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) July 15, 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))

Item 1.01. Entry Into a Material Definitive Agreement.

On July 15, 2014, Navidea Biopharmaceuticals, Inc. (the "Company") entered into agreements relating to the formation of a limited liability company, R-NAV, LLC (R-NAV), which will pursue opportunities for use of the Company's Manocept™ CD206 macrophage targeting platform technology in diagnosis and treatment of rheumatologic and arthritic diseases. The participants in R-NAV are the Company, Rheumco, LLC, a portfolio company of Essex Woodlands Health Ventures, and third party private investors affiliated with Essex Woodlands. Using a combination of the Company's Manocept technology and Rheumco's proprietary Tin-117m radioisotope technology, R-NAV will focus on the development of several diagnostic and therapeutic applications in the arthritis space, each to be conducted in a separate subsidiary of R-NAV:

Subsidiary 1: Detection of rheumatoid arthritis (RA) initially using Tc-99m tilmanocept, commercially known as Lymphoseek® (technetium Tc 99m tilmanocept) Injection,

Subsidiary 2: Combination of the Manocept platform with Tin-117m for detection and treatment of RA

Subsidiary 3: Detection and treatment of human and veterinary osteoarthritis (OA) using the Tin-117m technology, and

Subsidiary 4: Treatment of hemophilic arthropathy (HA), a rare pediatric condition.

The Company has three-year call options to acquire, at its sole discretion, all of the equity of subsidiary 1 prior to the launch of a Phase III clinical trial for its development program, and all of the equity of subsidiary 2 upon completion of radiochemistry and biodistribution studies for its development program. Navidea has an equity ownership position in R-NAV and each of its subsidiaries of approximately 30% on a fully converted basis, subject to potential future dilution.

Both Rheumco and Navidea have contributed licenses for intellectual property and technology to R-NAV in exchange for common units in R-NAV. Each of the licenses has grant-back provisions with respect to inventions and other intellectual property developed in these programs outside of the exclusive fields of use specified in the license.

R-NAV will be initially capitalized through a $4 million investment from the investors alongside a $1 million investment from the Company paid over three years, with $333,334 in cash contributed at inception and a promissory note in the principal amount of $666,666, payable in two equal installments on the first and second anniversaries of the transaction. The note will bear interest at the applicable federal rate, currently 0.31% per annum. In exchange for its capital and in-kind investment, the Company received 1,000,000 Series A preferred units of R-NAV ("Series A Units"), and an additional 500,000 Series A Units for management and technical services associated with the programs described above to be performed by the Company for R-NAV pursuant to a services agreement. The Series A Units are convertible into common units at the option of the holder for a conversion price of $1 per unit, subject to broad-based weighted average anti-dilution rights. R-NAV will be managed by a board of directors of 6 persons, consisting of one person designated by the holders of common units, two persons designated by the holders of the Series A Units, and three persons designated by the holders of the common units and Series A Units voting as a single class (with the holders of the Series A Units voting on an as-converted basis).

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Series A Preferred Unit Purchase Agreement and Promissory Note, copies of which are attached as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

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 8.01. Other Events.

On July 16, 2014, the Company issued a press release announcing its entry into the R-NAV transaction. A copy of the complete text of the Company's July 16, 2014, press release is attached as Exhibit 99.1 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*	Series A Preferred Unit Purchase Agreement, dated July 15, 2014, among the Company, R-NAV, LLC, and the other Purchasers named therein.
10.2*	Promissory Note, dated July 15, 2014, between the Company as Maker and R-NAV, LLC.
99.1*	Navidea Biopharmaceuticals, Inc. press release dated July 16, 2014, entitled “Navidea Joins Essex Woodland’s Rheumco to Develop Radiopharmaceuticals for Detection and Treatment of Arthritic Diseases.”

* Filed herewith.

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: July 16, 2014

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

Exhibit 10.1

R-NAV, LLC

SERIES A PREFERRED UNIT PURCHASE AGREEMENT

This Series A Preferred Unit Purchase Agreement (this "***Agreement***") is made and entered into as of July 15, 2014, by and among R-NAV, LLC, a Delaware limited liability company (the "***Company***"), and each of those persons and entities, severally and not jointly, whose names are set forth on the Schedule attached hereto as Exhibit A (the "***Schedule of Purchasers***") (collectively, the "***Purchasers***" and each, without distinction, a "***Purchaser***").

