

**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) March 4, 2014

NAVIDEA BIOPHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware 001-35076 31-1080091
(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

5600 Blazer Parkway, Suite 200, Dublin, Ohio 43017
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (614) 793-7500

(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))
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Item 1.01. Entry into a Material Definitive Agreement.

On March 4, 2014 (the "Effective Date"), Navidea Biopharmaceuticals, Inc. (the "Company") entered into a Loan and Security Agreement (the "Loan Agreement") with Oxford Finance LLC ("Oxford"), in its capacity as a lender and as collateral agent for other lenders which may later become parties to the Loan Agreement, pursuant to which Oxford agreed to make a term loan to the Company in an aggregate principal amount of \$30,000,000 (the "Term Loan"). The principal balance of the Term Loan will bear interest from the Effective Date at a per annum rate of interest (based on a 360 day year) equal to 8.5%. The Company will make monthly payments of interest only commencing on April 1, 2014, and continuing on the first calendar day of each successive month thereafter through and including the first calendar day of the month immediately preceding April 1, 2015 (the "Amortization Date," which may be extended to April 1, 2016, and again to April 1, 2017, if the Company achieves certain milestones associated with the Company's Lymphoseek product). Commencing on the Amortization Date, and continuing on the first calendar day of each month thereafter, the Company will make consecutive equal monthly payments of principal and interest, in arrears, to the lenders then party to the Loan Agreement based on: (1) the effective rate of interest as determined pursuant to Section 2.3(a) of the Loan Agreement, and (2) a repayment schedule of 48 months if the Amortization Date is April 1, 2015, 36 months if the Amortization Date is April 1, 2016, and 24 months if the Amortization Date is April 1, 2017. All unpaid principal, and accrued and unpaid interest, with respect to the Term Loan is due and payable in full on March 1, 2019. The Company will also make a final payment to the lenders (the "Final Payment") in an aggregate amount equal to the original principal amount of Term Loan multiplied by: (1) 7.95% if the Amortization Date is April 1, 2015; (2) 8.95% if the Amortization Date is extended to April 1, 2016; or (3) 9.95% if the Amortization Date is extended to April 1, 2017.

In consideration of Oxford's agreement to make the loan, the Company paid a non-refundable facility fee of \$140,000 to Oxford and reimbursed Oxford for all expenses it incurred in connection with the transaction. Additionally, the Company issued Oxford warrants (the "Series KK Warrants") to acquire an aggregate 391,032 shares of the Company's common stock at an exercise price of \$1.918 per share (the "Warrant Exercise Price"). The exercise period for the Series KK Warrants expires seven years from the Effective Date. The Warrant Exercise Price is subject to adjustment pursuant to certain anti-dilution provisions contained in the Series KK Warrants.

The Company may voluntarily prepay the Term Loan in full, upon fifteen business days' prior written notice to Oxford (in its capacity as collateral agent), without penalty, provided that the Company pays to the lenders on the date of such prepayment an aggregate amount equal to the sum of: (1) all outstanding principal of the Term Loan plus accrued and unpaid interest thereon through the prepayment date; (2) the amount of the Final Payment; (3) a prepayment fee equal to (i) 2% of the principal amount of the Term Loan for a prepayment made on or before March 4, 2015, or (ii) 1% of the principal amount of the Term Loan for a prepayment made after March 4, 2015, but on or before March 4, 2016 (no prepayment fee will apply to a prepayment made after March 4, 2016); and (4) all other obligations that are due and payable, including the expenses of the lenders and interest at the Default Rate (as defined in the Loan Agreement) with respect to any past due amounts.

Pursuant to the terms of the Loan Agreement, the Company granted Oxford, for the benefit of Oxford and other lenders which may later become parties to the Loan Agreement, a security interest in the Company's personal property of every kind, including, without limitation, all goods, accounts (including health care receivables), equipment, inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, general intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other collateral accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, and all of the Company's books relating to the foregoing, and any and all claims, rights and interests in any of the above (collectively, the "Collateral"). The Collateral does not include (i) the Company's intellectual property assets, but does include all accounts and all proceeds of the Company's intellectual property assets or (ii) more than 65% of the total combined voting power of all classes of stock entitled to vote the shares of capital stock of any foreign subsidiary of the Company if a pledge of more than 65% of the Shares of such Subsidiary creates an adverse tax consequence to the Company under the U.S. Internal Revenue Code.

The Loan Agreement requires that the Company adhere to certain affirmative and negative covenants, including, without limitation, financial reporting requirements and a prohibition against the incurrence of indebtedness, or creation of additional liens, other than as specifically permitted by the terms of the Loan Agreement. Oxford (in its capacity as collateral agent) may accelerate the payment terms of the Loan Agreement upon the occurrence of certain events of default set forth in the Loan Agreement, which include, without limitation, the failure of the Company to make timely payments of amounts due under the Loan Agreement, the failure of the Company to adhere to the covenants set forth in the Loan Agreement, and the insolvency of the Company.

Also on March 4, 2014, in connection with the Company entering into the Loan Agreement, the Company and Platinum-Montaur Life Sciences, LLC (“Platinum”) entered into a Second Amendment (the “Second Platinum Amendment”) to the Loan Agreement (the “Platinum Loan Agreement”) between the Company and Platinum, dated July 25, 2012, as amended by the Amendment to Loan Agreement dated June 25, 2013. Platinum and Oxford also entered into a Subordination Agreement, dated March 4, 2014 (the “Subordination Agreement”), which the Company consented to and acknowledged, providing for the subordination of the Company’s indebtedness under the Platinum Loan Agreement to the Company’s indebtedness under the Loan Agreement, among other customary terms and conditions. Contemporaneously with the execution of the Second Platinum Amendment, the Company delivered a Second Amended and Restated Promissory Note, dated March 4, 2014, to Platinum (the “Second Amended Platinum Note”), which amends and restates the Amended Promissory Note, dated June 25, 2013, made by the Company in favor of Platinum in the original principal amount of up to \$35,000,000. The Second Platinum Amendment provides, amongst other things, that the applicable rate of interest under the Platinum Loan Agreement will be the greatest of (i) the United States prime rate as reported in The Wall Street Journal plus 6.75%, (ii) 10.0%, and (iii) the highest rate of interest then payable by the Company pursuant to the Loan Agreement plus 0.125%.

The foregoing description of the terms of the Loan Agreement, the Subordination Agreement, the Second Platinum Amendment, the Second Amended Platinum Note, and the Series KK Warrants, is qualified in its entirety by reference to the text of the Loan Agreement, Subordination Agreement, Second Platinum Amendment, Second Amended Platinum Note, and form of Series KK Warrant, copies of which are attached hereto as exhibits 10.1, 10.2, 10.3, 10.4, and 10.5, respectively, and incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The contents of Item 1.01 are incorporated by reference into this item. On March 4, 2014, that certain Loan and Security Agreement (the “GECC Loan Agreement”), dated June 25, 2013, among General Electric Capital Corporation (“GECC”), the other financial institutions party thereto as lenders (collectively with GECC the “Lenders”), and the Company, terminated upon the receipt by GECC of a payoff amount of \$26,708,791.67 from the Company; provided that the Company continues to be bound by certain obligations under of the GECC Loan Agreement, including indemnification obligations under Sections 9.6 and 10.4. Under the GECC Loan Agreement, GECC agreed to make a loan to the Company in an aggregate principal amount of \$25,000,000. The principal balance bore interest at a fixed rate equal to 9.83%. The payoff amount paid by the Company in connection with the termination of the GECC Loan Agreement included payments of: (1) \$500,000 as a pre-payment fee; and (2) \$1,000,000 as an end of term “Final Payment Fee.”

Item 2.02. Results of Operations and Financial Condition.

On March 6, 2014, the Company issued a press release regarding its consolidated financial results for the fourth quarter of 2013, and for the year ended December 31, 2013. A copy of the Company’s March 6, 2014, press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in Item 2.02 of this Current Report on Form 8-K, including exhibit 99.1 attached hereto, shall not be treated as “filed” for purposes of the Securities Exchange Act of 1934, as amended.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The contents of Item 1.01 are incorporated by reference into this item.

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

The contents of Item 1.01 and 1.02 are incorporated by reference into this item.

Item 3.02. Unregistered Sale of Equity Securities.

The contents of Item 1.01 are incorporated by reference into this item. The Series KK Warrants issued to Oxford were issued in a private transaction made in reliance upon exemptions from registration pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended.

Item 7.01. Regulation FD Disclosure

In response to a question asked during a conference call held on March 6, 2014, to discuss the Company’s consolidated financial results for the fourth quarter of 2013, and for the year ended December 31, 2013, the Company disclosed that Lymphoseek sales revenue for the first quarter of 2014, through February 28, 2014, had surpassed the Company’s sales revenue for the fourth quarter of 2013.

The information contained in Item 7.01 of this Current Report on Form 8-K is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01. Other Events.

On March 5, 2014, the Company issued a press release announcing that the U.S. Food and Drug Administration (the “FDA”) has accepted for review an additional Supplemental New Drug Application (“sNDA”) for the proposed expanded label for Lymphoseek® (technetium Tc 99m tilmanocept) Injection to support broader and more flexible use in imaging and lymphatic mapping procedures, including lymphoscintigraphy and other optimization capabilities. Under the Prescription Drug User Fee Act (“PDUFA”), the FDA has set a target review date for the second Lymphoseek sNDA of October 16, 2014. The two Lymphoseek sNDAs now accepted are derived from a single application submitted to the FDA in December 2013. In assessing the application, the FDA chose to separate the filing in two based on the proposed labeling extensions requested and the scope of information provided. This second sNDA application is aimed at expanding the Lymphoseek label to support more flexible utilization practices for Lymphoseek in lymphatic mapping and lymphoscintigraphy imaging. The first sNDA, aimed at Lymphoseek’s use as a sentinel lymph node detection agent in patients with head and neck cancer, received FDA Fast Track designation and was accepted for priority review, as previously announced, with a PDUFA date target of June 16, 2014. Lymphoseek is currently approved for use in lymphatic mapping procedures performed to aid in the diagnostic evaluation of lymph nodes draining a primary tumor in patients with breast cancer and melanoma. A copy of the complete text of the Company’s March 5, 2014, press release regarding Lymphoseek is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

On March 5, 2014, the Company issued a press release entitled “Navidea Biopharmaceuticals Closes \$30 Million Loan with Oxford Finance, LLC.” A copy of the complete text of the Company’s March 5, 2014, press release regarding the transaction with Oxford is filed as Exhibit 99.3 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number

Exhibit Description

10.1	Loan and Security Agreement, dated March 4, 2014, among Oxford Finance LLC, as collateral agent, the Lenders listed on Schedule 1.1 thereof or otherwise a party thereto from time to time including Oxford in its capacity as a Lender, and Navidea Biopharmaceuticals, Inc.
10.2	Subordination Agreement, dated March 4, 2014, by and among Platinum-Montaur Life Sciences LLC and Oxford Finance LLC, and consented to and acknowledged by Navidea Biopharmaceuticals, Inc.
10.3	Second Amendment to Loan Agreement, dated March 4, 2014, between Navidea Biopharmaceuticals, Inc. and Platinum-Montaur Life Sciences LLC.
10.4	Second Amended and Restated Promissory Note, dated March 4, 2014, made by Navidea Biopharmaceuticals, Inc. in favor of Platinum-Montaur Life Sciences LLC
10.5	Form of Series KK Warrants to purchase common stock of Navidea Biopharmaceuticals, Inc. issued to Oxford Finance LLC on March 4, 2014.
99.1	Press release, dated March 6, 2014, entitled “Navidea Announces Fourth Quarter and Full Year 2013 Results.”
99.2	Press release, dated March 5, 2014, entitled “Navidea Announces Acceptance for Review of an Additional sNDA to Further Expand Lymphoseek® Labeling.”
99.3	Press release, dated March 5, 2014, entitled “Navidea Biopharmaceuticals Closes \$30 Million Loan with Oxford Finance, LLC.”

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements made by or on behalf of the Company. Statements contained or incorporated by reference in this Current Report on Form 8-K, which relate to other than strictly historical facts, such as statements about the Company's plans and strategies, expectations for future financial performance, new and existing products and technologies, anticipated clinical and regulatory pathways, and markets for the Company's products are forward-looking statements within the meaning of the Act. The words "believe," "expect," "anticipate," "estimate," "project," and similar expressions identify forward-looking statements that speak only as of the date hereof. Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from historical or anticipated results due to many factors including, but not limited to, the Company's continuing operating losses, uncertainty of market acceptance of its products, reliance on third party manufacturers, accumulated deficit, future capital needs, uncertainty of capital funding, dependence on limited product line and distribution channels, competition, limited marketing and manufacturing experience, risks of development of new products, regulatory risks and other risks detailed in the Company's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the United States Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

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.

Navidea Biopharmaceuticals, Inc.

Date: March 7, 2014

By: /s/ Brent L. Larson
Brent L. Larson, Executive Vice President and Chief Financial
Officer

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (as the same may from time to time be amended, modified, supplemented or restated, this “**Agreement**”) dated as of March 4, 2014 (the “**Effective Date**”) among OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 (“**Oxford**”), as collateral agent (in such capacity, “**Collateral Agent**”), the Lenders listed on Schedule 1.1 hereof or otherwise a party hereto from time to time including Oxford in its capacity as a Lender (each a “**Lender**” and collectively, the “**Lenders**”), and NAVIDEA BIOPHARMACEUTICALS, INC., a Delaware corporation with offices located at 5600 Blazer Parkway, Dublin, OH 43017 (“**Borrower**”), provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

1.1 Accounting terms not defined in this Agreement shall be construed in accordance with GAAP. Calculations and determinations must be made in accordance with GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. 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. Borrower hereby unconditionally promises to pay each Lender, the outstanding principal amount of all Term Loans advanced to Borrower 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 Loan.

(a) Availability. Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, to make term loans to Borrower on the Effective Date in an aggregate amount of Thirty Million Dollars (\$30,000,000.00) according to each Lender’s Term Loan Commitment as set forth on Schedule 1.1 hereto (such Term Loan is hereinafter referred to singly as a “**Term Loan**”, and collectively as the “**Term Loans**”). After repayment, no Term Loan may be re-borrowed.

(b) Repayment. Borrower shall make monthly payments of interest only commencing on the first (1st) Payment Date following the Funding Date of the Term Loan, and continuing on the Payment Date of each successive month thereafter through and including the Payment Date immediately preceding the Amortization Date. Borrower agrees to pay, on the Funding Date of the Term Loan, any initial partial monthly interest payment otherwise due for the period between the Funding Date of the Term Loan and the first Payment Date thereof. Commencing on the Amortization Date, and continuing on the Payment Date of each month thereafter, Borrower shall make consecutive equal monthly payments of principal and interest, in arrears, to each Lender, as calculated by Collateral Agent (which calculations shall be deemed correct absent manifest error) based upon: (1) the amount of such Lender’s Term Loan, (2) the effective rate of interest, as determined in Section 2.3(a), and (3) a repayment schedule equal to the Repayment Schedule. All unpaid principal and accrued and unpaid interest with respect to the Term Loan is due and payable in full on the Maturity Date. the Term Loan may only be prepaid in accordance with Sections 2.2(c) and 2.2(d).

(c) Mandatory Prepayments. If the Term Loan is accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Final Payment, (iii) the Prepayment Fee, plus (iv) all other Obligations that are due and payable, including Lenders’ Expenses and interest at the Default Rate with respect to any past due amounts. Notwithstanding (but without duplication with) the foregoing, on the Maturity Date, if the Final Payment had not previously been paid in full in connection with the prepayment of the Term Loans in full, Borrower shall pay to Collateral Agent, for payment to each Lender in accordance with its respective Pro Rata Share, the Final Payment in respect of the Term Loan(s).

(d) Permitted Prepayment of Term Loans. Borrower shall have the option to prepay all, but not less than all, of the Term Loans advanced by the Lenders under this Agreement, provided Borrower (i) provides written notice to Collateral Agent of its election to prepay the Term Loans at least fifteen (15) days prior to such prepayment, and (ii) pays to the Lenders on the date of such prepayment, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of (A) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (B) the Final Payment, (C) the Prepayment Fee, plus (D) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts.

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 applicable Term Loan) equal to the Basic Rate, which interest shall be payable monthly in arrears in accordance with Sections 2.2(b) and 2.3(e). Interest shall accrue on each Term Loan commencing on, and including, the Funding Date of such Term Loan, and shall accrue on the principal amount outstanding under such Term Loan through and including the day on which such Term Loan is paid in full.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the "**Default Rate**"). Payment 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 Collateral Agent.

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

(d) Debit of Accounts. Collateral Agent and each Lender may debit (or ACH) any deposit accounts, maintained by Borrower or any of its Subsidiaries, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes the Lenders under the Loan Documents when due. Any such debits (or ACH activity) shall not constitute a set-off.

(e) Payments. Except as otherwise expressly provided herein, all payments by Borrower under the Loan Documents shall be made to the respective Lender to which such payments are owed, at such Lender's office in immediately available funds on the date specified herein. Unless otherwise provided, interest is payable monthly on the Payment Date of each month. Payments of principal and/or interest received after 12:00 noon 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 Borrower hereunder or under any other Loan Document, including payments of principal and interest, 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 Secured Promissory Notes. The Term Loan shall be evidenced by a Secured Promissory Note or Notes in the form attached as Exhibit D hereto (each a "**Secured Promissory Note**"), and shall be repayable as set forth in this Agreement. Borrower irrevocably authorizes each Lender to make or cause to be made, on or about the Funding Date of any Term Loan or at the time of receipt of any payment of principal on such Lender's Secured Promissory Note, an appropriate notation on such Lender's Secured Promissory Note Record reflecting the making of such Term Loan or (as the case may be) the receipt of such payment. The outstanding amount of each Term Loan set forth on such Lender's Secured Promissory Note Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender's Secured Promissory Note Record shall not limit or otherwise affect the obligations of Borrower under any Secured Promissory Note or any other Loan Document to make payments of principal of or interest on any Secured Promissory Note when due. Upon receipt of an affidavit of an officer of a Lender as to the loss, theft, destruction, or mutilation of its Secured Promissory Note, Borrower shall issue, in lieu thereof, a replacement Secured Promissory Note in the same principal amount thereof and of like tenor.

2.5 Fees. Borrower shall pay to Collateral Agent (without duplication with any other provision or payment required herein):

(a) Facility Fee. A fully earned, non-refundable facility fee of One Hundred Forty Thousand Dollars (\$140,000.00) to be shared between the Lenders pursuant to their respective Commitment Percentages payable on the Effective Date;

(b) Final Payment. The Final Payment, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(c) Prepayment Fee. The Prepayment Fee, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(d) Lenders' Expenses. All Lenders' Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.6 Withholding. Payments received by the Lenders from Borrower hereunder will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any governmental authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to the Lenders, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, each Lender receives a net sum equal to the sum which it would have received had no withholding or deduction been required and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish the Lenders with proof reasonably satisfactory to the Lenders indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.6 shall survive the termination of this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Each Lender's obligation to make a Term Loan is subject to the condition precedent that Collateral Agent and each Lender shall consent to or shall have received, in form and substance satisfactory to Collateral Agent and each Lender, such documents, and completion of such other matters, as Collateral Agent and each Lender may reasonably deem necessary or appropriate, including, without limitation:

(a) original Loan Documents, each duly executed by Borrower and each Subsidiary, as applicable;

(b) duly executed original Control Agreements with respect to any Collateral Accounts maintained by Borrower;

(c) duly executed original Secured Promissory Notes in favor of each Lender according to its Term Loan Commitment Percentage;

(d) the certificate(s) for the Shares, together with Assignment(s) Separate from Certificate, duly executed in blank;

(e) the Operating Documents and good standing certificates of Borrower and its Subsidiaries certified by the Secretary of State (or equivalent agency) of Borrower's and such Subsidiaries' jurisdiction of organization or formation and each jurisdiction in which Borrower and each Subsidiary is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(f) a completed Perfection Certificate for Borrower and each of its Subsidiaries;

(g) the Annual Projections, for the current calendar year;

(h) duly executed original officer's certificate for Borrower, in a form acceptable to Collateral Agent and the Lenders;

(i) certified copies, dated as of date no earlier than thirty (30) days prior to the Effective Date, of financing statement searches, as Collateral Agent shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(j) an Access Agreement for each leased location or third party location to the extent required pursuant to Section 6.11;

(k) a duly executed legal opinion of counsel to Borrower dated as of the Effective Date;

(l) evidence satisfactory to Collateral Agent and the Lenders 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 Collateral Agent, for the ratable benefit of the Lenders;

(m) a payoff letter from General Electric Capital Corporation, as Collateral Agent, in respect of the Existing Indebtedness;

(n) evidence that (i) the Liens securing the Existing Indebtedness will be terminated and (ii) the documents and/or filings evidencing the perfection of such Liens, including without limitation any financing statements and/or control agreements, have or will, concurrently with the initial Credit Extension, be terminated;

(o) a subordination agreement, duly executed by each holder of Subordinated Debt;

(p) payment of the fees and Lenders' Expenses then due as specified in Section 2.5 hereof.

3.2 Conditions Precedent to all Credit Extensions. The obligation of each Lender to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) receipt by Collateral Agent of an executed Disbursement Letter in the form of Exhibit B attached hereto;

(b) the representations and warranties in Section 5 hereof shall be true, accurate and complete in all material respects on the date of the Disbursement Letter and on the Funding Date of each Credit Extension; 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, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in Section 5 hereof are true, accurate and complete in all material respects; 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;

(c) in such Lender's sole discretion, there has not been any Material Adverse Change or any material adverse deviation by Borrower from the Annual Projections of Borrower presented to and accepted by Collateral Agent and each Lender;

(d) to the extent not delivered at the Effective Date, duly executed original Secured Promissory Notes and Warrants, in number, form and content acceptable to each Lender, and in favor of each Lender according to its Commitment Percentage, with respect to each Credit Extension made by such Lender after the Effective Date; and

(e) payment of the fees and Lenders' Expenses then due as specified in Section 2.5 hereof.

3.3 Covenant to Deliver. Borrower agrees to deliver to Collateral Agent and the Lenders each item required to be delivered to Collateral Agent under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Collateral Agent or any Lender of any such item shall not constitute a waiver by Collateral Agent or any Lender of Borrower's obligation to deliver such item, and any such Credit Extension in the absence of a required item shall be made in each Lender's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan set forth in this Agreement, to obtain a Term Loan, Borrower shall notify the Lenders (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 noon Eastern time three (3) Business Days prior to the date the Term Loan is to be made. Together with any such electronic, facsimile or telephonic notification, Borrower shall deliver to the Lenders by electronic mail or facsimile a completed Disbursement Letter executed by a Responsible Officer or his or her designee. The Lenders may rely on any telephone notice given by a person whom a Lender reasonably believes is a Responsible Officer or designee. On the Funding Date, each Lender shall credit and/or transfer (as applicable) to the Designated Deposit Account, an amount equal to its Term Loan Commitment.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Collateral 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 Collateral 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. Borrower 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 priority to Collateral Agent's Lien. If Borrower shall acquire a commercial tort claim (as defined in the Code), Borrower, shall promptly notify Collateral Agent in a writing signed by Borrower, as the case may be, of the general details thereof (and further details as may be required by Collateral Agent) and grant to Collateral 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 Collateral Agent.

If this Agreement is terminated, Collateral Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid 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' obligation to make Credit Extensions has terminated, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Collateral Agent to file financing statements or take any other action required to perfect Collateral Agent's security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent's interest or rights under the Loan Documents, including a notice that any disposition of the Collateral, except to the extent permitted by the terms of this Agreement, by Borrower, or any other Person, shall be deemed to violate the rights of Collateral Agent under the Code.

