole since December 31, 2010, (ii) the ability of any Credit Party to perform its obligations under this Agreement or any other Loan Document (including as a result of any Credit Party failing to remain Solvent), or (iii) the ability of Administrative Agent or the Lenders to enforce this Agreement or any other Loan Document.

“Material Contract” means any contract or other arrangement to which a Credit Party or any of its Subsidiaries is a party (other than the Loan Documents) or by which any of its assets is bound, for which breach, nonperformance, cancellation, termination or failure to renew could reasonably be expected to result in a Material Adverse Change.

“Medicaid” means, collectively, the health care assistance program established by Title XIX of the SSA (42 U.S.C. 1396 et seq.) and any statutes succeeding thereto, and all laws, rules, regulations, manuals, orders, or requirements pertaining to such program, including (a) all federal statutes affecting such program; (b) all state statutes and plans for medical assistance enacted in connection with such program and federal rules and regulations promulgated in connection with such program; and (c) all applicable provisions of all rules, regulations, manuals, orders and administrative, reimbursement, and requirements of all government authorities promulgated in connection with such program (whether or not having the force of law), in each case as the same may be amended, supplemented or otherwise modified from time to time.

“Medicare” means, collectively, the health insurance program for the aged and disabled established by Title XVIII of the SSA (42 U.S.C. 1395 et seq.) and any statutes succeeding thereto, and all laws, rules, regulations, manuals, orders or requirements pertaining to such program including (a) all federal statutes affecting such program (whether set forth in Title XVIII of the SSA or elsewhere) affecting such program; and (b) all applicable provisions of all rules, regulations, manuals, orders and administrative, reimbursement and requirements of all governmental authorities promulgated in connection with such program (whether or not having the force of law), in each case as the same may be amended, supplemented or otherwise modified from time to time.

“MNPI” is defined in Section 11.3.

“Mortgage” means any deed of trust, leasehold deed of trust, mortgage, leasehold mortgage, deed to secure debt, leasehold deed to secure debt or other document creating a Lien on real estate or any interest in real estate.

“Multiemployer Plan” shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which Horizon Pharma or its Subsidiaries or their respective ERISA Affiliates is then making or accruing an obligation to make contributions; (b) to which Horizon Pharma or its Subsidiaries or their respective ERISA Affiliates has within the preceding five plan years made contributions; or (c) with respect to which Horizon Pharma or its Subsidiaries could incur material liability.

“Net Cash Proceeds” means, the amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of
a Person in connection with a Transfer by such Person or Event of Loss suffered by such Person, after deducting therefrom, (i) in the case of a Transfer by any Person, only (A) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such Transfer (other than Indebtedness under this Agreement), (B) reasonable expenses related thereto incurred by such Person in connection therewith (including reasonable and out-of-pocket legal, accounting and investment banking fees, and sales commissions) excluding any such amounts payable to the Borrowers or any of their Affiliates, (C) transfer taxes paid to any taxing authorities by such Person in connection therewith, (D) net income taxes to be paid in connection with such Transfer (after taking into account any tax credits or deductions and any tax sharing arrangements), and (E) appropriate amounts that must be set aside as a reserve in accordance with Applicable Accounting Standards against any liabilities associated with such Transfer; provided that upon release of such reserve, such amounts shall automatically and immediately become Net Cash Proceeds, to the extent, but only to the extent, that the amounts so deducted are (x) actually paid to a Person that, except in the case of reasonable out-of-pocket expenses, is not an Affiliate of such Person and (y) properly attributable to such transaction or to the asset that is the subject thereof and (ii) in the case of an Event of Loss, (A) all money actually applied to replace, repair or reconstruct the damaged property or asset affected by the loss, condemnation or taking, (B) all of the costs and expenses reasonably incurred in connection with the collection of such proceeds, award or other payments, (C) any amounts retained by or paid to parties having superior rights to such proceeds, awards or other payments, (D) amounts required to be applied to repay principal, interest, prepayment premiums and penalties and other amounts on Indebtedness secured by a Lien on the asset which is the subject of such Event of Loss and (E) net income taxes to be paid in connection with such Event of Loss (after taking into account any tax credits or deductions and any tax sharing arrangements). Notwithstanding the foregoing, “Net Cash Proceeds” in respect of a Transfer shall not include Royalty Payments.

“Non-Domestic Liquidity” means the lesser of (i) the sum of all unrestricted cash and Cash Equivalents of the Foreign Subsidiaries of Horizon Pharma and (ii) $5,000,000.

“Non U.S. Lender” is defined in Section 2.6(c).

“Obligations” are the Credit Parties’ obligations to pay when due any and all debts, principal, interest, Lender Expenses, Agent Expenses, the Prepayment Premium, the Makewhole Amount, the Change of Control Premium, the Special Premium and other amounts Credit Parties owe each of the Lenders and the Administrative Agent (or are obligated to pay to the Administrative Agent, for the ratable benefit of the Lenders) now or later, under this Agreement, the other Loan Documents or otherwise, including, without limitation, all obligations relating to letters of credit (including reimbursement obligations for drawn and undrawn letters of credit), cash management services, and foreign exchange contracts, if any, entered into in connection with the transactions contemplated hereby and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrowers assigned to the Administrative Agent, for the ratable benefit of the Lenders, and to perform Borrowers’ duties under the Loan Documents; provided that the term “Obligations” shall not include any obligations to pay or perform under any Warrant.

“OFAC” is the U.S. Department of Treasury Office of Foreign Assets Control.

“OFAC Lists” are, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

“Operating Documents” are, for any Person, such Person’s formation documents, as certified with the Secretary of State or other applicable Governmental Authority of such Person’s jurisdiction of formation on a date that is no earlier than 30 days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.
“ordinary course of business” means, in respect of any transaction involving any Person, the ordinary course of such Person’s business, undertaken by such Person in good faith and not for purposes of evading any covenant, prepayment obligation or restriction in any Loan Document.

“Other Connection Taxes” means, with respect to any Lender, Taxes imposed as a result of a present or former connection (including present or former connection of its agents) between such Lender and the jurisdiction imposing such Tax (other than connections arising solely from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Term Loan or Loan Document).

“Other Included Product” means any Included Product (other than DUEXIS, LODOTRA or any pharmaceutical products with the same active ingredients as DUEXIS or LODOTRA in various dosage strengths or formulations) that, when excluded from the calculation of TTM Revenue of Horizon Pharma and its Subsidiaries for the most recently ended fiscal quarter period, would result in Horizon Pharma and its Subsidiaries having TTM Revenue for such period that is less than what is required for such period pursuant to Section 6.12(b).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing, sales, transfer, excise, mortgage or property Taxes, charges or similar levies or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

“Oxford” means Oxford Finance LLC, a Delaware limited liability company.

“Patent Licenses” shall mean (a) any agreement, whether written or oral, providing for the grant by or to a Person of any right to manufacture, use or sell any invention covered by a Patent, together with the goodwill associated therewith, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country, multinational body or any political subdivision thereof (and all related IP Ancillary Rights) and (b) all renewals thereof.

“Patents” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (and all related IP Ancillary Rights).

“Patriot Act” is defined in Section 3.1(p).

“Payment/Advance Form” is that certain form attached hereto as Exhibit A.

“Payment Date” is the first day of each calendar quarter.

“Perfection Certificate” is defined in Section 5.5.

“Permitted Acquisition” means any Acquisition so long as:

(i) no Default or Event of Default shall have occurred and be continuing or would result from the consummation of the proposed Acquisition;

(ii) the assets being acquired or licensed, or the Person whose Equity Interests are being acquired, are useful in or engaged in, as applicable, the business of the Borrowers and their Subsidiaries;

(iii) Borrowers have provided Administrative Agent with written confirmation, supported by reasonably detailed calculations, in each case which are in form and substance reasonably satisfactory to Administrative Agent and the Required Lenders, that on a pro forma basis, created by adding the historical consolidated financial statements of Horizon Pharma and its Subsidiaries (including the consolidated financial
statements of any other Person or assets that were the subject of a prior Permitted Acquisition during the relevant period) to the historical consolidated
financial statements of the Person to be acquired (or the historical financial statements related to the assets to be acquired) pursuant to the proposed
Acquisition (adjusted to eliminate expense items that would not have been incurred and include income items that would have been recognized, in each case,
if the combination had been accomplished at the beginning of the relevant period; such eliminations and inclusions to be mutually agreed upon by the
Borrowers and Administrative Agent), Borrowers would have been in compliance with the financial covenants in Section 6.12 for the 12 months ending as of
the fiscal quarter of the Borrowers ended immediately prior to the proposed date of consummation of such proposed Acquisition for which there are available
financial statements;

(iv) in the case of an Asset Acquisition, the subject assets are being acquired or licensed by Horizon Pharma or Horizon or a Domestic
Subsidiary of Horizon Pharma, and the applicable Person shall have executed and delivered or authorized, as applicable, any and all security agreements,
financing statements, fixture filings, and other documentation reasonably requested by Administrative Agent in order to include the newly acquired or
licensed assets within the Collateral;

(v) in the case of a Stock Acquisition, (1) the subject Equity Interests are being acquired in such Acquisition directly by Horizon Pharma
or Horizon or a Domestic Subsidiary of Horizon Pharma and (2) the relevant Credit Party shall have complied with its obligations under Section 6.14;

(vi) any Indebtedness or Liens assumed in connection with such Acquisition are otherwise permitted under Section 7.4 or 7.5,
respectively;

(vii) such Acquisition shall be consensual and shall have been approved by the Board of Directors of the Person whose Equity Interests
or assets are proposed to be acquired and shall not have been preceded by an unsolicited tender offer for such Equity Interests by, or proxy contest initiated
by, Horizon Pharma or any of its Subsidiaries;

(viii) the Borrowers shall have delivered (A) projections for the Person whose Equity Interests or assets are proposed to be acquired,
(B) updated pro forma projections for Horizon Pharma and its Subsidiaries evidencing compliance on a pro forma basis with Section 6.12 for the 12 calendar
months following the date of such Acquisition (on a quarter-by-quarter basis), in form and content reasonably acceptable to Administrative Agent and the
Required Lenders and (C) updated disclosure schedules to this Agreement and to each of the other Loan Documents solely with respect to such Acquisition
(to the extent not prohibited by the terms hereof and thereof), as applicable; provided, that (x) in no event may any disclosure schedule be updated in a
manner that would reflect or evidence a Default or Event of Default and (y) any determination of Consolidated EBITDA of Horizon Pharma and its
Subsidiaries for such 12 calendar month period shall include only such post-acquisition cost saving adjustments which are mutually agreed upon by the
Borrowers and the Administrative Agent;

(ix) either (A) (x) Consolidated EBITDA of Horizon Pharma and its Subsidiaries for the most recently ended two fiscal quarter period,
taken as a single accounting period, shall have been greater than or equal to $12,000,000 and (y) immediately after giving effect to any such Acquisition,
Liquidity of the Credit Parties shall have been greater than or equal to $10,000,000 or (B) (x) Consolidated EBITDA of Horizon Pharma and its Subsidiaries
for the most recently ended two fiscal quarter period, taken as a single accounting period, shall have been greater than or equal to zero, (y) immediately after
giving effect to any such Acquisition, Liquidity shall have been greater than or equal to $10,000,000 and (z) Consolidated EBITDA of the Person whose
Equity Interests or assets are proposed to be acquired for each of the two and four quarter period most recently ended prior to the date of the consummation
of such Acquisition (adjusted for any Specified Synergies as though such Specified Synergies had been realized on the first day of such period) is greater than
zero; and

(x) at least five (5) Business Days prior to the proposed date of consummation of the Acquisition, Borrowers shall have delivered to the
Administrative Agent an officer’s certificate signed by a Responsible Officer certifying that (A) such transaction complies with this definition (which shall
have attached
“Permitted Indebtedness” is:
(a) Credit Parties’ Indebtedness to the Lenders under this Agreement and the other Loan Documents;
(b) Indebtedness existing on the Effective Date and shown on Schedule 14.1 hereto;
(c) Subordinated Debt;
(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business in an aggregate amount not to exceed $5,000,000 at any one time outstanding;
(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;
(f) Indebtedness secured by Liens permitted under clause (c) of the definition of “Permitted Liens” hereunder;
(g) (i) Indebtedness to SVB or another financial institution with respect to Borrowers’ credit card program and other cash management services provided that the amount of such Indebtedness shall at no time exceed $1,500,000 and (ii) unsecured Indebtedness to Wright Express Financial Services in respect of credit card obligations for gas purchases and/or vehicle maintenance in an aggregate amount outstanding not to exceed $120,000 at any time;
(h) Investments set forth in clause (f) of the definition of Permitted Investments, to the extent constituting Indebtedness; provided any such Indebtedness is subordinated to the Obligations (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to the Required Lenders);
(i) reimbursement and indemnification obligations of Horizon to SVB or another financial institution in respect of a Letter of Credit issued by SVB or another financial institution in respect of Horizon’s lease of certain premises described as Suite Nos. 520 and 550, of the project now known as Corporate 500 Centre whose address is 520 Lake Cook Road, Deerfield, IL 60015 in an amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000);
(j) guaranties by a Credit Party of Permitted Indebtedness of another Credit Party; and
(k) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (i) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon any Credit Party or its Subsidiaries, as the case may be.

“Permitted Investments” are:
(a) Investments (including, without limitation, Investments in Subsidiaries) existing on the Effective Date and shown on Schedule 14.2 hereto;
(b) Investments consisting of Cash Equivalents;
(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;
(d) subject to Section 6.6, Investments consisting of deposit accounts or securities accounts;
(e) Investments by Horizon Pharma or any of its Subsidiaries pursuant to a Permitted License;
(f) (i) Investments by any Credit Party in or to any other Credit Party, (ii) Investments by Borrowers in the Horizon AG Intercompany Note and the Additional Horizon AG Intercompany Note made prior to and existing on the Effective Date (provided that any additional Investments in the Horizon AG Intercompany Note and the Additional Horizon AG Intercompany Note made from and after the Effective Date shall be subject to the provisions of the following clause (iii)), and (iii) provided no Event of Default has occurred and is continuing, Investments by Horizon Pharma in Horizon AG (which Investments shall be made through an increase in the amount of the Horizon AG Intercompany Note and/or the Additional Horizon AG Intercompany Note) (including Investments constituting payments payable by any Credit Party to Horizon AG pursuant to any Permitted License) solely to the extent required to finance (x) the payment of operating expenses incurred by Horizon AG and Horizon GmbH in the ordinary course of business solely in connection with Horizon AG’s LODOTRA program provided that (A) the amount of such Investments in any fiscal year shall not exceed an amount for such fiscal year as set forth on Schedule 14.3 hereto, and (B) both immediately before and immediately after giving effect to any such Investment, the sum of all cash and Cash Equivalents of all Foreign Subsidiaries of Horizon Pharma, collectively, shall not exceed $5,000,000; and (y) the purchase of a LODOTRA inspection machine in the amount of €300,000 plus set up, calibration and maintenance costs of approximately €40,000 in the first year following such purchase, and annual maintenance costs thereafter of approximately €14,000 per year, in each case net of applicable taxes;

(g) Investments consisting of (x) travel advances and employee relocation loans and other employee advances in the ordinary course of business, and (y) loans to employees, officers or directors relating to the purchase of equity securities of Horizon Pharma pursuant to employee stock purchase plans or agreements approved by Horizon Pharma’s Board of Directors, so long as the aggregate amount of all such loans made pursuant to this clause (g) does not exceed Five Hundred Thousand Dollars ($500,000);

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (i) shall not apply to Investments of any Credit Party in any Subsidiary;

(j) joint ventures or strategic alliances in the ordinary course of business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support, but in no event consisting of cash investments;

(k) the Investment by Horizon Pharma in Horizon AG on the Effective Date in an amount not to exceed $3,909,107.39, plus any true-up amount payable in connection with the conversion of the portion thereof to be converted to Euros following the Effective Date, which Investment shall be used solely to repay all Indebtedness outstanding under the Existing Kreos Loan Agreement (which Investment shall be made through an increase in the amount of the Horizon AG Intercompany Note and/or the Additional Horizon AG Intercompany Note); and

(l) Permitted Acquisitions.