Recitals

The Company desires to sell, and the Purchasers desire to purchase, the number of Series A Preferred Units of the Company provided for in this Agreement (the "***Series A Preferred Units***") on the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the foregoing and the mutual promises, representations, warranties and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO SELL AND PURCHASE

1.1 Authorization of Series A Preferred Units.

On or before the Closing (as defined herein), the Company shall adopt the Amended and Restated Limited Liability Company Agreement in the form attached hereto as Exhibit B (the "***Restated LLC Agreement***") which restates and amends that certain Limited Liability Agreement entered into by the Company and its initial members on July 14, 2014 (the "***Current LLC Agreement***"). Pursuant to the Restated LLC Agreement, on or before the date of the Closing, the Company shall have authorized the sale and issuance of up to 5,500,000 Series A Preferred Units and the Common Units (as defined herein) into which such Series A Preferred Units are convertible (the "***Conversion Units***"; together with the Series A Preferred Units, and the balance of the Common Units that are not Conversion Units, the "***Units***") to the Purchasers.

1.2 Sale and Purchase.

The Company hereby agrees to issue and sell to the Purchasers and, subject to and in reliance upon the representations, warranties, covenants, terms and conditions hereof, at the Closings (as defined herein), the Purchasers, severally and not jointly, agree to purchase from the Company, the number of Series A Preferred Units set forth opposite such Purchaser's name on the Schedule of Purchasers at a purchase price of $1.00 per unit ("***Per Unit Purchase Price***").

2. CLOSING, DELIVERY AND PAYMENT

2.1 Closing.

The closing of the purchase, sale and issuance of the Series A Preferred Units shall occur at a closing (the " ***Closing***"), remotely via the exchange of documents and signatures on the date hereof, or at such other time and place as the Company and the Purchasers purchasing the Series A Preferred Units at the Closing shall agree upon, orally or in writing.

2.2 Payment of Purchase Price; Repurchase Right on Default.

(a) At the Closing, each Purchaser shall pay the purchase price for the Series A Preferred Units being acquired by such Purchaser by wire transfer of immediately available funds in accordance with wiring instructions provided by the Company; provided, that: (i) $666,666 of the purchase price payable by Navidea Biopharmaceuticals Inc. ("***Navidea***") shall be satisfied by deliver to the Company at the Closing of an executed promissory note in form agreed by the Company and Navidea (the "***Navidea Note***") under which Navidea will be obligated to pay $333,333 in cash to the Company on each of the first and second annual anniversaries of the date of the Closing; and (ii) $500,000 of the purchase price payable by Navidea shall be satisfied by delivery to the Company at the Closing of the executed Navidea Services Agreement (as defined below). By executing this Agreement, the Company and each Purchaser hereby agree and acknowledge that (x) delivery of the Navidea Note and Navidea Services Agreement shall be deemed payment for 1,166,666 of the Series A Preferred Units being purchased by Navidea at the Closing, and (y) a "Capital Contribution" of $666,666 under the Restated LLC Agreement shall be deemed made by Navidea by delivery of the Navidea Note, and (z) a "Capital Contribution" of $500,000 under the Restated LLC Agreement shall be deemed made by Navidea by delivery of the Navidea Services Agreement.

(b) In the event that Navidea defaults under either the Navidea Note or the Navidea Services Agreement, the Company shall have all rights and remedies available at law or in equity with respect to such default. Without limiting the foregoing, the Company shall also have the right to cause the forfeiture by Navidea of: (i) up to 666,666 Series A Preferred Units issued to Navidea hereunder with respect to a breach of the Navidea Note, all as more specifically set forth in the terms of such Navidea Note; and (ii) up to 500,000 Series A Preferred Units issued to Navidea hereunder with respect to a breach of the Navidea Services Agreement, all as more specifically set forth in the terms of such Navidea Services Agreement.

2.3 Delivery; Closing Delivery Documents.

(a) At the Closing, subject to the terms and conditions hereof, the Company will issue and deliver to each Purchaser a certificate registered in such Purchaser's name evidencing the Series A Preferred Units to be purchased at the Closing by such Purchaser, against payment of the aggregate Per Unit Purchase Price therefor as provided in Section 2.2 above. Concurrently with the execution and delivery of this Agreement, each Purchaser shall execute and deliver a counterpart signature page to the Restated LLC Agreement.