4.3 Pledge of Collateral. Borrower hereby pledges, assigns and grants to Collateral Agent, for the ratable benefit of the Lenders, a security interest in all the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing, as security for the performance of the Obligations. On the Effective Date, or, to the extent not certificated as of the Effective Date, within ten (10) days of the certification of any Shares, the certificate or certificates for the Shares will be delivered to Collateral Agent, accompanied by an instrument of assignment duly executed in blank by Borrower. To the extent required by the terms and conditions governing the Shares, Borrower shall cause the books of each entity whose Shares are part of the Collateral and any transfer agent to reflect the pledge of the Shares. Upon the occurrence and during the continuance of an Event of Default hereunder, Collateral Agent may effect the transfer of any securities included in the Collateral (including but not limited to the Shares) into the name of Collateral Agent and cause new (as applicable) certificates representing such securities to be issued in the name of Collateral Agent or its transferee. Borrower will execute and deliver such documents, and take or cause to be taken such actions, as Collateral Agent may reasonably request to perfect or continue the perfection of Collateral Agent's security interest in the Shares. Unless an Event of Default shall have occurred and be continuing, Borrower shall be entitled to exercise any voting rights with respect to the Shares and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights to vote and give consents, waivers and ratifications shall terminate upon the occurrence and continuance of an Event of Default.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Collateral Agent and the Lenders as follows:

5.1 Due Organization, Authorization: Power and Authority. Borrower and each of its Subsidiaries is duly existing and in good standing as a Registered Organization in its jurisdictions of organization or formation and Borrower and each of its Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Change. In connection with this Agreement, Borrower and each of its Subsidiaries has delivered to Collateral Agent a completed perfection certificate signed by an officer of Borrower or such Subsidiary (each a "**Perfection Certificate**" and collectively, the "**Perfection Certificates**"). Borrower represents and warrants that (a) Borrower and each of its Subsidiaries' exact legal name is that which is indicated on its respective Perfection Certificate and on the signature page of each Loan Document to which it is a party; (b) Borrower and each of its Subsidiaries is an organization of the type and is organized in the jurisdiction set forth on its respective Perfection Certificate; (c) each Perfection Certificate accurately sets forth each of Borrower's and its Subsidiaries' organizational identification number or accurately states that Borrower or such Subsidiary has none; (d) each Perfection Certificate accurately sets forth Borrower's and each of its Subsidiaries' place of business, or, if more than one, its chief executive office as well as Borrower's and each of its Subsidiaries' mailing address (if different than its chief executive office); (e) Borrower and each of its Subsidiaries (and each of its respective predecessors) have not, in the past five (5) years, changed its jurisdiction of organization, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificates pertaining to Borrower and each of its Subsidiaries, is accurate and complete (it being understood and agreed that Borrower and each of its Subsidiaries may from time to time update certain information in the Perfection Certificates (including the information set forth in clause (d) above) after the Effective Date to the extent permitted by one or more specific provisions in this Agreement); such updated Perfection Certificates subject to the review and approval of Collateral Agent. If Borrower or any of its Subsidiaries is not now a Registered Organization but later becomes one, Borrower shall notify Collateral Agent of such occurrence and provide Collateral Agent with such Person's organizational identification number within five (5) Business Days of receiving such organizational identification number.

The execution, delivery and performance by Borrower and each of its Subsidiaries of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's or such Subsidiaries' organizational documents, including its respective Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or such Subsidiary, 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 such Governmental Approvals which have already been obtained and are in full force and effect) or are being obtained pursuant to Section 6.1(b), or (v) constitute an event of default under any material agreement by which Borrower or any of such Subsidiaries, or their respective properties, is bound. Neither Borrower nor any of its Subsidiaries is in default under any agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Change.

5.2 Collateral.

(a) Borrower has good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, and Borrower does not have any Deposit Accounts, Securities Accounts, Commodity Accounts or other investment accounts other than the Collateral Accounts or the other investment accounts, if any, described in the Perfection Certificates delivered to Collateral Agent in connection herewith with respect of which Borrower or such Subsidiary has given Collateral Agent notice and taken such actions, to the extent each purports to grant a Lien therein under the Loan Documents, as are necessary to give Collateral Agent a perfected security interest therein. The Accounts are bona fide, existing obligations of the Account Debtors.

(b) On the Effective Date, and except as disclosed on the Perfection Certificate (i) the Collateral is not in the possession of any third party bailee (such as a warehouse), and (ii) no such third party bailee possesses components of the Collateral in excess of One Hundred Thousand Dollars (\$100,000.00). None of the components of the Collateral shall be maintained at locations other than as disclosed in the Perfection Certificates on the Effective Date or as permitted pursuant to Section 6.11.

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

(d) Borrower and each of its Subsidiaries is the sole owner of the Intellectual Property each respectively purports to own, free and clear of all Liens other than Permitted Liens. Except as noted on the Perfection Certificates, neither Borrower nor any of its Subsidiaries is a party to, nor is bound by, any material license or other material agreement with respect to which Borrower or such Subsidiary is the licensee that (i) prohibits or otherwise restricts Borrower or its Subsidiaries from granting a security interest in Borrower's or such Subsidiaries' interest in such material license or material agreement or any other property, or (ii) for which a default under or termination of could interfere with Collateral Agent's or any Lender's right to sell any Collateral. Borrower shall provide written notice to Collateral Agent and each Lender within ten (10) days of Borrower or any of its Subsidiaries entering into or becoming bound by any license or agreement with respect to which Borrower or any Subsidiary is the licensee (other than over-the-counter software that is commercially available to the public).

5.3 Litigation. Except as disclosed (i) on the Perfection Certificates, or (ii) in accordance with Section 6.9 hereof, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than Two Hundred Fifty Thousand Dollars (\$250,000.00).

5.4 No Material Deterioration in Financial Condition; Financial Statements. All consolidated financial statements for Borrower and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with GAAP (subject in the case of unaudited financial statements, to the absence of footnotes and normal year-end audit adjustments), in all material respects the consolidated financial condition of Borrower and its Subsidiaries, and the consolidated results of operations of Borrower and its Subsidiaries. There has not been any material deterioration in the consolidated financial condition of Borrower and its Subsidiaries since the date of the most recent financial statements submitted to any Lender.

5.5 Solvency. Borrower and each of its Subsidiaries (other than Cardiosonix Ltd.) is Solvent.

5.6 Regulatory Compliance. Neither Borrower nor any of its Subsidiaries is an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. Neither Borrower nor any of its Subsidiaries 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 of Governors). Borrower and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a “holding company” or an “affiliate” of a “holding company” or a “subsidiary company” of a “holding company” as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a Material Adverse Change. Neither Borrower’s nor any of its Subsidiaries’ properties or assets has been used by Borrower or such Subsidiary or, to Borrower’s knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

None of Borrower, any of its Subsidiaries, or any of Borrower’s or its Subsidiaries’ Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring 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 any Anti-Terrorism Law, or (iii) is a Blocked Person. None of Borrower, any of its Subsidiaries, or to the knowledge of Borrower and any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law.

5.7 Investments. Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower and each of its Subsidiaries has timely filed all required tax returns and reports, and Borrower and each of its Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower and such Subsidiaries, in all jurisdictions in which Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in accordance with the following sentence. Borrower and each of its Subsidiaries, may defer payment of any contested taxes, provided that Borrower or such Subsidiary, (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Collateral Agent in writing of the commencement of, and any material development in, the proceedings, and (c) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a “Permitted Lien.” Neither Borrower nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of Borrower’s or such Subsidiaries’, prior tax years which could result in additional taxes becoming due and payable by Borrower or its Subsidiaries. Borrower and each of its Subsidiaries have paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither Borrower nor any of its Subsidiaries have, withdrawn from participation in, and have 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 Borrower or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes. A portion of the proceeds of the Term Loans shall be used by Borrower to repay the Existing Indebtedness in full on the Effective Date.

5.10 Shares. Borrower has full power and authority to create a first lien on the Shares and no disability or contractual obligation exists that would prohibit Borrower from pledging the Shares pursuant to this Agreement. To Borrower's knowledge, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. The Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. To Borrower's knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrower knows of no reasonable grounds for the institution of any such proceedings.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Collateral Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers.

5.13 Excluded Subsidiaries.

(a) (i) Cardiosonix Ltd. is not engaged in any business activities (other than (x) the maintenance of its corporate existence and (y) certain service obligations owing to the State of Israel not in excess of Ten Thousand Dollars (\$10,000.00)), does not have any assets or liabilities in excess of Ten Thousand Dollars (\$10,000.00), has not incurred any Indebtedness and has not granted any Liens; and (ii) Borrower shall cause Cardiosonix Ltd. to be dissolved, and shall provide evidence of the same to Collateral Agent, in form and content reasonably acceptable to Collateral Agent, by no later than December 31, 2014; and

(b) Navidea Biopharmaceuticals Limited (collectively with Cardiosonix Ltd., the "**Excluded Subsidiaries**") is not engaged in any business activities (other than the maintenance of its corporate existence and), does not have any assets (other than the ownership of regulatory filings and regulatory approvals) or liabilities, has not incurred any Indebtedness and has not granted any Liens.

5.14 Platinum-Montaur Subordinated Indebtedness. None of the Platinum-Montaur Subordinated Indebtedness is (x) guaranteed by, or constitutes the obligations of, any Person other than Borrower, or (y) secured by the assets of any Person, including Borrower or any of its Subsidiaries. As of the Effective Date, the Draw Credit Maximum Amount (as defined in the Platinum-Montaur Loan Agreement) is no less than Thirty Five Million Dollars (\$35,000,000.00), and has not been permanently or temporarily reduced, of which Three Million Two Hundred Eighteen Thousand Six Hundred Sixty Six and 82/100 Dollars (\$3,218,666.82) has been advanced.

6. AFFIRMATIVE COVENANTS

Borrower shall, and shall cause each of its Subsidiaries to, do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change. Comply with all laws, ordinances and regulations to which Borrower or any of its Subsidiaries is subject, the noncompliance with which could reasonably be expected to have a Material Adverse Change.

(b) Obtain and keep in full force and effect, all of the material Governmental Approvals necessary for the performance by Borrower and its Subsidiaries of their respective businesses and obligations under the Loan Documents and the grant of a security interest to Collateral Agent for the ratable benefit of the Lenders, in all of the Collateral. Borrower shall promptly provide copies to Collateral Agent of any material Governmental Approvals obtained by Borrower or any of its Subsidiaries.

6.2 Financial Statements, Reports, Certificates.

(a) Deliver to each Lender:

(i) as soon as available, but no later than thirty (30) days after the last day of each month, unaudited consolidated (and if available, consolidating) balance sheets, statements of income or operations and cash flow statements of Borrower and its Subsidiaries as of the end of such fiscal month and that portion of the fiscal year ending as of the close of such fiscal month, certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent;

(ii) as soon as available, but no later than forty-five (45) days after the last day of each fiscal quarter, unaudited consolidated (and if available, consolidating) balance sheets, statements of income or operations and cash flow statements of Borrower and its Subsidiaries as of the end of such fiscal quarter and that portion of the fiscal year ending as of the close of such fiscal quarter, certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent;

(iii) as soon as available, but no later than ninety (90) days after the last day of Borrower's fiscal year or within five (5) days of filing with the SEC, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm acceptable to Collateral Agent in its reasonable discretion;

(iv) as soon as available after approval thereof by Borrower's Board of Directors, but no later than thirty (30) days after the last day of each of Borrower's fiscal years, Borrower's annual financial projections for the entire current fiscal year as approved by Borrower's Board of Directors, which such annual financial projections shall be set forth in a month-by-month format (such annual financial projections as originally delivered to Collateral Agent and the Lenders are referred to herein as the "**Annual Projections**"; provided that, any revisions of the Annual Projections approved by Borrower's Board of Directors shall be delivered to Collateral Agent and the Lenders no later than seven (7) days after such approval);

(v) within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or holders of Subordinated Debt;

(vi) within five (5) days of filing, all reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission,

(vii) prompt notice of any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries, together with any copies reflecting such amendments or changes with respect thereto;

(viii) prompt notice of any event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property;

(ix) as soon as available, but no later than thirty (30) days after the last day of each month, copies of the month-end account statements for each Collateral Account maintained by Borrower or its Subsidiaries, which statements may be provided to Collateral Agent and each Lender by Borrower or directly from the applicable institution(s), and

(x) other information as reasonably requested by Collateral Agent or any Lender.

Notwithstanding the foregoing, 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 Borrower posts such documents, or provides a link thereto, on Borrower's website on the internet at Borrower's website address.

(b) Concurrently with the delivery of the financial statements specified in Section 6.2(a)(i) and (ii) above but no later than thirty (30) days after the last day of each month and forty-five days after the last day of each quarter, deliver to each Lender, a duly completed Compliance Certificate signed by a Responsible Officer.

(c) Keep proper books of record and account in accordance with GAAP in all material respects, in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than twice every year unless (and more frequently if) an Event of Default has occurred and is continuing.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective Account Debtors shall follow Borrower's, or such Subsidiary's, customary practices as they exist at the Effective Date. Borrower must promptly notify Collateral Agent and the Lenders of all returns, recoveries, disputes and claims that involve more than One Hundred Thousand Dollars (\$100,000.00) individually or in the aggregate in any calendar year.

6.4 Taxes; Pensions. Timely file and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely file, all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Lenders, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with the terms of such plans.

6.5 Insurance. Keep Borrower's and its Subsidiaries' (other than Cardiosonix Ltd.) business and the Collateral insured for risks and in amounts standard for companies in Borrower's and its Subsidiaries' industry and location and as Collateral Agent may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are reasonably satisfactory to Collateral Agent and Lenders. All property policies shall have a lender's loss payable endorsement showing Collateral Agent as lender loss payee and waive subrogation against Collateral Agent, and all liability policies shall show, or have endorsements showing, Collateral Agent, as additional insured. The Collateral Agent shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Collateral Agent, that it will give the Collateral Agent thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. At Collateral Agent's request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Collateral Agent's option, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to One Hundred Thousand Dollars (\$100,000.00) with respect to any loss, but not exceeding One Hundred Thousand Dollars (\$100,000.00), in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Collateral Agent has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Collateral Agent, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. If Borrower or any of its Subsidiaries (other than Cardiosonix Ltd.) 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, Collateral Agent and/or any Lender may make, at Borrower's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent or such Lender deems prudent.

6.6 Operating Accounts.

(a) Maintain all of Borrower's and its Subsidiaries' (which are Guarantors or co-Borrowers) Collateral Accounts in accounts which are subject to a Control Agreement in favor of Collateral Agent.

(b) Borrower shall provide Collateral Agent five (5) days' prior written notice before Borrower or any of its Subsidiaries establishes any Collateral Account at or with any Person other than those identified to Collateral Agent on the Effective Date and subject to Control Agreements. In addition, for each Collateral Account that Borrower or any of its Subsidiaries (other than any Excluded Subsidiary), at any time maintains, Borrower or such Subsidiary shall cause the applicable bank or financial institution at or with which such Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Collateral Agent's Lien in such Collateral Account in accordance with the terms hereunder prior to the establishment of such Collateral Account, which Control Agreement may not be terminated without prior written consent of Collateral Agent. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's, or any of its Subsidiaries', employees and identified to Collateral Agent by Borrower as such in the Perfection Certificates.

(c) Neither Borrower nor any of its Subsidiaries (other than any Excluded Subsidiary) shall maintain any Collateral Accounts except Collateral Accounts maintained in accordance with Sections 6.6(a) and (b).

6.7 Protection of Intellectual Property Rights. Borrower and each of its Subsidiaries shall: (a) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property that is material to Borrower's business; (b) promptly advise Collateral Agent in writing of material infringement by a third party of its Intellectual Property; and (c) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Collateral Agent's prior written consent.

6.8 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to Collateral Agent and the Lenders, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower's officers, employees and Collateral Agents and Borrower's Books, to the extent that Collateral Agent or any Lender may reasonably deem them necessary to prosecute or defend any third-party suit or proceeding instituted by or against Collateral Agent or any Lender with respect to any Collateral or relating to Borrower.

6.9 Notices of Litigation and Default. Borrower will give prompt written notice to Collateral Agent and the Lenders of any litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of One Hundred Thousand Dollars (\$100,000.00) or more or which could reasonably be expected to have a Material Adverse Change. Without limiting or contradicting any other more specific provision of this Agreement, promptly (and in any event within three (3) Business Days) upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, Borrower shall give written notice to Collateral Agent and the Lenders of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

6.10 Dissolution of Cardiosonix Ltd. Borrower shall cause Cardiosonix Ltd. to be dissolved, and shall provide evidence of the same to Collateral Agent, in form and content reasonably acceptable to Collateral Agent, by no later than December 31, 2014.

6.11 Access Agreements. Borrower shall obtain and maintain an Access Agreement with respect to any real property (other than real property owned by Borrower) (a) that is Borrower's principal place of business, (b) where Borrower's books or records are maintained or (c) where any Collateral is stored or maintained; provided, however, that Borrower shall not be required to obtain an Access Agreement with respect to one or more locations described in the foregoing clause (c) if (x) the value of the Collateral consisting solely of equipment located at any such location is less than Five Hundred Thousand Dollars (\$500,000.00) and (y) the aggregate value of all Collateral other than equipment located at all such locations is less than Two Hundred Fifty Thousand Dollars (\$250,000.00), and Borrower in each case gives written notice to Collateral Agent of the existence of each such location. If the Required Lenders agree in writing that Borrower is not required to obtain an Access Agreement with respect to any real property that would otherwise require an Access Agreement pursuant to the immediately preceding sentence, then within ten (10) Business Days after the due date for any rental payments (if any) with respect to such real property, Borrower shall deliver to Collateral Agent (i) evidence in form reasonably satisfactory to Collateral Agent that such rental payment (if any) was made and (ii) a certification that no default or event of default exists under any such lease.

6.12 Creation/Acquisition of Subsidiaries. In the event Borrower, or any of its Subsidiaries creates or acquires any Subsidiary, Borrower shall provide prior written notice to Collateral Agent and each Lender of the creation or acquisition of such new Subsidiary and take all such action as may be reasonably required by Collateral Agent or any Lender to cause each such Subsidiary to become a co-Borrower hereunder or to guarantee the Obligations of Borrower under the Loan Documents and, in each case, grant a continuing pledge and security interest in and to the assets of such Subsidiary (substantially as described on Exhibit A hereto); and Borrower (or its Subsidiary, as applicable) shall grant and pledge to Collateral Agent, for the ratable benefit of the Lenders, a perfected security interest in the Shares.

6.13 Further Assurances.

(a) Execute any further instruments and take further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent's Lien in the Collateral or to effect the purposes of this Agreement.

(b) Deliver to Collateral Agent and Lenders, within five (5) days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals material to Borrower's business or otherwise could reasonably be expected to have a Material Adverse Change.

7. NEGATIVE COVENANTS

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Lenders:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn out or obsolete Equipment; and (c) in connection with Permitted Liens, Permitted Investments and Permitted Licenses.

7.2 Changes in Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Borrower as of the Effective Date or reasonably related thereto; (b) except as otherwise permitted herein, liquidate or dissolve; or (c) (i) any Key Person shall cease to be actively engaged in the management of Borrower unless written notice thereof is provided to Collateral Agent within five (5) days of such change, or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders immediately prior to the first such transaction own more than forty nine percent (49%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering, a private placement of public equity or to venture capital investors so long as Borrower identifies to Collateral Agent the venture capital investors prior to the closing of the transaction). Borrower shall not, without at least thirty (30) days' prior written notice to Collateral Agent: (A) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than One Hundred Thousand Dollars (\$100,000.00) in assets or property of Borrower or any of its Subsidiaries); (B) change its jurisdiction of organization, (C) change its organizational structure or type, (D) change its legal name, or (E) change any organizational number (if any) assigned by its jurisdiction of organization.

7.3 Mergers and Investments. Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, (a) merge or consolidate with or into any other Person (other than (x) mergers of a Subsidiary of Borrower into Borrower so long as Borrower is the surviving entity or (y) mergers of a Subsidiary of Borrower with and into a Target in connection with a Permitted Acquisition), or (b) acquire, own or make any Investment in or to any Person other than Permitted Investments.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens that are permitted by the terms of this Agreement to have priority over Collateral Agent's Lien), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or such Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

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

7.7 Restricted Payments. (a) Declare or pay any dividends or make any other distribution or payment on account of or redeem, retire, defease or purchase any stock or stock equivalent (other than (i) the payment of dividends to Borrower, (ii) the payment of dividends or distributions payable solely in Borrower's stock, (iii) the issuance of stock upon the exercise or conversion of stock equivalents, and (iv) so long as no Default or Event of Default is then continuing or would result therefrom, (A) the repurchase of Borrower's stock from current or former officers, employees or directors (or their permitted transferees or estates) upon their death, disability or termination of employment and (B) to satisfy tax obligations upon vesting of restricted stock awards, collectively in an aggregate amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in any fiscal year), (b) purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness (other than with respect to the Obligations as described in Section 2.2(d)) prior to its scheduled maturity, (c) purchase or make any payment on or with respect to any Subordinated Debt, except as expressly permitted by the applicable subordination or intercreditor agreement, (d) pay any management, consulting or similar fees to any Affiliate or holder of stock or stock equivalents of Borrower (other than (i) director's fees and reimbursement of actual out of pocket expenses incurred in connection with attending board of director meetings not to exceed in the aggregate, with respect to all such items, Two Hundred Fifty Thousand Dollars (\$250,000.00) in any fiscal year (exclusive of the value of any stock or stock equivalents issued under equity compensation plans), and (ii) bona fide consulting fees on arm's-length terms paid to such Affiliates or holders of stock or stock equivalents for actual services rendered to Borrower in the ordinary course of business in an aggregate amount not to exceed One Hundred Twenty Five Thousand Dollars (\$125,000.00) in any fiscal year), or (e) be a party to or bound by an agreement that restricts any of Borrower's Subsidiaries from paying dividends or otherwise making any payments or distributions to Borrower.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of Borrower's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person, and (b) Subordinated Debt or equity investments by Borrower's investors in Borrower or its Subsidiaries.

7.9 Subordinated Debt. (a) 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 or adversely affect the subordination thereof to Obligations owed to the Lenders.

7.10 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; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; 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 any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

7.11 Compliance with Anti-Terrorism Laws. Collateral Agent hereby notifies Borrower and each of its Subsidiaries that pursuant to the requirements of Anti-Terrorism Laws, and Collateral Agent’s policies and practices, Collateral Agent is required to obtain, verify and record certain information and documentation that identifies Borrower and each of its Subsidiaries and their principals, which information includes the name and address of Borrower and each of its Subsidiaries and their principals and such other information that will allow Collateral Agent to identify such party in accordance with Anti-Terrorism Laws. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Borrower and each of its Subsidiaries shall immediately notify Collateral Agent if Borrower or such Subsidiary has knowledge that Borrower, or any Subsidiary or Affiliate of Borrower, 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. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries, permit any 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 or 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.

7.12 Excluded Subsidiaries. No Excluded Subsidiary shall at any time conduct any business activities, own any Property, have any assets or liabilities, incur any Indebtedness, grant any Liens on its property, merge, consolidate, amalgamate, dispose of any assets or enter any similar transaction, other than the permitted business activities described in Section 5.13.

7.13 Amendments Regarding Subordinated Debt. Borrower shall not amend, modify or waive any provision of any document relating to any Subordinated Debt.