“Permitted Licenses” means (a) a non-exclusive or exclusive as to geography other than the United States license of (or covenant not to sue with respect to) Intellectual Property or grant of distribution, co-promotion or similar commercial rights to third parties (other than Horizon AG and Horizon GmbH) in the ordinary course of business, (b) subject to prior satisfaction of the requirements set forth in the following sentence, an exclusive as to geography within the United States license of Intellectual Property or grant of distribution, co-promotion or similar commercial rights to third parties in the ordinary course of business, (c) non-exclusive licensing of (or granting of a covenant not to sue with respect to) technology or Intellectual Property, granting of distribution, co-promotion or similar commercial rights, the development of technology or the providing of technical support, (d) non-exclusive or exclusive grant of manufacturing licenses to third parties in the ordinary course of business, (e) intercompany licenses or other similar arrangements among the Credit Parties, and (f) intercompany licenses or grants of distribution, co-promotion or similar commercial rights between the Credit Parties and Horizon AG wherein Horizon AG is the licensor or grantor and one or more Credit Parties are licensees or grantees; provided, however,
that the licenses or similar arrangements described in clause (e) above shall not permit exclusive as to geography in the United States licenses of Intellectual Property and shall only permit exclusive as to geography other than the United States licenses of Intellectual Property if a Credit Party retains all rights to such Intellectual Property other than those rights that are the subject of such license. Notwithstanding the foregoing, any license described in clause (b) above shall not be a Permitted License hereunder unless and until (i) Horizon Pharma shall have given written notice to the Administrative Agent and the Lenders of such proposed license, which notice shall (A) identify the parties to the proposed license, (B) include a description of the material terms and conditions of such proposed license and (C) include copies of any and all agreements relating to such proposed license, to the Administrative Agent and to each Lender in accordance with Section 11 hereof, (ii) the Administrative Agent, at the direction of the Required Lenders, shall have given its written consent to such proposed license; provided that, in the event Horizon Pharma does not receive a written denial thereof within ten (10) Business Days after the effective date of delivery of notice as contemplated in clause (ii) in accordance with Section 11.1, then the Administrative Agent, on behalf of the Required Lenders, will be deemed to have given such consent, and Horizon Pharma or its Subsidiary that is a party to such proposed license, will be permitted to enter into such license arrangement, unless the material terms and conditions of such proposed license have changed in any material respect from the terms set forth in the materials provided to the Administrative Agent and the Lenders pursuant to clause (i) above, in which event consent shall not be deemed to have been given by the Administrative Agent until such time as the requirements of clauses (i) and (ii) have been satisfied as to the proposed license, as so amended or modified. Notwithstanding the foregoing, “Permitted Licenses” shall not include any Excluded Licenses entered into after the Effective Date unless consented to in writing by the Required Lenders.

“Permitted Liens” are:

(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;

(b) Liens for Taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which such Credit Party maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the IRC, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens (including capital leases) (i) on Equipment acquired or held by a Credit Party incurred for financing the acquisition of Equipment securing no more than Five Hundred Thousand Dollars ($500,000) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Permitted Licenses and Liens incurred pursuant to Permitted Licenses;

(e) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as no such Lien secures liabilities in an amount in excess of One Hundred Thousand Dollars ($100,000), individually, or Two Hundred and Fifty Thousand Dollars ($250,000), in the aggregate, when aggregated with all such Liens, and in each case, is not delinquent or remains payable without penalty or is being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(f) Liens to secure payment of workers’ compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(g) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under either Section 8.4 or 8.7;

(h) subject to Section 6.6, Liens in favor of other financial institutions arising in connection with deposit and/or securities accounts held at such institutions; provided that such Liens relate solely to obligations for
administrative and other banking fees and expenses (but not Indebtedness) incurred in the ordinary course of business in connection with the maintenance of such accounts;

(i) statutory or common law Liens of landlords; provided that such landlords shall have waived their respective rights with respect to such Liens pursuant to a landlord waiver agreement between such landlord and the Administrative Agent in form satisfactory to the Administrative Agent and the Required Lenders;

(j) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds, and other obligations of like nature, in each case, in the ordinary course of business; provided, that at no such time shall the aggregate amount of all such Liens exceed Three Hundred Fifty Thousand Dollars ($350,000);

(k) pledges and deposits securing liability for reimbursement or indemnification obligations in respect of letters of credit or bank guarantees for the benefit of landlords; provided, that at no such time shall the aggregate amount of all such pledges and deposits exceed One Hundred Thousand Dollars ($100,000);

(l) liens on (i) deposit account(s) securing Indebtedness to SVB or another financial institution with respect to Borrowers’ credit card program and other cash management services provided that the amount of such Indebtedness shall at no time exceed One Million Five Hundred Thousand Dollars ($1,500,000), and (ii) cash collateral in an amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) held at SVB or another financial institution to secure a $250,000 Letter of Credit issued by SVB or another financial institution in respect of Horizon’s lease of certain premises described as Suite Nos. 520 and 550, of the project now known as Corporate 500 Centre whose address is 520 Lake Cook Road, Deerfield, IL 60015; and

(m) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (l), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase.

“Permitted Transfers” is defined in Section 7.1.

“Person” is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

“PIK Election Notice” is defined in Section 2.3(a).

“Plan” shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the IRC or Section 302 of ERISA which is maintained or contributed to by Horizon Pharma or its Subsidiaries or their respective ERISA Affiliates or with respect to which Horizon Pharma or its Subsidiaries are subject to liability (including under Section 4069 of ERISA).

“Platform” is defined in Section 11.2.

“Post Closing Matters Agreement” means that certain Post Closing Matters Agreement dated as of the Effective Date among the Borrowers and the Administrative Agent.

“Preferred Stock” means, as applied to the Equity Interests of any Person, the Equity Interests of any class or classes (however designated) that is preferred with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Equity Interests of any other class of such Person.

“Prepayment Premium” means an amount equal to:

(i) for a prepayment made on or after the two and one half year anniversary of the Effective Date and prior to the three and one half year anniversary of the Effective Date, eight and
one-half percent (8.5%) of the principal amount of such Term Loan prepaid (calculated in a manner to include the accrued portion of payment-in-kind interest that has not yet been capitalized and added to the then outstanding principal amount of the Term Loans as indicated in the applicable PIK Election Notice plus any Special Premium, if any); and

(ii) for a prepayment made on or after the three and one half year anniversary of the Effective Date and prior to the four and one half year anniversary of the Effective Date, four and one-quarter percent (4.25%) of the principal amount of such Term Loan prepaid (calculated in a manner to include the accrued portion of payment-in-kind interest that has not yet been capitalized and added to the then outstanding principal amount of the Term Loans as indicated in the applicable PIK Election Notice plus any Special Premium, if any).

“Private Side Communications” is defined in Section 11.3.

“Private Siders” is defined in Section 11.3.

“Private Third Party Payor Programs” means all third party payor programs in which any Credit Party or its Subsidiaries participates, including, without limitation, managed care plans, or any other private insurance programs, but excluding all Governmental Payor Programs.

“Pro Rata Share” means with respect each Lender, (i) prior to the initial funding of the Term Loans on the Effective Date, the percentage obtained by dividing (a) the Term Commitment of that Lender by (b) the aggregate Term Commitments of all Lenders and (ii) from and after the initial funding of the Term Loans on the Effective Date, the percentage obtained by dividing (a) the aggregate principal amount of all outstanding Term Loans of that Lender by (b) the aggregate principal amount of all outstanding Term Loans of all Lenders.

“Public Siders” is defined in Section 11.3.

“Register” is defined in Section 2.8(b).

“Registered Organization” is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

“Regulation S-X” shall mean Regulation S-X promulgated under the Securities Act.

“Regulatory Agency” shall mean a Governmental Authority with responsibility for the approval of the marketing and sale of pharmaceuticals or other regulation of pharmaceuticals.

“Regulatory Approval” shall mean all approvals (including where applicable, pricing and reimbursement approval and schedule classifications), product and/or establishment licenses, registrations or authorizations of any Regulatory Agency necessary for the manufacture, use, storage, import, export, transport, offer for sale, or sale of the Included Products.

“Reinvestment Eligible Funds” means (a) Net Cash Proceeds from one or more Transfers (other than any Permitted License) not to exceed $5,000,000 in the aggregate received after the Effective Date which, but for the application of Section 2.2(c)(iii), would be required to be used to prepay the Term Loans pursuant to Section 2.2(c)(i) or (b) Extraordinary Receipts from one or more Events of Loss not to exceed $5,000,000 in the aggregate received after the Effective Date which, but for the application of Section 2.2(c)(iii), would be required to be used to prepay the Term Loans pursuant to Section 2.2(c)(ii).

“Reinvestment Notice” is defined in Section 2.2(c)(iii).

“Release” means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor
environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

“Requirement of Law” is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority (including, without limitation, FDA Laws and Health Care Laws), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Required Lenders” means Lenders holding sixty-six percent (66%) or more of the aggregate outstanding principal balance of the Term Loans. For purposes of this definition only, a Lender shall be deemed to include itself, and any Lender that is an Affiliate or Approved Fund of such Lender.

“Responsible Officer” is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of any Credit Party.

“Restricted License” is any material license or other agreement with respect to which a Credit Party is the licensee (a) that prohibits or otherwise restricts such Credit Party from granting a security interest in such Credit Party’s interest in such license or agreement or any other property, or (b) for which a default under or termination of which could interfere with the Administrative Agent’s right to sell any Collateral.

“Royalty Payments” means (a) royalties based on Included Product sales or a share of profits or revenues based on Included Product sales, (b) consideration for sales of Included Products, including any amounts paid by a distributor to Horizon Pharma or its Affiliates as the purchase price for Included Products or (c) milestone payments received by Horizon Pharma or its Affiliates based upon the achievement of any sales milestones associated with Included Product sales, in each case, solely to the extent paid in the ordinary course of business; provided that “Royalty Payments” shall not include Upfront License Fees.

“SEC” shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“Secured Parties” means the Administrative Agent, each Lender, each other Indemnified Person and each other holder of any Obligation of a Credit Party.

“Securities Account” is any “securities account” as defined in the Code with such additions to such term as may hereafter be made.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and any successor statute.

“Security Agreement” means the Guaranty and Security Agreement dated as of the Effective Date by and among the Credit Parties and the Administrative Agent.

“Solvency” means, with respect to any Person as of any date of determination, that, as of such date, (a) the value of the assets of such Person (both at fair value and present fair saleable value) is greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person, (b) such Person is able to pay all liabilities of such Person as such liabilities mature and (c) such Person does not have unreasonably small capital. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities shall be computed at the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Special Premium” is defined in Section 2.2(f)(iii).

“Specified Disputes” is defined in Section 5.5(i).
“Specified Lenders” is defined in Section 2.2(c)(v)(2).

“Specified Synergies” means the reduction in costs and related adjustments (net of expenses incurred in connection with achieving any such reductions in costs and/or related adjustments): (a) that were directly attributable to the applicable Permitted Acquisition and are calculated on a basis that is consistent with Regulation S-X or (b) that relate to the applicable Permitted Acquisition that has occurred and that a Responsible Officer of Horizon Pharma reasonably determines in good faith are probable based upon specifically identifiable actions to be taken within 6 months of the date of consummation of the Permitted Acquisition and such costs and related adjustments are identifiable, quantifiable and factually supportable.

“SSA” means the Social Security Act of 1935, codified at Title 42, Chapter 7, of the United States Code.

“Stock Acquisition” means the purchase or other acquisition by a Borrower or any of its Subsidiaries of all of the Equity Interests (by merger, stock purchase or otherwise) of any other Person.

“Subordinated Debt” is unsecured indebtedness incurred by any Credit Party that (a) is subordinated in right of payment to the Obligations pursuant to a subordination, intercreditor or other similar agreement that is in form and substance satisfactory to the Administrative Agent and the Required Lenders (which agreement shall include turnover provisions that are satisfactory to the Required Lenders), (b) is not subject to scheduled amortization, redemption, sinking fund or similar payment and does not have a final maturity, in each case, on or before the date that is 91 days after the Term Loan Maturity Date, and (c) does not include any covenants or any agreements, taken as a whole, that are more restrictive or onerous on any Credit Party in any material respect than any comparable covenants in this Agreement.

“Subsidiary” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of a Credit Party. For the avoidance of doubt, any reference to a Subsidiary of any Credit Party or of Horizon Pharma, as the case may be, shall include Horizon UK, Horizon GmbH, Horizon AG and each current or future Person, majority owned or controlled, in each case directly or indirectly, by a Credit Party.

“SVB” means Silicon Valley Bank.

“Swiss Pledge Agreement” means the Share Pledge Agreement between Horizon Pharma and the Administrative Agent dated as of the Effective Date.

“Tax” means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, including any tax of any kind whatsoever (whether disputed or not) imposed by any Governmental Authority.

“Term Commitment” means the commitment of a Lender to make or otherwise fund any Term Loan and “Term Commitments” means such commitments of all Lenders in the aggregate. The amount of each Lender’s Term Commitment, if any, is set forth on Schedule 1.1, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Term Commitments as of the Effective Date is $60,000,000.

“Term Loan” is defined in Section 2.2.

“Term Loan Maturity Date” is January 22, 2017.

“Term Loan Note” means a promissory note in substantially the form attached hereto as Exhibit C, as it may be amended, restated, supplemented or otherwise modified from time to time.
“Trademark License” shall mean any agreement, whether written or oral, providing for the grant by or to a Person of any right to use any Trademark.

“Trademarks” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, service marks, elements of package or trade dress of goods or services, logos and other source or business identifiers, together with the goodwill associated therewith, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country, multinational body or any political subdivision thereof (and all related IP Ancillary Rights) and (b) all renewals thereof.

“Transfer” is defined in Section 7.1.

“Transfer Notice” is defined in Section 2.2(c)(i).

“Transfer Prepayment Election” is defined in Section 2.2(c)(i).

“TRICARE” means, collectively, a program of medical benefits covering former and active members of the uniformed services and certain of their dependents, financed and administered by the United States Departments of Defense, Health and Human Services and Transportation, and all laws applicable to such programs.

“TTM Revenue” is defined in Section 6.12(b).

“Warrants” are those certain Warrants to Purchase Stock, dated as of the Effective Date, executed by Horizon Pharma in favor of each Lender. The Warrants initially shall be exercisable for 3,277,191 shares of Common Stock in the aggregate, subject to adjustment from time to time in accordance with the provisions of the Warrants.

“Withdrawal Liability” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“UK Security Deed” means the Security Trust Deed among Borrowers, the Lenders and the Administrative Agent dated as of the Effective Date.

“UK Share Charge” means the Charge over Shares between Horizon and the Administrative Agent dated as of the Effective Date.

“Upfront License Fee” means upfront payments, milestone payments (excluding milestone payments received by Horizon Pharma or its Affiliates based upon the achievement of any sales milestones associated with Included Product sales) and other similar license payments such as annual license maintenance payments (including payments in excess of the fair market value of debt or equity securities, but excluding payments equal to the fair market value of debt or equity securities) received by Horizon Pharma or any of its Affiliates as consideration for a Permitted License of Intellectual Property or any Included Product.

“U.S. Lender” is defined in Section 2.6(c).

