

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): March 30, 2010

OMEROS CORPORATION

(Exact name of registrant as specified in its charter)

Washington

(State or other jurisdiction of
incorporation)

001-34475

(Commission File Number)

91-1663741

(IRS Employer
Identification No.)

1420 Fifth Avenue, Suite 2600
Seattle, Washington 98101

(Address of principal executive offices, including zip code)

(206) 676-5000

(Registrant's telephone number, including area code)
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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))

Item 1.01 Entry into a Material Definitive Agreement.

On March 30, 2010, Omeros Corporation (“Omeros”) entered into an amendment (the “Amendment”) with Affitech AS (“Affitech”) to the Agreement for Antibody Discovery and Development dated July 25, 2008 (the “Original Agreement”) between the same parties.

Pursuant to the Original Agreement, Omeros was required to pay to Affitech (1) a low single-digit percentage royalty on any net sales of a product containing a MASP-2 antibody developed by Affitech and (2) up to \$10.1 million in milestone payments. Under the terms of the Amendment, Affitech has released Omeros from any future obligations to make royalty or milestone payments. In exchange for such release, Omeros has agreed to pay Affitech \$500,000 by April 5, 2010. The parties have also released each other from any further development obligations. The Original Agreement, as modified by the Amendment, remains in force.

The foregoing description of the Original Agreement as modified by the Amendment is only a summary of the material terms and does not purport to be complete.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	First Amendment to Agreement for Antibody Discovery and Development between the registrant and Affitech AS dated March 30, 2010

SIGNATURES

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

OMEROS CORPORATION

By: /s/ Gregory A. Demopoulos

Gregory A. Demopoulos, M.D.
President, Chief Executive Officer,
Chief Medical Officer and
Chairman of the Board of Directors

Date: March 30, 2010

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	First Amendment to Agreement for Antibody Discovery and Development between the registrant and Affitech AS dated March 30, 2010

FIRST AMENDMENT

to

AGREEMENT FOR ANTIBODY DISCOVERY AND DEVELOPMENT

This is a first amendment (this "**Amendment**") effective as of March 26, 2010 to the Agreement for Antibody Discovery and Development dated July 25, 2008 related to antibodies to MASP-2 (the "**Agreement**") between Omeros Corporation ("**Omeros**"), a Washington corporation having an address at 1420 Fifth Avenue, Suite 2600, Seattle, Washington 98101, and Affitech AS ("**Affitech**"), having an address at Oslo Research Park, Gaustadalléen 21, N-0349 Oslo, Norway. Unless otherwise defined herein, all initially-capitalized terms used in this Amendment shall have the same definition as set forth in the Agreement.

Whereas Affitech has with funding from Omeros generated First Generation Candidate scFv antibodies (the "**Mother Clones**") in accordance with the Agreement and has conducted affinity maturation of the Mother Clones to yield affinity-matured scFv antibodies (the "**Daughter Clones**").

Whereas Omeros has undertaken the costs to have one or more of the Daughter Clones converted by a third party to one or more full-length IgG formats to produce "**IgG Daughter Clones**" for further evaluation.

Whereas Affitech wishes to accelerate the receipt of financial consideration from Omeros under the Agreement and Omeros wishes to reduce its potential long term financial obligations under the Agreement.

Therefore, for the above and other consideration, Omeros and Affitech agree that the Agreement is hereby amended as follows:

1. **Accelerated Payment.** Omeros agrees to pay to Affitech the one time sum of five hundred thousand US dollars (US\$500,000) (the "**Buy Out Payment**") payable in two payments of two hundred fifty thousand US dollars (US\$250,000) each, with a first payment to be wired to Affitech by no later than 5:00 pm in Seattle on March 30, 2010 to an account designated by Affitech and a second payment to be wired to Affitech by no later than 5:00 pm in Seattle on April 5, 2010 to such account, provided, however, that the parties may mutually agree in writing to an alternate payment schedule.
 2. **Release of Future Payments.** In consideration of and effective upon the receipt of the Buy Out Payment, Affitech hereby releases Omeros from any and all obligation or liability for any and all payments to Affitech that have not previously been paid under the Agreement, including, without limitation, the Milestone II Fee, all Development Milestone Payments and all Sales Royalties.
 3. **Release of Development Obligations.** Effective upon the receipt of the Buy Out Payment, Omeros hereby releases Affitech of any and all obligations to complete any additional Services under the Agreement or to deliver any additional Deliverables under the Agreement. Effective upon the receipt of the Buy Out Payment, Affitech hereby releases
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Omeros of any and all obligations to develop and/or commercialize a Final Candidate or any other antibody under the Agreement. Both Parties shall be excused from further participation in the JAC.

4. **Intellectual Property.** The intellectual property provisions set forth in Section 7 of the Agreement shall remain in full force and effect except that: (a) the Field Exclusivity under Section 7.4 of the Agreement shall subsist so long as any claim in any patent or patent application included in the Omeros Pre-existing Intellectual Property related to MASP-2 or in the New Omeros Intellectual Property remains pending or issued and enforceable; and (b) Subsection 7.5 concerning limitations in the event of a breach by Omeros of its original obligation to develop Affitech-Originated MASP-2 Antibodies shall have no further force and effect. The provisions of Subsection 8.6, concerning Omeros' right to terminate without cause and related payment and intellectual property reversion provisions, shall have no further force and effect.

5. **Additional Representations and Warranties.**

5.1. Affitech hereby acknowledges that the representations and warranties of Section 9.2(b) of the Agreement shall continue to apply to the Daughter Clones and any IgG Daughter Clones converted therefrom. Affitech shall provide Omeros with copies of opinion of counsel previously obtained by Affitech and related to such issues, which Omeros acknowledges shall be covered by the terms of the Joint Defense Agreement between Affitech and Omeros dated September 8, 2009.

5.2. Affitech hereby represents and warrants that, to its knowledge, the sequences of the Mother Clones and the Daughter Clones have not previously been published or publicly disclosed by Affitech and that the Mother Clones and Daughter Clones have not been made publicly available by Affitech.

6. All other terms of the Agreement remain in force and unchanged.

This Amendment is accepted and acknowledged by each Party through the signature of its authorized representative below:

AFFITECH AS

OMEROS CORPORATION

By: /s/ Martin Welschof

By: /s/ Gregory A. Demopulos

Name: Martin Welschof, Ph.D.
Title: Chief Operating Officer
Facsimile: +47 22 95 83 58

Name: Gregory A. Demopulos, M.D.
Title: Chairman & CEO
Facsimile: 206 676 5005