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. Borrower fails to (a) make any payment of principal or interest on any Credit Extension on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1 (a) hereof). During the cure period, the failure to cure the payment default is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower or any of its Subsidiaries fails or neglects to perform any obligation applicable to it in Sections 6.2 (Financial Statements, Reports, Certificates), 6.4 (Taxes), 6.5 (Insurance), 6.6 (Operating Accounts), 6.7 (Protection of Intellectual Property Rights), 6.9 (Notice of Litigation and Default), 6.10 (Dissolution of CardioSonix Ltd.), 6.11 (Access Agreements), 6.12 (Creation/Acquisition of Subsidiaries) or 6.13 (Further Assurances) or Borrower violates any covenant in Section 7; or

(b) Borrower, or any of its Subsidiaries, fails or neglects 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 in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within twenty (20) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the twenty (20) day period or cannot after diligent attempts by Borrower be cured within such twenty (20) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed forty (40) 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). Grace periods provided under this Section shall not apply, among other things, to financial covenants or any other covenants set forth in subsection (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 Borrower or any of its Subsidiaries or of any entity under control of Borrower or its Subsidiaries on deposit with any Lender or any Lender's Affiliate or any bank or other institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Borrower or any of its Subsidiaries or their respective 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; and

(b) (i) any material portion of Borrower'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 Borrower or any of its Subsidiaries from conducting any part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries (other than CardioSonix Ltd.) is or becomes Insolvent; (b) Borrower or any of its Subsidiaries (other than CardioSonix Ltd.) begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while Borrower or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is a default in any agreement to which Borrower or any of its Subsidiaries is a party with a third party or parties 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 One Hundred Thousand Dollars (\$100,000.00) or that could reasonably be expected to have a Material Adverse Change;

8.7 Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars (\$250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of twenty (20) days after the entry thereof (provided that no Credit Extensions will be made prior to the satisfaction, vacation, or stay of such judgment, order or decree);

8.8 Misrepresentations. Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. A default or breach occurs under any agreement between Borrower or any of its Subsidiaries and any creditor of Borrower or any of its Subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Lenders, or any creditor that has signed such an agreement with Collateral Agent or the Lenders breaches any terms of such agreement;

8.10 Guaranty. (a) Any Guaranty terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any Guaranty; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.7, or 8.8 occurs with respect to any Guarantor, or (d) the death, liquidation, winding up, or termination of existence of any Guarantor;

8.11 Governmental Approvals. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term *and* such revocation, rescission, suspension, modification or non-renewal has resulted in or could reasonably be expected to result in a Material Adverse Change; or

8.12 Lien Priority. Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens which are permitted to have priority in accordance with the terms of this Agreement.

9. RIGHTS AND REMEDIES

9.1 Rights and Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, Collateral Agent may, and at the written direction of Required Lenders shall, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Borrower, (ii) by notice to Borrower declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations shall be immediately due and payable without any action by Collateral Agent or the Lenders) or (iii) by notice to Borrower suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders (but if an Event of Default described in Section 8.5 occurs all obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders shall be immediately terminated without any action by Collateral Agent or the Lenders).

(b) Without limiting the rights of Collateral Agent and the Lenders set forth in Section 9.1(a) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the exclusive right at the written direction of the Required Lenders, without notice or demand, to do any or all of the following:

(i) foreclose upon and/or sell or otherwise liquidate, the Collateral;

(ii) apply to the Obligations any (a) balances and deposits of Borrower that Collateral Agent or any Lender holds or controls, or (b) any amount held or controlled by Collateral Agent or any Lender owing to or for the credit or the account of Borrower; and/or

(iii) commence and prosecute an Insolvency Proceeding or consent to Borrower commencing any Insolvency Proceeding.

(c) Without limiting the rights of Collateral Agent and the Lenders set forth in Sections 9.1(a) and (b) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the exclusive right, without notice or demand, to do any or all of the following:

(i) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Collateral Agent considers advisable, notify any Person owing Borrower money of Collateral Agent's security interest in such funds, and verify the amount of such account;

(ii) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Collateral Agent requests and make it available in a location as Collateral Agent reasonably designates. Collateral Agent 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. Borrower grants Collateral Agent a license to enter and occupy any of its premises, without charge, to exercise any of Collateral Agent's rights or remedies;

(iii) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, and/or advertise for sale, the Collateral. Collateral Agent is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's and each of its Subsidiaries' labels, patents, copyrights, mask works, rights of use of any name, trade secrets, trade names, trademarks, service marks, 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 Collateral Agent's exercise of its rights under this Section 9.1, Borrower's and each of its Subsidiaries' rights under all licenses and all franchise agreements inure to Collateral Agent, for the benefit of the Lenders;

(iv) place a "hold" on any account maintained with Collateral Agent or the Lenders 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;

(v) demand and receive possession of Borrower's Books;

(vi) appoint a receiver to seize, manage and realize any of the Collateral, and such receiver shall have any right and authority as any competent court will grant or authorize in accordance with any applicable law, including any power or authority to manage the business of Borrower or any of its Subsidiaries; and

(vii) subject to clauses 9.1(a) and (b), exercise all rights and remedies available to Collateral Agent and each Lender under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

Notwithstanding any provision of this Section 9.1 to the contrary, upon the occurrence of any Event of Default, Collateral Agent shall have the right to exercise any and all remedies referenced in this Section 9.1 without the written consent of Required Lenders following the occurrence of an Exigent Circumstance. As used in the immediately preceding sentence, "**Exigent Circumstance**" means any event or circumstance that, in the reasonable judgment of Collateral Agent, imminently threatens the ability of Collateral Agent to realize upon all or any material portion of the Collateral, such as, without limitation, fraudulent removal, concealment, or abscondment thereof, destruction or material waste thereof, or failure of Borrower or any of its Subsidiaries after reasonable demand to maintain or reinstate adequate casualty insurance coverage, or which, in the judgment of Collateral Agent, could reasonably be expected to result in a material diminution in value of the Collateral.

9.2 Power of Attorney. Borrower hereby irrevocably appoints Collateral 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 or any of its Subsidiaries' name on any checks or other forms of payment or security; (b) sign Borrower's or any of its Subsidiaries' 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 Collateral 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 Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney-in-fact to sign Borrower's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Collateral 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 Collateral Agent and the Lenders are under no further obligation to make Credit Extensions hereunder. Collateral Agent's foregoing appointment as Borrower's or any of its Subsidiaries' attorney in fact, and all of Collateral 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 Collateral Agent's and the Lenders' obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower or any of its Subsidiaries (other than Cardiosonix Ltd.) fail to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower or any of its Subsidiaries is obligated to pay under this Agreement or any other Loan Document, Collateral Agent may obtain such insurance or make such payment, and all amounts so paid by Collateral Agent are Lenders' Expenses and immediately due and payable, bearing interest at the Default Rate, and secured by the Collateral. Collateral Agent will make reasonable efforts to provide Borrower with notice of Collateral Agent obtaining such insurance or making such payment at the time it is obtained or paid or within a reasonable time thereafter. No such payments by Collateral Agent are deemed an agreement to make similar payments in the future or Collateral Agent's waiver of any Event of Default.

9.4 Application of Payments and Proceeds. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, (a) Borrower irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Collateral Agent from or on behalf of Borrower or any of its Subsidiaries of all or any part of the Obligations, and, as between Borrower on the one hand and Collateral Agent and Lenders on the other, Collateral Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as Collateral Agent may deem advisable notwithstanding any previous application by Collateral Agent, and (b) the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: first, to the Lenders' Expenses; second, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the United States Bankruptcy Code, would have accrued on such amounts); third, to the principal amount of the Obligations outstanding; and fourth, to any other indebtedness or obligations of Borrower owing to Collateral Agent or any Lender under the Loan Documents. Any balance remaining shall be delivered to Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (y) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category. Any reference in this Agreement to an allocation between or sharing by the Lenders of any right, interest or obligation "ratably," "proportionally" or in similar terms shall refer to Pro Rata Share unless expressly provided otherwise. Collateral Agent, or if applicable, each Lender, shall promptly remit to the other Lenders such sums as may be necessary to ensure the ratable repayment of each Lender's portion of any Term Loan and the ratable distribution of interest, fees and reimbursements paid or made by Borrower. Notwithstanding the foregoing, a Lender receiving a scheduled payment shall not be responsible for determining whether the other Lenders also received their scheduled payment on such date; provided, however, if it is later determined that a Lender received more than its ratable share of scheduled payments made on any date or dates, then such Lender shall remit to Collateral Agent or other Lenders such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by Collateral Agent. If any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Lender in excess of its ratable share, then the portion of such payment or distribution in excess of such Lender's ratable share shall be received by such Lender in trust for and shall be promptly paid over to the other Lender for application to the payments of amounts due on the other Lenders' claims. To the extent any payment for the account of Borrower is required to be returned as a voidable transfer or otherwise, the Lenders shall contribute to one another as is necessary to ensure that such return of payment is on a pro rata basis. If any Lender shall obtain possession of any Collateral, it shall hold such Collateral for itself and as agent and bailee for Collateral Agent and other Lenders for purposes of perfecting Collateral Agent's security interest therein.

9.5 Liability for Collateral. So long as Collateral Agent and the Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Collateral Agent and the Lenders, Collateral Agent and the Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Failure by Collateral Agent or any Lender, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Collateral Agent and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is not an election, and Collateral Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Collateral Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives, to the fullest extent permitted by law, 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 Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.

9.8 Release of Collateral. Each Lender hereby consents to the release and hereby directs Collateral Agent to release the following: any Lien held by such Lender or Collateral Agent for the benefit of the Collateral Agent and the Lenders against (i) any Collateral that is sold or otherwise disposed of by Borrower in a transaction permitted by the Loan Documents and (ii) all of the Collateral, upon (A) termination of the Lenders' Term Loan Commitments, (B) payment in full in cash of all Obligations (other than contingent indemnity obligations that survive termination of this Agreement and for which no claim has been asserted) that Collateral Agent has theretofore been notified in writing by the holders of such Obligations are then due and payable, and (C) to the extent required by Collateral Agent or any Lender, receipt by Collateral Agent and Lenders of liability releases from Borrower in form and substance acceptable to Collateral Agent (the satisfaction of the conditions of this clause, the "**Termination Date**"). Collateral Agent shall provide each Lender with advance notice of any proposed Termination Date (other than a Termination Date occurring on the Maturity Date) promptly after receiving written notice from Borrower requesting to repay the Obligations in full.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, "**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 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 indicated below. Any of Collateral Agent, Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:

NAVIDEA BIOPHARMACEUTICALS, INC.
5600 Blazer Parkway
Dublin, OH 43017
Attn: Chief Financial Officer
Fax: (614) 793-7522
Email: blarson@navidea.com

with a copy (which shall not constitute notice) to: Porter Wright Morris and Arthur LLP
41 South High Street,
Suites 2800 - 3200
Columbus, OH 43215-6194
Attn: William J. Kelly, Jr.
Fax: (614) 227-2100
Email: wjkelly@porterwright.com

If to Collateral Agent: OXFORD FINANCE LLC
133 North Fairfax Street
Alexandria, Virginia 22314
Attention: Legal Department
Fax: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

with a copy (which shall not constitute notice) to: DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, California 92121-2133
Attn: Troy Zander
Fax: (858) 638-5086
Email: troy.zander@dlapiper.com

11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower, Lenders and Collateral Agent each submit to the exclusive jurisdiction of the State and Federal courts in the City of New York, Borough of Manhattan. NOTWITHSTANDING THE FOREGOING, COLLATERAL AGENT AND THE LENDERS SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH COLLATERAL AGENT AND THE LENDERS (IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9.1) DEEM NECESSARY OR APPROPRIATE TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE COLLATERAL AGENT'S AND THE LENDERS' RIGHTS AGAINST BORROWER OR ITS PROPERTY. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower 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. Borrower 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 Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, first class, registered or certified mail return receipt requested, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, COLLATERAL 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 EACH PARTY TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

12. GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent's and each Lender's prior written consent (which may be granted or withheld in Collateral Agent's and each Lender's discretion, subject to Section 12.6). The Lenders have the right, without the consent of or notice to Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in (**any** such 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; *provided, however*, that any such Lender Transfer (other than a transfer, pledge, sale or assignment to an Eligible Assignee) of its obligations, rights, and benefits under this Agreement and the other Loan Documents shall require the prior written consent of the Required Lenders (such approved assignee, an "**Approved Lender**"). Borrower and Collateral Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned until Collateral Agent shall have received and accepted an effective assignment agreement in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee or Approved Lender as Collateral Agent reasonably shall require. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and is continuing, no Lender Transfer (other than a Lender Transfer (i) in respect of the Warrants or (ii) in connection with (x) assignments by a Lender due to a forced divestiture at the request of any regulatory agency; or (y) upon the occurrence of a default, event of default or similar occurrence with respect to a Lender's own financing or securitization transactions) shall be permitted, without Borrower's consent, to any Person which is an Affiliate or Subsidiary of Borrower, a Disqualified Lender or a vulture hedge fund (as determined by Collateral Agent).

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Collateral Agent and the Lenders and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or Lenders' Expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Excluded Taxes and Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct. Borrower hereby further indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.3 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.4 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.5 Correction of Loan Documents. Collateral Agent and the Lenders may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

12.6 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 Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral 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 Collateral Agent shall be effective without Collateral 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 "**Required Lenders**" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of 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 12.6 or the definitions of the terms used in this Section 12.6 insofar as the definitions affect the substance of this Section 12.6; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its 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 9.4 or amend any of the definitions of Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations; or (I) amend any of the provisions of Section 12.10. 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 Collateral 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 12.6(a)(i)-(iii), Collateral 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.

12.7 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.

12.8 Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect 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 satisfied. The obligation of Borrower in Section 12.2 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.9 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.9 Confidentiality. In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders' and Collateral Agent's Subsidiaries or Affiliates, or in connection with a Lender's own financing or securitization transactions and upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Credit Extensions (provided, however, the Lenders and Collateral Agent shall, except upon the occurrence and during the continuance of an Event of Default, obtain such prospective transferee's or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Lenders' or Collateral Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third party service providers of the Lenders and/or Collateral Agent so long as such service providers have executed a confidentiality agreement with the Lenders and Collateral Agent with terms no less restrictive than those contained herein. Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Collateral Agent's possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent; or (ii) is disclosed to the Lenders and/or Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.9 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.9.

12.10 Right of Set Off. Borrower hereby grants to Collateral Agent and to each Lender, a lien, security interest and right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Collateral Agent or the Lenders or any entity under the control of Collateral Agent or the Lenders (including a Collateral Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmaturing and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.11 Cooperation of Borrower. If necessary, Borrower agrees to (i) execute any documents (including new Secured Promissory Notes) reasonably required to effectuate and acknowledge each assignment of a Term Loan Commitment or Loan to an assignee in accordance with Section 12.1, (ii) make Borrower's management available to meet with Collateral Agent and prospective participants and assignees of Term Loan Commitments or Credit Extensions (which meetings shall be conducted no more often than twice every twelve months unless an Event of Default has occurred and is continuing), and (iii) assist Collateral Agent or the Lenders in the preparation of information relating to the financial affairs of Borrower as any prospective participant or assignee of a Term Loan Commitment or Term Loan reasonably may request. Subject to the provisions of Section 12.9, Borrower authorizes each Lender to disclose to any prospective participant or assignee of a Term Loan Commitment, any and all information in such Lender's possession concerning Borrower and its financial affairs which has been delivered to such Lender by or on behalf of Borrower pursuant to this Agreement, or which has been delivered to such Lender by or on behalf of Borrower in connection with such Lender's credit evaluation of Borrower prior to entering into this Agreement.

13. **DEFINITIONS**

13.1 Definitions. As used in this Agreement, the following terms have the following meanings:

“**Access Agreement**” means a landlord consent and/or bailee waiver, in form and content reasonably acceptable to, and in favor of, Collateral Agent, executed by the applicable landlord or bailee, and Borrower.

“**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 and other sums owing to Borrower.

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

“**Acquisition**” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of fifty percent (50%) of the Shares of any Person or otherwise causing any Person to become a Subsidiary, directly or indirectly, of Borrower, or (c) a merger or consolidation or any other combination with another Person.

“**Affiliate**” of any Person is a 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, that Person’s managers and members.

“**Agreement**” is defined in the preamble hereof.

“**Amortization Date**” is, (i) April 1, 2015; or, (ii) April 1, 2016, if Borrower achieves the First Lymphoseek Milestone; or April 1, 2017, if Borrower achieves the First Lymphoseek Milestone and the Second Lymphoseek Milestone.

“**Annual Projections**” is defined in Section 6.2(a).

“**Anti-Terrorism Laws**” are 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.

“**Approved Fund**” is 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.

“**Approved Lender**” is defined in Section 12.1.

“**Basic Rate**” is the per annum rate of interest (based on a year of three hundred sixty (360) days) equal to eight and one-half percent (8.50%).

“**Blocked Person**” is any Person: (a) 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.

“**Borrower**” is defined in the preamble hereof.

“**Borrower’s Books**” are Borrower’s or any of its Subsidiaries’ books and records including ledgers, federal, and state tax returns, records regarding Borrower’s or its Subsidiaries’ assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“**Business Day**” is any day that is not a Saturday, Sunday or a day on which Collateral Agent is closed.

“**Cash Equivalents**” are (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc., and (c) certificates of deposit maturing no more than one (1) year after issue provided that the account in which any such certificate of deposit is maintained is subject to a Control Agreement in favor of Collateral Agent. For the avoidance of doubt, the direct purchase by Borrower or any of its Subsidiaries of any Auction Rate Securities, or purchasing participations in, or entering into any type of swap or other derivative transaction, or otherwise holding or engaging in any ownership interest in any type of Auction Rate Security by Borrower or any of its Subsidiaries shall be conclusively determined by the Lenders as an ineligible Cash Equivalent, and any such transaction shall expressly violate each other provision of this Agreement governing Permitted Investments. Notwithstanding the foregoing, Cash Equivalents does not include and Borrower, and each of its 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 (each, an “**Auction Rate Security**”).

“**Claims**” are defined in Section 12.2.

“**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 or Divisions of the Code, the definition of such term contained in Article or Division 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, Collateral 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**” is any and all properties, rights and assets of Borrower described on Exhibit A.

“**Collateral Account**” is any Deposit Account, Securities Account, or Commodity Account, or any other bank account maintained by Borrower or any Subsidiary (other than any Excluded Subsidiary) at any time.

“**Collateral Agent**” is, Oxford, not in its individual capacity, but solely in its capacity as Collateral Agent on behalf of and for the benefit of the Lenders.

“**Commitment Percentage**” is set forth in Schedule 1.1, as amended from time to time.

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

“**Communication**” is defined in Section 10.

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

“**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 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 Borrower or any of its Subsidiaries (other than any Excluded Subsidiary) maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower or any of its Subsidiaries maintains a Securities Account or a Commodity Account, Borrower and such Subsidiary, and Collateral Agent pursuant to which Collateral Agent obtains control (within the meaning of the Code) for the benefit of the Lenders 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 or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

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

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

“**Default Rate**” is defined in Section 2.3(b).

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

“**Designated Deposit Account**” is Borrower’s deposit account, account number XXXXXXXX9760, maintained with U.S. Bank.

“**Disbursement Letter**” is that certain form attached hereto as Exhibit B.

“**Disqualified Lender**” means any direct competitor of Borrower and any Affiliate of such direct competitor to the extent identified on the list of Disqualified Lenders prepared by Borrower and delivered to, reviewed and approved by Collateral Agent in writing prior to the Effective Date (as such list may be updated by Borrower from time to time with Collateral Agent’s and Required Lenders’ written consent, such consent to be issued or withheld in Collateral Agent’s and Required Lenders’ sole discretion), which list of Disqualified Lenders shall be provided to any Lender (or prospective Lender permitted hereunder) upon request.

“**Dollars**,” “**dollars**” and “**\$**” each mean lawful money of the United States.

“**EBITDA**” means, with respect to Borrower and its consolidated Subsidiaries for any period, the total of the following, all of which shall be determined by Collateral Agent in its reasonable credit judgment and shall be determined in accordance with GAAP: (a) the consolidated net income (loss) of Borrower and its consolidated Subsidiaries for such period, plus (b) without duplication, to the extent included in the calculation of consolidated net income of Borrower and its consolidated Subsidiaries for such period, the sum of the following amounts of Borrower and its consolidated Subsidiaries for such period, (i) income taxes paid or accrued (excluding any amounts Borrower or any of its consolidated Subsidiaries includes in its sales, general and administrative expenses), (ii) interest expense (net of interest income), paid or accrued, (iii) amortization and depreciation expense, (iv) compensation paid in stock, and (v) other non-cash charges as approved by Collateral Agent in its sole discretion. EBITDA shall be measured on an accrued accounting basis.

“**Effective Date**” is defined in the preamble of this Agreement.

“**Eligible Assignee**” is (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund and (iv) any commercial bank, savings and loan association or savings bank or any other entity which is an “accredited investor” (as defined in Regulation D under the Securities Act of 1933, as amended) and which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which either (A) has a rating of BBB or higher from Standard & Poor’s Rating Group and a rating of Baa2 or higher from Moody’s Investors Service, Inc. at the date that it becomes a Lender or (B) has total assets in excess of Five Billion Dollars (\$5,000,000,000.00), and in each case of clauses (i) through (iv), which, through its applicable lending office, is capable of lending to Borrower without the imposition of any withholding or similar taxes; provided that notwithstanding the foregoing, “Eligible Assignee” shall not include, unless an Event of Default has occurred and is continuing, (i) Borrower or any of Borrower’s Affiliates or Subsidiaries or (ii) a direct competitor of Borrower or a vulture hedge fund, each as reasonably determined by Collateral Agent. Notwithstanding the foregoing, (x) in connection with assignments by a Lender due to a forced divestiture at the request of any regulatory agency, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party and (y) in connection with a Lender’s own financing or securitization transactions, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party providing such financing or formed to undertake such securitization transaction and any transferee of such Person or party upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; provided that no such sale, transfer, pledge or assignment under this clause (y) shall release such Lender from any of its obligations hereunder or substitute any such Person or party for such Lender as a party hereto until Collateral Agent shall have received and accepted an effective assignment agreement from such Person or party in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee as Collateral Agent reasonably shall require.

“**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.

“**ERISA**” is the Employee Retirement Income Security Act of 1974, as amended, and its regulations.

“**Excluded Taxes**” means, with respect to Collateral Agent or any Lender, (a) taxes measured by net income (including branch profit taxes) and franchise taxes imposed in lieu of net income taxes, in each case that are imposed on Collateral Agent or any Lender as a result of (i) Collateral Agent or such Lender being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such tax (or any political subdivision thereof) or (ii) a present or former connection between Collateral Agent or such Lender and the jurisdiction imposing such tax (other than any such connection arising solely from Collateral Agent or 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 Obligations), and (b) any U.S. withholding taxes imposed under FATCA.

“**Existing Indebtedness**” is the indebtedness of Borrower to General Electric Capital Corporation, as Collateral Agent and Lender, in the aggregate principal outstanding amount as of the Effective Date of approximately Twenty Six Million Seven Hundred One Thousand Nine Hundred Sixty Five and 28/100 Dollars (\$26,701,965.28) pursuant to that certain Loan and Security Agreement, dated as of June 25, 2013, entered into by and between General Electric Capital Corporation, as Collateral Agent and Lender, and Borrower.

“**Event of Default**” is defined in Section 8.

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code of 1986 (as amended) as in effect on the date hereof or any amended or successor provision that is substantively comparable and not materially more onerous to comply with (and, in each case, any current or future regulations promulgated thereunder or official interpretations thereof).

“**Final Payment**” is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the earliest to occur of (a) the Maturity Date, or (b) the acceleration of any Term Loan, or (c) the prepayment of a Term Loan pursuant to Section 2.2(c) or (d), equal to the original principal amount of such Term Loan multiplied by the Final Payment Percentage, payable to Lenders in accordance with their respective Pro Rata Shares.

“**Final Payment Percentage**” is (x) if the Amortization Date is April 1, 2015, seven and ninety-five hundredths percent (7.95%); or (y) if the Amortization Date is extended to April 1, 2016, eight and ninety-five hundredths percent (8.95%); or (z) if the Amortization Date is extended to April 1, 2017, nine and ninety-five hundredths percent (9.95%).

“**First Lymphoseek Milestone**” is defined in that certain separate letter agreement between Borrower and Collateral Agent dated as of the Effective Date.

“**Foreign Subsidiary**” is a Subsidiary that is not an entity organized under the laws of the United States or any territory thereof.