[Signature page follows.]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

HORIZON PHARMA USA, INC.,
as Borrower

By /s/ Robert J. De Vaere
Name: Robert J. De Vaere
Title: Executive VP and CFO

HORIZON PHARMA, INC.,
as Borrower

By /s/ Robert J. De Vaere
Name: Robert J. De Vaere
Title: Executive VP and CFO

Signature Page to Loan and Credit Agreement - Horizon

- 72 -
BPC Opportunities Fund LP,
as a Lender

By: Beach Point Capital Management LP
As Investment Manager

By /s/ Carl Goldsmith
Name: Carl Goldsmith
Title: Senior Portfolio Manager

Notice Address:

1620 26th Street, Suite 6000N
Santa Monica, California 90404
Phone: (310) 996-9700
Fax: (310) 996-9688

with a copy to:

State Street Loan Servicing Unit
Email: Isutrade3@statestreet.com
Attn: Jim Roth
Phone: (617) 662-4346
Fax: (617) 988-9252

and

International Fund Services
Email: BeachPointWSO-FAX@ifs.statestreet.com
Fax: (212) 651-2387

Signature Page to Loan and Credit Agreement - Horizon
Beach Point Total Return Master Fund, LP,
as a Lender

By: Beach Point Capital Management LP
As Investment Manager

By: /s/ Carl Goldsmith
Name: Carl Goldsmith
Title: Senior Portfolio Manager

Notice Address:
1620 26th Street, Suite 6000N
Santa Monica, California 90404
Phone: (310) 996-9700
Fax: (310) 996-9688

with a copy to:
State Street Loan Servicing Unit
Email: lsutrade3@statestreet.com
Attn: Jim Roth
Phone: (617) 662-4346
Fax: (617) 988-9252

and

International Fund Services
Email: BeachPointWSO-FAX@ifs.statestreet.com
Fax: (212) 651-2387

Signature Page to Loan and Credit Agreement - Horizon

- 74 -
Royal Mail Pension Plan,
as a Lender

By: Beach Point Capital Management LP
   As Investment Manager

By  /s/ Carl Goldsmith
Name:  Carl Goldsmith
Title:  Senior Portfolio Manager

Notice Address:

1620 26th Street, Suite 6000N
Santa Monica, California 90404
Phone: (310) 996-9700
Fax: (310) 996-9688

with a copy to:

State Street Loan Servicing Unit
Email: lstrade3@statestreet.com
Attn: Jim Roth
Phone: (617) 662-4346
Fax: (617) 988-9252

and

International Fund Services
Email: BeachPointWSO-FAX@ifs.statestreet.com
Fax: (212) 651-2387
Beach Point Select Master Fund, LP,
as a Lender

By: Beach Point Capital Management LP
As Investment Manager

By  /s/ Carl Goldsmith
Name:  Carl Goldsmith
Title:  Senior Portfolio Manager

Notice Address:

1620 26th Street, Suite 6000N
Santa Monica, California 90404
Phone: (310) 996-9700
Fax: (310) 996-9688

with a copy to:

State Street Loan Servicing Unit
Email: Isutrade3@statestreet.com
Attn: Jim Roth
Phone: (617) 662-4346
Fax: (617) 988-9252

and

International Fund Services
Email: BeachPointWSO-FAX@ifs.statestreet.com
Fax: (212) 651-2387

- 76 -
FHP PHARMA, L.L.C.,
as a Lender

By: Farallon Capital Management, L.L.C.
   Its Manager

By   /s/ Rajiv A. Patel
Name:  Rajiv A. Patel
Title:  Managing Member

Notice Address:
Farallon Capital Management, L.L.C.
One Maritime Plaza, Suite 2100
San Francisco, CA 94111
Attn: Raj Patel
Phone: (415) 421-2132
Fax: (415) 421-2133
Email: rpatel@farcap.com

with a copy to:
Farallon Capital Management, L.L.C.
Attn: Jenny Hsieh
Phone: (415) 421-2132
Fax: (415) 421-2133
Email: jhsieh@farcap.com
Quaker BioVentures II, L.P.,
as a Lender

By: Quaker BioVentures Capital II, L.P.
   Its general partner

By: Quaker BioVentures Capital II, L.L.C.
   Its general partner

By /s/ Richard S. Kollender
Name: Richard S. Kollender
Title: Vice President

Notice Address:
Quaker BioVentures II, L.P.
2929 Arch Street, Suite 1650
Philadelphia, PA 19104-2868
Attn: Richard S. Kollender
Phone: (215) 988-6814
Fax: (215) 988-6801
Email: rkollender@quakerpartners.com

Signature Page to Loan and Credit Agreement - Horizon

- 78 -
## LENDERS AND COMMITMENTS

### Term Loans

<table>
<thead>
<tr>
<th>Lender</th>
<th>Term Commitment</th>
<th>Commitment Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHP PHARMA, L.L.C.</td>
<td>$25,000,000</td>
<td>41.6667%</td>
</tr>
<tr>
<td>BPC Opportunities Fund</td>
<td>$10,000,000</td>
<td>16.6667%</td>
</tr>
<tr>
<td>Beach Point Total Return Master Fund</td>
<td>$5,000,000</td>
<td>8.3333%</td>
</tr>
<tr>
<td>Beach Point Select Master Fund</td>
<td>$2,000,000</td>
<td>3.3333%</td>
</tr>
<tr>
<td>Royal Mail Pension Plan</td>
<td>$8,000,000</td>
<td>13.3333%</td>
</tr>
<tr>
<td>Quaker BioVentures II, L.P.</td>
<td>$10,000,000</td>
<td>16.6667%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$60,000,000</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
The undersigned, being the duly elected and acting officer of HORIZON PHARMA USA, INC., a Delaware corporation (formerly called HORIZON THERAPEUTICS, INC.) ("Horizon") and HORIZON PHARMA, INC., a Delaware corporation ("Horizon Pharma") and together with Horizon, each a "Borrower" and, collectively, jointly and severally, the "Borrowers") with offices located at 520 Lake Cook Road, Deerfield, IL 60015, does hereby certify to CORTLAND CAPITAL MARKET SERVICES LLC, as administrative agent (the "Administrative Agent") and the Lenders (as defined below) in connection with that certain Loan and Security Agreement dated as of February 22, 2012 by and among Administrative Agent, Borrowers, and the lenders (the "Lenders") party thereto (the "Loan Agreement"; with other capitalized terms used below having the meanings ascribed thereto in the Loan Agreement) that:

1. The representations and warranties made by Borrowers in Section 5 of the Loan Agreement and in the other Loan Documents are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality, in all respects) as of the date hereof.

2. No event or condition has occurred that would constitute a Default or an Event of Default under the Loan Agreement or any other Loan Document.

3. Borrowers are in compliance with the covenants and requirements contained in Sections 4, 6 and 7 of the Loan Agreement.

4. All conditions referred to in Section 3 of the Loan Agreement to the making of the Term Loans to be made on or about the date hereof have been satisfied or waived by Administrative Agent.

5. No Material Adverse Change has occurred.

6. The undersigned is a Responsible Officer.

7. The proceeds of the Term Loans shall be disbursed as set forth on Attachment A hereto.

Dated: , 2012

[signature pages follow]
HORIZON PHARMA USA, INC.,
as Borrower

By
Name: __________________________
Title: __________________________

HORIZON PHARMA, INC.,
as Borrower

By
Name: __________________________
Title: __________________________
TO: CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent ("Administrative Agent")

FROM: HORIZON PHARMA USA, INC. AND HORIZON PHARMA, INC.

The undersigned authorized officer of HORIZON PHARMA USA, INC., a Delaware corporation (formerly called HORIZON THERAPEUTICS, INC.) ("Horizon") and HORIZON PHARMA, INC., a Delaware corporation ("Horizon Pharma" and together with Horizon, each a "Borrower" and, collectively, jointly and severally, the "Borrowers") hereby certifies that in accordance with the terms and conditions of the Loan and Security Agreement dated as of February 22, 2012 by and among Administrative Agent, Borrowers, and the lenders party thereto (the "Lenders") (the "Loan Agreement"):

(i) Borrowers are in complete compliance for the period ending with all required covenants except as noted below;
(ii) No Default or Event of Default has occurred and is continuing, except as noted below;
(iii) Except as noted below, all representations and warranties of Borrowers stated in the Loan Documents are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;
(iv) Borrowers, and each of their respective Subsidiaries, have timely filed all required tax returns and reports or extensions therefor, and Borrowers, and each of their respective Subsidiaries, have timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrowers and each of their respective Subsidiaries, except as otherwise permitted pursuant to the terms of Section 5.9 of the Loan Agreement;
(v) No Liens have been levied or claims made against Borrowers or any of their respective Subsidiaries relating to unpaid employee payroll or benefits of which Borrowers have not previously provided written notification to Administrative Agent; and
(vi) With respect to Borrower’s leased location at 533 Bryant Street, Suite 6, Palo Alto, California 94301 and each other leased location for which a Borrower has been unable to obtain a landlord’s consent in favor of Lender in accordance with Section 3.1(i) of the Loan Agreement, no default or event of default exists under any lease applicable to such location(s).

Attached are the required documents, if any, supporting our certification(s). The undersigned officer on behalf of Borrowers further certifies that the attached financial statements are prepared in accordance with Applicable Accounting Standards and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes and except, in the case of unaudited financial statements, for the absence of footnotes and subject to year-end audit adjustments as to the interim financial statements. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement.

Date:
[signature page follows]
HORIZON PHARMA USA, INC.,
as Borrower

By
Name: ____________________________
Title: ____________________________

HORIZON PHARMA, INC.,
as Borrower

By
Name: ____________________________
Title: ____________________________
Please indicate compliance status since the last Compliance Certificate by circling Yes, No, or N/A under “Complies” column.

<table>
<thead>
<tr>
<th>Reporting Covenant</th>
<th>Requirement</th>
<th>Complies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Monthly Financial Statements</td>
<td>30 days after month end</td>
<td>Yes</td>
</tr>
<tr>
<td>2) Quarterly Financial Statements</td>
<td>45 days after quarter end</td>
<td>No</td>
</tr>
<tr>
<td>3) Annual Financial Statements</td>
<td>90 days after fiscal year end</td>
<td>N/A</td>
</tr>
<tr>
<td>4) Aged Listings</td>
<td>30 days after quarter end</td>
<td>N/A</td>
</tr>
<tr>
<td>5) Other Statements</td>
<td>5 days after delivery</td>
<td>Yes</td>
</tr>
<tr>
<td>6) SEC Filings</td>
<td>5 days after filing</td>
<td>No</td>
</tr>
<tr>
<td>7) Legal Action Notice</td>
<td>Promptly</td>
<td>N/A</td>
</tr>
<tr>
<td>8) Consolidated Plan and Financial Forecast</td>
<td>No later than January 15</td>
<td>Yes</td>
</tr>
<tr>
<td>9) Tax Returns</td>
<td>Within 15 days after filing</td>
<td>N/A</td>
</tr>
<tr>
<td>10) IP Report</td>
<td>Promptly (within 5 Business Days), when required</td>
<td>Yes</td>
</tr>
<tr>
<td>11) Governmental Recommendations</td>
<td>5 Business Days after receipt</td>
<td>No</td>
</tr>
</tbody>
</table>

Deposit and Securities Accounts

(Please list all accounts; attach separate sheet if additional space needed)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Account Number</th>
<th>New Account?</th>
<th>Acct Control Agmt in place?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>2)</td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3)</td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4)</td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>5)</td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>6)</td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
## Financial Covenants

<table>
<thead>
<tr>
<th></th>
<th>Financial Covenant</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minimum Liquidity + Non-Domestic Liquidity (not to exceed $5,000,000)</td>
<td>$70,000,000 on March 31, 2012</td>
</tr>
<tr>
<td>2</td>
<td>Minimum Liquidity</td>
<td>$10,000,000 unless consolidated quarterly EBITDA (see Schedule I hereto): $6,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Minimum Net Revenue</td>
<td>See Section 6.12(b)</td>
</tr>
</tbody>
</table>

### Other Matters

- Have there been any changes in management since the last Compliance Certificate? Yes  No
- Have there been any prohibited Transfers? Yes  No

### Exceptions

Please explain any exceptions with respect to the certification above: (If no exceptions exist, state “No exceptions.” Attach separate sheet if additional space needed.)

---

**LENDERS USE ONLY**

Compliance Status Yes  No
Schedule I to Compliance Certificate

Consolidated EBITDA

Consolidated Net Income for such period

$____

plus without duplication, the sum of the following amounts for such period and to the extent deducted in determining Consolidated Net Income of such Person and its Subsidiaries for such period:

  Consolidated Net Interest Expense $____
  net income tax expense $____
  depreciation expense $____
  amortization expense $____
  non-cash stock compensation expense recorded pursuant to FASB 123R $____
  to the extent actually paid during such period, fees and expenses related to the consummation of the transactions contemplated to be closed on the Effective Date under the Loan Agreement $____

Consolidated EBITDA for such period $____
EXHIBIT C
SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, HORIZON PHARMA USA, INC., a Delaware corporation (formerly called HORIZON THERAPEUTICS, INC.) ("Horizon"), HORIZON PHARMA, INC., a Delaware corporation ("Horizon Pharma" and together with Horizon, each a "Borrower" and, collectively, jointly and severally, the "Borrowers"), jointly and severally, HEREBY PROMISE TO PAY to the order of [ ] ("Lender") the principal amount of [ ] DOLLARS ($ ), plus interest on the aggregate unpaid principal amount hereof at a fixed per annum rate (which rate shall be fixed for the duration of this Note) equal to seventeen percent (17%) per annum, and in accordance with the terms of the Loan and Security Agreement dated as of February 22, 2012 by and among Borrowers, CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent, and the Lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"). If not sooner paid, the entire principal amount and all accrued and unpaid interest hereunder shall be due and payable on the Term Loan Maturity Date. Any capitalized term not otherwise defined herein shall have the meaning attributed to such term in the Loan Agreement.

Borrowers shall make quarterly payments of interest only in arrears on the unpaid principal amount of this Note commencing on the first (1st) Payment Date following the date of this Note, and continuing on the Payment Date of each successive quarter thereafter. Interest shall accrue on this Note commencing on, and including, the date of this Note, and shall accrue on this Note, or any portion thereof, for the day on which this Note or such portion is paid.

Interest on this Note shall be payable in accordance with Section 2.3 of the Loan Agreement.

Principal, interest and all other amounts due with respect to this Note are payable in lawful money of the United States of America to Lender as set forth in the Loan Agreement and this Note. The principal amount of this Note and the interest rate applicable thereto, and all payments made with respect thereto, shall be recorded by Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Note.

The Loan Agreement, among other things, (a) provides for the making of a secured Term Loan by Lender to Borrowers, and (b) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

This Note may not be prepaid except as set forth in Section 2.2(c) and 2.2(d) of the Loan Agreement.

This Note and the obligation of Borrowers to repay the unpaid principal amount of this Note, interest thereon, and all other amounts due Lender under the Loan Agreement are secured pursuant to the Collateral Documents.

Presentment for payment, demand, notice of protest and all other demands and notices of any kind in connection with the execution, delivery, performance and enforcement of this Note are hereby waived.

Borrowers shall pay all reasonable fees and expenses, including, without limitation, reasonable attorneys’ fees and costs, incurred by Lender in the enforcement or attempt to enforce any of Borrowers’ obligations hereunder not performed when due.

This Note shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of New York.
This debt instrument is being issued with “original issue discount” within the meaning of Section 1273(a) of the United States Internal Revenue Code of 1986, as amended, equal to the stated interest on this debt instrument. The holder may obtain the “issue price”, the amount of original issue discount, the “issue date” and the yield to maturity of this debt instrument by submitting a request for such information to the Borrowers at the following address:

c/o Horizon Pharma, Inc.
520 Lake Cook Road
Deerfield, Illinois 60015

**Note Register; Ownership of Note.** The ownership of an interest in this Note shall be registered on a record of ownership maintained by Administrative Agent or its agent. Notwithstanding anything else in this Note to the contrary, the right to the principal of, and stated interest on, this Note may be transferred only if the transfer is registered on such record of ownership and the transferee is identified as the owner of an interest in the obligation. Borrowers shall be entitled to treat the registered holder of this Note (as recorded on such record of ownership) as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Note on the part of any other person or entity.
IN WITNESS WHEREOF, Borrowers have caused this Note to be duly executed by one of its officers thereunto duly authorized on the date hereof.

BORROWERS:

HORIZON PHARMA USA, INC.,
as Borrower

By
Name: ____________________________
Title: ____________________________

HORIZON PHARMA, INC.
as Borrower

By
Name: ____________________________
Title: ____________________________
EXHIBIT E

FORM OF ASSIGNMENT AGREEMENT

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement defined below, receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below, (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:

2. Assignee:

   [and is an Affiliate/Approved Fund of [Identify Lender]]

3. Borrowers:

   HORIZON PHARMA USA, INC., a Delaware corporation (formerly called HORIZON THERAPEUTICS, INC.) and HORIZON PHARMA, INC., a Delaware corporation (collectively, "Borrowers")

4. Administrative Agent:

   CORTLAND CAPITAL MARKET SERVICES LLC, as the administrative agent under the Credit Agreement (in such capacity, the "Administrative Agent")

5. Credit Agreement:

   The Loan and Security Agreement dated as of February 22, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; each capitalized term used but not defined herein having the meaning given it in the Credit Agreement) among Borrowers, the lenders party thereto and the Administrative Agent.

6. Assigned Interest:

   Select as applicable.
<table>
<thead>
<tr>
<th>Facility Assigned</th>
<th>Aggregate Amount of Term Loans for all Lenders</th>
<th>Amount of Term Loans Assigned</th>
<th>Percentage Assigned of Term Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Loans</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

Set forth, to at least 9 decimals, as a percentage of the Term Loans of all Lenders thereunder.
Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF
RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: ____________________________
Name: __________________________
Title: __________________________

ASSIGNEE
[NAME OF ASSIGNEE]

By: ____________________________
Name: __________________________
Title: __________________________

Accepted:

CORTLAND CAPITAL MARKET SERVICES LLC,
as Administrative Agent

By: ____________________________
Name: __________________________
Title: __________________________
ANNEX 1 to Assignment and Assumption

HORIZON PHARMA USA, INC. and HORIZON THERAPEUTICS, INC.

CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of their Subsidiaries or Affiliates or any other person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of their Subsidiaries or Affiliates or any other person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.2(a) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, (vi) the Administrative Agent has received a processing and recordation fee of $3,500 as of the Effective Date and (vii) if it is a Non U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to Section 2.6(c) of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations that by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts that have accrued to but excluding the Effective Date and to the Assignee for amounts that have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be construed in accordance with and governed by the law of the State of New York without regard to conflicts of principles of law that would require the application of the laws of another jurisdiction.
GUARANTY AND SECURITY AGREEMENT

Dated as of February 22, 2012

by

HORIZON PHARMA USA, INC. and HORIZON PHARMA, INC.,
as the Borrowers,

and

EACH OTHER GRANTOR
FROM TIME TO TIME PARTY HERETO

in favor of

CORTLAND CAPITAL MARKET SERVICES LLC,
as Agent
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE I DEFINED TERMS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1.1 Definitions</td>
<td>1</td>
</tr>
<tr>
<td>Section 1.2 Certain Other Terms</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE II GUARANTY</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2.1 Guaranty</td>
<td>4</td>
</tr>
<tr>
<td>Section 2.2 Limitation of Guaranty</td>
<td>4</td>
</tr>
<tr>
<td>Section 2.3 Authorization; Other Agreements</td>
<td>5</td>
</tr>
<tr>
<td>Section 2.4 Guaranty Absolute and Unconditional</td>
<td>5</td>
</tr>
<tr>
<td>Section 2.5 Waivers</td>
<td>6</td>
</tr>
<tr>
<td>Section 2.6 Reliance</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE III GRANT OF SECURITY INTEREST</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 3.1 Collateral</td>
<td>6</td>
</tr>
<tr>
<td>Section 3.2 Grant of Security Interest in Collateral</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE IV REPRESENTATIONS AND WARRANTIES</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 4.1 Title; No Other Liens</td>
<td>7</td>
</tr>
<tr>
<td>Section 4.2 Perfection and Priority</td>
<td>7</td>
</tr>
<tr>
<td>Section 4.3 Pledged Collateral</td>
<td>8</td>
</tr>
<tr>
<td>Section 4.4 Instruments and Tangible Chattel Paper Formerly Accounts</td>
<td>8</td>
</tr>
<tr>
<td>Section 4.5 Reserved</td>
<td>8</td>
</tr>
<tr>
<td>Section 4.6 Commercial Tort Claims</td>
<td>8</td>
</tr>
<tr>
<td>Section 4.7 Specific Collateral</td>
<td>8</td>
</tr>
<tr>
<td>Section 4.8 Enforcement</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE V COVENANTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 5.1 Maintenance of Perfected Security Interest; Further Documentation and Consents</td>
<td>9</td>
</tr>
<tr>
<td>Section 5.2 Pledged Collateral</td>
<td>10</td>
</tr>
<tr>
<td>Section 5.3 Accounts</td>
<td>10</td>
</tr>
<tr>
<td>Section 5.4 Commodity Contracts and Deposit Accounts</td>
<td>10</td>
</tr>
<tr>
<td>Section 5.5 Delivery of Instruments and Tangible Chattel Paper and Control of Investment Property, Letter-of-Credit Rights and Electronic Chattel Paper</td>
<td>10</td>
</tr>
<tr>
<td>Section 5.6 Intellectual Property</td>
<td>11</td>
</tr>
<tr>
<td>Section 5.7 Notice of Commercial Tort Claims</td>
<td>12</td>
</tr>
<tr>
<td>Section 5.8 Other Notices</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VI REMEDIAL PROVISIONS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 6.1 Code and Other Remedies</td>
<td>12</td>
</tr>
<tr>
<td>Section 6.2 Accounts and Payments in Respect of General Intangibles</td>
<td>15</td>
</tr>
<tr>
<td>Section 6.3 Pledged Collateral</td>
<td>15</td>
</tr>
<tr>
<td>Section 6.4 Proceeds to be Turned over to and Held by Agent</td>
<td>16</td>
</tr>
<tr>
<td>Section 6.5 Sale of Pledged Collateral</td>
<td>16</td>
</tr>
<tr>
<td>Section 6.6 Deficiency</td>
<td>17</td>
</tr>
<tr>
<td>Section 6.7 Deposit Accounts</td>
<td>17</td>
</tr>
<tr>
<td>Section 6.8 Directions, Notices or Instructions</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VII AGENT</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 7.1 Agent’s Appointment as Attorney-in-Fact</td>
<td>17</td>
</tr>
<tr>
<td>Section 7.2 Authorization to File Financing Statements</td>
<td>18</td>
</tr>
<tr>
<td>Section 7.3 Authority of Agent</td>
<td>18</td>
</tr>
<tr>
<td>Section 7.4 Duty; Obligations and Liabilities</td>
<td>18</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>8.1</td>
<td>Reinstatement</td>
</tr>
<tr>
<td>8.2</td>
<td>Release of Collateral</td>
</tr>
<tr>
<td>8.3</td>
<td>Independent Obligations</td>
</tr>
<tr>
<td>8.4</td>
<td>No Waiver by Course of Conduct</td>
</tr>
<tr>
<td>8.5</td>
<td>Amendments in Writing</td>
</tr>
<tr>
<td>8.6</td>
<td>Additional Grantors and Guarantors; Additional Pledged Collateral</td>
</tr>
<tr>
<td>8.7</td>
<td>Notices</td>
</tr>
<tr>
<td>8.8</td>
<td>Successors and Assigns</td>
</tr>
<tr>
<td>8.9</td>
<td>Counterparts</td>
</tr>
<tr>
<td>8.10</td>
<td>Severability</td>
</tr>
<tr>
<td>8.11</td>
<td>Governing Law</td>
</tr>
<tr>
<td>8.12</td>
<td>Waiver of Jury Trial</td>
</tr>
</tbody>
</table>
## ANNEXES AND SCHEDULES

| Annex 1 | Form of Pledge Amendment |
| Annex 2 | Form of Joinder Agreement |
| Annex 3 | Form of Intellectual Property Security Agreement |

| Schedule 1 | Commercial Tort Claims |
| Schedule 2 | Filings |
| Schedule 3 | Pledged Collateral |
GUARANTY AND SECURITY AGREEMENT, dated as of February 22, 2012, by HORIZON PHARMA USA, INC., a Delaware corporation (formerly called HORIZON THERAPEUTICS, INC.) ("Horizon") and HORIZON PHARMA, INC., a Delaware corporation ("Horizon Pharma" and together with Horizon, each a "Borrower" and, collectively, jointly and severally, the "Borrowers") and each of the other entities listed on the signature pages hereof or that becomes a party hereto pursuant to Section 8.6 (together with the Borrowers, the "Grantors"), in favor of CORTLAND CAPITAL MARKET SERVICES LLC, as administrative agent (in such capacity, together with its successors and permitted assigns, "Agent") for the Lenders and each other Secured Party (each as defined in the Credit Agreement referred to below).

WITNESSETH:

WHEREAS, pursuant to the Loan and Security Agreement dated as of February 22, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by and among the Borrowers, the Lenders and the Agent, the Lenders have severally agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, each Grantor has agreed to guaranty the Obligations (as defined in the Credit Agreement);

WHEREAS, each Grantor will derive substantial direct and indirect benefits from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrowers under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to Agent.

NOW, THEREFORE, in consideration of the premises and to induce the Lenders and Agent to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with Agent as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions. (a) Capitalized terms used herein without definition are used as defined in the Credit Agreement.

(b) The following terms have the meanings given to them in the Code and terms used herein without definition that are defined in the Code have the meanings given to them in the Code (such meanings to be equally applicable to both the singular and plural forms of the terms defined): "account", "account debtor", "as-extracted collateral", "certificated security", "chattel paper", "commercial tort claim", "commodity contract", "deposit account", "electronic chattel paper", "equipment", "farm products", "fixture", "general intangible", "goods", "health-care-insurance receivable", "instruments", "inventory", "investment property", "letter-of-credit right", "proceeds", "record", "securities account", "security", "supporting obligation" and "tangible chattel paper".

(c) The following terms shall have the following meanings:

"Agreement" means this Guaranty and Security Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Applicable IP Office" means the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within or outside the United States.

"Collateral" has the meaning specified in Section 3.1.
“Controlled Securities Account” means each securities account (including all financial assets held therein and all certificates and instruments, if any, representing or evidencing such financial assets) that is the subject of an effective Control Agreement.

“Excluded Equity” means (i) with respect to any Equity Interests of Horizon UK and Horizon AG that are owned by any Grantor, any voting stock in excess of 65% of the outstanding voting stock of Horizon UK and Horizon AG, as the case may be, and (ii) with respect to any Equity Interests of any other Foreign Subsidiary of any Grantor, if a 956 Impact exists and is continuing and such Equity Interest is subject to exclusion in accordance with the terms of the Credit Agreement, any voting stock in excess of 65% of the outstanding voting stock of any Foreign Subsidiary which, pursuant to the terms of the Credit Agreement, is not required to guaranty the Obligations. For the purposes of this definition, “voting stock” means, with respect to any issuer, the issued and outstanding shares of each class of Equity Interests of such issuer entitled to vote (within the meaning of Treasury Regulations § 1.956-2(c)(2)).

“Excluded Property” means, collectively, (i) Excluded Equity, (ii) any “intent to use” Trademark applications for which a statement of use or an amendment to allege use has not been filed (but only until such statement is filed) solely to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent to use Trademark applications under applicable federal law, (iii) the Specified Accounts, (iv) any permit, lease, license, contract, instrument or other agreement (other than any Permitted License) held by any Grantor that validly prohibits or requires the consent of any Person other than a Borrower or an Affiliate of a Borrower (to the extent that such Grantor has sought such consent using commercially reasonable efforts and such consent has not been obtained) as a condition to the creation by such Grantor of a Lien thereon, or any permit, lease, license, contract, instrument or other agreement held by any Grantor to the extent that any Requirement of Law, applicable thereto prohibits the creation of a Lien thereon, but only, in each case, to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the Code (including Sections 9-406(d), 9-407(a), 9-408(a) and 9-409 of the Code) or any other applicable Requirement of Law, and (v) Equipment owned by any Grantor that is subject to a purchase money Lien or a capital lease which is permitted by the Loan Agreement if the contract or other agreement in which such Lien is granted (or in the documentation providing for such a capital lease) prohibits or requires the consent of any Person as a condition to the creation of any other Lien on such Equipment, but only, in each case, to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the Code (including Sections 9-406(d), 9-407(a), 9-408(a) and 9-409 of the Code) or any other applicable Requirement of Law; provided, however, “Excluded Property” shall not include (x) any proceeds, products, substitutions or replacements of Excluded Property (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Property) or (y) any Permitted Licenses.

“Guaranteed Obligations” has the meaning set forth in Section 2.1.

“Guarantor” means each Grantor, including each Borrower with respect to the obligations of each other Borrower and each other Guarantor.

“Guaranty” means the guaranty of the Guaranteed Obligations made by the Guarantors as set forth in this Agreement.

“Internet Domain Name” means all right, title and interest (and all related IP Ancillary Rights) arising under any contract or Requirement of Law in or relating to Internet domain names.

“IP License” means all express and implied grants or rights to make, have made, use, sell, reproduce, distribute, modify, or otherwise exploit any Intellectual Property, as well as all covenants not to sue and co-existence agreements (and all related IP Ancillary Rights), whether written or oral, relating to any Intellectual Property.

“Pledged Certificated Stock” means all certificated securities and any other Equity Interests of any Person evidenced by a certificate, instrument or other similar document (as defined in the Code), in each case owned
by any Grantor, including all right, title and interest of any Grantor as a limited or general partner in any partnership constituting Pledged Certificated Stock or as a member of any limited liability company constituting Pledged Certificated Stock, all right, title and interest of any Grantor in, to and under any Operating Document of any partnership or limited liability company to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including all Equity Interests listed on Schedule 3. Pledged Certificated Stock excludes any Excluded Property.

“Pledged Collateral” means, collectively, the Pledged Stock and the Pledged Debt Instruments.

“Pledged Debt Instruments” means all right, title and interest of any Grantor in instruments evidencing any Indebtedness owed to such Grantor or other obligations owed to such Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including all Indebtedness described on Schedule 3 issued by the obligors named therein.

“Pledged Investment Property” means any investment property of any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, other than any Pledged Stock or Pledged Debt Instruments.

“Pledged Stock” means all Pledged Certificated Stock and all Pledged Uncertificated Stock.

“Pledged Uncertificated Stock” means any Equity Interests of any Person that is not Pledged Certificated Stock, including all right, title and interest of any Grantor as a limited or general partner in any partnership not constituting Pledged Certificated Stock or as a member of any limited liability company not constituting Pledged Certificated Stock, all right, title and interest of any Grantor in, to and under any Operating Document of any partnership or limited liability company to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule 3, to the extent such interests are not certificated. Pledged Uncertificated Stock excludes any Excluded Property.

“Related Persons” means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, legal, financial and other advisor and other consultants and agents of or to such Person or any of its Affiliates.

“Secured Obligations” has the meaning set forth in Section 3.2.

“Software” means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

“Specified Accounts” means (i) account number 3300712956 of the Borrowers at SVB and (ii) account number 3300808095 of the Borrowers at SVB, in each case, together with any cash or Cash Equivalents on deposit therein and solely to the extent the cash or Cash Equivalents on deposit therein constitute Permitted Liens pursuant to either clause (l) of the definition thereof.

“Vehicles” means all vehicles covered by a certificate of title law of any state.

Section 1.2 Certain Other Terms.

(a) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. References herein to an Annex, Schedule, Article, Section or clause refer to the appropriate Annex or Schedule to, or Article, Section or clause in this Agreement. Where the context requires, provisions relating to any Collateral when used in relation to a Grantor shall refer to such Grantor’s Collateral or any relevant part thereof.
(b) Other Interpretive Provisions

(i) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto.

(ii) The Agreement. The words “hereof”, “herein”, “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(iii) Certain Common Terms. The term “including” is not limiting and means “including without limitation.”

(iv) Performance; Time. Whenever any performance obligation hereunder (other than a payment obligation) shall be stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.” If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(v) Contracts. Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, shall be deemed to include all subsequent amendments, thereto, restatements and substitutions thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(vi) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions related thereto or consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

ARTICLE II

GUARANTY

Section 2.1 Guaranty. To induce the Lenders to make the Term Loans on the Effective Date to or for the benefit of one or more Grantors, each Guarantor hereby, jointly and severally, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment when due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance with any Loan Document, of all the Obligations of each Borrower and each other Guarantor whether existing on the date hereof or hereinafter incurred or created (the “Guaranteed Obligations”). This Guaranty by each Guarantor hereunder constitutes a guaranty of payment and not of collection.

Section 2.2 Limitation of Guaranty. Any term or provision of this Guaranty or any other Loan Document to the contrary notwithstanding, the maximum aggregate amount for which any Guarantor shall be liable hereunder shall not exceed the maximum amount for which such Guarantor can be liable without rendering this Guaranty or any other Loan Document, as it relates to such Guarantor, subject to avoidance under applicable Requirements of Law relating to fraudulent conveyance or fraudulent transfer (including the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act and Section 548 of title 11 of the United States Code or any applicable provisions of comparable Requirements of Law) (collectively, “Fraudulent Transfer Laws”). Any analysis of the provisions of this Guaranty for purposes of Fraudulent Transfer Laws shall give effect to any discharge of intercompany debt as a result of any payment made under the Guaranty.