(b) In addition to the other documents to be delivered at Closing, and other actions to be taken at Closing, the parties acknowledge and agree that at the Closing the parties shall take the following actions and deliver the following documents (collectively, the "***Closing Delivery Documents***"):

(i) Navidea shall execute and deliver to the Company the following agreements, in the form previously agreed by Navidea and the Company and dated as of the date of this Agreement: (A) that certain Master Services Agreement (the "***Navidea Services Agreement***"); (B) (i) that certain License Agreement between Navidea and SnRA Theragnostics, Inc., a subsidiary of the Company ("***SnRA***") and (ii) that certain License Agreement between Navidea and TcRA Imaging, Inc., a subsidiary of the Company ("***TcRA***") ((i) and (ii) collectively, the "***Navidea Licenses***"); (C) that certain Option to Acquire TcRA (the " ***TcRA Option*** "); and (D) that certain Option to Acquire SnRA (the "***SnRA Option***" and, together with the TcRA Option, the "***Option Agreements***" and with the foregoing agreements, collectively, the "***Navidea Agreements***");

(ii) The Company shall execute and deliver to Navidea the Navidea Agreements;

(iii) The Company shall deliver to counsel for the Purchasers a copy of each of the following fully executed agreements with Rheumco LLC ("***Rheumco***"), each in form previously disclosed to such counsel and dated as of the date of this Agreement: (A) (i) that certain License Agreement between Rheumco and SnRA, (ii) that certain License Agreement between Rheumco and Canine Osteoarthritis Theragnostics, Inc., a subsidiary of the Company, (iii) that certain License Agreement between Rheumco and Pediatric Hemophilic Arthropathy, Inc., a subsidiary of the Company ((i) through (iii) collectively, the "***Rheumco Licenses***"); and (B) that certain Master Services Agreement (the "***Rheumco Services Agreement***" and with the foregoing agreements, collectively the "***Rheumco Agreements***");

(iv) The Company shall execute and deliver the Restated LLC Agreement, the Voting Agreement (as defined below) and the Co-Sale Agreement (as defined below) to the Purchasers (including signatures for each obtained from Rheumco);

(v) Each Purchaser shall execute and deliver the Restated LLC Agreement, the Voting Agreement and the Co-Sale Agreement to the Company;

(vi) The Company shall deliver to counsel for each Purchaser an executed Indemnification Agreement (as defined below) for each initial member of the Board designated by such Purchaser; and

(vii) The Company shall deliver to counsel for the Purchasers a copy of each of the fully executed Warrants (as defined below), each in form previously disclosed to such counsel and dated as of the date of this Agreement.

2.4 Use of Proceeds.

The Company shall use the proceeds from the sale of the Series A Preferred Units for working capital and general limited liability company purposes, including payment of an existing promissory note as disclosed in greater detail on Section 2.4 of the Schedule of Exceptions (the "***Rheumco Note***").

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth on a Schedule of Exceptions delivered by the Company to the Purchasers prior to the Closing and attached hereto as Exhibit C (the "***Schedule of Exceptions***"), the Company hereby represents and warrants to each Purchaser as of the date of this Agreement as set forth below. The section numbers in the Schedule of Exceptions correspond to the subsection numbers in this Section 3. For purposes of this Section 3, a reference to the Company's "Knowledge" means the actual knowledge of Gilbert Gonzales.

3.1 Organization, Good Standing and Qualification.

The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite limited liability company power and authority to own and operate its properties and assets, to execute and deliver this Agreement, the Restated LLC Agreement, the Voting Agreement in the form attached hereto as Exhibit D (the "***Voting Agreement***"), the Right of First Refusal and Co-Sale Agreement in the form attached hereto as Exhibit E (the "***Co-Sale Agreement***") and the Indemnification Agreement in the form attached hereto as Exhibit F (the "***Indemnification Agreement***") (collectively, the "***Transaction Agreements***"), to issue and sell the Series A Preferred Units and the Conversion Units, to carry out the provisions of this Agreement, the Transaction Agreements and the Restated LLC Agreement and to carry on its business as presently conducted and as presently proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign limited liability company in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the assets, liabilities, financial condition, prospects or operations of the Company (a "***Material Adverse Effect***").