“**Funding Date**” is any date on which a Credit Extension is made to or on account of Borrower which shall be a Business Day.

“**GAAP**” is generally accepted accounting principles 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 in the United States, which are applicable to the circumstances as of the date of determination.

“**General Intangibles**” are 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 copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, 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.

“**Governmental Authority**” is any nation or government, any state or other political subdivision thereof, any agency, 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.

“**Guarantor**” is any Person providing a Guaranty in favor of Collateral Agent.

“**Guaranty**” is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

“Indebtedness” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

“Indemnified Person” is defined in Section 12.2.

“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.

“Insolvent” means not Solvent.

“Intellectual Property” means all of Borrower’s or any Subsidiary’s right, title and interest in and to the following:

- (a) its Copyrights, Trademarks and Patents;
- (b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;
- (c) any and all source code;
- (d) any and all design rights which may be available to Borrower;
- (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
- (f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“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 any Person’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“Investment” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance, payment or capital contribution to any Person.

“Key Person” is each of Borrower’s (i) Chief Executive Officer, who is Mark J. Pykett as of the Effective Date, (ii) President, Chief Business Officer, who is Thomas H. Tulip as of the Effective Date, and (iii) Chief Financial Officer, who is Brent L. Larson as of the Effective Date.

“Lender” is any one of the Lenders.

“Lenders” are the Persons identified on Schedule 1.1 hereto and each assignee that becomes a party to this Agreement pursuant to Section 12.1.

“Lenders’ Expenses” are all actual audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses, as well as appraisal fees, fees incurred on account of lien searches, inspection fees, and filing fees) 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 reasonably incurred by Collateral Agent and/or the Lenders in connection with the Loan Documents.

“**Lien**” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“**Loan Documents**” are, collectively, this Agreement, the Warrants, the UK Share Pledge Documents, the Perfection Certificates, each Compliance Certificate, each Disbursement Letter, the Post Closing Letter, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any other present or future agreement entered into by Borrower, any Guarantor or any other Person for the benefit of the Lenders and Collateral Agent in connection with this Agreement; all as amended, restated, or otherwise modified.

“**Material Adverse Change**” is (a) a material impairment in the perfection or priority of Collateral Agent’s Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations or condition (financial or otherwise) or prospects of Borrower or any Subsidiary; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

“**Maturity Date**” is March 1, 2019.

“**Monthly Cash Burn Amount**” means, with respect to Borrower and its consolidated Subsidiaries, as of any date of determination, an amount equal to (a) the sum of (i) EBITDA of Borrower and its consolidated Subsidiaries for the immediately preceding six (6) month period, less (ii) (A) cash taxes, (B) non-financed capital expenditures, (C) cash interest payments, (D) dividends or distributions paid to the extent permitted to be paid hereunder, and (E) to the extent such payments are not deducted in the calculation of EBITDA, license payments, in each case paid by Borrower or any of its consolidated Subsidiaries during the immediately preceding six (6) month period, and less (iii) the current portion of interest bearing liabilities due and payable in the immediately succeeding six month period, divided by (b) six.

“**Obligations**” are all of Borrower’s obligations to pay when due any debts, principal, interest, Lenders’ Expenses, the Prepayment Fee, the Final Payment, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents (other than the Warrants), or otherwise, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower’s duties under the Loan Documents (other than the Warrants).

“**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 by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (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.

“**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.

“**Payment Date**” is the first (1st) calendar day of each calendar month, commencing on April 1, 2014.

“**Perfection Certificate**” and “**Perfection Certificates**” is defined in Section 5.1.

“Permitted Acquisition” means any Acquisition by Borrower of all of the shares, stock or equity interests of a Target or all or substantially all of the assets of a Target, in each case, to the extent that each of the following conditions shall have been satisfied:

(a) Borrower shall have delivered to Collateral Agent at least twenty (20) days prior to the consummation thereof (or such shorter period as Collateral Agent may accept): (i) (x) notice of such Acquisition setting forth in reasonable detail the terms and conditions of such Acquisition, (y) pro forma financial statements of Borrower and its Subsidiaries after giving effect to the consummation of such Acquisition and (z) to the extent available, a due diligence package, in each case, prior to closing of such Acquisition; (ii) evidence satisfactory to Collateral Agent that Borrower has, immediately before and immediately after giving effect to the consummation of such Acquisition, unrestricted cash and Cash Equivalents in one or more Deposit Accounts or Securities Accounts subject to Control Agreements in an aggregate amount equal to or greater than the positive value of the product of (A) twelve (12) times (B) the Monthly Cash Burn Amount as determined as of the last day of the month immediately preceding the Acquisition for which financial statements have been delivered to Collateral Agent and Lenders in accordance with this Agreement; and (iii) to the extent available, such other information agreements, instruments and other documents as Collateral Agent or any Lender that is a Lender as of the Effective Date shall reasonably request;

(b) such Acquisition shall only involve assets located in the United States and comprise a business, or those assets of a business, substantially of the type engaged in by Borrower or its Subsidiaries and which business would not subject Collateral Agent or any Lender to regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any other Loan Documents;

(c) Borrower shall have delivered to Collateral Agent (i) as soon as available, executed counterparts of the respective agreements, documents or instruments pursuant to which such Acquisition is to be consummated (including any related management, non-compete, employment, option or other material agreements), any schedules to such agreements, documents or instruments and all other material ancillary agreements, instruments and documents to be executed or delivered in connection therewith, (ii) to the extent required under the related acquisition agreement, all consents and approvals from applicable Governmental Authorities and other Persons and (iii) if required by Collateral Agent, environmental assessments satisfactory to Collateral Agent;

(d) at or prior to the closing of such Acquisition, (i) Collateral Agent will be granted a first priority perfected Lien (subject to Permitted Liens), for the ratable benefit of Collateral Agent and Lenders, in all assets or stock acquired pursuant thereto and (ii) any new Subsidiary created or acquired pursuant to such Acquisition shall have (A) joined this Agreement as a Guarantor, (B) guaranteed the Obligations, (C) granted to Collateral Agent, for the benefit of the Lenders, a security interest in all of its Collateral to secure such guaranty, and (D) delivered to Collateral Agent (and, if requested, to any Lender so requesting) all documents required to be delivered on the Effective Date pursuant to Section 3.1;

(e) at the time of such Acquisition and after giving effect thereto, (i) Borrower is Solvent, and (ii) no Default or Event of Default has occurred and is continuing;

(f) such Acquisition shall not be hostile and shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equity holders of the Target;

(g) the business and assets acquired in such Acquisition shall be free and clear of all Liens (other than Permitted Liens);

(h) the aggregate purchase price paid and/or payable in cash or other property (other than common stock of Borrower) in connection with all Acquisitions (including all transaction costs and all Indebtedness, liabilities and contingent obligations assumed in connection therewith or otherwise reflected in a consolidated balance sheet of Borrower and Target) shall not exceed, in the aggregate, (i) Five Million Dollars (\$5,000,000.00) in any fiscal year and (ii) Ten Million Dollars (\$10,000,000.00) during the term of this Agreement; and

(i) with respect to an Acquisition paid for in whole or in part with common stock of the Borrower, such Acquisition shall not result in any decrease in the Tangible Net Worth of Borrower and its Subsidiaries.

“Permitted Indebtedness” means (a) the Obligations, (b) Indebtedness existing on the Effective Date and set forth on the Perfection Certificate delivered to Collateral Agent as of the Effective Date and Permitted Refinancings thereof, (c) Indebtedness consisting of capitalized lease obligations and purchase money Indebtedness, in each case incurred by Borrower to finance the acquisition, repair, improvement or construction of fixed or capital assets of such Person and Permitted Refinancings thereof, provided that (i) the aggregate outstanding principal amount of all such Indebtedness does not exceed Five Hundred Thousand Dollars (\$500,000.00) at any time and (ii) the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed with such Indebtedness (each measured at the time of such acquisition, repair, improvement or construction is made), (d) Subordinated Indebtedness and (e) Indebtedness in respect of financing of insurance premiums not to exceed Three Hundred Thousand Dollars (\$300,000.00) in any fiscal year.

“Permitted Investments” means (a) Investments existing on the Closing Date and set forth on the Perfection Certificate delivered to Collateral Agent as of the Effective Date, (b) subject to Section 6.6, Investments in cash and Cash Equivalents, (c) endorsements for collection or deposit in the ordinary course of business consistent with past practice, (d) extensions of trade credit (other than to Affiliates of Borrower or any Subsidiary) in the ordinary course of business, (e) Investments 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, (f) loans and advances to employees of Borrower to finance travel, entertainment and relocation expenses and other business purposes in the ordinary course of business in an aggregate outstanding principal amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) at any time, (g) Investments consisting of non-cash loans made by Borrower to officers, directors and employees of Borrower which are used by such Persons to purchase simultaneously the stock of Borrower, (h) Investments permitted under Borrower’s Investment Policy delivered to Collateral Agent prior to the Closing Date, (i) 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 Investments of cash, Cash Equivalents or tangible assets, (j) Permitted Acquisitions and (k) Investments in foreign Subsidiaries of Borrower in an aggregate amount not to exceed Fifty Thousand Dollars (\$50,000.00) in any fiscal year.

“Permitted Licenses” are (A) licenses of over-the-counter software that is commercially available to the public, and (B) non-exclusive and exclusive licenses for the use of the Intellectual Property of Borrower or any of its Subsidiaries entered into in the ordinary course of business, provided, that, with respect to each such license described in clause (B), (i) no Event of Default has occurred or is continuing at the time of such license; (ii) the license constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment of any Intellectual Property and do not restrict the ability of Borrower or any of its Subsidiaries, as applicable, to pledge, grant a security interest in or lien on, or assign or otherwise Transfer any Intellectual Property; (iii) in the case of any exclusive license, (x) Borrower delivers ten (10) days’ prior written notice and a brief summary of the terms of the proposed license to Collateral Agent and the Lenders and delivers to Collateral Agent and the Lenders copies of the final executed licensing documents in connection with the exclusive license promptly upon consummation thereof, and (y) any such license could not result in a legal transfer of title of the licensed property but may be exclusive in respects other than territory and may be exclusive as to territory only as to discrete geographical areas outside of the United States; and (iv) all upfront payments, royalties, milestone payments or other proceeds arising from the licensing agreement that are payable to Borrower or any of its Subsidiaries are paid to a Deposit Account that is governed by a Control Agreement.

“Permitted Liens” means (a) Liens created pursuant to any Loan Document, (b) Liens existing on the Effective Date and set forth on the Perfection Certificate delivered to Collateral Agent as of the Effective Date, (c) Liens (i) with respect to the payment of taxes, assessments or other governmental charges, securing amounts that are not yet due or are being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder; or (ii) of suppliers, carriers, materialmen, warehousemen, workmen or mechanics and other similar Liens, in each case imposed by law and arising in the ordinary course of business, so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Twenty Five Thousand Dollars (\$25,000.00), and which are not delinquent or remain payable without penalty or which are 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, (d) Liens securing Indebtedness permitted under clause (c) of the definition of “Permitted Indebtedness”, provided that (i) such Liens exist prior to the acquisition of, or attach substantially simultaneous with, or within twenty (20) days after, the acquisition, repair, improvement or construction of, such property financed by such Indebtedness and (ii) such Liens do not extend to any Property of Borrower other than the Property (and proceeds thereof) acquired or built, or the improvements or repairs, financed by such Indebtedness, (e) Liens of a collection bank on items in the course of collection arising under Section 4-208 of the UCC, (f) pledges or cash deposits made in the ordinary course of business (i) in connection with workers’ compensation, unemployment insurance or other types of social security benefits (other than any Lien imposed by ERISA), (ii) to secure the performance of bids, tenders, leases (other than capital leases), sales or other trade contracts (other than for the repayment of borrowed money) or (iii) made in lieu of, or to secure the performance of, surety, customs, reclamation or performance bonds (in each case not related to judgments or litigation), (g) judgment liens (other than for the payment of taxes, assessments or other governmental charges) securing judgments and other proceedings not constituting an Event of Default under Section 8.7 and pledges or cash deposits made in lieu of, or to secure the performance of, judgment or appeal bonds in respect of such judgments and proceedings, (h) Liens arising by reason of zoning restrictions, easements, licenses, reservations, restrictions, covenants, rights-of-way, encroachments, minor defects or irregularities in title (including leasehold title) and other similar encumbrances on the use of real property that do not materially (i) impair the value or marketability of such real property or (ii) interfere with the ordinary conduct of the business conducted and proposed to be conducted at such real property, (i) Permitted Licenses and (j) any interest or title of a lessor under any lease of real property entered into by Borrower in the ordinary course of business.

“Permitted Refinancing” means Indebtedness constituting a refinancing or extension of Indebtedness permitted under clause (b) or clause (c) of the definition of “Permitted Indebtedness” that (a) has an aggregate outstanding principal amount not greater than the aggregate principal amount of the Indebtedness being refinanced or extended, (b) has a weighted average life to maturity (measured as of the date of such refinancing or extension) and maturity no shorter than that of the Indebtedness being refinanced or extended, (c) is not entered into as part of a sale leaseback transaction, (d) is not secured by a Lien on any assets other than the collateral securing the Indebtedness being refinanced or extended, (e) the obligors of which are the same as the obligors of the Indebtedness being refinanced or extended and (f) is otherwise on terms no less favorable to Borrower and its Subsidiaries, taken as a whole, than those of the Indebtedness being refinanced or extended.

“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.

“Platinum-Montaur Loan Agreement” means that certain Loan Agreement, dated as of June 25, 2013, between Borrower and Platinum-Montaur Life Sciences LLC, as amended, restated, supplemented or otherwise modified from time to time.

“Platinum-Montaur Subordinated Indebtedness” means the Indebtedness incurred by Borrower in connection with the Platinum-Montaur Loan Agreement.

“Post Closing Letter” is that certain Post Closing Letter dated as of the Effective Date by and between Collateral Agent and Borrower.

“Prepayment Fee” is, with respect to the a Term Loan (or portion thereof) subject to prepayment prior to the Maturity Date, whether by mandatory or voluntary prepayment, acceleration or otherwise, an additional fee payable to the Lenders in amount equal to:

(i) for a prepayment made on or after the Funding Date of such Term Loan (or such portion thereof) through and including the first anniversary of the Funding Date of such Term Loan (or such portion thereof), two percent (2.00%) of the principal amount of such Term Loan (or such portion thereof) prepaid;

(ii) for a prepayment made after the date which is after the first anniversary of the Funding Date of such Term Loan (or such portion thereof) through and including the second anniversary of the Funding Date of such Term Loan (or such portion thereof), one percent (1.00%) of the principal amount of the Term Loans (or such portion thereof) prepaid; and

(iii) for a prepayment made after the date which is after the second anniversary of the Funding Date of such Term Loan (or such portion thereof) and prior to the Maturity Date, no Prepayment Fee shall be applicable.

“Pro Rata Share” is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of Term Loans held by such Lender by the aggregate outstanding principal amount of all Term Loans.

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

“Repayment Schedule” means a period equal to (i) forty-eight (48) months, if the Amortization Date is April 1, 2015; (ii) thirty-six (36) months if the Amortization Date is April 1, 2016; and twenty-four (24) months if the Amortization Date is April 1, 2017.

“Required Lenders” means (i) for so long as all of the Persons that are Lenders on the Effective Date (each an **“Original Lender”**) have not assigned or transferred any of their interests in their Term Loan, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loan, or (ii) at any time from and after any Original Lender has assigned or transferred any interest in its Term Loan, Lenders holding at least sixty six percent (66%) of the aggregate outstanding principal balance of the Term Loan and, in respect of this clause (ii), (A) each Original Lender that has not assigned or transferred any portion of its Term Loan, (B) each assignee or transferee of an Original Lender’s interest in the Term Loan, but only to the extent that such assignee or transferee is an Affiliate or Approved Fund of such Original Lender, and (C) any Person providing financing to any Person described in clauses (A) and (B) above; provided, however, that this clause (C) shall only apply upon the occurrence of a default, event of default or similar occurrence with respect to such financing.

“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, 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.

“Responsible Officer” is any of the President, Chief Executive Officer, or Chief Financial Officer of Borrower acting alone.

“Second Lymphoseek Milestone” is defined in that certain separate letter agreement between Borrower and Collateral Agent dated as of the Effective Date.

“Secured Promissory Note” is defined in Section 2.4.

“Secured Promissory Note Record” is a record maintained by each Lender with respect to the outstanding Obligations owed by Borrower to Lender and credits made thereto.

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

“Shares” is one hundred percent (100%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by Borrower or Borrower’s Subsidiary, in any Subsidiary; provided that, in the event Borrower, demonstrates to Collateral Agent’s reasonable satisfaction, that a pledge of more than sixty five percent (65%) of the Shares of such Subsidiary which is a Foreign Subsidiary, creates a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code, “Shares” shall mean sixty-five percent (65%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by Borrower or its Subsidiary in such Foreign Subsidiary. Notwithstanding the foregoing, with respect to the Excluded Subsidiaries, “Shares” means sixty-five percent (65%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by Borrower in each such Excluded Subsidiary.

“**Solvent**” is, with respect to any Person: the fair salable value of such Person’s consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person’s liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature.

“**Subordinated Debt**” means (i) the Platinum-Montaur Subordinated Indebtedness and (ii) any unsecured Indebtedness owing by any Loan Party to any Person that is not a holder of any Stock or Stock Equivalents of any Loan Party on the date such Indebtedness is incurred, which Indebtedness (x) does not exceed Seven Hundred Fifty Thousand Dollars (\$750,000.00) in the aggregate at any time outstanding and (y) is subordinated to the Obligations pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Collateral Agent and the Lenders entered into between Collateral Agent, Borrower, and/or any of its Subsidiaries, and the other creditor), on terms acceptable to Collateral Agent and the Lenders.

“**Subsidiary**” is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries.

“**Tangible Net Worth**” means, on any date, the consolidated total assets of Borrower and its Subsidiaries minus, (a) any amounts attributable to (i) goodwill, (ii) intangible items such as unamortized debt discount and expense, patents, trade and service marks and names, copyrights and research and development expenses except prepaid expenses, and (iii) reserves not already deducted from assets, and (b) the obligations that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness.

“**Target**” means any other Person or business unit or asset group of any other Person acquired or proposed to be acquired in an Acquisition.

“**Term Loan**” is defined in Section 2.2(a) hereof.

“**Term Loan Commitment**” is, for any Lender, the obligation of such Lender to make a Term Loan, up to the principal amount shown on Schedule 1.1. “**Term Loan Commitments**” means the aggregate amount of such commitments of all Lenders.

“**Trademarks**” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“**Transfer**” is defined in Section 7.1.

“**UK Share Pledge Documents**” means that certain Charge Over Shares and such additional agreements and instruments as Collateral Agent may deem reasonably necessary to perfect and maintain the perfection of Collateral Agent’s security interest in the Shares of Navidea Biopharmaceuticals Ltd.; all in form and content reasonably acceptable to Collateral Agent.

“**Warrants**” are those certain Warrants to Purchase Stock dated as of the Effective Date, or any date thereafter, issued by Borrower in favor of each Lender or such Lender’s Affiliates.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

NAVIDEA BIOPHARMACEUTICALS, INC.

By /s/ Brent L. Larson

Name: Brent L. Larson

Title: EVP, CFO, Treasurer and Secretary

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By /s/ Mark Davis

Name: Mark Davis

Title: Vice President-Finance, Treasurer and Secretary

[Signature Page to Loan and Security Agreement]

SCHEDULE 1.1

Lenders and Commitments

Term Loan

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	\$30,000,000.00	100.00%
TOTAL	\$30,000,000.00	100.00%

EXHIBIT A

Description of Collateral

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Collateral Agent's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property; and (ii) more than 65% of the total combined voting power of all classes of stock entitled to vote the shares of capital stock (the "Shares") of any Foreign Subsidiary, if Borrower demonstrates to Collateral Agent's reasonable satisfaction that a pledge of more than sixty five percent (65%) of the Shares of such Subsidiary creates a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code.

Pursuant to the terms of a certain negative pledge arrangement with Collateral Agent and the Lenders, Borrower has agreed not to encumber any of its Intellectual Property.

EXHIBIT B

Form of Disbursement Letter

[see attached]

DISBURSEMENT LETTER

March 4, 2014

The undersigned, being the duly elected and acting Chief Financial Officer of NAVIDEA BIOPHARMACEUTICALS, INC., a Delaware corporation with offices located at 5600 Blazer Parkway, Dublin, OH 43017 ("**Borrower**"), does hereby certify to **OXFORD FINANCE LLC** ("**Oxford**" and "**Lender**"), as Collateral Agent (the "**Collateral Agent**") in connection with that certain Loan and Security Agreement dated as of March 4, 2014, by and among Borrower, Collateral Agent and the Lenders from time to time 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 Borrower in Section 5 of the Loan Agreement and in the other Loan Documents are true and correct in all material respects as of the date hereof.
2. No event or condition has occurred that would constitute an Event of Default under the Loan Agreement or any other Loan Document.
3. Borrower is 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 Loan to be made on or about the date hereof have been satisfied or waived by Collateral Agent.
5. No Material Adverse Change has occurred.
6. The undersigned is a Responsible Officer.

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7. The proceeds of the Term Loan shall be disbursed as follows:

Disbursement from Oxford:

Loan Amount	\$30,000,000.00
Plus:	
--Deposit Received	\$140,000.00
Less:	
--Facility Fee	(\$140,000.00)
--Existing Debt Payoff to be remitted to General Electric Capital Corporation, as Collateral Agent per the Payoff Letter dated March 3, 2014	(\$ _____)
--Interim Interest	(\$ _____)
--Lender's Legal Fees	(\$ _____)*
Net Proceeds due from Oxford:	\$ _____

8. The Term Loan shall amortize in accordance with the Amortization Table attached hereto.

9. The aggregate net proceeds of the Term Loans shall be transferred to the Designated Deposit Account as follows:

Account Name: NAVIDEA BIOPHARMACEUTICALS, INC.
Bank Name: [U.S. Bank]
Bank Address: _____
Account Number: _____
ABA Number: _____

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* Legal fees and costs are through the Effective Date. Post-closing legal fees and costs, payable after the Effective Date, to be invoiced and paid post-closing.

Dated as of the date first set forth above.

BORROWER:

NAVIDEA BIOPHARMACEUTICALS, INC.

By _____
Name: _____
Title: _____

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By _____
Name: _____
Title: _____

[Signature Page to Corporate Borrowing Certificate]

AMORTIZATION TABLE
(Term Loan)

[see attached]

EXHIBIT C

Compliance Certificate

TO: OXFORD FINANCE LLC, as Collateral Agent and Lender
FROM: NAVIDEA BIOPHARMACEUTICALS, INC.

The undersigned authorized officer (“**Officer**”) of NAVIDEA BIOPHARMACEUTICALS, INC. (“**Borrower**”), hereby certifies that in accordance with the terms and conditions of the Loan and Security Agreement by and among Borrower, Collateral Agent, and the Lenders from time to time party thereto (the “**Loan Agreement**,” capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement),

(a) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below;

(b) There are no Events of Default, except as noted below;

(c) Except as noted below, all representations and warranties of Borrower stated in the Loan Documents are true and correct in all material respects on this date and for the period described in (a), above; 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.

(d) Borrower, and each of Borrower’s Subsidiaries, has timely filed all required tax returns and reports, Borrower, and each of Borrower’s Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower, or Subsidiary, except as otherwise permitted pursuant to the terms of Section 5.8 of the Loan Agreement;

(e) No Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Collateral Agent and the Lenders.

Attached are the required documents, if any, supporting our certification(s). The Officer, on behalf of Borrower, further certifies that the attached financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) 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.

Please indicate compliance status since the last Compliance Certificate by circling Yes, No, or N/A under “Complies” column.