4
Section 2.3 Authorization; Other Agreements. The Secured Parties are hereby authorized, without notice to or demand upon any Guarantor and without discharging or otherwise affecting the obligations of any Guarantor hereunder and without incurring any liability hereunder, from time to time, to do each of the following but subject in all cases to the terms and conditions of the other Loan Documents:

(a) (i) modify, amend, supplement or otherwise change, (ii) accelerate or otherwise change the time of payment or (iii) waive or otherwise consent to noncompliance with, any Guaranteed Obligation or any Loan Document;

(b) apply to the Guaranteed Obligations any sums by whomever paid or however realized to any Guaranteed Obligation in such order as provided in the Loan Documents;

(c) refund at any time any payment received by any Secured Party in respect of any Guaranteed Obligation;

(d) (i) sell, exchange, enforce, waive, substitute, liquidate, terminate, release, abandon, fail to perfect, subordinate, accept, substitute, surrender, exchange, affect, impair or otherwise alter or release any Collateral for any Guaranteed Obligation or any other guaranty therefor in any manner, (ii) receive, take and hold additional Collateral to secure any Guaranteed Obligation, (iii) add, release or substitute any one or more other Guarantors, makers or endorsers of any Guaranteed Obligation or any part thereof and (iv) otherwise deal in any manner with a Borrower or any other Guarantor, maker or endorser of any Guaranteed Obligation or any part thereof; and

(e) settle, release, compromise, collect or otherwise liquidate the Guaranteed Obligations.

Section 2.4 Guaranty Absolute and Unconditional. Each Guarantor hereby waives and agrees not to assert any defense, whether arising in connection with or in respect of any of the following or otherwise, and hereby agrees that its obligations under this Guaranty are irrevocable, absolute and unconditional and shall not be discharged as a result of or otherwise affected by any of the following (which may not be pleaded and evidence of which may not be introduced in any proceeding with respect to this Guaranty, in each case except as otherwise agreed in writing by Agent or the Lenders):

(a) the invalidity or unenforceability of any obligation of a Borrower or any other Guarantor under any Loan Document or any other agreement or instrument relating thereto (including any amendment, consent or waiver thereto), or any security for, or other guaranty of, any Guaranteed Obligation or any part thereof, or the lack of perfection or continuing perfection or failure of priority of any security for the Guaranteed Obligations or any part thereof;

(b) the absence of (i) any attempt to collect any Guaranteed Obligation or any part thereof from a Borrower or any other Guarantor or other action to enforce the same or (ii) any action to enforce any Loan Document or any Lien thereunder;

(c) the failure by any Person to take any steps to perfect and maintain any Lien on, or to preserve any rights with respect to, any Collateral;

(d) any workout, insolvency, bankruptcy proceeding, reorganization, arrangement, liquidation or dissolution by or against a Borrower, any other Guarantor or any of a Borrower’s other Subsidiaries or any procedure, agreement, order, stipulation, election, action or omission thereunder, including any discharge or disallowance of, or bar or stay against collecting, any Guaranteed Obligation (or any interest thereon) in or as a result of any such proceeding;

(e) any foreclosure, whether or not through judicial sale, and any other sale or other disposition of any Collateral or any election following the occurrence of an Event of Default by any Secured Party to
proceed separately against any Collateral in accordance with such Secured Party’s rights under any applicable Requirement of Law; or

(f) any other defense, setoff, counterclaim or any other circumstance that might otherwise constitute a legal or equitable discharge of a Borrower, any other Guarantor or any other Subsidiary of a Borrower, in each case other than the indefeasible payment in full of the Guaranteed Obligations.

Section 2.5 Waivers. Each Guarantor hereby unconditionally and irrevocably waives and agrees not to assert any claim, defense, setoff or counterclaim based on diligence, promptness, presentment, requirements for any demand or notice hereunder including any of the following: (a) any demand for payment or performance and protest and notice of protest; (b) any notice of acceptance; (c) any presentment, demand, protest or further notice or other requirements of any kind with respect to any Guaranteed Obligation (including any accrued but unpaid interest thereon) becoming immediately due and payable; and (d) any other notice in respect of any Guaranteed Obligation or any part thereof, and any defense arising by reason of any disability or other defense of a Borrower or any other Guarantor. Until the indefeasible payment in full of the Guaranteed Obligations, each Guarantor further unconditionally and irrevocably agrees not to (x) enforce or otherwise exercise any right of subrogation or any right of reimbursement or contribution or similar right against a Borrower or any other Guarantor by reason of any Loan Document or any payment made thereunder or (y) assert any claim, defense, setoff or counterclaim it may have against any other Credit Party or set off any of its obligations to such other Credit Party against obligations of such Credit Party to such Guarantor. No obligation of any Guarantor hereunder shall be discharged other than by complete performance.

Section 2.6 Reliance. Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of each Borrower, each other Guarantor and any other guarantor, maker or endorser of any Guaranteed Obligation or any part thereof, and of all other circumstances bearing upon the risk of nonpayment of any Guaranteed Obligation or any part thereof, and of all other circumstances bearing upon the risk of nonpayment of any Guaranteed Obligation or any part thereof that diligent inquiry would reveal, and each Guarantor hereby agrees that no Secured Party shall have any duty to advise any Guarantor of information known to it regarding such condition or any such circumstances. In the event any Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, such Secured Party shall be under no obligation to (a) undertake any investigation not a part of its regular business routine, (b) disclose any information that such Secured Party, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (c) make any future disclosures of such information or any other information to any Guarantor.

ARTICLE III
GRANT OF SECURITY INTEREST

Section 3.1 Collateral. For the purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by a Grantor or in which a Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the “Collateral”:

(a) all accounts, chattel paper, deposit accounts, documents (as defined in the Code), equipment, Intellectual Property and other general intangibles, goods, instruments, inventory, investment property, money, letter of credit rights and any supporting obligations related to any of the foregoing;

(b) all Pledged Collateral, Pledged Investment Property, Controlled Securities Accounts, Deposit Accounts, Internet Domain Names, IP Licenses, Software and Vehicles;

(c) the commercial tort claims described on Schedule 1 and on any supplement thereto received by Agent pursuant to Section 5.7;

(d) all books and records pertaining to the other property described in this Section 3.1:
Section 3.2 Grant of Security Interest in Collateral. Each Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of such Grantor (the “Secured Obligations”), hereby pledges and hypothecates to Agent for the benefit of the Secured Parties, and grants to Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral of such Grantor; provided, however, notwithstanding the foregoing, no Lien or security interest is hereby granted on and “Collateral” shall not include any Excluded Property; provided, further, that if and when any property shall cease to be Excluded Property, a Lien on and security in such property shall be deemed granted therein.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

To induce the Lenders and Agent to enter into the Loan Documents, each Grantor hereby represents and warrants each of the following to the Secured Parties:

Section 4.1 Title; No Other Liens. Except for the Lien granted to Agent pursuant to this Agreement and any other Permitted Liens under any Loan Document (including Section 4.2), such Grantor owns or otherwise has the rights it purports to have in each item of the Collateral whether now existing or hereafter acquired, developed or created, free and clear of any and all Liens or claims of others. Such Grantor (a) is the record and beneficial owner of the Collateral pledged by it hereunder constituting instruments or certificates and (b) has rights in or the power to transfer each other item of Collateral in which a Lien is granted by it hereunder, free and clear of any other Lien other than any Permitted Liens. Other than Control Agreements executed and delivered to Agent in accordance with the provisions of the Loan Documents, no other Control Agreements exist for any of the Deposit Accounts or Controlled Securities Accounts. Other than any financing statements filed in favor of the Agent, no other financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the Collateral is on file in any filing or recording office except for financing statements filed in connection with Permitted Liens. As of the Effective Date, no Grantor is a licensee with respect to any Intellectual Property that is (i) necessary for the development, manufacture, use, sale, offer for sale or import of DUEXIS or (ii) otherwise material to the business of any Grantor, and that validly prohibits or requires the consent of any Person as a condition to the creation by such Grantor of a Lien thereon.

Section 4.2 Perfection and Priority. Other than in respect of money, insurance policies and other Collateral subject to Section 9311(a)(1) of the Code, the security interest granted pursuant to this Agreement constitutes a valid and continuing perfected first priority security interest (subject, in the case of priority only, to Permitted Liens) in favor of Agent in all Collateral subject, for the following Collateral, to the occurrence of the following: (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the Code, the completion of the filings and other actions specified on Schedule 2 (which, in the case of all filings and other documents referred to on such schedule, have been delivered to Agent in completed and duly authorized form), (ii) with respect to any deposit account, the execution of Control Agreements, (iii) in the case of all Copyrights, Trademarks and Patents for which Code filings are insufficient to effectuate perfection, all appropriate filings having been made with the United States Copyright Office or the United States Patent and Trademark Office or appropriate foreign office, as applicable, (iv) in the case of letter-of-credit rights that are not
supporting obligations of Collateral, the execution of a contractual obligation granting control to Agent over such letter-of-credit rights, (v) in the case of electronic chattel paper, the completion of all steps necessary to grant control to Agent over such electronic chattel paper and (vi) in the case of Vehicles, the actions required under subsection 5.1(e). Such security interest in Pledged Collateral, Pledged Investment Property, all other instruments, and tangible chattel paper shall be prior to all other Liens on such Collateral except for Permitted Liens (including purchase money security interests) having priority over Agent’s Lien by operation of law upon the earlier of the financing statement filings referred to in the immediately preceding sentence and (i) in the case of all Pledged Certificated Stock, Pledged Debt Instruments and Pledged Investment Property, the delivery thereof to Agent of such Pledged Certificated Stock, Pledged Debt Instruments and Pledged Investment Property consisting of instruments and certificates, in each case properly endorsed for transfer to Agent or in blank, (ii) in the case of all Pledged Investment Property not in certificated form, the execution of Control Agreements with respect to such investment property, (iii) in the case of Pledged Uncertificated Stock, the delivery thereof to Agent in accordance with Section 8106(c)(1) of the Code or the execution of a control agreement among the issuer, the registered owner and Agent in accordance with Section 8106(c)(2) of the Code and (iv) in the case of all other instruments and tangible chattel paper that are not Pledged Certificated Stock, Pledged Debt Instruments, Pledged Investment Property or Pledged Uncertificated Stock, the delivery thereof to Agent of such instruments and tangible chattel paper. Except as set forth in this Section 4.2, all actions by each Grantor necessary or desirable to protect and perfect the Lien granted hereunder on the Collateral have been duly taken.

**Section 4.3 Pledged Collateral.** (a) The Pledged Stock issued by any Subsidiary of any Grantor pledged by such Grantor hereunder (i) is listed on Schedule 3 and constitutes that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth on Schedule 3, (ii) has been duly authorized, validly issued and is fully paid and nonassessable (other than Pledged Stock in limited liability companies and partnerships) and (iii) constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms.

(b) As of the Effective Date, all Pledged Collateral (other than Pledged Uncertificated Stock) and all Pledged Investment Property consisting of instruments and certificates has been delivered to Agent in accordance with subsection 5.2(a).

(c) All of the Pledged Stock issued by issuers formed under the laws of the United States or a State thereof that constitutes limited liability company interests or partnership interests are or represent interests that by their terms provide that they are securities governed by the uniform commercial code of any applicable jurisdiction.

(d) Upon the occurrence and during the continuance of an Event of Default, Agent shall be entitled to exercise all of the rights of the Grantor granting the security interest in any Pledged Stock, and a transferee or assignee of such Pledged Stock shall become a holder of such Pledged Stock to the same extent as such Grantor and, upon the transfer of the entire interest of such Grantor, such Grantor shall, by operation of law, cease to be a holder of such Pledged Stock.

**Section 4.4 Instruments and Tangible Chattel Paper Formerly Accounts.** No amount payable to such Grantor under or in connection with any account is evidenced by any instrument or tangible chattel paper that has not been delivered to Agent, properly endorsed for transfer, to the extent delivery is required by subsection 5.5(a) or electronic chattel paper that has not been subjected to the control of the Agent.

**Section 4.5 Reserved**

**Section 4.6 Commercial Tort Claims.** The only commercial tort claims of any Grantor existing on the date hereof having a value reasonably believed by the Grantors to be individually or in aggregate in excess of $250,000 (regardless of whether the amount, defendant or other material facts can be determined) are those listed on Schedule 1, which sets forth such information separately for each Grantor.

**Section 4.7 Specific Collateral.** None of the Collateral is or is proceeds or products of farm products, as-extracted collateral, health-careinsurance receivables or timber to be cut.
Section 4.8 Enforcement. No permit, notice to or filing with any Governmental Authority or any other Person or any authorization, consent or approval from any Person is required for (i) the pledge or grant by any Grantor of the Liens in any Collateral in favor of the Agent under the Loan Documents or (ii) subject to the application of Section 9-408(d) or 9-409(b) of the Code, the exercise by Agent of its rights (including voting rights) provided for in this Agreement or the enforcement of remedies in respect of the Collateral pursuant to this Agreement, including the transfer of any Collateral, except (a) as may be required by the Code or other applicable law or by any Control Agreement or similar agreement governing the control of any Collateral, (b) in connection with the disposition of any portion of the Pledged Collateral by laws affecting the offering and sale of securities generally or (c) any authorizations, consents or approvals that may be required to be obtained from any bailees or landlords to collect or otherwise enforce remedies in respect of the Collateral.

ARTICLE V
COVENANTS

Each Grantor agrees with Agent to the following, as long as any Obligation or Commitment remains outstanding (other than contingent indemnification Obligations to the extent no claim giving rise thereto has been asserted):

Section 5.1 Maintenance of Perfected Security Interest; Further Documentation and Consents. (a) Generally. Such Grantor shall (i) not use or permit any Collateral to be used unlawfully or in violation of any provision of any Loan Document, any Requirement of Law, any contractual commitment (including any IP Licenses) or any policy of insurance covering the Collateral and (ii) not enter into any contractual obligation or undertaking restricting the right or ability of such Grantor or Agent to sell, assign, convey or transfer any Collateral except with respect to (i) specific property encumbered by Permitted Liens to secure payment of Permitted Indebtedness, (ii) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business, provided, however, that such Grantor shall use commercially reasonable efforts to limit any such restrictions to the extent it is a licensee or a licensor and (iii) Permitted Licenses.

(b) Subject to the occurrence of the filings and actions described in Section 4.2, which each Grantor shall undertake promptly, such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall enforce and defend the Collateral covered by such security interest and such priority against the claims and demands of all Persons.

(c) Such Grantor shall furnish to Agent from time to time statements and schedules further identifying and describing the Collateral and such other documents in connection with the Collateral as Agent may reasonably request, all in reasonable detail and in form and substance satisfactory to Agent.

(d) At any time and from time to time, upon the written request of Agent, such Grantor shall, for the purpose of obtaining or preserving the full benefits of this Agreement, each IP Agreement and the Credit Agreement, and of the rights and powers herein and therein granted, (i) promptly and duly execute and deliver, and have recorded, such further documents, including an authorization to file (or, as applicable, the filing) of any financing statement or amendment under the Code (or other filings under similar Requirements of Law) in effect in any jurisdiction with respect to the security interest created hereby and thereby and (ii) take such further action as Agent may reasonably request, including (A) using commercially reasonable efforts to secure all approvals necessary or appropriate for the assignment or sublicense, as appropriate, to or for the benefit of Agent of any contractual obligation, including any IP License, held by such Grantor and to enforce the security interests granted hereunder and (B) executing and delivering any Control Agreements with respect to deposit accounts and securities accounts.

(e) If requested by Agent, the Grantor shall arrange for Agent’s first priority security interest to be noted on the certificate of title of each Vehicle and shall file any other necessary documentation in each jurisdiction that Agent shall deem advisable to perfect its security interests in any Vehicle.
To ensure that a Lien and security interest is granted on any of the Excluded Property set forth in clauses (iv) and (v) of the definition of “Excluded Property”, such Grantor shall use commercially reasonable efforts to obtain any required consents from any Person other than a Borrower and its Affiliates with respect to any permit or license or any contractual obligation with such Person entered into by such Grantor from and after the Effective Date that requires such consent as a condition to the creation by such Grantor of a Lien on any right, title or interest in such permit, license or contractual obligation or any Equity Interests related thereto.

Section 5.2 Pledged Collateral. (a) Delivery of Pledged Collateral. Such Grantor shall (i) deliver to Agent, in suitable form for transfer and in form and substance satisfactory to Agent, (A) all Pledged Certificated Stock, (B) all Pledged Debt Instruments and (C) all certificates and instruments evidencing Pledged Investment Property, (ii) subject all security entitlements and securities accounts to a Control Agreement and (iii) cause the issuer of any Pledged Uncertificated Security to either register the Agent as the registered owner thereof on the books and records of such issuer or execute an agreement in form and substance satisfactory to the Agent pursuant to which such issuer agrees to comply with the Agent’s instructions with respect to such Pledged Uncertificated Security without further consent by such Grantor.

(b) Event of Default. During the continuance of an Event of Default, Agent shall have the right, at any time in its discretion and without notice to the Grantor, to (i) transfer to or to register in its name or in the name of its nominees any Pledged Collateral or any Pledged Investment Property and (ii) exchange any certificate or instrument representing or evidencing any Pledged Collateral or any Pledged Investment Property for certificates or instruments of smaller or larger denominations.