	Reporting Covenant	Requirement	Actual	Complies		
1)	Financial statements	Monthly within 30 days Quarterly within 45 days		Yes	No	N/A
2)	Annual (CPA Audited) statements	Within 90 days after FYE		Yes	No	N/A
3)	Annual Financial Projections/Budget (prepared on a monthly basis)	Annually (within 30 days of FYE), and when revised		Yes	No	N/A
4)	A/R & A/P agings	If applicable		Yes	No	N/A

5)	8-K, 10-K and 10-Q Filings	Within 5 days of filing		Yes	No	N/A
6)	Compliance Certificate	Monthly within 30 days; Quarterly within 45 days		Yes	No	N/A
7)	IP Report	When required		Yes	No	N/A
8)	Total amount of Borrower's cash and cash equivalents at the last day of the measurement period		\$ _____	Yes	No	N/A
9)	Total amount of Borrower's Subsidiaries' cash and cash equivalents at the last day of the measurement period		\$ _____	Yes	No	N/A

Deposit and Securities Accounts

(Please list all accounts; attach separate sheet if additional space needed)

	Institution Name	Account Number	New Account?		Account Control Agreement in place?	
1)			Yes	No	Yes	No
2)			Yes	No	Yes	No
3)			Yes	No	Yes	No
4)			Yes	No	Yes	No

Financial Covenants

None

Other Matters

1)	Have there been any changes in management since the last Compliance Certificate?	Yes	No
2)	Have there been any transfers/sales/disposals/retirement of Collateral or IP prohibited by the Loan Agreement?	Yes	No
3)	Have there been any new or pending claims or causes of action against Borrower that involve more than One Hundred Thousand Dollars (\$100,000.00)?	Yes	No
4)	Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.	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.)

NAVIDEA BIOPHARMACEUTICALS, INC.

By _____

Name: _____

Title: _____

Date:

LENDER USE ONLY

Received by: _____ Date: _____

Verified by: _____ Date: _____

Compliance Status: Yes No

EXHIBIT D

Form of Secured Promissory Note

[see attached]

**SECURED PROMISSORY NOTE
(Term Loan)**

\$ _____ Dated: March 4, 2014

FOR VALUE RECEIVED, the undersigned, NAVIDEA BIOPHARMACEUTICALS, INC., a Delaware corporation with offices located at 5600 Blazer Parkway, Dublin, OH 43017 ("**Borrower**") HEREBY PROMISES TO PAY to the order of OXFORD FINANCE LLC ("**Lender**") the principal amount of [_____] MILLION DOLLARS (\$ _____) or such lesser amount as shall equal the outstanding principal balance of the Term Loan made to Borrower by Lender, plus interest on the aggregate unpaid principal amount of such Term Loan, at the rates and in accordance with the terms of the Loan and Security Agreement dated March 4, 2014 by and among Borrower, Lender, Oxford Finance LLC, as Collateral Agent, and the other 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 Maturity Date as set forth in the Loan Agreement. Any capitalized term not otherwise defined herein shall have the meaning attributed to such term in the Loan Agreement.

Principal, interest and all other amounts due with respect to the Term Loan, are payable in lawful money of the United States of America to Lender as set forth in the Loan Agreement and this Secured Promissory Note (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 Borrower, 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 Section 2.2(d) of the Loan Agreement.

This Note and the obligation of Borrower to repay the unpaid principal amount of the Term Loan, interest on the Term Loan and all other amounts due Lender under the Loan Agreement is secured under the Loan Agreement.

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.

Borrower 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 Borrower's 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.

The ownership of an interest in this Note shall be registered on a record of ownership maintained by Lender or its Collateral 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. Borrower 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.

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IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed by one of its officers thereunto duly authorized on the date hereof.

BORROWER:

NAVIDEA BIOPHARMACEUTICALS, INC.

By _____

Name: _____

Title: _____

LOAN INTEREST RATE AND PAYMENTS OF PRINCIPAL

Date	Principal Amount	Interest Rate	Scheduled Payment Amount	Notation By
-------------	-----------------------------	----------------------	-------------------------------------	--------------------

CORPORATE BORROWING CERTIFICATE

Borrower: NAVIDEA BIOPHARMACEUTICALS, INC.
Lender: OXFORD FINANCE LLC, as Collateral Agent and Lender

Date: March 4, 2014

I hereby certify as follows, as of the date set forth above:

1. I am the Secretary, Assistant Secretary or other officer of Borrower. My title is as set forth below.
2. Borrower's exact legal name is set forth above. Borrower is a corporation existing under the laws of the State of Delaware.
3. Attached hereto as Exhibit A and Exhibit B, respectively, are true, correct and complete copies of (i) Borrower's Certificate of Incorporation (including amendments), as filed with the Secretary of State of the state in which Borrower is incorporated as set forth in paragraph 2 above; and (ii) Borrower's Bylaws. Neither such Certificate of Incorporation nor such Bylaws have been amended, annulled, rescinded, revoked or supplemented, and such Certificate of Incorporation and such Bylaws remain in full force and effect as of the date hereof.
4. The following resolutions were duly and validly adopted by Borrower's Board of Directors at a duly held meeting of such directors (or pursuant to a unanimous written consent or other authorized corporate action). Such resolutions are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked, and the Lenders may rely on them until each Lender receives written notice of revocation from Borrower.

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Resolved, that **any one** of the following officers or employees of Borrower, whose names, titles and signatures are below, may act on behalf of Borrower:

<u>Name</u>	<u>Title</u>	<u>Signature</u>	<u>Authorized to Add or Remove Signatories</u>
_____	_____	_____	<input type="checkbox"/>
_____	_____	_____	<input type="checkbox"/>
_____	_____	_____	<input type="checkbox"/>
_____	_____	_____	<input type="checkbox"/>

Resolved Further, that **any one** of the persons designated above with a checked box beside his or her name may, from time to time, add or remove any individuals to and from the above list of persons authorized to act on behalf of Borrower.

Resolved Further, that such individuals may, on behalf of Borrower:

Borrow Money. Borrow money from the Lenders.

Execute Loan Documents. Execute any loan documents any Lender requires.

Grant Security. Grant Collateral Agent a security interest in any of Borrower’s assets.

Negotiate Items. Negotiate or discount all drafts, trade acceptances, promissory notes, or other indebtedness in which Borrower has an interest and receive cash or otherwise use the proceeds.

Issue Warrants. Issue warrants for Borrower’s capital stock.

Further Acts. Designate other individuals to request advances, pay fees and costs and execute other documents or agreements (including documents or agreement that waive Borrower’s right to a jury trial) they believe to be necessary to effectuate such resolutions.

Resolved Further, that all acts authorized by the above resolutions and any prior acts relating thereto are ratified.

[Balance of Page Intentionally Left Blank]



5. The persons listed above are Borrower's officers or employees with their titles and signatures shown next to their names.

By: _____

Name: _____

Title: _____

**** If the Secretary, Assistant Secretary or other certifying officer executing above is designated by the resolutions set forth in paragraph 4 as one of the authorized signing officers, this Certificate must also be signed by a second authorized officer or director of Borrower.*

I, the _____ of Borrower, hereby certify as to paragraphs 1 through 5 above, as
[print title]
of the date set forth above.

By: _____

Name: _____

Title: _____

EXHIBIT A

Certificate of Incorporation (including amendments)

[see attached]

EXHIBIT B

Bylaws

[see attached]

DEBTOR: NAVIDEA BIOPHARMACEUTICALS, INC.
SECURED PARTY: OXFORD FINANCE LLC, as Collateral Agent

EXHIBIT A TO UCC FINANCING STATEMENT

Description of Collateral

The Collateral consists of all of Debtor's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Collateral Agent's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property; and (ii) more than 65% of the total combined voting power of all classes of stock entitled to vote the shares of capital stock (the "Shares") of any Foreign Subsidiary, if Borrower demonstrates to Collateral Agent's reasonable satisfaction that a pledge of more than sixty five percent (65%) of the Shares of such Subsidiary creates a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code.

Pursuant to the terms of a certain negative pledge arrangement with Collateral Agent and the Lenders, Borrower has agreed not to encumber any of its Intellectual Property.

Capitalized terms used but not defined herein have the meanings ascribed in the Uniform Commercial Code in effect in the State of New York as in effect from time to time (the "Code") or, if not defined in the Code, then in the Loan and Security Agreement by and between Debtor, Secured Party and the other Lenders party thereto (as modified, amended and/or restated from time to time).

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this “**Agreement**”) is entered into as of March 4, 2014, by and among Platinum-Montaur Life Sciences LLC, a Delaware limited liability company (together with its permitted successors and assigns, the “**Subordinated Creditor**”), and Oxford Finance LLC, a Delaware limited liability company, in its capacity as agent for the lenders under the Senior Loan Agreement (as defined below) (together with its successors and assigns, in such capacity, the “**Senior Creditor Agent**”), and is consented to and acknowledged by Navidea Biopharmaceuticals, Inc., a Delaware corporation (the “**Borrower**”, and together with any other borrower or guarantor of the Senior Debt (as defined below), collectively, the “**Company**”).

RECITALS

A. The Company has entered into the Loan and Security Agreement, dated as of the date hereof (as amended, restated, supplemented, replaced, increased or otherwise modified from time to time in accordance with the terms hereof, the “**Senior Loan Agreement**”), by and among (a) the Company, (b) Senior Creditor Agent, and (c) the financial institutions or other entities signatory thereto from time to time as Lenders (such Lenders and any other holders from time to time of any of the Senior Debt, collectively, the “**Senior Creditor**”), pursuant to which Senior Creditor Agent and Senior Creditor have made and may make certain loans from time to time to the Company on the terms and conditions set forth therein. All of the Company’s obligations to Senior Creditor Agent and Senior Creditor under the Senior Debt Documents (as hereinafter defined) are secured by first-priority liens on and security interests in all of the property of the Company in which the Company purports to grant a security interest from time to time under the Senior Debt Documents and the products and proceeds thereof (collectively, the “**Collateral**”).

B. Subordinated Creditor has extended and may in the future extend loans to the Company under that certain Loan Agreement, dated as of July 25, 2012, between the Borrower and the Subordinated Creditor, as amended as of the date hereof (and as further amended, restated, supplemented or otherwise modified in accordance with the terms hereof, the “**Subordinated Loan Agreement**”), which loans are evidenced by that certain Promissory Note (*Term Loan Facility*) dated as of July 25, 2012 in the original principal amount of \$35,000,000, as amended as of the date hereof (and as further amended, restated, supplemented, replaced or modified in accordance with the terms hereof, the “**Subordinated Note**”). All of the Company’s obligations evidenced by the Subordinated Debt Documents are and will remain unsecured obligations.

C. As an inducement for Senior Creditor Agent and Senior Creditor to continue their loans and other financial accommodations to Company and as a condition precedent under the Senior Loan Agreement, the Subordinated Creditor is executing this Agreement in order to set forth the relative rights and priorities of Senior Creditor Agent, Senior Creditor and Subordinated Creditor under the Senior Debt Documents and the Subordinated Debt Documents (as hereinafter defined).

NOW, THEREFORE, in consideration of the above and the premises, the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

1. Definitions. The following terms shall have the following meanings in this Agreement:

“Amendment to Subordinated Loan Agreement” shall mean that certain Amendment to Loan Agreement, dated as of the date hereof, between the Subordinated Creditor and the Company, amending the Subordinated Loan Agreement.

“Bankruptcy Code” shall mean Title 11 of the United States Code, as amended from time to time and any successor statute and all rules and regulations promulgated thereunder.

“Distribution” shall mean, with respect to any indebtedness, obligation or security, (a) any payment or distribution by any Person of cash, securities or other property, including, without limitation, by the application of proceeds from the disposition of Collateral, by set-off or otherwise, on account of or to pay principal, interest or any other obligation owing in respect of such indebtedness, obligation or security, (b) any redemption, purchase or other acquisition of such indebtedness, obligation or security by any Person or (c) the granting of any lien or security interest to or for the benefit of the holders of such indebtedness, obligation or security in or upon any property of any Person.

“Enforcement Action” shall mean (a) to take from or for the account of the Company or any guarantor of the Subordinated Debt, by set-off or in any other manner, the whole or any part of any moneys which may now or hereafter be owing by the Company or any such guarantor with respect to the Subordinated Debt, (b) to sue for payment of, or to initiate or participate with others in any suit, action or proceeding against the Company or any such guarantor (including any initiation of any Proceeding against the Company or such guarantor) to (i) enforce payment of or to collect the whole or any part of the Subordinated Debt or (ii) commence judicial enforcement of any of the rights and remedies under the Subordinated Debt Documents or applicable law with respect to the Subordinated Debt, (c) to accelerate the Subordinated Debt, (d) to sell, license, lease, or otherwise dispose of all or any portion of any Collateral, any other assets of the Company or any such guarantor, or any other collateral whatsoever, by private or public sale, other disposition or any other means permissible under applicable law, (e) to exercise any put option or to cause the Company or any such guarantor to honor any redemption or mandatory prepayment obligation under any Subordinated Debt Document, (f) to notify account debtors or directly collect accounts receivable or other payment rights of the Company or any such guarantor the solicitation of bids from third parties to conduct the liquidation of any Collateral, any other assets of the Company or any such guarantor, or any other collateral whatsoever, (g) to engage or retain sales brokers, marketing agents, investment bankers, accountants, appraisers, auctioneers or other third parties for the purposes of valuing, marketing, promoting and selling any Collateral, any other assets of the Company or any such guarantor, or any other collateral whatsoever, (h) to exercise any other right relating to any Collateral, any other assets of the Company or any such guarantor, or any other collateral whatsoever (including the exercise of any voting rights relating to any capital stock and including any right of recoupment or set-off) or (i) to take any action under the provisions of any state or federal law, including, without limitation, the Bankruptcy Code and the Uniform Commercial Code, or under any contract or agreement, to enforce, set-off against, foreclose upon, take possession of or sell or otherwise dispose of any Collateral, any other assets of the Company or any such guarantor, or any other collateral whatsoever. For the avoidance of doubt, neither (x) termination of the obligation of the Subordinated Creditor to fund Draws (as such term is defined in the Subordinated Loan Agreement) in accordance with Sections 2.2(f) or 7.2(i) of the Subordinated Loan Agreement nor (y) any Subordinated Debt Conversion shall be deemed an Enforcement Action.

“**Person**” shall mean any natural person, corporation, general or limited partnership, limited liability company, firm, trust, association, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

“**Proceeding**” shall mean any voluntary or involuntary insolvency, bankruptcy, receivership, custodianship, liquidation, dissolution, reorganization, assignment for the benefit of creditors, appointment of a custodian, receiver, trustee or other officer with similar powers or any other proceeding for the liquidation, dissolution or other winding up of a Person.

“**Refinancing Senior Debt Documents**” shall mean any financing documentation which replaces any Senior Debt Documents and pursuant to which the Senior Debt or any portion thereof is refinanced, as such financing documentation may be amended, restated, supplemented, replaced, increased or otherwise modified from time to time; provided, that, any such Refinancing Senior Debt Documents shall contain substantially the same terms and conditions as the Senior Debt Documents as in effect on the date hereof (subject to such modifications as may be permitted by Section 3.1 hereof).

“**Senior Debt**” shall mean all obligations, liabilities and indebtedness of every nature of the Company from time to time owed to Senior Creditor Agent and Senior Creditor under the Senior Debt Documents, including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest, prepayment premiums and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a Proceeding under the Bankruptcy Code together with (a) any amendments, restatements, modifications, renewals, increases or extensions thereof in accordance with the terms hereof and (b) any interest, fees, expenses, premiums or other amounts accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest, fees, expenses, premiums or other amounts are allowed or allowable in whole or in part in any such Proceeding; provided that in no event shall the principal amount of Senior Debt exceed \$36,000,000. Senior Debt shall be considered to be outstanding whenever any loan or loan commitment under any Senior Debt Document is outstanding.

“**Senior Debt Documents**” shall mean collectively, the Senior Loan Agreement and all other “Loan Documents” as defined in the Senior Loan Agreement and, after any refinancing of the Senior Debt, the Refinancing Senior Debt Documents, all as amended, restated, supplemented, replaced, increased or otherwise modified from time to time in accordance with the terms hereof.

“**Subordinated Debt**” shall mean all obligations, liabilities and indebtedness of every nature of the Company from time to time owed to Subordinated Creditor under the Subordinated Debt Documents, including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a Proceeding under the Bankruptcy Code together with (a) any amendments, restatements, modifications, renewals, increases or extensions thereof in accordance with the terms hereof and (b) any interest, fees, expenses, premiums or other amounts accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest, fees, expenses, premiums or other amounts are allowed or allowable in whole or in part in any such Proceeding.

“**Subordinated Debt Conversion**” shall mean any conversion of the Subordinated Debt into common stock of the Borrower at any time after the date hereof, pursuant to the terms and conditions of Section 2.7 of the Subordinated Loan Agreement, in each case only so long as no cash is paid by the Company in connection with the consummation of such conversion.

“**Subordinated Debt Documents**” shall mean the Subordinated Loan Agreement, the Subordinated Note, any guaranty with respect to the Subordinated Debt, any agreements or documents entered into in connection with any Subordinated Debt Conversion, and all other documents, agreements and instruments now existing or hereinafter entered into evidencing or pertaining to all or any portion of the Subordinated Debt, all as amended, supplemented, replaced or modified from time to time in accordance with the terms hereof.

“**Subordination Termination Date**” shall mean the date that all outstanding Senior Debt (other than contingent indemnity obligations that survive termination of the Senior Loan Documents and for which no claim has been asserted) is paid in full in cash (or otherwise repaid to the satisfaction of the Senior Creditor) and Senior Creditor Agent and Senior Creditor have no further obligation to make loans or provide any other financial accommodations to Company pursuant to the Senior Debt Documents.

2. Subordination.

2.1 Subordination of Subordinated Debt to Senior Debt. The Company covenants and agrees, and Subordinated Creditor by its execution hereof or its acceptance of the Subordinated Loan Agreement and any Subordinated Note (whether upon original issue or upon transfer or assignment) likewise covenants and agrees, notwithstanding anything to the contrary contained in any of the Subordinated Debt Documents, that the payment of any and all of the Subordinated Debt shall be subordinate and subject in right and time of payment, to the extent and in the manner set forth in this Agreement, to the prior indefeasible payment in full in cash of all Senior Debt. Each holder of Senior Debt, whether such Senior Debt is now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired Senior Debt in reliance upon the provisions contained in this Agreement. Notwithstanding the terms of the Subordinated Debt Documents, the Company agrees that it will not make, and Subordinated Creditor agrees that it will not accept, any Distribution, whether in cash, securities or other property, with respect to or as payment for the Subordinated Debt until the Subordination Termination Date (including, without limitation, any amounts owing pursuant to Section 3.2 of the Subordinated Loan Agreement other than pursuant to a Subordinated Debt Conversion); provided, however, that (a) so long as no Default or Event of Default (as such terms are defined in the Senior Loan Agreement) has occurred, is continuing or would result therefrom, the Company may pay, and the Subordinated Creditor may accept, regularly scheduled payments of interest at the non-default rate on the Subordinated Debt paid in cash in accordance with the terms of the Subordinated Debt Documents as in effect on the date hereof or as modified in accordance with the terms of this Agreement and (b) the Borrower may issue to the Subordinated Creditor, and the Subordinated Creditor may accept, common stock of the Borrower in connection with a Subordinated Debt Conversion.

2.2 Liquidation, Dissolution, Bankruptcy. In the event of any Proceeding involving the Company:

(a) The Company shall not make and Subordinated Creditor shall not receive any Distribution in such Proceeding, whether in cash, securities or other property (other than equity received upon a Subordinated Debt Conversion), on account of or as payment for any Subordinated Debt prior to the Subordination Termination Date.

(b) Any Distribution received in such Proceeding, whether in cash, securities or other property (other than equity received upon a Subordinated Debt Conversion) that would otherwise, but for the terms hereof, be payable or deliverable in respect of the Subordinated Debt shall be paid or delivered directly to Senior Creditor Agent (to be held and/or applied by Senior Creditor Agent in accordance with the terms of the Senior Debt Documents) until the Subordination Termination Date. Subordinated Creditor irrevocably authorizes, empowers and directs any debtor, debtor-in-possession, receiver, trustee, liquidator, custodian, conservator or other Person having authority, to pay or otherwise deliver all such Distributions to Senior Creditor Agent. Subordinated Creditor also irrevocably authorizes and empowers Senior Creditor Agent, in the name of Subordinated Creditor, to demand, sue for, collect and receive any and all such Distributions and other amounts owing under the Subordinated Debt Documents.

(c) Subordinated Creditor agrees not to initiate, prosecute or participate in any claim, action or other proceeding challenging the enforceability, validity, perfection or priority of the Senior Debt or any liens and security interests securing the Senior Debt.

(d) Subordinated Creditor agrees that Senior Creditor Agent and Senior Creditor may consent to the use of cash collateral or provide financing (including debtor-in-possession financing) to the Company on such terms and conditions and in such amounts as Senior Creditor Agent and Senior Creditor, in their sole discretion, may decide and, in connection therewith, the Company may grant to Senior Creditor Agent and Senior Creditor liens and security interests upon all of the property of the Company, which liens and security interests (i) shall secure payment of all Senior Debt (whether such Senior Debt arose prior to the commencement of any Proceeding or at any time thereafter) and all other financing provided by Senior Creditor Agent and Senior Creditor during such Proceeding and (ii) shall be superior in priority to the liens and security interests, if any, in favor of Subordinated Creditor on the property of the Company. Subordinated Creditor agrees that it will not object to or oppose a sale or other disposition of any property securing all or any part of the Senior Debt free and clear of security interests, liens or other claims of Subordinated Creditor under Section 363 of the Bankruptcy Code or any other provision of the Bankruptcy Code if Senior Creditor Agent or Senior Creditor has consented to such sale or disposition. Subordinated Creditor agrees not to assert any right it may have to "adequate protection" of Subordinated Creditor's interest in any Collateral or any other assets of the Company in any Proceeding and agrees that it will not seek to have the automatic stay lifted with respect to any Collateral or any other assets of the Company without the prior written consent of Senior Creditor Agent. Subordinated Creditor waives any claim it may now or hereafter have arising out of Senior Creditor Agent's or Senior Creditor's election, in any Proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code by the Company, as debtor-in-possession. Subordinated Creditor further agrees that it will not participate or seek to participate on any creditor's committee without Senior Creditor Agent's prior written consent.

(e) Subordinated Creditor agrees to execute, verify, deliver and file any proofs of claim in respect of the Subordinated Debt reasonably requested by Senior Creditor Agent in connection with any such Proceeding and hereby irrevocably authorizes, empowers and appoints Senior Creditor Agent its agent and attorney-in-fact to (i) execute, verify, deliver and file such proofs of claim upon the failure of Subordinated Creditor promptly to do so prior to 30 days before the expiration of the time to file any such proof of claim and (ii) vote the full amount of such claim in any such Proceeding; provided that Senior Creditor Agent shall have no obligation to execute, verify, deliver, file and/or vote any such proof of claim or claim. In the event that Senior Creditor Agent votes any claim in accordance with the authority granted hereby, Subordinated Creditor shall not be entitled to change or withdraw such vote.

(f) The Senior Debt shall continue to be treated as Senior Debt and the provisions of this Agreement shall continue to govern the relative rights and priorities of Senior Creditor Agent, Senior Creditor and Subordinated Creditor even if all or part of the Senior Debt or the security interests securing the Senior Debt are subordinated, set aside, avoided, invalidated, or disallowed in connection with any such Proceeding, and this Agreement shall be reinstated if at any time any payment of any of the Senior Debt is rescinded or must otherwise be returned by any holder of Senior Debt or any representative of such holder.