(c) Cash Distributions with respect to Pledged Collateral. Except as provided in Article VI and subject to the limitations set forth in the Credit Agreement, such Grantor shall be entitled to receive all cash distributions paid in respect of the Pledged Collateral and the Pledged Investment Property.

(d) Voting Rights. Except as provided in Article VI, such Grantor shall be entitled to exercise all voting, consent and corporate, partnership, limited liability company and similar rights with respect to the Pledged Collateral and the Pledged Investment Property; provided, however, that no vote shall be cast, consent given or right exercised or other action taken by such Grantor that would impair the Collateral or be inconsistent with or result in any violation of any provision of any Loan Document.

Section 5.3 Accounts. (a) Such Grantor shall not, other than in the ordinary course of business, (i) grant any extension of the time of payment of any account, (ii) compromise or settle any account for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any account, (iv) allow any credit or discount on any account or (v) amend, supplement or modify any account in any manner that could adversely affect the value thereof.

(b) Agent shall have the right to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and such Grantor shall furnish all such assistance and information as Agent may reasonably require in connection therewith. At any time and from time to time, upon Agent’s or the Required Lenders’ reasonable request, such Grantor shall cause independent public accountants or others satisfactory to Agent to furnish to Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the accounts; provided, however, that unless an Event of Default shall be continuing, Agent and Required Lenders shall request no more than two such reports during any calendar year.

Section 5.4 Commodity Contracts and Deposit Accounts. Such Grantor shall not have any commodity contract or deposit account constituting Collateral unless subject to a Control Agreement.

Section 5.5 Delivery of Instruments and Tangible Chattel Paper and Control of Investment Property, Letter-of-Credit Rights and Electronic Chattel Paper. (a) If any amount in excess of $250,000 payable under or in connection with any Collateral owned by such Grantor shall be or become evidenced by an instrument or tangible chattel paper other than such instrument delivered in accordance with subsection 5.2(a) and in the possession of Agent, such Grantor shall mark all such instruments and tangible chattel paper with the following legend: “This
writing and the obligations evidenced or secured hereby are subject to the security interest of Cortland Capital Market Services LLC, as Agent” and, at the
request of Agent, shall immediately deliver such instrument or tangible chattel paper to Agent, duly indorsed in a manner satisfactory to Agent.

(b) Such Grantor shall not grant “control” (within the meaning of such term under Article 8 or 9 of the Code) over, or deliver possession of, any
Pledged Collateral to any Person other than Agent.

(c) If such Grantor is or becomes the beneficiary of a letter of credit that is (i) not a supporting obligation of any Collateral and (ii) in excess of
$250,000, such Grantor shall promptly, and in any event within 5 Business Days after becoming a beneficiary, notify Agent thereof and enter into a
contractual obligation with Agent and the issuer of such letter of credit or any nominated person with respect to the letter-of-credit rights under such letter of
credit. Such contractual obligation shall assign such letter-of-credit rights to Agent and such assignment shall be sufficient to grant control for the purposes
of Section 9-107 of the Code (or any similar section under any equivalent Code). Such contractual obligation shall also direct all payments thereunder to a
Collateral Account. The provisions of the contractual obligation shall be in form and substance reasonably satisfactory to Agent.

(d) If any amount in excess of $250,000 payable under or in connection with any Collateral owned by such Grantor shall be or become
evidenced by electronic chattel paper, such Grantor shall take all steps necessary to grant Agent control of all such electronic chattel paper for the purposes of
Section 9-105 of the Code (or any similar section under any equivalent Code) and all “transferable records” as defined in each of the Uniform Electronic
Transactions Act and the Electronic Signatures in Global and National Commerce Act.

Section 5.6 Intellectual Property. (a) Together with delivery of each Compliance Certificate to Agent and the Lenders pursuant to Section 6.2(a)(ii)
of the Credit Agreement, such Grantor shall provide Agent written notification of any change to Schedules 5.5(d) and 5.5(g) to the Credit Agreement necessary
to make the applicable representations and warranties with respect thereto true and correct as of the date of such Compliance Certificate and the short-form
intellectual property agreements and assignments as described in this Section 5.6, if any, and any other documents that Agent and/or the Required Lenders
reasonably request with respect thereto.

(b) Such Grantor shall (and shall cause all its licensees and sub-licensees and sales agents to) (i) (1) continue to use each material Trademark
included in the Collateral in order to maintain such Trademark in full force and effect with respect to each class of goods and services for which such
Trademark is currently used, free from any claim of abandonment for non-use, (2) maintain at least the same standards of quality of products and services
offered under such Trademark as are currently maintained, (3) use such Trademark with the appropriate notice of registration and all other notices and legends
required by applicable Requirements of Law and (4) not adopt or use any other Trademark that is confusingly similar or a colorable imitation of such
Trademark unless Agent shall obtain a perfected security interest in such other Trademark pursuant to this Agreement and (ii) not do any act or omit to do any
act whereby (1) such Trademark (or any goodwill associated therewith) may become destroyed, invalidated, impaired or harmed in any way, (2) any material
Patent included in the Collateral may become forfeited, misused, unenforceable, abandoned or dedicated to the public, (3) any material portion of the
Copyrights included in the Collateral may become invalidated, otherwise impaired or fall into the public domain or (4) any material Trade Secret included in
the Collateral may become publicly available or otherwise unprotectable; provided, however, that so long as no Event of Default has occurred and is
continuing, no Grantor shall be obligated to preserve any Trademark, Patent, Copyright, or Trade Secret included in the Collateral which, in its good faith
and reasonable business judgment, is no longer useful to the business of the Grantors, taken as a whole.

(c) Such Grantor shall notify Agent promptly (and in any event, within 5 Business Days) if it knows that any application or registration relating to
any Intellectual Property included in the Collateral may become denied, narrowed, forfeited, misused, unenforceable, abandoned or dedicated to the
public, or of any material adverse determination or development regarding the validity or enforceability of such Grantor’s interest in, right to use, register,
own or maintain any Intellectual Property (including the institution of, or any such determination or development in, any proceeding relating to the
foregoing in any Applicable IP Office). Such Grantor shall take all actions that are necessary or reasonably requested by Agent to maintain and pursue each
application (and to obtain the relevant registration or recordation) and to maintain each registration and recordation included in the Intellectual Property included in the Collateral, in each case, only when not taking such action would reasonably be expected to have a Material Adverse Change.

(d) Such Grantor shall not do any act or omit to do any act to infringe, misappropriate, dilute, violate or otherwise impair the Intellectual Property of any other Person. In the event that any Intellectual Property of such Grantor included in the Collateral is or has been infringed, misappropriated, violated, diluted or otherwise impaired by any other Person, such Grantor shall, in the case of Intellectual Property of material value with respect to which Grantor has the right to prosecute and enforce, vigorously prosecute and enforce such Intellectual Property and in other cases, take such action as it reasonably deems appropriate under the circumstances in response thereto, including promptly bringing suit and recovering all damages therefor.

(e) Such Grantor shall execute and deliver to Agent in form and substance reasonably acceptable to Agent and suitable for filing in the Applicable IP Office the short-form intellectual property security agreements in the form attached hereto as Annex 3 for all Collateral consisting of Copyrights, Trademarks, and Patents of such Grantor.

Section 5.7 Notice of Commercial Tort Claims. Such Grantor agrees that, if it shall acquire any interest in any commercial tort claim having a value reasonably believed by the Grantors to be individually or in aggregate in excess of $250,000 (whether from another Person or because such commercial tort claim shall have come into existence), (i) such Grantor shall, promptly (and in any event, within 5 Business Days) upon such acquisition, deliver to Agent, in each case in form and substance satisfactory to Agent, a notice of the existence and nature of such commercial tort claim and a supplement to Schedule 1 containing a specific description of such commercial tort claim, (ii) Section 3.1 shall apply to such commercial tort claim and (iii) such Grantor shall execute and deliver to Agent, in each case in form and substance satisfactory to Agent, any document, and take all other action, deemed by Agent to be reasonably necessary or appropriate for Agent to obtain, on behalf of the Lenders, a perfected security interest having at least the priority set forth in Section 4.2 in all such commercial tort claims. Any supplement to Schedule 1 delivered pursuant to this Section 5.7 shall, after the receipt thereof by Agent, become part of Schedule 1 for all purposes hereunder other than in respect of representations and warranties made prior to the date of such receipt.

Section 5.8 Other Notices. Such Grantor will advise the Agent promptly, in reasonable detail, of:

(a) any Lien (other than any Permitted Lien) on any of the Collateral which would adversely affect the ability of the Agent to exercise any of its remedies hereunder; and

(b) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

ARTICLE VI
REMEDIAL PROVISIONS

Section 6.1 Code and Other Remedies. (a) Code Remedies. During the continuance of an Event of Default, Agent may exercise, in addition to all other rights and remedies granted to it in the Credit Agreement, this Agreement, any IP Agreement and in any other instrument or agreement securing, evidencing or relating to any Secured Obligation, all rights and remedies of a secured party under the Code or any other applicable law or in equity.

(b) Disposition of Collateral. Without limiting the generality of the foregoing, Agent may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), during the continuance of any Event of Default (personally or through its agents or attorneys), (i) enter upon the premises where any Collateral is located, without
any obligation to pay rent, through self-help, without judicial process, without first obtaining a final judgment or giving any Grantor or any other Person notice or opportunity for a hearing on Agent’s claim or action, (ii) collect, receive, appropriate and realize upon any Collateral, (iii) store, process, repair or recondition the Collateral or otherwise prepare any Collateral for disposition in any manner to the extent the Agent deems appropriate and (iv) sell, assign, license out, convey, transfer, grant option or options to purchase or license and deliver any Collateral (enter into contractual obligations to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker’s board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Agent shall have the right, upon any such public sale or sales and, to the extent permitted by the Code and other applicable Requirements of Law, upon any such private sale, to purchase or license the whole or any part of the Collateral so sold or licensed, free of any right or equity of redemption of any Grantor, which right or equity is hereby waived and released. The Agent, as administrative agent and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the Code, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Agent at such sale. If the Agent sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Agent may resell the Collateral and Grantor shall be credited with proceeds of the sale. The Agent shall have no obligation to marshal any of the Collateral.

(c) **Management of the Collateral.** Each Grantor further agrees, that, during the continuance of any Event of Default, (i) at Agent’s request, it shall assemble the Collateral and make it available to Agent at places that Agent shall reasonably select, whether at such Grantor’s premises or elsewhere, (ii) without limiting the foregoing, Agent also has the right to require that each Grantor store and keep any Collateral pending further action by Agent and, while any such Collateral is so stored or kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain such Collateral in good condition, (iii) until Agent is able to sell, assign, license out, convey or transfer any Collateral, Agent shall have the right to hold or use such Collateral to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by Agent and (iv) Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of any Collateral and to enforce any of Agent’s remedies (for the benefit of the Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. Agent shall not have any obligation to any Grantor to maintain or preserve the rights of any Grantor as against other Persons with respect to any Collateral while such Collateral is in the possession of Agent.

(d) **Application of Proceeds.** Agent shall apply the cash proceeds received by it in respect of any sale of, any collection from, or other realization upon all or any part of the Collateral, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights of Agent and any other Secured Party hereunder, including reasonable attorneys’ fees and disbursements, to the payment in whole or in part of the Secured Obligations, as set forth in the Credit Agreement, and only after such application and after the payment by Agent of any other amount required by any Requirement of Law, need Agent account for the surplus, if any, to any Grantor.

(e) **Direct Obligation.** Neither Agent nor any other Secured Party shall be required to make any demand upon, or pursue or exhaust any right or remedy against, any Grantor, any other Credit Party or any other Person with respect to the payment of the Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of Agent and any other Secured Party under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against Agent or any other Secured Party, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.
(f) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for Agent to do any of the following:

(i) fail to incur significant costs, expenses or other liabilities reasonably deemed as such by Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain permits, licenses or other consents for access to any Collateral to sell or license or for the collection or sale or licensing of any Collateral, or, if not required by other Requirements of Law, fail to obtain permits, licenses or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature, or to contact other Persons, whether or not in the same business as any Grantor, for expressions of interest in acquiring any such Collateral;

(v) exercise collection remedies against account debtors and other Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature, or, to the extent deemed appropriate by Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim warranties, such as title, merchantability, possession, non-infringement or quiet enjoyment; or

(viii) purchase insurance or credit enhancements to insure Agent against risks of loss, collection or disposition of any Collateral or to provide to Agent a guaranteed return from the collection or disposition of any Collateral.

Each Grantor acknowledges that the purpose of this Section 6.1 is to provide a non-exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Secured Parties shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6.1. Without limitation upon the foregoing, nothing contained in this Section 6.1 shall be construed to grant any rights to any Grantor or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 6.1.

(g) IP Licenses. For the purpose of enabling Agent to exercise rights and remedies under this Section 6.1 (including in order to take possession of, collect, assemble, process, appropriate, remove, realize upon, sell, assign, license out, convey, transfer or grant options to purchase any Collateral) at such time as Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to Agent, for the benefit of the Secured Parties, (i) an irrevocable, nonexclusive, assignable, worldwide license (exercisable without payment of royalty or other compensation to such Grantor), including the right to sublicense, use and practice any and all Intellectual Property now owned or held or hereafter acquired or held by such Grantor and access to all media in which any of the licensed items may be recorded or stored and to all Software and programs used for the compilation or printout thereof and (ii) an irrevocable license (without payment of rent or other compensation to such Grantor) to use, operate and occupy all real property owned, operated, leased, subleased or otherwise occupied by such Grantor.
Section 6.2 Accounts and Payments in Respect of General Intangibles. (a) In addition to, and not in substitution for, any similar requirement in the Credit Agreement, if required by Agent at any time during the continuance of an Event of Default, any payment of accounts or payment in respect of general intangibles, when collected by any Grantor, shall be promptly (and, in any event, within 2 Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to Agent, in a Collateral Account, subject to withdrawal by Agent as provided in Section 6.4. Until so turned over, such payment shall be held by such Grantor in trust for Agent, segregated from other funds of such Grantor. Each such deposit of proceeds of accounts and payments in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At any time during the continuance of an Event of Default:

(i) each Grantor shall, upon Agent’s request, deliver to Agent all original and other documents evidencing, and relating to, the contractual obligations and transactions that gave rise to any account or any payment in respect of general intangibles, including all IP Licenses, original orders, invoices and shipping receipts and notify account debtors that the accounts or general intangibles have been collaterally assigned to Agent and that payments in respect thereof shall be made directly to Agent;

(ii) Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Grantor to collect its accounts or amounts due under general intangibles or any thereof and, in its own name or in the name of others, communicate with account debtors to verify with them to Agent’s satisfaction the existence, amount and terms of any account or amounts due under any general intangible. In addition, Agent may at any time enforce such Grantor’s rights against such account debtors and obligors of general intangibles, and

(iii) each Grantor shall take all actions, deliver all documents and provide all information necessary or reasonably requested by Agent to ensure any Internet Domain Name is registered.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each account and each payment in respect of general intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any obligation of any Grantor under or pursuant to any agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 6.3 Pledged Collateral. (a) Voting Rights. During the continuance of an Event of Default, upon notice by Agent to the relevant Grantor or Grantors, all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Grantor or nominee who shall thereupon have the sole right to exercise such voting and other consensual rights, including the right to exercise (A) any voting, consent, corporate and other right pertaining to the Pledged Collateral at any meeting of shareholders, partners or members, as the case may be, of the relevant issuer or issuers of Pledged Collateral or otherwise and (B) any right of conversion, exchange and subscription and any other right, privilege or option pertaining to the Pledged Collateral as if it were the absolute owner thereof (including the right to exchange at its discretion any Pledged Collateral upon the merger, amalgamation, consolidation, reorganization, recapitalization or other fundamental change in the corporate or equivalent structure of any issuer of Pledged Stock, the right to deposit and deliver any Pledged Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as Agent may determine), all without liability except to account for property actually received by it;
provided, however, that Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) **Proxies.** During the continuance of an Event of Default, in order to permit Agent to exercise the voting and other consensual rights that it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions that it may be entitled to receive hereunder, (i) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to Agent all such proxies, dividend payment orders and other instruments as Agent may from time to time reasonably request and (ii) without limiting the effect of clause (i) above, such Grantor hereby grants to Agent an irrevocable proxy to vote all or any part of the Pledged Collateral and to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Collateral would be entitled (including giving or withholding written consents of shareholders, partners or members, as the case may be, calling special meetings of shareholders, partners or members, as the case may be, and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Collateral on the record books of the issuer thereof) by any other person (including the issuer of such Pledged Collateral or any officer or agent thereof) during the continuance of an Event of Default and which proxy shall only terminate upon the payment in full of the Secured Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted).