2.3 Subordinated Debt Standstill Provisions. Until the Subordination Termination Date, Subordinated Creditor shall not, without the prior written consent of Senior Creditor Agent, take any Enforcement Action with respect to the Subordinated Debt. Any Distributions or other proceeds of any Enforcement Action obtained by Subordinated Creditor in violation of the immediately preceding sentence shall in any event be held in trust by it for the benefit of Senior Creditor Agent and Senior Creditor and promptly paid or delivered to Senior Creditor Agent in the form received. Notwithstanding any provision of this Agreement to the contrary, Subordinated Creditor may take any action solely to the extent necessary to prevent the running of any applicable statute of limitations or other similar restriction on claims, including the submission of any proof of claim in respect of the Subordinated Debt in any Proceeding.

2.4 Incorrect Payments and Payover. Until the Subordination Termination Date, if any Distribution on account of or as payment for the Subordinated Debt that is not permitted to be made by the Company or accepted by Subordinated Creditor under this Agreement is nonetheless made or received by Subordinated Creditor, such Distribution shall not be commingled with any of the assets of Subordinated Creditor, shall be held in trust by Subordinated Creditor for the benefit of Senior Creditor Agent and Senior Creditor and shall be promptly paid over to Senior Creditor Agent for application (in accordance with the Senior Debt Documents) to the payment of the Senior Debt then remaining unpaid.

2.5 Subordination of Liens and Security Interests; Agreement Not to Contest; Agreement to Release Liens; Acknowledgement of Liens.

(a) The obligations owed to Subordinated Creditor are not (x) guaranteed by, or constitute the obligations of, any person other than Borrower (except to the extent that such person has guaranteed the Senior Debt) or (y) secured by the assets of Company or any other person.

(b) The obligations owed to Subordinated Creditor shall remain unsecured. Notwithstanding the immediately preceding sentence, if Subordinated Creditor obtains any liens or security interests in the Collateral or any other assets of the Company (whether pursuant to Senior Creditor Agent's consent or otherwise), all such liens and security interests obtained by Subordinated Creditor in the Collateral and any other assets of the Company shall be and hereby are subordinated for all purposes and in all respects to the liens and security interests of Senior Creditor Agent in the Collateral and any other assets of the Company, regardless of the validity, enforceability, avoidance, dispute, unperfection, or the time, method, manner or order of the grant, attachment, filing or perfection of any such liens and security interests, any provision of the Uniform Commercial Code, the Bankruptcy Code, any Senior Debt Document or any Subordinated Debt Document or any other circumstance whatsoever until the Subordination Termination Date. Subordinated Creditor agrees that it will not at any time contest the validity, perfection, priority or enforceability of the Senior Debt, the Senior Debt Documents, or the liens and security interests of Senior Creditor Agent in the Collateral or any other assets of the Company securing the Senior Debt. In the event that Senior Creditor Agent releases or agrees to release any of its liens or security interests in the Collateral or any other assets of the Company in connection with the sale or other disposition thereof, or if any of the Collateral or any other assets of the Company is sold or retained pursuant to a foreclosure or similar action, Subordinated Creditor agrees that its liens or security interests in such Collateral and other assets of the Company, if any, shall automatically be released, and Subordinated Creditor shall (or shall cause its agent to) promptly execute and deliver to Senior Creditor Agent or authorize Senior Creditor Agent to file such termination statements and releases as Senior Creditor Agent shall reasonably request to effect the release of the liens and security interests of Subordinated Creditor in such Collateral or other assets of the Company. In furtherance of the foregoing, Subordinated Creditor hereby irrevocably appoints Senior Creditor Agent its attorney-in-fact, with full authority in the place and stead of Subordinated Creditor and in the name of Subordinated Creditor or otherwise, to execute and deliver any document or instrument which Subordinated Creditor may be required to deliver pursuant to this subsection 2.5(a).

(c) Subordinated Creditor acknowledges and agrees that Senior Creditor Agent has been granted liens upon and security interests in the Collateral for the benefit of Senior Creditor Agent and Senior Creditor. Subordinated Creditor agrees that it shall not obtain a lien on or security interest in any property of the Company to secure all or any portion of the Subordinated Debt unless it obtains the prior written consent of Senior Creditor Agent and, concurrently therewith, Senior Creditor Agent obtains a first priority lien on and security interest in such asset or collateral and the parties hereby agree that all such liens and security interests are and will be subject to this Agreement. Subordinated Creditor agrees that it shall not obtain any control agreement with respect to any deposit account, securities account or other property of the Company without the prior written consent of Senior Creditor Agent.

2.6 Application of Proceeds from Sale or other Disposition of the Collateral Until the Subordination Termination Date, in the event of any sale, transfer, lease, license or other disposition (including a casualty loss or taking through eminent domain) of the Collateral or any other asset of the Company, the proceeds resulting therefrom (including proceeds from insurance or any other Enforcement Action) shall be applied in accordance with the terms of the Senior Debt Documents or as otherwise consented to by Senior Creditor Agent.

2.7 Sale, Transfer or other Disposition of Subordinated Debt

(a) Subordinated Creditor shall not sell, assign, pledge, dispose of or otherwise transfer all or any portion of the Subordinated Debt or any Subordinated Debt Document other than (i) to any affiliate of Platinum-Montaur Life Sciences LLC upon the delivery to Senior Agent of a written acknowledgement and joinder to this Agreement, in form and substance satisfactory to Senior Agent and providing for the continued subordination and forbearance of the Subordinated Debt to the Senior Debt as provided herein and the continued effectiveness of all of the rights of the Senior Agent or (ii) the disposal of any Subordinated Debt in connection with a Subordinated Debt Conversion.

(b) Notwithstanding the foregoing subsection 2.7(a), the debt and lien subordination effected by this Agreement shall survive any sale, assignment, pledge, disposition or other transfer of all or any portion of the Subordinated Debt in violation of the terms of subsection 2.7(a), and the terms of this Agreement shall be binding upon the successors and assigns of Subordinated Creditor, as provided in Section 10 hereof.

2.8 Legends. Until the Subordination Termination Date, Subordinated Creditor will cause to be clearly, conspicuously and prominently inserted on the face of the Subordinated Note and any other Subordinated Debt Document, as well as any renewals or replacements thereof, the following legend:

“This instrument and the indebtedness, rights and obligations evidenced hereby and any liens or other security interests securing such rights and obligations are subordinate in the manner and to the extent set forth in that certain Subordination Agreement (as amended, restated, supplemented or modified from time to time, the “**Subordination Agreement**”) dated as of March 4, 2014, by and among the Subordinated Creditor identified therein and Oxford Finance LLC in its capacity as agent for certain lenders (together with its successors and assigns, “**Senior Creditor Agent**”), to certain indebtedness, rights, and obligations of Navidea Biopharmaceuticals, Inc. to Senior Creditor Agent and Senior Creditor (as defined therein) and liens and security interests of Senior Creditor Agent securing the same all as described in the Subordination Agreement; and each holder and transferee of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Subordination Agreement.”

3. Modifications.

3.1 Modifications to Senior Debt Documents. Senior Creditor Agent or Senior Creditor may at any time and from time to time without the consent of or notice to Subordinated Creditor, without incurring liability to Subordinated Creditor and without impairing or releasing the obligations of Subordinated Creditor under this Agreement, change the manner or place of payment or extend the time of payment of or renew or alter any of the terms of the Senior Debt, or amend in any manner any Senior Debt Document, including without limitation to increase the Senior Debt; provided, that Senior Creditor shall not, without the prior written consent of holders of greater than fifty percent (50%) of the then-outstanding principal balance of the Subordinated Debt, agree to any modification, supplement or amendment to the Senior Debt Documents, the effect of which is to (a) increase the principal amount of the Senior Debt to an amount in excess of the amount permitted pursuant to the definition of “**Senior Debt**” herein, (b) increase any applicable interest rate with respect to the Senior Debt by more than 200 basis points except in connection with the imposition of the default rate of interest currently set forth in the Senior Debt Documents, (c) impose any additional restriction on the Borrower’s ability or right to make payments on the Subordinated Debt beyond what is contemplated hereunder, (d) extend the final maturity of the Senior Debt (as set forth in the Senior Debt Documents as in effect on the date hereof) to a date after the final stated maturity date of the Subordinated Debt or (e) permit any re-borrowing of principal amounts repaid with respect to the Senior Debt.

3.2 Modifications to Subordinated Debt Documents. Until the Subordination Termination Date, and notwithstanding anything to the contrary contained in the Subordinated Debt Documents, neither the Company nor Subordinated Creditor shall, without the prior written consent of Senior Creditor Agent, agree to any amendment, modification, waiver or supplement to the Subordinated Debt Documents.

4. Waiver of Certain Rights by Subordinated Creditor.

4.1 Notice. To the fullest extent permitted by applicable law, Subordinated Creditor hereby waives any right to receive the following notices from Senior Creditor Agent: (a) notice of acceptance hereof; (b) notice of any loans or other financial accommodations made or extended under the Senior Debt Documents, or the creation or existence of any Senior Debt; (c) notice of the amount of the Senior Debt; (d) notice of any adverse change in the financial condition of Company or any account debtor or of any other fact that might increase Subordinated Creditor's risk hereunder; (e) notice of presentment for payment, demand, protest, and notice thereof as to any instrument among the Senior Debt Documents; (f) notice of any default or event of default under the Senior Debt Documents or otherwise relating to the Senior Debt; and (g) all other notices (except if such notice is specifically required to be given to Subordinated Creditor under this Agreement) and demands to which Subordinated Creditor might otherwise be entitled. Notwithstanding anything to the contrary, Subordinated Creditor is not waiving, and shall not be deemed to have waived, any rights that Subordinated Creditor has as a stockholder of the Company, including any voting, consent or information rights. Moreover, nothing contained herein shall be deemed to be a waiver of, and Subordinated Creditor is not waiving, any notice obligations that the Company has to Subordinated Creditor.

4.2 Marshaling. Subordinated Creditor hereby waives any rights it may have under applicable law to assert the doctrine of marshaling or to otherwise require Senior Creditor Agent to marshal any property of the Company or any guarantor of the Senior Debt for the benefit of Subordinated Creditor.

4.3 Rights Relating to Senior Creditor Agent's Actions with respect to the Collateral.

(a) Subordinated Creditor hereby waives, to the extent permitted by applicable law, any rights which it may have to enjoin or otherwise obtain a judicial or administrative order preventing Senior Creditor Agent and/or Senior Creditor from taking, or refraining from taking, any action with respect to all or any part of the Collateral or any other assets of the Company. Without limitation of the foregoing, Subordinated Creditor hereby agrees (a) that it has no right to direct or object to the manner in which Senior Creditor Agent and/or Senior Creditor applies the proceeds of the Collateral or any other assets of the Company resulting from the exercise by Senior Creditor Agent and/or Senior Creditor of rights and remedies under the Senior Debt Documents to the Senior Debt and (b) that Senior Creditor Agent and/or Senior Creditor has not assumed any obligation to act as the agent for Subordinated Creditor with respect to the Collateral or any other assets of the Company. Senior Creditor Agent and/or Senior Creditor shall have the exclusive right to enforce rights and exercise remedies with respect to the Collateral and any other assets of the Company until Subordination Termination Date. In exercising rights and remedies with respect to the Collateral or any other assets of the Company, Senior Creditor Agent and/or Senior Creditor may enforce the provisions of the Senior Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole business judgment. Such exercise and enforcement shall include, without limitation, the rights to sell or otherwise dispose of Collateral or any other assets of the Company, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code of any applicable jurisdiction. In conducting any public or private sale under the Uniform Commercial Code, Senior Creditor Agent shall give Subordinated Creditor such notice of such sale only to the extent required by the applicable Uniform Commercial Code; provided, however, that if such notice is required to be given, 10 days' notice shall be deemed to be commercially reasonable notice. Subordinated Creditor agrees that neither Senior Creditor Agent nor Senior Creditor shall incur any liability to Subordinated Creditor as a result of a sale, lease, license, application or other disposition of all or any portion of the Collateral or any other assets of the Company or any part or proceeds thereof conducted in accordance with applicable law.

(b) None of Senior Creditor Agent, Senior Creditor or any of their respective affiliates, directors, officers, employees, or agents shall be liable to Subordinated Creditor for failure to demand, collect, or realize upon any of the Collateral or any proceeds thereof or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral or proceeds thereof or to take any other action whatsoever with regard to the Collateral or any part or proceeds thereof. If Senior Creditor Agent or Senior Creditor should act upon, omit to act upon, or exercise any of their contractual rights or remedies under the Senior Debt Documents (subject to the express terms and conditions hereof), neither Senior Creditor Agent nor Senior Creditor shall have any liability whatsoever to the Subordinated Creditor as a result of such action, omission, or exercise.

4.4 Additional Rights of Senior Creditor Agent and Senior Creditor. Senior Creditor Agent and Senior Creditor will be entitled to manage and supervise the loans and extensions of credit under the Senior Debt Documents as Senior Creditor Agent and Senior Creditor may, in their sole discretion, deem appropriate, and Senior Creditor Agent and Senior Creditor may manage their loans and extensions of credit without regard to any rights or interests that Subordinated Creditor may have in the Collateral or any other assets of the Company or otherwise. Senior Creditor Agent, Senior Creditor and each holder of Senior Debt may, from time to time, enter into agreements and settlements with the Company or other parties to the Senior Debt Documents in accordance with the provisions of Section 3.1 of this Agreement as it may determine in its sole discretion without impairing any of the subordinations, priorities, rights or obligations of the parties under this Agreement, including substituting collateral and releasing any lien on any Collateral or any other asset of the Company.

4.5 Additional Defenses. To the fullest extent permitted by applicable law, Subordinated Creditor hereby waives: (a) any rights to assert against Senior Creditor Agent or Senior Creditor any defense (legal or equitable), set-off, counterclaim, or claim which Subordinated Creditor may now or at any time hereafter have against the Company, any other holder of Senior Debt, any other party liable to Senior Creditor Agent or Senior Creditor, or any Person constituting Subordinated Creditor; (b) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of any Senior Debt, any Subordinated Debt or any security for either; (c) any defense arising by reason of any claim or defense based upon an election of remedies by Senior Creditor Agent or Senior Creditor; and (d) the benefit of any statute of limitations affecting the obligations of Subordinated Creditor hereunder or the enforcement thereof, and any act which shall defer or delay the operation of any statute of limitations applicable to the Senior Debt shall similarly operate to defer or delay the operation of such statute of limitations applicable to such obligations of Subordinated Creditor hereunder.

4.6 Notice of Defaults. The Subordinated Creditor shall use commercially reasonable efforts to provide the Senior Creditor Agent written notice of the occurrence of an Event of Default (as such term is defined in the Subordinated Loan Agreement), provided that the failure to provide such a notice shall not be deemed a breach of this Agreement. The Senior Creditor Agent shall use commercially reasonable efforts to provide the Subordinated Creditor written notice of the occurrence of an Event of Default (as such term is defined in the Senior Loan Agreement), provided that the failure to provide such a notice shall not be deemed a breach of this Agreement or otherwise affect the subordination of the Subordinated Debt as provided in this Agreement.

5. Representations and Warranties.

5.1 Representations and Warranties of Subordinated Creditor. Subordinated Creditor hereby represents and warrants to Senior Creditor Agent, for the benefit of Senior Creditor Agent and Senior Creditor, that as of the date hereof: (a) it is a limited liability company duly formed and validly existing under the laws of the jurisdiction of its formation; (b) it has the power and authority to enter into, execute, deliver and carry out the terms of this Agreement, all of which have been duly authorized by all proper and necessary action; (c) the execution of this Agreement by Subordinated Creditor will not violate or conflict with its organizational documents, any material agreement binding upon it or any law, regulation or order or require any consent or approval which has not been obtained; (d) this Agreement is the legal, valid and binding obligation of Subordinated Creditor, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles; (e) it is the sole owner, beneficially and of record, of the Subordinated Debt Documents and the Subordinated Debt; (f) neither Subordinated Creditor, nor its agent, has any liens or security interests in the Collateral or any other assets of the Company; and (g) such Person has no contractual put right to require that the Company redeem any equity securities.

5.2 Representations and Warranties of Senior Creditor Agent. Senior Creditor Agent hereby represents and warrants to Subordinated Creditor that as of the date hereof: (a) Senior Creditor Agent is a limited liability company duly formed and validly existing under the laws of the jurisdiction of its formation; (b) Senior Creditor Agent has the power and authority to enter into, execute, deliver and carry out the terms of this Agreement, all of which have been duly authorized by all proper and necessary action; (c) the execution of this Agreement by Senior Creditor Agent will not violate or conflict with the organizational documents of Senior Creditor Agent, any material agreement binding upon Senior Creditor Agent or any law, regulation or order or require any consent or approval which has not been obtained; (d) this Agreement is the legal, valid and binding obligation of Senior Creditor Agent, enforceable against Senior Creditor Agent in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by equitable principles and (e) the Senior Loan Agreement does not permit the re-borrowing of funds advanced thereunder and repaid.

6. Subrogation. On and after the Subordination Termination Date, Subordinated Creditor shall be subrogated to the rights of Senior Creditor Agent and Senior Creditor to receive Distributions with respect to the Senior Debt until the Subordinated Debt is paid in full. Subordinated Creditor agrees that in the event that all or any part of a payment made with respect to the Senior Debt is recovered from the holders of the Senior Debt in a Proceeding or otherwise, any Distribution received by Subordinated Creditor with respect to the Subordinated Debt at any time after the date of the payment that is so recovered, whether pursuant to the right of subrogation provided for in this Agreement or otherwise, shall be deemed to have been received by Subordinated Creditor in trust as property of the holders of the Senior Debt and Subordinated Creditor shall forthwith deliver the same to Senior Creditor Agent for application to the Senior Debt until the Subordination Termination Date. A Distribution made pursuant to this Agreement to Senior Creditor Agent which otherwise would have been made to Subordinated Creditor is not, as between the Company and Subordinated Creditor, a payment by the Company to or on account of the Senior Debt. WITHOUT LIMITING THE GENERALITY OF ANY OTHER WAIVER OR OTHER PROVISION SET FORTH IN THIS AGREEMENT, SUBORDINATED CREDITOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS AND DEFENSES ARISING OUT OF AN ELECTION OF REMEDIES BY SENIOR CREDITOR AGENT OR SENIOR CREDITOR, EVEN THOUGH THAT ELECTION OF REMEDIES HAS DESTROYED SUBORDINATED CREDITOR'S RIGHTS OF SUBROGATION AND REIMBURSEMENT AGAINST THE COMPANY BY THE OPERATION OF ANY APPLICABLE LAW.

7. Modification. Any modification or waiver of any provision of this Agreement, or any consent to any departure by any party from the terms hereof, shall not be effective in any event unless the same is in writing and signed by Senior Creditor Agent and Subordinated Creditor, and then such modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given. Any notice to or demand on any party hereto in any event not specifically required hereunder shall not entitle the party receiving such notice or demand to any other or further notice or demand in the same, similar or other circumstances unless specifically required hereunder.

8. Further Assurances. Each party to this Agreement promptly will execute and deliver such further instruments and agreements and do such further acts and things as may be reasonably requested in writing by any other party hereto that may be necessary or desirable in order to effect fully the purposes of this Agreement.

9. Notices. Unless otherwise specifically provided herein, any notice delivered under this Agreement shall be in writing addressed to the respective party as set forth below and may be personally served, faxed or sent by overnight courier service or registered or certified United States mail, return receipt requested, and shall be deemed to have been given (a) if delivered in person, when delivered; (b) if delivered by facsimile, on the date of transmission if transmitted on a business day before 4:00 p.m. (New York time) or, if not, on the next succeeding business day; (c) if delivered by overnight courier, one business day after delivery to such courier properly addressed; or (d) if by registered or certified United States mail, four business days after deposit in the United States mail, postage prepaid and properly addressed.

Notices shall be addressed as follows:

If to Subordinated Creditor:

Platinum-Montaur Life Sciences LLC
Attention: Michael Nordlicht
152 West 57th Street, 4th Floor
New York, New York 10019
Facsimile: (212) 271-7855

If to Senior Creditor Agent:

Oxford Finance LLC
133 North Fairfax Street
Alexandria, Virginia 22314
Attention: Legal Department
Facsimile: (703) 519 5225

or in any case, to such other address as the party addressed shall have previously designated by written notice to the serving party, given in accordance with this Section 9.

10. Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of Senior Creditor Agent (for the benefit of Senior Creditor Agent and Senior Creditor), Subordinated Creditor and the Company. To the extent permitted under the Senior Debt Documents, Senior Creditor Agent and Senior Creditor may, from time to time, without notice to Subordinated Creditor, assign or transfer any or all of the Senior Debt or any interest therein to any Person and, notwithstanding any such assignment or transfer, or any subsequent assignment or transfer, the Senior Debt shall, subject to the terms hereof, be and remain Senior Debt for purposes of this Agreement, and every permitted assignee or transferee of any of the Senior Debt or of any interest therein shall, to the extent of the interest of such permitted assignee or transferee in the Senior Debt, be entitled to rely upon and be the third party beneficiary of the subordination provided under this Agreement and shall be entitled to enforce the terms and provisions hereof to the same extent as if such assignee or transferee were initially a party hereto.

11. Relative Rights; No Third Party Beneficiary. This Agreement shall define the relative rights of Senior Creditor Agent, Senior Creditor and Subordinated Creditor. Nothing in this Agreement shall (a) impair, as among the Company, Senior Creditor Agent and Senior Creditor and as between the Company and Subordinated Creditor, the obligation of the Company with respect to the payment of the Senior Debt and the Subordinated Debt in accordance with their respective terms or (b) affect the relative rights of Senior Creditor Agent, Senior Creditor or Subordinated Creditor with respect to any other creditors of the Company. This Agreement is solely for the benefit of Senior Creditor Agent, Senior Creditor and Subordinated Creditor, and their respective successors and assigns, and neither Company nor any other Persons are intended to be a third party beneficiary hereunder or to have any right, benefit, priority or interest under, or because of the existence of, or to have any right to enforce, this Agreement.

12. Conflict. In the event of any conflict between any term, covenant or condition of this Agreement and any term, covenant or condition of any of the Senior Debt Documents or Subordinated Debt Documents, the provisions of this Agreement shall control and govern.

13. Headings. The paragraph headings used in this Agreement are for convenience only and shall not affect the interpretation of any of the provisions hereof.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic "pdf" transmission shall be equally effective as delivery of a manually executed counterpart of a signature page to this Agreement.

15. Severability. In the event that any provision of this Agreement is deemed to be invalid, illegal or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court or governmental authority, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby, and the affected provision shall be modified to the minimum extent permitted by law so as most fully to achieve the intention of this Agreement.

16. Continuation of Subordination; Termination of Agreement. This Agreement shall remain in full force and effect and the provisions of this Agreement shall continue to govern the relative rights and priorities of Senior Creditor Agent, Senior Creditor and Subordinated Creditor even if all or part of the Senior Debt or the security interests securing the Senior Debt are subordinated, set aside, avoided, invalidated, or disallowed, until the Subordination Termination Date after which this Agreement shall terminate without further action on the part of the parties hereto. This Agreement shall be reinstated if at any time any payment of any of the Senior Debt is rescinded or must otherwise be returned by any holder of Senior Debt or any representative of such holder.

17. Applicable Law. This Agreement shall be governed by and shall be construed and enforced in accordance with the internal laws of the State of New York, without regard to conflicts of law principles.

18. CONSENT TO JURISDICTION. EACH OF SUBORDINATED CREDITOR AND, BY ITS ACKNOWLEDGMENT BELOW, THE COMPANY HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK AND IRREVOCABLY AGREES THAT, SUBJECT TO SENIOR CREDITOR AGENT'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. EACH OF SUBORDINATED CREDITOR AND, BY ITS ACKNOWLEDGMENT BELOW, THE COMPANY EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. EACH OF SUBORDINATED CREDITOR AND, BY ITS ACKNOWLEDGMENT BELOW, THE COMPANY HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON IT BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUBORDINATED CREDITOR AND THE COMPANY AT THEIR RESPECTIVE ADDRESSES SET FORTH IN THIS AGREEMENT.