(c) **Authorization of Issuers.** Each Grantor hereby expressly and irrevocably authorizes and instructs, without any further instructions from such Grantor, each issuer of any Pledged Collateral pledged hereunder by such Grantor to, and each Grantor that is an issuer of Pledged Collateral so pledged hereunder hereby agrees to (i) comply with any instruction received by it from Agent in writing that states that an Event of Default is continuing and is otherwise in accordance with the terms of this Agreement and each Grantor agrees that such issuer shall be fully protected from liabilities to such Grantor in so complying and (ii) unless otherwise expressly permitted hereby or the Credit Agreement, pay any dividend or make any other payment with respect to the Pledged Collateral directly to Agent.

Section 6.4 Proceeds to be Turned over to and Held by Agent. Unless otherwise expressly provided in the Credit Agreement or this Agreement, during the continuance of an Event of Default, all proceeds of any Collateral received by any Grantor hereunder in cash or Cash Equivalents shall be held by such Grantor in trust for Agent and the other Secured Parties, segregated from other funds of such Grantor, and shall, promptly upon receipt by any Grantor, be turned over to Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by Agent in cash or Cash Equivalents shall be held by Agent in a Collateral Account. All proceeds being held by Agent in a Collateral Account (or by such Grantor in trust for Agent) shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in the Credit Agreement.

Section 6.5 Sale of Pledged Collateral. (a) Each Grantor recognizes that Agent may be unable to effect a public sale of any Pledged Collateral by reason of certain prohibitions contained in the Securities Act and applicable state or foreign securities laws or otherwise or may determine that a public sale is impracticable, not desirable or not commercially reasonable and, accordingly, may resort to one or more private sales thereof to a restricted group of purchasers that shall be obligated to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Agent shall be under no obligation to delay a sale of any Pledged Collateral for the period of time necessary to permit the issuer thereof to register such securities for public sale under the Securities Act or under applicable state securities laws even if such issuer would agree to do so.

(b) Each Grantor agrees to use commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of any portion of the Pledged Collateral pursuant to Section 6.1 and this Section 6.5 valid and binding and in compliance with all applicable Requirements of Law. Each Grantor further agrees that a breach of any covenant contained herein will cause irreparable injury to Agent and other Secured Parties, that Agent and the other Secured Parties have no adequate remedy at law in respect of such
breach and, as a consequence, that each and every covenant contained herein shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defense against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing under the Credit Agreement. Each Grantor waives any and all rights of contribution or subrogation upon the sale or disposition of all or any portion of the Pledged Collateral by Agent.

Section 6.6 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Secured Obligations and the reasonable fees and disbursements of any attorney employed by Agent or any other Secured Party to collect such deficiency.

Section 6.7 Deposit Accounts. If any Event of Default shall have occurred and be continuing, the Agent may, and at the request of the Required Lenders shall, apply the balance from any deposit account of a Grantor or instruct the bank at which any deposit account is maintained to pay the balance of any deposit account to or for the benefit of the Agent, to be applied to the Secured Obligations in accordance with the terms hereof.

Section 6.8 Directions, Notices or Instructions. Neither Agent nor any other Secured Party shall take any action under or issue any directions, notice or instructions pursuant to any Control Agreement or similar agreement or acknowledgment from a landlord or third party bailee unless an Event of Default has occurred and is continuing.

ARTICLE VII

AGENT

Section 7.1 Agent’s Appointment as Attorney-in-Fact. (a) Each Grantor hereby irrevocably constitutes and appoints Agent and any Related Person thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of the Loan Documents, to take any appropriate action and to execute any document or instrument that may be necessary or desirable to accomplish the purposes of the Loan Documents during the continuance of an Event of Default, and, without limiting the generality of the foregoing, each Grantor hereby gives Agent and its Related Persons the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any of the following when an Event of Default shall be continuing:

(i) in the name of such Grantor, in its own name or otherwise, take possession of and indorse and collect any check, draft, note, acceptance or other instrument for the payment of moneys due under any account or general intangible or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any such moneys due under any account or general intangible or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property or IP Licenses or IP Ancillary Rights included in the Collateral, execute, deliver and have recorded any document that Agent may request to evidence, effect, publicize or record Agent’s security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby and Agent’s rights and remedies with respect thereto;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against any Collateral, effect any repair or obtain or pay any insurance called for by the terms of the Credit Agreement (including all or any part of the premiums therefor and the costs thereof);

(iv) execute, in connection with any sale provided for in Section 6.1 or 6.5, any document to effect or otherwise necessary or appropriate in relation to evidence the sale of any Collateral; or

(v) (A) direct any party liable for any payment under any Collateral to make payment of any moneys due or to become due thereunder directly to Agent or as Agent shall direct, (B) ask or demand for, and
collect and receive payment of and receipt for, any moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral, (C) sign and indorse any invoice, freight or express bill, bill of lading, storage or warehouse receipt, draft against debtors, assignment, verification, notice and other document in connection with any Collateral, (D) commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect any Collateral and to enforce any other right in respect of any Collateral, (E) defend any actions, suits, proceedings, audits, claims, demands, orders or disputes brought against such Grantor with respect to any Collateral, (F) settle, compromise or adjust any such actions, suits, proceedings, audits, claims, demands, orders or disputes and, in connection therewith, give such discharges or releases as Agent may deem appropriate, (G) assign or license any Intellectual Property included in the Collateral throughout the world on such terms and conditions and in such manner as Agent shall in its sole discretion determine, including the execution and filing of any document necessary to effectuate or record such assignment or license and (H) generally, sell, assign, license, convey, transfer or grant a Lien on, make any contractual obligation with respect to and otherwise deal with, any Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes and do, at Agent’s option, at any time or from time to time, all acts and things that Agent deems necessary to protect, preserve or realize upon any Collateral and the Secured Parties’ security interests therein and to effect the intent of the Loan Documents, all as fully and effectively as such Grantor might do.

(vi) If any Grantor fails to perform or comply with any contractual obligation contained herein, Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such contractual obligation.

(b) The expenses of Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at the Default Rate, from the date of payment by Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to Agent on demand.

(c) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this Section 7.1. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

Section 7.2 Authorization to File Financing Statements. Each Grantor authorizes Agent and its Related Persons, at any time and from time to time, to file or record financing statements, amendments thereto, and other filing or recording documents or instruments with respect to any Collateral in such form and in such offices as Agent reasonably determines appropriate to perfect the security interests of Agent under this Agreement, and such financing statements and amendments may describe the Collateral covered thereby as “all assets of the debtor” or words of similar effect. A photopgraphic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction. Such Grantor also hereby ratifies its authorization for Agent to have filed any initial financing statement or amendment thereto under the Code (or other similar laws) in effect in any jurisdiction if filed prior to the date hereof.

Section 7.3 Authority of Agent. Each Grantor acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by Agent or the exercise or non-exercise by Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between Agent and the Grantors, Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation or entitlement to make any inquiry respecting such authority.

Section 7.4 Duty: Obligations and Liabilities. (a) Duty of Agent. Agent’s sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as Agent deals with similar property for its own account. The powers conferred on Agent hereunder are solely to protect Agent’s interest in the Collateral and shall not impose any duty upon Agent to exercise any such powers. Agent shall be accountable only for amounts that it receives as a result of the exercise of such powers, and
neither it nor any of its Related Persons shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. In addition, Agent shall not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehousemen, carrier, forwarding agency, consignee or other bailee if such Person has been selected by Agent in good faith.

(b) Obligations and Liabilities with respect to Collateral. No Secured Party and no Related Person thereof shall be liable for failure to demand, collect or realize upon any Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to any Collateral. The powers conferred on Agent hereunder shall not impose any duty upon any other Secured Party to exercise any such powers. The other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their respective officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Reinstatement. Each Grantor agrees that, if any payment made by any Credit Party or other Person and applied to the Secured Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, (a) any Lien or other Collateral securing such Grantor’s liability hereunder shall have been released or terminated by virtue of the foregoing or (b) any provision of the Guaranty hereunder shall have been terminated, cancelled or surrendered, such Lien, other Collateral or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of such Grantor in respect of any Lien or other Collateral securing such obligation or the amount of such payment.

Section 8.2 Release of Collateral and Guarantee Obligations. When all Obligations (other than contingent indemnification obligations not yet due and payable) have been paid in full in cash, and all Term Commitments have terminated, the Collateral shall be released from the Lien created hereby and this Agreement and all obligations (other than those expressly stated to survive such termination) of Agent and each Guarantor and Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights of Agent to the Collateral shall revert to the Grantors. At the request of any Grantor following any such termination, Agent shall deliver to such Grantor any Collateral of such Grantor held by Agent hereunder and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

Section 8.3 Independent Obligations. The obligations of each Grantor hereunder are independent of and separate from the Secured Obligations and the Guaranteed Obligations. If any Secured Obligation or Guaranteed Obligation is not paid when due, subject to any grace or cure period, or upon any Event of Default and during the continuance thereof, Agent may, at its sole election, proceed directly and at once, without notice, against any Grantor and any Collateral to collect and recover the full amount of any Secured Obligation or Guaranteed Obligation then due, without first proceeding against any other Grantor, any other Credit Party or any other Collateral and without first joining any other Grantor or any other Credit Party in any proceeding.

Section 8.4 No Waiver by Course of Conduct. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.5), delay, indulgence, omission or otherwise be deemed to have waived any right or
Section 8.5 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 13.5 of the Credit Agreement; provided, however, that annexes to this Agreement may be supplemented (but no existing provisions may be modified and no Collateral may be released) through Pledge Amendments and Joinder Agreements, in substantially the form of Annex 1 and Annex 2, respectively, in each case duly executed by Agent and each Grantor directly affected thereby.

Section 8.6 Additional Grantors and Guarantors; Additional Pledged Collateral. (a) Joinder Agreements. If, at the option of a Borrower or as required pursuant to Section 6.14 of the Credit Agreement, a Borrower shall cause any Subsidiary that is not a Grantor or Guarantor to become a Grantor and Guarantor hereunder, such Subsidiary shall execute and deliver to Agent a Joinder Agreement substantially in the form of Annex 2 and shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Grantor party hereto on the Effective Date.

(b) Pledge Amendments. To the extent any Pledged Collateral has not been delivered as of the Effective Date, such Grantor shall deliver a pledge amendment duly executed by the Grantor in substantially the form of Annex 1 (each, a "Pledge Amendment"). Such Grantor authorizes Agent to attach each Pledge Amendment to this Agreement.

Section 8.7 Notices. All notices, requests and demands to or upon Agent or any Grantor hereunder shall be effected in the manner provided for in Section 11 of the Credit Agreement; provided, however, that any such notice, request or demand to or upon any Grantor shall be addressed to the Borrowers’ notice address set forth in Section 11.

Section 8.8 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of each Secured Party and their successors and assigns; provided, however, that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of Agent.

Section 8.9 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or by electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

Section 8.10 Severability. Any provision of this Agreement being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Agreement or any part of such provision in any other jurisdiction.

Section 8.11 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 8.12 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO, OR DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREIN OR RELATED THERETO (WHETHER FOUNDED IN
CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO OTHER PARTY AND NO RELATED PERSON OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

EACH GRANTOR AGREES TO BE BOUND BY THE PROVISIONS OF SECTION 12 OF THE CREDIT AGREEMENT.

[Signature Pages Follow]
IN WITNESS WHEREOF, each of the undersigned has caused this Guaranty and Security Agreement to be duly executed and delivered as of the date first above written.

HORIZON PHARMA, INC.,
as Grantor

By:  /s/ Robert J. De Vaere
Name:  Robert J. De Vaere
Title:  Executive VP and CFO

HORIZON PHARMA USA, INC.,
as Grantor

By:  /s/ Robert J. De Vaere
Name:  Robert J. De Vaere
Title:  Executive VP and CFO

ACCEPTED AND AGREED
as of the date first above written:

CORTLAND CAPITAL MARKET SERVICES LLC
as Agent

By:  /s/ Beata Konopko
Name:  Beata Konopko
Title:  Director

[Signature Page to Guaranty and Security Agreement]
This Pledge Amendment, dated as of __________, 20__, is delivered pursuant to Section 8.6 of the Guaranty and Security Agreement, dated as of February 22, 2012, by Horizon Pharma USA, Inc. and Horizon Pharma, Inc. (together, the “Borrowers”), the undersigned Grantor and the other Persons from time to time party thereto as Grantors in favor of Cortland Capital Market Services LLC, as administrative agent for the Secured Parties referred to therein (such agreement may be amended, restated, supplemented or otherwise modified from time to time, the “Guaranty and Security Agreement”). Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

The undersigned hereby agrees that this Pledge Amendment may be attached to the Guaranty and Security Agreement and that the Pledged Collateral listed on Annex 1-A to this Pledge Amendment shall be and become part of the Collateral referred to in the Guaranty and Security Agreement and shall secure all Secured Obligations of the undersigned.

[GRANTOR]

By: __________________________

Name: _______________________

Title: _______________________

To be used for pledge of Additional Pledged Collateral by existing Grantor.

A1-1
## PLEDGED STOCK

<table>
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<tr>
<th>ISSUER</th>
<th>CLASS</th>
<th>CERTIFICATE NO(S.)</th>
<th>PAR VALUE</th>
<th>NUMBER OF SHARES, UNITS OR INTERESTS</th>
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## PLEDGED DEBT INSTRUMENTS

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<th>ISSUER</th>
<th>DESCRIPTION OF DEBT</th>
<th>CERTIFICATE NO(S.)</th>
<th>FINAL MATURITY</th>
<th>PRINCIPAL AMOUNT</th>
</tr>
</thead>
</table>

A1-2
ACKNOWLEDGED AND AGREED
as of the date first above written:

CORTLAND CAPITAL MARKET SERVICES LLC
as Administrative Agent

By: ________________________________
Name: ________________________________
Title: ________________________________

A1-3
This JOINDER AGREEMENT, dated as of , 20    , is delivered pursuant to Section 8.6 of the Guaranty and Security Agreement, dated as of February 22, 2012, by Horizon Pharma USA, Inc. and Horizon Pharma, Inc. (together, the “Borrowers”) and the other Persons from time to time party thereto as Grantors in favor of the Cortland Capital Market Services LLC, as administrative agent (in such capacity, together with its successors and permitted assigns, the “Agent”) for the Secured Parties referred to therein (such agreement may be amended, restated, supplemented or otherwise modified from time to time, the “Guaranty and Security Agreement”). Capitalized terms used herein without definition are as defined in the Guaranty and Security Agreement.

By executing and delivering this Joinder Agreement, the undersigned, as provided in Section 8.6 of the Guaranty and Security Agreement, (a) hereby becomes a party to the Guaranty and Security Agreement as a “Grantor” and “Guarantor” thereunder with the same force and effect as if originally named as a Grantor and Guarantor therein and, without limiting the generality of the foregoing, hereby assumes all obligations and liabilities of a Grantor and a Guarantor thereunder and (b) as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of the undersigned, hereby pledges and hypothecates to Agent for the benefit of the Secured Parties, and grants to Agent for the benefit of the Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the Collateral of the undersigned. The undersigned hereby agrees to be bound as a Grantor and a Guarantor for the purposes of the Guaranty and Security Agreement.

In connection with this Joinder Agreement, the undersigned has delivered to the Agent a completed Perfection Certificate duly executed by the undersigned. The information set forth in Annex 1-A is hereby added to the information set forth in Schedules 1, 2, 3 to the Guaranty and Security Agreement and Schedules 5.5(d), 5.5(g) and 5.5(k) to the Credit Agreement. By acknowledging and agreeing to this Joinder Agreement, the undersigned hereby agrees that this Joinder Agreement may be attached to the Guaranty and Security Agreement, the Perfection Certificate delivered herewith by the undersigned shall constitute a “Perfection Certificate” referred to in Section 5.5 of the Credit Agreement and that the Pledged Collateral listed on Annex 1-A to this Joinder Agreement shall be and become part of the Collateral referred to in the Guaranty and Security Agreement and shall secure all Secured Obligations of the undersigned.

The undersigned hereby represents and warrants that each of the representations and warranties contained in Article IV of the Guaranty and Security Agreement applicable to it is true and correct on and as the date hereof as if made on and as of such date.