19. WAIVER OF JURY TRIAL. EACH OF SUBORDINATED CREDITOR, SENIOR CREDITOR AGENT AND, BY ITS ACKNOWLEDGMENT BELOW, THE COMPANY HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE SUBORDINATED DEBT DOCUMENTS OR ANY OF THE SENIOR DEBT DOCUMENTS. EACH OF SUBORDINATED CREDITOR, SENIOR CREDITOR AGENT AND, BY ITS ACKNOWLEDGMENT BELOW, THE COMPANY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND, IN THE CASE OF THE SENIOR CREDITOR AGENT AND THE COMPANY, THE SENIOR DEBT DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF SUBORDINATED CREDITOR, THE COMPANY AND SENIOR CREDITOR AGENT WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

20. Representations Regarding Subordinated Loan Agreement. Subordinated Creditor hereby represents and warrants to Senior Creditor Agent, for the benefit of Senior Creditor Agent and Senior Creditor, that as of the date hereof: (a) it has executed and delivered the Amendment to Subordinated Loan Agreement; (b) as of the date of this Agreement, the Draw Credit Maximum Amount (as defined in the Subordinated Loan Agreement) is no less than \$35,000,000 (of which \$3,218,666.82 has been drawn) and may be increased pursuant to Section 2.6 of the Subordinated Loan Agreement by an additional \$15,000,000; and (c) no liens or other security interest have been granted in favor of the Subordinated Creditor or any of its affiliates pursuant to any Subordinated Debt Document.

21. Consent to Issuance of Warrants. The Subordinated Creditor hereby consents to the issuance of warrants to any Senior Creditor (or any affiliate of any Senior Creditor) from time to time in accordance with the terms of the Senior Loan Agreement, notwithstanding the share effective price of any such warrants.

(Signature page follows)

IN WITNESS WHEREOF, Subordinated Creditor and Senior Creditor Agent have caused this Agreement to be executed as of the date first above written.

SENIOR CREDITOR AGENT:

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
Its: Vice President-Finance,
Treasurer and
Secretary

Signature Page to Subordination Agreement (Navidea)

SUBORDINATED CREDITOR

PLATINUM-MONTAUR LIFE SCIENCES LLC

By: /s/ Joseph SanFilipo
Name: Joseph SanFilipo
Its: CFO

Signature Page to Subordination Agreement (Navidea)

COMPANY ACKNOWLEDGMENT, CONSENT AND AGREEMENT

Each of the undersigned hereby acknowledges and consents to the execution, delivery and performance of the within and foregoing Subordination Agreement among each of the holders of the Subordinated Debt and Senior Creditor Agent. Each of the undersigned further agrees to be bound by the provisions of the within and foregoing Subordination Agreement as they relate to the relative rights, remedies and priorities of the Senior Creditor Agent and Senior Creditor; provided, however, that nothing in the Subordination Agreement shall amend, modify, change or supersede the respective terms of any of the Senior Debt Documents or the Subordinated Debt Documents as between Senior Creditor Agent, Senior Creditor or the Subordinated Creditor, respectively, on the one hand, and any of the undersigned, on the other hand.

[Signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officers or other representatives to execute and deliver this Company Acknowledgment, Consent and Agreement as of the date first written above.

NAVIDEA BIOPHARMACEUTICALS, INC.

By: /s/ Brent L. Larson
Name: Brent L. Larson
Its: EVP, CFO, Treasurer and
Secretary

Signature Page to Subordination Agreement (Navidea)

SECOND AMENDMENT TO LOAN AGREEMENT

This Second Amendment to Loan Agreement (the "Second Amendment") is made as of the 4th day of March, 2014, by and between **NAVIDEA BIOPHARMACEUTICALS, INC.**, a Delaware corporation (the "Borrower"), and **PLATINUM-MONTAUR LIFE SCIENCES, LLC**, a Delaware limited liability company (the "Lender").

WHEREAS, pursuant to a Loan Agreement, dated as of July 25, 2012, by and between the Borrower and the Lender (the "Loan Agreement"), the Lender extended a Term Loan to the Borrower; and

WHEREAS, the Loan Agreement was amended as of June 25, 2013, in connection with a loan to the Borrower by General Electric Capital Corporation (the "First Amendment"), and a Subordination Agreement of even date among the Borrower, the Lender and General Electric Capital Corporation (the "GE Subordination Agreement"); and

WHEREAS, the Borrower has entered into a Loan and Security Agreement dated as of March __, 2014 with Oxford Finance LLC (the "Oxford Loan Agreement"), a portion of the proceeds of which will be applied to discharge Borrower's Indebtedness to General Electric Capital Corporation; and

WHEREAS, the Borrower and the Lender desire to amend certain terms of the Loan Agreement to, among other things, reflect the discharge of Borrower's Indebtedness to General Electric Capital Corporation, the Borrower incurring new Indebtedness pursuant to the Oxford Loan Agreement, the termination of the GE Subordination Agreement, and the entry into a Subordination Agreement among the Borrower, the Lender, and Oxford Finance LLC (the "Oxford Subordination Agreement"), on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

**ARTICLE ONE
DEFINITIONS; REPRESENTATIONS; CONSENT**

Section 1.1 **Terms Defined.**

Unless otherwise defined herein, capitalized terms used herein shall have the same meanings given in the Loan Agreement, as amended by the First Amendment.

Section 1.2 **Representations and Warranties of the Borrower.**

1.2.1 The representations and warranties of the Borrower made in the Loan Documents remain true and accurate and the covenants of the Borrower under the Loan Documents are hereby reaffirmed as of the date hereof.

1.2.2 The Borrower has performed, in all material respects, all obligations to be performed by it to date under the Loan Documents and no Event of Default exists thereunder or an event which, with the passage of time or giving of notice or both, would constitute an Event of Default.

1.2.3 The execution, delivery and performance of this Second Amendment and any and all documents and instruments relating hereto of even or approximate date as this Amendment (collectively, and including the Second Amended Note (as defined below), the “Second Amendment Documents”), are within the power and authority of the Borrower and are not in contravention of the Borrower’s Certificate of Incorporation or Bylaws, or the terms of any other documents, instruments, agreements or undertakings to which the Borrower is a party or by which the Borrower is bound. To the best of the Borrower’s knowledge, no approval of any person, corporation, governmental body or other entity not provided herewith is a prerequisite to the execution, delivery and performance by the Borrower of the Second Amendment Documents or any of the documents submitted to the Lender in connection with the Second Amendment Documents, to ensure the validity or enforceability thereof.

1.2.4 When executed on behalf of the Borrower, the Second Amendment Documents will constitute the legally binding obligations of the Borrower, enforceable in accordance with their terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now existing or hereafter enacted relating to or affecting the enforcement of creditors’ rights generally, and the enforceability may be subject to limitations based on general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 1.3 Consent to Oxford Loan Documents

Upon and as of the Effective Date, the Lender hereby consents to the terms and conditions of the Oxford Loan Agreement and the “Loan Documents” as defined therein, each in substantially the forms attached hereto as Exhibit A, and the incurrence of Indebtedness and granting of Liens contemplated thereby.

**ARTICLE TWO
INCREASE IN TERM LOAN; AMENDMENTS**

Section 2.1 Amendments to Defined Terms.

(a) Upon and as of the Effective Date, the following paragraph shall be inserted at the top of the first page of the Loan Agreement:

“This instrument and the indebtedness, rights and obligations evidenced hereby and any liens or other security interests securing such rights and obligations are subordinate in the manner and to the extent set forth in that certain Subordination Agreement (as amended, restated, supplemented or modified from time to time, the “Subordination Agreement”) dated as of March __, 2014, by and among the Subordinated Creditor identified therein and Oxford Finance LLC in its capacity as agent for certain lenders (together with its successors and assigns, “Senior Creditor Agent”), to certain indebtedness, rights, and obligations of Navidea Biopharmaceuticals, Inc. to Senior Creditor Agent and Senior Creditor (as defined therein) and liens and security interests of Senior Creditor Agent securing the same all as described in the Subordination Agreement; and each holder and transferee of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Subordination Agreement.”

(b) Upon and as of the Effective Date, the definition of “Applicable Rate” in the Loan Agreement shall be amended to read in its entirety as follows:

“**Applicable Rate**” means the greatest of (i) the United States prime rate as reported in The Wall Street Journal plus 6.75%, (ii) 10.0% and (iii) the highest rate of interest then payable by the Borrower pursuant to the Oxford Loan Documents plus 12.5 basis points (0.125%); provided, that, the Applicable Rate shall be adjusted immediately to correspond with each change in the prime rate or the highest rate of interest then payable by the Borrower pursuant to the Oxford Loan Documents.

(c) Upon and as of the Effective Date, the definition of “GECC Loan Agreement” in Section 1.1 of the Loan Agreement shall be deleted in its entirety, and replaced by the following :

“**Oxford Loan Agreement**” means the Loan and Security Agreement, dated as of March __, 2014, by and between the Borrower, the other loan parties from time to time party thereto, Oxford Finance LLC, as administrative and collateral agent, and the lenders from time to time party thereto, as it may be amended, restated, supplemented, refinanced or otherwise modified from time to time.

(d) Upon and as of the Effective Date, the definition of “GECC Loan Documents” in Section 1.1 of the Loan Agreement shall be deleted in its entirety, and replaced by the following:

“**Oxford Loan Documents**” means the Oxford Loan Agreement and the “Loan Documents” referred to therein, as each may be amended, restated, supplemented, refinanced or otherwise modified from time to time.

(e) Upon and as of the Effective Date, the definition of “Permitted Liens” shall be amended to read in its entirety as follows:

“**Permitted Liens**” mean (i) any Liens held by Lender or Affiliates of Lender at any time after the termination of the Subordination Agreement, (ii) Liens for unpaid taxes that either are not yet delinquent, or do not constitute an Event of Default hereunder and are the subject of a Permitted Contest, (iii) Liens securing Indebtedness incurred pursuant to the Oxford Loan Documents, (iv) the interests of lessors under any lease of real property in the ordinary course of business, (v) Liens securing purchase money Indebtedness or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness, provided that (x) such Liens exist prior to the acquisition of, or attach substantially simultaneous with, or within 20 days after, the acquisition, repair, improvement or construction of, such property financed by such Indebtedness and (y) such Liens do not extend to any Property of a Loan Party other than the Property (and proceeds thereof) acquired or built, or the improvements or repairs, financed by such Indebtedness, (vi) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, or laborers, incurred in the ordinary course of Borrower’s business and not in connection with the borrowing of money, and which Liens either (A) are for sums not yet delinquent, or (B) are the subject of Permitted Contests, (vii) Liens arising from pledges or deposits made in the ordinary course of business in connection with obtaining worker’s compensation or other unemployment insurance, (viii) Liens or pledged or deposits to secure performance of bids, tenders, leases (other than capital leases), sales or other trade contracts incurred in the ordinary course of Borrower’s business and not in connection with the borrowing of money, (ix) Liens granted as security for surety, customs, reclamation or performance bonds, or judgment or appeal bonds, in each case in connection with obtaining such bonds in the ordinary course of Borrower’s business, (x) Liens resulting from any judgment or award that is not an Event of Default hereunder, (xi) Liens related to any Permitted Acquisition, to the extent such Liens encumber only the assets acquired in such Permitted Acquisition, (xii) Liens of a collection bank on items in the course of collection arising under Section 4-208 of the UCC, (xiii) Liens arising by reason of zoning restrictions, easements, licenses, reservations, restrictions, covenants, rights-of-way, encroachments, minor defects or irregularities in title (including leasehold title) and other similar encumbrances on the use of real property that do not materially (x) impair the value or marketability of such real property or (y) interfere with the ordinary conduct of the business conducted and proposed to be conducted at such real property; and (xiv) non-exclusive licenses of the intellectual property of the Borrower or any Subsidiary of the Borrower that do not restrict the applicable licensor’s ability to grant a lien on, assign or otherwise transfer such license or any intellectual property.

(f) Upon and as of the Effective Date, the definition of “Subordination Agreement” in Section 1.1 of the Loan Agreement shall be deleted in its entirety, and replaced by the following:

“**Subordination Agreement**” means the Subordination Agreement, dated as of March __, 2014, between the Lender and Oxford Finance LLC, and consented to by the Borrower and the Subsidiaries of the Borrower from time to time party thereto.

Section 2.2 Amendment to Section 2.2.

Upon and as of the Effective Date, Section 2.2(f) of the Loan Agreement shall be amended to read in its entirety as follows:

(f) Notwithstanding anything to the contrary contained herein, the Lender shall have no obligation to fund any Draw hereunder upon and after the occurrence of an Event of Default or an “Event of Default” under and as defined in the Oxford Loan Agreement.

Section 2.3 Amendment to Section 5.10.

Upon and as of the Effective Date, Section 5.10 of the Loan Agreement shall be amended to read in its entirety as follows:

The Borrower each Guarantor (a) has an indefeasible interest in all personal property which it has an interest, free and clear of any Liens, except Permitted Liens, and (b) has not agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property whether now owned or hereafter acquired to be subject to a Lien, except Permitted Liens and agreements contained under the Oxford Loan Documents. Neither Borrower nor any Guarantor owns any real property.

Section 2.4 **Amendment to Section 7.1.**

Upon and as of the Effective Date, Section 7.1(viii) of the Loan Agreement shall be amended to read in its entirety as follows:

(viii) The occurrence of any event which allows the acceleration of the maturity of any Indebtedness in excess of the amount of \$1,000,000 of Borrower and/or any Guarantor on an aggregate basis (other than Indebtedness incurred pursuant to the Oxford Loan Documents);

Section 2.5 **Amendment to Section 7.1.**

Upon and as of the Effective Date, Section 7.1(x) of the Loan Agreement shall be amended to read in its entirety as follows:

(x) An event of default shall have occurred under the Oxford Loan Documents, and as a result thereof the loans made under the Oxford Loan Documents have become due prior to the stated maturity of such loans; and

Section 2.6 **Amendment and Restatement of Note.**

Upon and as of the Effective Date, the Promissory Note shall be amended and restated, in the form attached hereto as Exhibit B (the "Second Amended Note"), and all references in the Loan Documents to the Note or Notes shall be deemed to mean and refer to the Second Amended Note.

**ARTICLE THREE
CLOSING CONDITIONS**

Section 3.1 **Closing Conditions.**

The obligation of the Lender to execute and deliver this Amendment is subject to fulfillment of the following conditions precedent:

(i) the Borrower shall have executed and delivered to the Lender this Amendment and all other Amendment Documents applicable to it, including the Second Amended Note;

(ii) all representations and warranties of the Borrower shall be true and correct and no material adverse change shall have occurred in the business, condition (financial or otherwise) or prospects of the Borrower, from the date of the most recent financial statements of the Borrower delivered to the Lender;

(iii) the Lender shall have received evidence of the repayment in full, and release of all liens securing, the Indebtedness of the Borrower and the Subsidiaries of the Borrower to General Electric Credit Corporation;

(iv) the Lender shall have received evidence of the execution and delivery of the Oxford Loan Agreement and the “Loan Documents” referred to therein, and Oxford shall have committed to fund Indebtedness thereunder in a gross amount of not less than \$30,000,000 contemporaneously with this Amendment becoming effective; and

(v) The Borrower shall have agreed to provide notice of certain financing activities to the Lender in form and substance reasonably satisfactory to the Lender (the “Notice Letter”).

Section 3.2 **Effective Date.**

This Amendment shall become effective as of the date first above written upon evidence satisfactory to the Lender that all of the foregoing closing conditions have been satisfied (the “Effective Date”).

**ARTICLE FOUR
MISCELLANEOUS**

Section 4.1 **Loan Documents**

The Borrower shall deliver this Second Amendment, all other Second Amendment Documents and the Notice Letter, to the Lender and those documents shall be included in the term the “Loan Documents” in the Loan Agreement. The provisions of the Loan Documents, as modified herein, shall remain in full force and effect in accordance with their terms and are hereby ratified and confirmed.

Section 4.2 **Survival of Representations and Warranties.**

All agreements, representations and warranties contained in the Loan Documents shall survive the execution and delivery of this Amendment, and any investigation at any time made by or on behalf of the Lender.

Section 4.3 **Expenses.**

The Borrower agrees, regardless of whether or not the transactions contemplated hereby shall be consummated, to pay all reasonable expenses incurred by the Lender incident to such transactions in the preparation of documentation relating thereto, including without limitation fees and disbursements of the Lender’s counsel incurred in connection with this Amendment and the Oxford Subordination Agreement.

Section 4.4 **General.**

The Borrower shall execute and deliver such additional documents and instruments and shall do such other acts as the Lender may reasonably require in order to implement this Amendment fully. This Amendment may be executed in counterparts by the Borrower and the Lender, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have caused this Second Amendment to be executed by their duly authorized agents as of the date first above written.

Borrower:

NAVIDEA BIOPHARMACEUTICALS, INC.

By: /s/ Brent L. Larson

Name: Brent L. Larson

Title: EVP, CFO, Treasurer and Secretary

Lender:

PLATINUM-MONTAUR LIFE SCIENCES, LLC

By: /s/ Joseph SanFilippo

Name: Joseph SanFilippo

Title: CFO

Exhibit A

[Oxford Loan Documents]

Exhibit B

[Second Amended Note]

THIS INSTRUMENT AND THE INDEBTEDNESS, RIGHTS AND OBLIGATIONS EVIDENCED HEREBY AND ANY LIENS OR OTHER SECURITY INTERESTS SECURING SUCH RIGHTS AND OBLIGATIONS ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (AS AMENDED, RESTATED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME, THE "SUBORDINATION AGREEMENT") DATED AS OF MARCH 4, 2014, BY AND AMONG THE SUBORDINATED CREDITOR IDENTIFIED THEREIN AND OXFORD FINANCE LLC IN ITS CAPACITY AS AGENT FOR CERTAIN LENDERS (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "SENIOR CREDITOR AGENT"), TO CERTAIN INDEBTEDNESS, RIGHTS, AND OBLIGATIONS OF NAVIDEA BIOPHARMACEUTICALS, INC. TO SENIOR CREDITOR AGENT AND SENIOR CREDITOR (AS DEFINED THEREIN) AND LIENS AND SECURITY INTERESTS OF SENIOR CREDITOR AGENT SECURING THE SAME ALL AS DESCRIBED IN THE SUBORDINATION AGREEMENT; AND EACH HOLDER AND TRANSFEREE OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

SECOND AMENDED AND RESTATED PROMISSORY NOTE

(Term Loan Facility)

\$35,000,000.00

Dublin, Ohio

Date of Original Issuance: July 25, 2012

Date of First Amendment and Restatement: June 25, 2013

Date of Second Amendment and Restatement: March 4, 2014

FOR VALUE RECEIVED, NAVIDEA BIOPHARMACEUTICALS, INC., a Delaware corporation (the "Borrower"), with its principal place of business at 425 Metro Place North, Dublin, Ohio 43107, promises to pay to the order of PLATINUM-MONTAUR LIFE SCIENCES LLC (together with any successors or assigns, the "Lender") at the office of the Lender, 152 West 57th Street, New York, New York 10019, the sum of THIRTY FIVE MILLION DOLLARS and zero cents (\$35,000,000.00), or, if less, the amount of all Draws advanced (and not hereafter repaid) by the Lender pursuant to the Loan Agreement, dated July 25, 2012, between the Borrower and the Lender (as amended, supplemented or modified, the "Loan Agreement"), together with interest on the unpaid balance and all other charges, as provided below. This Note evidences the Term Loan Facility made under and pursuant to the Loan Agreement; capitalized terms used herein and not otherwise defined shall have the respective meanings given in the Loan Agreement.

Interest will accrue on the unpaid balance of each Draw at the Applicable Rate. All interest accruing on each Draw shall be due and payable as set forth in Section 2.2(b) of the Loan Agreement. The principal sum of each Draw shall be due and payable as set forth in Section 2.2(c) of the Loan Agreement.

If any payment hereunder is due on a day that is not a Business Day, such payment shall be due and payable on the next Business Day.

Payments; Prepayments. All payments hereunder shall be made by the Borrower to the Lender in United States currency at the Lender's address specified above (or at such other address as the Lender may specify), in immediately available funds, on the due date thereof. Payments received by the Lender prior to the occurrence of an Event of Default will be applied: first to accrued interest; second to outstanding principal; and third to fees, expenses and other amounts due hereunder (excluding principal and interest); after the occurrence of an Event of Default, payments will be applied to the obligations under this Note as the Lender determines in its sole discretion. Any prepayments of principal made by the Borrower shall be applied to installments of principal in the inverse order of the date on which they become due. Amounts repaid with respect to the Term Loan Facility may not be reborrowed.

Upon the occurrence of any Event of Default, Draws shall, to the extent not prohibited under applicable law, bear interest at the Default Rate.

Late Payment Charge. If a payment of principal or interest hereunder is not made within ten (10) business days of its due date, the Borrower will pay on demand a late payment charge equal to 5% of the amount of such late payment. Nothing in the preceding sentence shall affect the Lender's right to accelerate the maturity of this Note upon an Event of Default.

Default. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

- (a) a default in the payment when due of the principal of or interest on this Note; or
- (b) any Event of Default under and as defined in the Loan Agreement.

Remedies. Upon an Event of Default, or at any time thereafter, at the option of the Lender, all Obligations shall become immediately due and payable without notice or demand and the Lender shall then have in any jurisdiction where enforcement hereof is sought all other rights and remedies provided by agreement or at law or in equity. All rights and remedies of the Lender are cumulative and are not exclusive of any rights or remedies provided by laws or any other agreement, and may be exercised separately or concurrently.

Waiver; Amendment. No delay or omission on the part of the Lender in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note. No waiver of any right contained in, consent to any departure from, or amendment to any provision contained in this Note shall be effective unless in writing and signed by the Lender, nor shall a waiver on one occasion be construed as a waiver of any such right on any future occasion. Without limiting the generality of the foregoing, the acceptance by the Lender of any late payment shall not be deemed to be a waiver of the Event of Default arising as a consequence thereof. Except as otherwise set forth in the Loan Agreement, the Borrower waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assents to any extensions or postponements of the time of payment or any and all other indulgences under this Note, or to any and all additions or releases of any other parties or persons primarily or secondarily liable under this Note, which from time to time be granted by the Lender in connection herewith regardless of the number or period of any extensions.

Taxes. The Borrower agrees to indemnify the Lender from and hold it harmless from and against any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution, delivery, and performance of this Note; provided, however, the foregoing shall not obligate the Borrower to indemnify or hold harmless the Lender for any taxes imposed on or measured by the overall net income of Lender by any Governmental Authority.

Lender Records. The entries on the records of the Lender (including any appearing on this Note) shall be prima facie evidence of the aggregate principal amount outstanding under this Note and interest accrued thereon.

Severability; Authorization to Complete; Paragraph Headings. If any provision of this Note shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Note and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Paragraph headings are for the convenience of reference only and are not a part of this Note and shall not affect its interpretation.

Certain References. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person, persons, entity or entities may require. The terms "herein," "hereof" or "hereunder" or similar terms used in this Note refer to this entire Note and not only to the particular provision in which the term is used.

Assignments. Neither this Note nor the proceeds hereof shall be assignable by the Borrower without the Lender's prior written consent, and any attempted assignment without the Lender's prior written consent shall create a default under this Note. Subject to the terms and conditions of Section 8.3 of the Loan Agreement, this Note and any other Loan Document may be assigned, in whole or in part, by the Lender and its successors or assigns.

Amendment and Restatement. This Note amends and restates the Promissory Note (Term Note Facility) dated July 25, 2012 made by Borrower in favor of the Lender in the original principal amount of up to \$35,000,000, as amended and restated on June 25, 2013 (the "Prior Note"). This Note is issued in exchange for (and not in discharge of the indebtedness evidenced by) the Prior Note.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered as of the date first above written.

IN THE PRESENCE OF:

NAVIDEA BIOPHARMACEUTICALS, INC.

/s/ Elizabeth Larson
Witness

By: /s/ Brent L. Larson
Name: Brent L. Larson
Title: EVP, CFO, Treasurer and Secretary

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company:	NAVIDEA BIOPHARMACEUTICALS, INC., a Delaware corporation
Number of Shares:	[]
Type/Series of Stock:	Common Stock
Warrant Price:	\$1.918 per share
Issue Date:	March 4, 2014
Expiration Date:	March 4, 2021 See also Section 5.1(b).
Credit Facility:	This Warrant to Purchase Stock (“ Warrant ”) is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, and the Company (as modified, amended and/or restated from time to time, the “ Loan Agreement ”).

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, OXFORD FINANCE LLC (“**Oxford**” and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, “**Holder**”) is entitled to purchase the number of fully paid and non-assessable shares (the “**Shares**”) of the above-stated Type/Series of Stock (the “**Class**”) of the above-named company (the “**Company**”) at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. The fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, “**Marketable Securities**” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Intentionally Omitted.

2.4 Intentionally Omitted.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company’s expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows: all Shares which may be issued upon the exercise of this Warrant, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class; or

(d) effect an Acquisition or to liquidate, dissolve or wind up;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above; and

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event).

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 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 in the development stage 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 officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the 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 Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an “accredited investor” as defined in Regulation D promulgated under the Act and Holder provides the Company with written a representation that Holder will receive no consideration for the transfer.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford’s affiliates (each, an “**Oxford Affiliate**”), by execution of an Assignment substantially in the form of Appendix 2. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable). Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

NAVIDEA BIOPHARMACEUTICALS, INC.
5600 Blazer Parkway
Dublin, OH 43017
Attn: Chief Financial Officer
Telephone: (614) 822-2330
Facsimile: (614) 793-7522
Email: blarson@navidea.com

With a copy (which shall not constitute notice) to:

DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, CA 92121
Attn: Troy Zander
Telephone: (650) 833-2486
Facsimile: (858) 638-5086
Email: troy.zander@dlapiper.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which U.S. Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

NAVIDEA BIOPHARMACEUTICALS, INC.

By: _____

Name: _____
(Print)

Title: _____

“HOLDER”

OXFORD FINANCE LLC

By: _____

Name: _____
(Print)

Title: _____

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase _____ shares of the Common Stock of NAVIDEA BIOPHARMACEUTICALS, INC. (the “**Company**”) in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

check in the amount of \$_____ payable to order of the Company enclosed herewith

Wire transfer of immediately available funds to the Company’s account

Cashless Exercise pursuant to Section 1.2 of the Warrant

Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder’s Name _____

(Address) _____

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]
Address: _____
Tax ID: _____

that certain Warrant to Purchase Stock issued by NAVIDEA BIOPHARMACEUTICALS, INC. (the “**Company**”), on March 4, 2014 (the “**Warrant**”) together with all rights, title and interest therein.

OXFORD FINANCE LLC

By: _____
Name: _____
Title: _____

Date: _____

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]
By: _____
Name: _____
Title: _____



Press Release

FOR IMMEDIATE RELEASE

Navidea Announces Fourth Quarter and Full Year 2013 Results

– Management hosting webcast and conference call on March 6, 2014 at 8:30 a.m. ET –

DUBLIN, OHIO – March 6, 2014 – Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB), a biopharmaceutical company focused on precision diagnostic radiopharmaceuticals, today announced results for the fourth quarter and year ended December 31, 2013.

Business Update

Key commercial and development milestones achieved by Navidea in 2013 and to date in 2014 include:

- Lymphoseek[®] (technetium Tc 99m tilmanocept) Injection
 - Received U.S. approval in March 2013 for use in lymphatic mapping procedures that are performed to aid in the diagnostic evaluation of potential cancer spread for patients with breast cancer and melanoma and initiated sales activities with U.S. distribution partner in May 2013.
 - Maintained solid Lymphoseek growth trajectory measured by increasing number of units and growth in key sales metrics.
 - Received Centers for Medicare & Medicaid Services (CMS) codes for reimbursement (pass-through C-Code and A-Code).
 - Received Fast Track and Priority Review of a Lymphoseek supplemental New Drug Application (sNDA) for expanded indication in sentinel lymph node (SLN) detection in patients with head and neck cancer with Prescription Drug User Fee Act (PDUFA) review date targeted for June 16, 2014. Also received notification of acceptance for review of another Lymphoseek sNDA for a proposed expanded label to support broader and more flexible use in imaging and lymphatic mapping procedures, including lymphoscintigraphy and other optimization capabilities with a PDUFA review date targeted for October 16, 2014.
 - Notified that the European Medicines Agency's (EMA's) Committee for Medicinal Products for Human Use (CHMP) consideration of Lymphoseek Marketing Authorization Application (MAA) expected in March 2014.
- NAV4694
 - Initiated enrollment in a global Phase 3 pivotal registration trial in Alzheimer's disease (AD).
 - Selected by the Australian Imaging, Biomarker & Lifestyle (AIBL) study as the sole amyloid tracer for use in their flagship work on AD.
 - Enrolled first subjects in a Phase 2b trial in subjects with mild cognitive impairment (MCI).
- NAV5001
 - Initiated a Phase 3 program for Parkinson's disease (PD).
 - Received two Special Protocol Assessments (SPAs) from FDA for Phase 3 pivotal registration program.

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- Manocept™
 - Published data from collaborative, proof-of-principle studies for multiple disorders, including Kaposi's Sarcoma, tuberculosis and rheumatoid arthritis (RA), using the Manocept platform in *Nature Outlook – Medical Imaging*.
 - Began a physician-initiated study in Kaposi's Sarcoma patients at the University of California at San Francisco.

Financial Results

Full Year Financial Results: Revenues for the year ended December 31, 2013 were \$1.1 million compared to \$79,000 for 2012. Navidea's revenues for 2013 consisted of \$614,000 in sales of Lymphoseek following its approval in the first quarter of 2013 and initial launch in the second quarter of 2013, and \$516,000 from various federal and state grants. Revenues for 2012 related primarily to payments received from our U.S. distribution partner related to the reimbursement of certain Lymphoseek commercialization activities.

Operating expenses for the year ended December 31, 2013 were \$39.2 million compared to \$28.1 million for 2012. Research and development expenses were \$23.7 million during 2013 compared to \$16.9 million during 2012. The net increase from 2012 to 2013 was primarily a result of net increases in NAV4694, NAV5001 and Manocept platform product development costs and compensation and other support costs related to increased headcount offset by decreases in Lymphoseek development costs and potential pipeline expansion activities. Selling, general and administrative expenses were \$15.5 million for 2013 compared \$11.2 million for 2012. The net increase from 2012 to 2013 was primarily a result of increased medical education costs, compensation and other support costs related to increased headcount, and legal and professional services costs, offset by decreased out-of-pocket marketing costs to support the commercial launch of Lymphoseek.

Navidea's loss from operations for the year ended December 31, 2013 was \$38.4 million compared to \$28.0 million for the same period of 2012. For the year ended December 31, 2013, Navidea reported a loss attributable to common stockholders of \$42.7 million, or \$0.35 per share, compared to a loss attributable to common stockholders of \$29.2 million, or \$0.29 per share, for the same period in 2012.

Fourth Quarter Financial Results: Revenues for the fourth quarter of 2013 were \$535,000 compared to \$7,000 for the same period in 2012. Revenues from sales of Lymphoseek for the fourth quarter of 2013 were \$343,000 compared to \$144,000 in the third quarter of 2013. The fourth quarter of 2013 represented the first quarter of Lymphoseek sales under CMS reimbursement. There were no sales of Lymphoseek in 2012.

Fourth quarter 2013 operating expenses were \$13.4 million compared to \$7.0 million for the fourth quarter of 2012. Research and development expenses were \$9.4 million during the fourth quarter of 2013 compared to \$4.3 million during fourth quarter of 2012. The net increase from 2012 to 2013 was primarily a result of net increases in NAV4694, NAV5001, Lymphoseek and Manocept platform product development costs, and compensation and other support costs related to increased headcount. Selling, general and administrative expenses were \$4.0 million for 2013 compared \$2.7 million for 2012. The net increase from 2012 to 2013 was attributable to the same primary factors noted for the full year comparison.

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Navidea's loss from operations for the fourth quarter of 2013 was \$13.1 million compared to \$7.0 million for the fourth quarter of 2012. For the fourth quarter of 2013, Navidea reported a loss attributable to common stockholders of \$13.8 million, or \$0.10 per share, compared to a loss attributable to common stockholders of \$7.2 million, or \$0.07 per share, for the fourth quarter of 2012.

Financial Guidance and Commentary: "We continue to be pleased with the growth in a number of key Lymphoseek metrics and look forward to growing revenue over the coming months and years. For 2014, Navidea expects revenues from Lymphoseek sales to be between \$5 and \$6 million. Also, based on the parameters of the non-dilutive financing with Oxford announced earlier today, we believe we have significantly improved our access to the capital on our balance sheet enabling us to continue to pursue the core elements of our business, in particular Lymphoseek growth, while also advancing our compelling development initiatives," said Brent Larson, Navidea CFO.

Management Commentary

"2013 was a pivotal year for Navidea with the approval and initial launch of Lymphoseek in the U.S.," stated Dr. Mark Pykett, Navidea CEO. "We continue to see good momentum in many key sales metrics, including continuous growth in market penetration, increases in unit sales month over month and quarter over quarter, increases in total accounts, outstanding customer retention and repeat order rates, and encouraging formulary placement activity. Lymphoseek reimbursement was placed on solid footing with the implementation of a pass-through C Code from CMS followed by the granting of a permanent A Code. In addition, with the filing of the Lymphoseek sNDAs, one of which was granted Fast Track Status and Priority Review by FDA, we are looking forward to the June 16 and October 16, 2014 PDUFA target dates and toward potential expansion of utilization into additional areas of lymphatic mapping."

Dr. Pykett continued, "Recently, we have realized a number of important advances on which we aim to capitalize and which are enabled in part by the non-dilutive financing we announced today. Our Phase 2b study of NAV4694 in patients with MCI has generated exciting initial results that suggest that NAV4694 may be a highly effective agent at detecting low levels of beta-amyloid arising early in the course of cognitive impairment, an attribute that would be highly differentiated from other tracers to date and which would create opportunities in the early-stage diagnosis of dementia. We therefore are planning to accelerate our study activities to generate data and complete the trial sooner than originally projected which, if successful, may enable us to create important product differentiation. We believe NAV4694 may prove to be the most effective agent to address the needs of MCI patients, a demographic larger than the population of people with AD and where there is intense clinical and commercial pharma interest but for which no objective diagnostics agents exist."

The Company has also made important recent strides with its Manocept platform, the status of which has advanced more rapidly than anticipated, particularly in the area of RA where collaborators have demonstrated the ability to identify the underlying inflammatory component of RA in human disease, thereby differentiating it from other joint diseases. Just five months after unveiling the platform in a supplement of the journal *Nature*, near-term opportunities are being explored to begin initial clinical study in RA, a large incidence population both in the U.S. and worldwide where many patients present atypically and for whom diagnostic uncertainty remains high.

Conference Call:

Navidea will provide a business update and discuss the fourth quarter and full year 2013 financial results during a conference call with the investment community scheduled for Thursday, March 6, 2014 at 8:30 a.m. ET. Investors and the public are invited to access the live webcast through the link below. Participants who would like to ask questions during the question and answer session following the presentation must participate by telephone also. Participants are encouraged to log-in and/or dial-in fifteen minutes before the conference call begins. The webcast replay is expected to be available on our investor website, <http://ir.navidea.com>, approximately two to four hours after the live event.

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NAVIDEA BIOPHARMACEUTICALS

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Event: Navidea Biopharmaceuticals Q4 2013 and Full-Year Financial Results Conference Call

Date/Time: Thursday, March 6, 2014 at 8:30 a.m. ET

Webcast Link: <http://www.media-server.com/m/p/dh2x4bbc>

Dial-in Number – US: 1 (800) 708-4539

Dial in Number – Int'l: 1 (847) 619-6396

Participant Passcode: 36792037

Replay: A webcast replay will be available on the Investor Relations section of our website at <http://ir.navidea.com>

About Navidea Biopharmaceuticals Inc.

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NAVIDEA BIOPHARMACEUTICALS

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Source: Navidea Biopharmaceuticals, Inc.
Navidea BiopharmaceuticalsBrent Larson, 614-822-2330
Executive VP & CFOOr
Sharon Correia, 978-655-2686
Associate Director, Corporate Communications*Financial tables to follow***NAVIDEA BIOPHARMACEUTICALS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	December 31, 2013 (unaudted)	December 31, 2012
Assets:		
Cash	\$ 32,939,026	\$ 9,118,564
Other current assets	4,392,156	1,498,819
Non-current assets	<u>2,985,335</u>	<u>1,355,014</u>
Total assets	<u>\$ 40,316,517</u>	<u>\$ 11,972,397</u>
Liabilities and stockholders' deficit:		
Notes payable, net of discount, current	\$ 4,095,650	\$ 2,756,718
Other current liabilities	7,195,312	3,433,821
Notes payable, net of discount	23,572,603	6,930,112
Derivative liabilities	7,692,087	-
Other liabilities	1,770,452	257,122
Stockholders' deficit	<u>(4,009,587)</u>	<u>(1,405,376)</u>
Total liabilities and stockholders' deficit	<u>\$ 40,316,517</u>	<u>\$ 11,972,397</u>

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Twelve Months Ended	
	December 31, 2013 (unaudited)	December 31, 2012 (unaudited)	December 31, 2013 (unaudited)	December 31, 2012 (unaudited)
Revenue:				
Net sales	\$ 342,803	\$ -	\$ 614,423	\$ -
Grant and other revenue	192,176	6,807	516,207	78,738
Total revenue	<u>534,979</u>	<u>6,807</u>	<u>1,130,630</u>	<u>78,738</u>
Cost of good sold	151,955	-	332,815	-
Gross profit	<u>383,024</u>	<u>6,807</u>	<u>797,815</u>	<u>78,738</u>
Operating expenses:				
Research and development	9,415,134	4,343,109	23,710,183	16,890,482
Selling, general and administrative	4,020,847	2,690,241	15,525,946	11,177,559
Total operating expenses	<u>13,435,981</u>	<u>7,033,350</u>	<u>39,236,129</u>	<u>28,068,041</u>
Loss from operations	<u>(13,052,957)</u>	<u>(7,026,543)</u>	<u>(38,438,314)</u>	<u>(27,989,303)</u>
Interest expense	(974,204)	(235,994)	(2,778,780)	(1,166,332)
Loss on extinguishment of debt	-	-	(1,372,266)	-
Change in fair value of financial instruments	265,401	25,268	(112,073)	32,110
Other income (expense), net	9,879	2,559	1,975	(33,679)
Net loss	<u>(13,751,881)</u>	<u>(7,234,710)</u>	<u>(42,699,458)</u>	<u>(29,157,204)</u>
Preferred stock dividends	-	31,667	-	(43,333)
Loss attributable to common stockholders	<u>\$ (13,751,881)</u>	<u>\$ (7,203,043)</u>	<u>\$ (42,699,458)</u>	<u>\$ (29,200,537)</u>
Loss per common share (basic and diluted)	\$ (0.10)	\$ (0.07)	\$ (0.35)	\$ (0.29)
Weighted average shares outstanding (basic and diluted)	133,881,021	105,067,640	121,808,986	99,059,997

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Press Release

FOR IMMEDIATE RELEASE

**Navidea Announces Acceptance for Review of an Additional sNDA
to Further Expand Lymphoseek® Labeling**

***- Additional Supplemental New Drug Application (sNDA) for Lymphoseek focuses on
more flexible and expanded utilization practices -***

DUBLIN, OHIO – March 5, 2014 -- Navidea Biopharmaceuticals, Inc. (NYSE MKT:NAV), a biopharmaceutical company focused on precision diagnostic radiopharmaceuticals, announced today that the U.S. Food and Drug Administration (FDA) has accepted for review an additional Supplemental New Drug Application (sNDA) for the proposed expanded label for Lymphoseek® (technetium 99m tilmanocept) Injection to support broader and more flexible use in imaging and lymphatic mapping procedures, including lymphoscintigraphy and other optimization capabilities. Under the Prescription Drug User Fee Act (PDUFA), the FDA has set a target review date for the second Lymphoseek sNDA of October 16, 2014.

The two Lymphoseek sNDAs now accepted are derived from a single, data-rich application submitted to FDA in December 2013. In assessing the application, FDA chose to separate the filing in two based on the proposed labeling extensions requested and the scope of information provided. This second sNDA application is aimed at expanding the Lymphoseek label to support more flexible utilization practices for Lymphoseek in lymphatic mapping and lymphoscintigraphy imaging. The first sNDA, aimed at Lymphoseek's use as a sentinel lymph node detection agent in patients with head and neck cancer, received FDA Fast Track designation and was accepted for Priority Review, as previously announced, with a PDUFA date target of June 16, 2014. Lymphoseek is currently approved for use in lymphatic mapping procedures performed to aid in the diagnostic evaluation of lymph nodes draining a primary tumor in patients with breast cancer and melanoma.

"The FDA's decision to review an additional sNDA to further expand Lymphoseek's labeling underscores our belief that the agent can make a critical difference for patients as part of their overall diagnosis and treatment," commented Cornelia Reininger, MD, PhD, Navidea's Senior Vice President and Chief Medical Officer. "Additionally, the FDA's decision to grant Priority Review for our first Lymphoseek sNDA focused on sentinel lymph node (SLN) detection in patients with head and neck cancer supports recognition that Lymphoseek-guided SLN detection in this disease can have a significant impact on morbidity. Label expansion for these sNDAs, if approved, may allow for broader cancer-type use, enable more consistent and standardized lymphatic mapping and lymphoscintigraphy analysis, and address important areas of unmet medical need."

The second Lymphoseek sNDA seeks to expand product claims to enable broader and more flexible utilization of the agent in routine practice, including lymphoscintigraphy imaging and flexible timing of Lymphoseek administration allowing for a 2-day protocol. Data submitted in support of these parameters were derived from Navidea's series of prospective, well-controlled Phase 3 studies in patients with breast cancer, head and neck cancer, and melanoma. These study results demonstrated the ability of Lymphoseek to detect lymph nodes in same-day or subsequent-day surgery following injection, as well as being used in lymph node imaging, or lymphoscintigraphy.

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About Lymphoseek®

Lymphoseek® (technetium Tc 99m tilmanocept) Injection is a novel, receptor-targeted, small-molecule radiopharmaceutical used in lymphatic mapping procedures that are performed to help in the diagnostic evaluation of potential cancer spread for patients with breast cancer and melanoma. Lymphoseek is designed to identify the lymph nodes that drain from a primary tumor, which have the highest probability of harboring cancer. Lymphoseek was approved by the U.S. Food and Drug Administration in March, 2013 for use in lymphatic mapping to assist in the localization of lymph nodes draining a primary tumor in patients with breast cancer or melanoma. The Company anticipates continuing development of Lymphoseek into other solid tumor areas that may include head and neck cancers, prostate cancer, thyroid cancer, lung/bronchus cancers, colorectal cancer and others. Lymphoseek was granted Fast Track and Priority Review designation for its sNDA for sentinel lymph node detection in patients with head and neck cancer.

Accurate diagnostic evaluation of cancer is critical, as it guides therapy decisions and determines patient prognosis and risk of recurrence. According to publicly available information, approximately 235,000 new cases of breast cancer, 76,000 new cases of melanoma and 69,500 new cases of head and neck/oral cancer are expected to be diagnosed in the United States in 2014, and approximately 367,000 new cases of breast cancer, 83,000 new cases of melanoma and 137,000 new cases of head and neck/oral cancer diagnosed in Europe annually.

U.S. Indication and Important Safety Information About Lymphoseek

Indication

Lymphoseek (technetium Tc 99m tilmanocept) Injection is a lymphatic mapping agent indicated for use with a hand-held gamma counter to assist in the localization of lymph nodes draining a primary tumor site in patients with breast cancer or melanoma.

Important Safety Information

In clinical trials with Lymphoseek, no serious hypersensitivity reactions were reported, however Lymphoseek may pose a risk of such reactions due to its chemical similarity to dextran. Serious hypersensitivity reactions have been associated with dextran and modified forms of dextran (such as iron dextran drugs).

Prior to the administration of Lymphoseek, patients should be asked about previous hypersensitivity reactions to drugs, in particular dextran and modified forms of dextran. Resuscitation equipment and trained personnel should be available at the time of Lymphoseek administration, and patients observed for signs or symptoms of hypersensitivity following injection.

The most common adverse reactions are injection site irritation and/or pain (<1%).

FULL LYMPHOSEEK PRESCRIBING INFORMATION CAN BE FOUND AT:

WWW.LYMPHOSEEK.COM

About Navidea Biopharmaceuticals Inc.

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Source: Navidea Biopharmaceuticals, Inc.
Navidea Biopharmaceuticals
Brent Larson, 614-822-2330
Executive VP & CFO
or
Sharon Correia, 978-655-2686
Associate Director, Corporate Communications

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Press Release

FOR IMMEDIATE RELEASE

Navidea Biopharmaceuticals Closes \$30 Million Loan with Oxford Finance, LLC

DUBLIN, OHIO - March 6, 2014 – Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB), a biopharmaceutical company focused on precision diagnostic radiopharmaceuticals, today announced that it has closed a \$30 million non-dilutive loan transaction with Oxford Finance LLC (“Oxford”). The loan funds will be used to support Lymphoseek® commercialization activities, advance the Company’s clinical pipeline, accelerate certain development programs, repay certain of the Company’s existing outstanding indebtedness and provide for other general corporate purposes. Navidea believes the Oxford loan provides enhanced working capital with no balance sheet restrictions or covenants, lowers the interest rate and lengthens the interest-only period on the Company’s debt, and augments the Company’s financial flexibility at a critical time in its growth.

“The agreement with Oxford Finance is very timely, providing capital that enables us to continue to pursue important opportunities, first and foremost Lymphoseek growth, and which can be deployed against a number of newer initiatives with our pipeline programs, including accelerated efforts with NAV4694 in patients with mild cognitive impairment and with our Manocept™ platform,” stated Mark Pykett, Navidea Chief Executive Officer.

The funding of \$30 million, which closed on March 4, 2014, is in the form of five-year senior secured term loan facility and bears interest at a coupon rate of 8.50%. The Note includes an initial interest-only period of one year, extendable to three years on achievement of certain milestones. In addition, Navidea issued Oxford warrants for the purchase of 391,000 shares of common stock at an exercise price of \$1.92 per share. In connection with the Oxford financing, the Company also announced certain amendments to the Company’s existing line of credit currently in place with Platinum-Montaur Life Sciences LLC that allow this facility to remain in place under its current terms in a subordinated role to the Oxford Note.

“We are pleased to have executed this loan transaction with Oxford Finance, a valuable partner and leading provider of non-dilutive capital to the healthcare industry,” commented Brent Larson, Navidea’s Executive Vice President and Chief Financial Officer. “This loan offers us a facility with a lower interest rate and provides us with greater access to the capital resources already on our balance sheet.”

“Navidea has an impressive portfolio of precision diagnostics aimed at aiding patients and their physicians who are seeking accurate diagnosis,” said Christopher A. Herr, Managing Director for Oxford Finance. “We are pleased to offer financial support to a company such as Navidea as it grows its product revenues and advances more innovative products to market.”

About Oxford Finance LLC

Oxford Finance is a specialty finance firm providing senior secured loans to public and private life science and healthcare services companies worldwide. For over 20 years, Oxford has delivered flexible financing solutions to its clients, enabling these companies to maximize their equity by leveraging their assets. In recent years, Oxford has originated over \$2 billion in loans, with lines of credit ranging from \$500 thousand to \$50 million. Oxford is headquartered in Alexandria, Virginia, with additional offices in California, Illinois, Massachusetts and North Carolina. For more information visit www.oxfordfinance.com.

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