A2-1
IN WITNESS WHEREOF, THE UNDERSIGNED HAS CAUSED THIS JOINDER AGREEMENT TO BE DULY EXECUTED AND DELIVERED AS OF THE DATE FIRST ABOVE WRITTEN.

[Additional Grantor]

By: ________________________________
Name: ______________________________
Title: _____________________________

A2-2
ACKNOWLEDGED AND AGREED
as of the date first above written:

CORTLAND CAPITAL MARKET SERVICES LLC
    as Administrative Agent

By: 
Name: ____________________________
Title: ____________________________

A2-3
ANNEX 3
TO
GUARANTY AND SECURITY AGREEMENT
FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS [COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT, dated as of , 2017, is made by each of the entities listed on the signature pages hereof (each a “Grantor” and, collectively, the “Grantors”), in favor of Cortland Capital Market Services LLC, as administrative agent (in such capacity, together with its successors and permitted assigns, “Agent”) for the Secured Parties (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, pursuant to the Loan and Security Agreement, dated as of February 22, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among Horizon Pharma USA, Inc. and Horizon Pharma, Inc. (collectively, the “Borrowers”), the Lenders and Agent, the Lenders have severally agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, each Grantor has agreed, pursuant to a Guaranty and Security Agreement of even date herewith in favor of Agent (as such agreement may be amended, restated, supplemented or otherwise modified from time to time, the “Guaranty and Security Agreement”), to guarantee the Obligations (as defined in the Credit Agreement) of each Borrower; and

WHEREAS, all of the Grantors are party to the Guaranty and Security Agreement pursuant to which the Grantors are required to execute and deliver this [Copyright] [Patent] [Trademark] Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders and Agent to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with Agent as follows:

Section 1. Defined Terms. Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

Section 2. Grant of Security Interest in [Copyright] [Trademark] [Patent] Collateral. Each Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of such Grantor, hereby mortgages, pledges and hypothecates to Agent for the benefit of the Secured Parties, and grants to Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the “[Copyright] [Patent] [Trademark] Collateral”):

(a) all of its Copyrights and all IP Licenses and IP Ancillary Rights providing for the grant by or to such Grantor of any right under any Copyright, including, without limitation, those referred to on Schedule 1 hereto;

(b) all renewals, reversions and extensions of the foregoing; and

(c) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

Separate agreements should be executed relating to each Grantor’s respective Copyrights, Patents, and Trademarks.

A3-1
or

(a) all of its Patents and all IP Licenses and IP Ancillary Rights providing for the grant by or to such Grantor of any right under any Patent, including, without limitation, those referred to on Schedule 1 hereto;

(d) all reissues, reexaminations, continuations, continuations-in-part, divisionals, renewals and extensions of the foregoing; and

(e) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.

or

(a) all of its Trademarks and all IP Licenses and IP Ancillary Rights providing for the grant by or to such Grantor of any right under any Trademark, including, without limitation, those referred to on Schedule 1 hereto, but excluding any “intent to use” Trademark applications for which a statement of use has not been filed (but only excluding such applications until such statement is filed);

(f) all renewals and extensions of the foregoing;

(g) all goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(h) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.

Section 3. Guaranty and Security Agreement. The security interest granted pursuant to this [Copyright] [Patent] [Trademark] Security Agreement is granted in conjunction with the security interest granted to Agent pursuant to the Guaranty and Security Agreement and each Grantor hereby acknowledges and agrees that the obligations, rights and remedies of each Grantor and of Agent with respect to the security interest in the [Copyright] [Patent] [Trademark] Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Section 4. Grantor Remains Liable. Each Grantor hereby agrees that, anything herein to the contrary notwithstanding, such Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with their [Copyrights] [Patents] [Trademarks] and IP Licenses subject to a security interest hereunder.

Section 5. Counterparts. This [Copyright] [Patent] [Trademark] Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

Section 6. Governing Law. This [Copyright] [Patent] [Trademark] Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.
IN WITNESS WHEREOF, each Grantor has caused this [Copyright] [Patent] [Trademark] Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

[GRANTOR]

as Grantor

By: ______________________________
Name: ___________________________
Title: ___________________________

ACCEPTED AND AGREED
as of the date first above written:

CORTLAND CAPITAL MARKET SERVICES LLC
as Administrative Agent

By: ______________________________
Name: ___________________________
Title: ___________________________

[signature page to [copyright] [patent] [trademark] security agreement]
ACKNOWLEDGMENT OF GRANTOR

State of _________

___________ )

ss.

County of _________

___________ )

On this day of ___ , 20___ before me personally appeared ________________________, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of ________________________, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

[ACKNOWLEDGEMENT OF GRANTOR FOR [COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT]

A3-5
1. REGISTERED [COPYRIGHTS] [PATENTS] [TRADEMARKS]
   [Include Registration Number and Date]

2. [COPYRIGHT] [PATENT] [TRADEMARK] APPLICATIONS
   [Include Application Number and Date]

3. IP LICENSES
   [Include complete legal description of agreement (name of agreement, parties and date)]
HORIZON PHARMA, INC.

AMENDMENT TO INVESTORS’ RIGHTS AGREEMENT

THIS AMENDMENT TO INVESTORS’ RIGHTS AGREEMENT (this “Amendment”) is entered into as of February 22, 2012, by and among HORIZON PHARMA, INC., a Delaware corporation (the “Company”) and the Investors. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Investors’ Rights Agreement, dated as of April 1, 2010 (the “Investors’ Rights Agreement”).

RECITALS

WHEREAS, the Company and the Investors are parties to the Investors’ Rights Agreement;

WHEREAS, in connection with a credit facility with certain lenders named on Annex I hereto to be entered into on or about the date of this Amendment (the “Financing”), the Company will issue warrants to such lenders (the “Warrant Holders”) to purchase up to an aggregate of [2,835,000] shares of Common Stock (together, the “Warrants”); and

WHEREAS, as a condition to the Financing, the Company has agreed to grant the Warrant Holders certain registration rights with respect to the Common Stock issuable upon exercise of the Warrants, and the Company and the Investors desire to amend the Investors’ Rights Agreement as provided hereunder to provide such registration rights to the Warrant Holders.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Amendment hereto agree as follows:

AMENDMENT

1. Each undersigned holder of Registrable Securities, on behalf of itself and all other holders of Registrable Securities, hereby consents to the addition of each of the Warrant Holders as an “Investor” and a “Holder” under the Investors’ Rights Agreement for purposes of Section 1 thereof.

2. Section 1.1(k) of the Investors’ Rights Agreement is hereby amended and restated in its entirety as set forth below:

“(k) “Registrable Securities” means (i) the shares of Common Stock issuable or issued upon conversion of the Series A or Series B Preferred Stock, together with any other shares of capital stock of the Company hereafter acquired by any Holder, in each case held by a Holder or any assignee thereof in accordance with Section 1.12 of this Agreement; (ii) the Common Stock held by the Investors as of the date of this Agreement, together with any other shares of Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in
replacement of, such shares of Common Stock; and (iii) the Common Stock issued or issuable upon exercise of the Warrants or upon conversion of securities convertible into Common Stock issued or issuable upon exercise of the Warrants; excluding, however, in all cases any Registrable Securities sold in a transaction in which the rights under this Agreement are not assigned, or any shares for which registration rights have terminated pursuant to Section 1.15 of this Agreement;”

3. A new Section 1.1(p) is hereby added to the Investors’ Rights Agreement as set forth below:

“(p) “Warrants” shall mean the warrants originally issued by the Company to each of the Warrant Holders to purchase up to an aggregate of [2,835,000] shares of Common Stock at an exercise price of $0.01 per share, and any subsequent warrants issued in replacement or in substitution thereof; and”

4. A new Section 1.1(q) is hereby added to the Investors’ Rights Agreement as set forth below:

“(q) “Warrant Holders” shall mean the holders of the Warrants from time to time, provided that with respect to any transfer of Warrants, that the related rights pursuant to Section 1 of this Agreement have also been validly transferred in accordance with Section 1.12.”

5. Section 1.2(a) of the Investors’ Rights Agreement is hereby amended and restated in its entirety as set forth below:

“(a) If the Company shall receive a written request from the Holders of the lesser of (i) 30% of the Registrable Securities or (ii) 2,000,000 shares of Registrable Securities (subject to adjustment for stock splits, stock dividends, combinations, reclassifications or the like) (the “Initiating Holders”) that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities with an anticipated aggregate offering price of at least $10,000,000, then the Company shall, within 20 days after receiving such request, give written notice of such request to all Holders and shall, subject to the limitations of subsection 1.2(b), use all commercially reasonable efforts to cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered within 20 days after the mailing of such notice by the Company.”

6. Section 1.13 of the Investors’ Rights Agreement is hereby amended and restated in its entirety as set forth below:

“1.13 Limitations on Subsequent Registration Rights. The Company shall not, without the prior written consent of the Holders of at least 66 2/3% of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company (i) that grants to such holder or prospective holder any registration rights that are senior to or have a preference on registration over the registration rights held by the Holders pursuant to this Agreement or (ii) which would
allow such holder or prospective holder (a) to include any of such securities in any registration filed under Section 1.2 or 1.4 hereof or (b) to make a demand registration, other than Excluded Registrations.”

7. Section 3.5 of the Investors’ Rights Agreement is hereby amended and restated in its entirety as set forth below:

   “3.5 Amendments and Waivers. Any term of this Agreement may be amended or waived only with the written consent of the Company and the holders of at least 66 2/3% of the Registrable Securities then outstanding; provided, however, that any amendment, modification or waiver of any section which adversely affects the Warrant Holders in a manner differently than other holders of Registrable Securities shall require the written consent of the Warrant Holders holding at least 66 2/3% of the Registrable Securities then issuable upon exercise of any unexercised Warrants held by all Warrant Holders. Notwithstanding the foregoing, this Agreement may be amended with only the written consent of the Company for the sole purpose of including future Warrant Holders who are transferees of the Warrants as “Investors” and “Holders”. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each party to the Agreement, whether or not such party has signed such amendment or waiver, each future holder of all such Registrable Securities, and the Company.”

8. Except as modified by this Amendment, the Investors’ Rights Agreement shall remain in full force and effect in accordance with its terms.

9. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Facsimile signatures shall be as effective as original signatures.

10. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of laws.
The parties have executed this Amendment to Investors' Rights Agreement as of the date first written above.

**COMPANY:**

**HORIZON PHARMA, INC.**

By:  /s/ Robert J. De Vaere  
Name: Robert J. De Vaere  
Title: Executive VP and CFO  
Address: 520 Lake Cook Road, Suite 520  
Deerfield, IL 60015

[**SIGNATURE PAGE TO AMENDMENT TO INVESTORS' RIGHTS AGREEMENT**]
The parties have executed this Amendment to Investors’ Rights Agreement as of the date first written above.

INVESTORS:

ESSEX WOODLANDS HEALTH VENTURES
FUND VII, LP

By: Essex Woodlands Health Ventures VII, L.P.
Its: General Partner

By: Essex Woodlands Health Ventures VII, L.L.C.
Its: General Partner

By: /s/ Jeff Himawan
Jeff Himawan, Managing Director

Notice to: 335 Bryant St., 3rd Floor
Palo Alto, CA 94301
Attn: Jeff Himawan, PhD
Fax: (650) 327-9755

And a copy to: K&L Gates LLP
70 W. Madison St., Suite 100
Chicago, Illinois 60602
Attn: Bruce A. Zivian, Esq.
Fax: (312) 827-7074

[SIGNATURE PAGE TO AMENDMENT TO INVESTORS' RIGHTS AGREEMENT]
The parties have executed this Amendment to Investors' Rights Agreement as of the date first written above.

INVESTORS:

SCALE VENTURE PARTNERS II, LP

By: Scale Venture Management II, LLC
Its: General Partner

/s/ Lou C. Bock
Lou Bock
Managing Director

[Signature Page to Amendment to Investors' Rights Agreement]
The parties have executed this Amendment to Investors’ Rights Agreement as of the date first written above.

INVESTORS:

SUTTER HILL VENTURES,
A CALIFORNIA LIMITED PARTNERSHIP

By: /s/ Jeffrey W. Bird
Name: Jeffrey W. Bird
Managing Director of the General Partner

JEFFREY W. BIRD AND CHRISTINA R. BIRD AS
TRUSTEES OF JEFFREY W. AND CHRISTINA R.
BIRD TRUST AGREEMENT DATED 10/31/00

By: /s/ Jeffrey W. Bird
Jeffrey W. Bird, Trustee

[SIGNATURE PAGE TO AMENDMENT TO INVESTORS’ RIGHTS AGREEMENT]
The parties have executed this Amendment to Investors’ Rights Agreement as of the date first written above.

**INVESTORS:**

**PHCV GRANTOR TRUST**

By: FirstMark Capital LLC, trustee

By: /s/ Brian Kempner
Name: Brian Kempner
Title: Chief Operating Officer

Notice to: FirstMark Capital LLC
1221 Avenue of the Americas,
26th Fl.
New York, NY. 10020

**FOHV, L.P.**

By: FirstMark Capital LLC, investment advisor

By: /s/ Brian Kempner
Name: Brian Kempner
Title: Chief Operating Officer

Notice to: FirstMark Capital LLC
1221 Avenue of the Americas,
26th Fl.
New York, NY. 10020

**FHVF, L.P.**

By: FirstMark Capital LLC, investment advisor

By: /s/ Brian Kempner
Name: Brian Kempner
Title: Chief Operating Officer

Notice to: FirstMark Capital LLC
1221 Avenue of the Americas,
26th Fl.
New York, NY. 10020

[Signature Page to Amendment to Investors’ Rights Agreement]
The parties have executed this Amendment to Investors’ Rights Agreement as of the date first written above.

**INVESTORS:**

**ATLAS VENTURE FUND VI, L.P.**

By: Atlas Venture Associates VI, L.P.
Their: General Partner

By: Atlas Venture Associates VI, Inc.
Its: General Partner

By: /s/ Kristen Laguerre
Name: Kristen Laguerre
Title: Vice President

---

**ATLAS VENTURE ENTREPRENEURS’ FUND VI, L.P.**

By: Atlas Venture Associates VI, L.P.
Their: General Partner

By: Atlas Venture Associates VI, Inc.
Its: General Partner

By: /s/ Kristen Laguerre
Name: Kristen Laguerre
Title: Vice President

---

**ATLAS VENTURE FUND VI GMBH & CO. KG**

By: Atlas Venture Associates VI, L.P.
Its: Managing Limited Partner

By: Atlas Venture Associates VI, Inc.
Its: General Partner

By: /s/ Kristen Laguerre
Name: Kristen Laguerre
Title: Vice President

---

[SIGNATURE PAGE TO AMENDMENT TO INVESTORS’ RIGHTS AGREEMENT]
The parties have executed this Amendment to Investors' Rights Agreement as of the date first written above.

INVESTORS:

NGN BioMed Opportunity I, L.P.

By: NGN BioMed I, G.P., L.P.
Its: General Partner

By: NGN Capital LLC
Its: General Partner

By: /s/ Peter Johann
Name: Dr. Peter Johann
Title: Managing General Partner

NGN BioMed Opportunity I GMBH & CO.
Beteiligungs KG

By: NGN Capital LLC
Its: Managing Limited Partner

By: /s/ Peter Johann
Name: Dr. Peter Johann
Title: Managing General Partner

[SIGNATURE PAGE TO AMENDMENT TO INVESTORS’ RIGHTS AGREEMENT]
The parties have executed this Amendment to Investors’ Rights Agreement as of the date first written above.

INVESTORS:

TVM LIFE SCIENCE VENTURES VI, L.P.

By: TVM Life Science Ventures VI Cayman Ltd.,
   Its General Partner

By: /s/ Mark Cipriano
   Name: Mark Cipriano
   Title: Authorized Officer

By: /s/ Hubert Bimer
   Name: Hubert Bimer
   Title: Authorized Officer

TVM LIFE SCIENCE VENTURES VI GMBH & CO. KG

By: /s/ Mark Cipriano
   Name: Mark Cipriano
   Title: Managing Limited Partner

By: /s/ Hubert Bimer
   Name: Hubert Bimer
   Title: Managing Limited Partner

[Signature Page to Amendment to Investors’ Rights Agreement]
ANNEX I

BPC Opportunities Fund LP
Beach Point Total Return Master Fund, L.P.
Beach Point Select Master Fund, L.P.
Royal Mail Pension Plan
Quaker BioVentures II, L.P.
FHP Pharma, L.L.C.