3.2 Subsidiaries.

The Company has the Subsidiaries disclosed on Section 3.2 of the Schedule of Exceptions, each of which was formed within 10 days of the Closing. No such Subsidiary has ever conducted any material business, but each has entered into the agreements disclosed with respect to it on Section 3.2 of the Schedule of Exceptions. The Company does not have any other ownership in or control over any other corporation, limited liability company, partnership, joint venture or other entity of any kind. The term "***Subsidiary***" means any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of managers or other persons performing similar functions are owned directly or indirectly by the Company.

3.3 Capitalization; Voting Rights.

(a) The authorized capital of the Company, immediately prior to the Closing consists of (i) 16,830,000 Common Units, 9,333,000 of which are issued and outstanding (the "***Common Units***"), and (ii) 5,665,000 Series A Preferred Units, none of which are issued and outstanding. Section 3.3(a) of the Schedule of Exceptions sets forth a complete list of the outstanding Units in the Company, including the name of each holder, and the type and number of Units held by such holder.

(b) Immediately prior to the Closing: (i) no Common Units have been issued pursuant to the exercise of Options (hereinafter defined), (ii) no Options to purchase Common Units have been granted and are currently outstanding, and (iii) 1,667,000 Common Units remain available for future issuance to officers, managers, employees and consultants of the Company. "***Options***" shall mean outstanding rights, options, or warrants to subscribe for, purchased or otherwise acquire Common Units or convertible securities. The Company has a right of first refusal over transfers of all outstanding Common Units. Effective as of Closing, the Company will issue warrants to purchase 165,000 Common Units and 165,000 Series A Preferred Units, each with an initial exercise price of $1.00 per Unit (the "***Warrants***"). Such Warrants are held by the Person disclosed on Section 3.3(b) of the Schedule of Exceptions.

(c) Other than (i) the Warrants and the Units reserved for issuance set forth in Section 3.3(b) and the issuance of the Series A Preferred Units, and (ii) as otherwise disclosed on Section 3.3(c) of the Schedule of Exceptions, (A) no subscription, warrant, option, convertible security, or other right (contingent or otherwise) to purchase or otherwise acquire equity securities of the Company is authorized or outstanding and (B) there is no commitment by the Company to issue Units, subscriptions, warrants, options, convertible securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset. Except as provided for in the Restated LLC Agreement or as set forth in Section 3.3(c) of the Schedule of Exceptions, the Company has no obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of its equity securities or any interest therein or to pay any dividend or make any other distribution in respect thereof. Except as provided for in the Restated LLC Agreement, the Transaction Agreements or disclosed in Section 3.3(c) of the Schedule of Exceptions, there are no voting trusts or agreements, equity holders' agreements, registration rights agreements, pledge agreements, buy-sell agreements, rights of first refusal, preemptive rights or proxies relating to any securities of the Company to which the Company is a party or, to the best of the Company's Knowledge, to which any other Person (as defined herein) is a party.

(d) All issued and outstanding Common Units (i) have been duly authorized and validly issued and are fully paid and non-assessable, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

(e) The rights, preferences, privileges and restrictions of the Units are as stated in the Restated LLC Agreement and such rights, preferences, privileges and restrictions are valid, binding and enforceable and are in accordance with all applicable laws.

3.4 Authorization; Binding Obligations.

(a) All limited liability company action on the part of the Company, its officers, managers and members necessary for the authorization, execution and delivery of this Agreement, the Restated LLC Agreement, and the Transaction Agreements, the performance of all obligations of the Company hereunder and thereunder at the Closing, the authorization, sale, issuance and delivery of the Series A Preferred Units pursuant hereto and the issuance and delivery of the Conversion Units upon conversion of the Series A Preferred Units, has been taken prior to or at the Closing.

(b) This Agreement, the Restated LLC Agreement, and the Transaction Agreements, when executed and delivered by the Company, will be legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (ii) general principles of equity that restrict the availability of equitable remedies, and (iii) to the extent that the enforceability of the indemnification provisions in the Indemnification Agreement may be limited by applicable laws.

3.5 Valid Issuance of Series A Preferred Units.

The Series A Preferred Units for the Closing have been duly authorized and when issued in accordance with this Agreement will be validly issued, fully paid and non-assessable Series A Preferred Units, and will be free and clear of all liens, charges, restrictions, claims and encumbrances imposed by or through the Company; *provided, however*, that the Series A Preferred Units may be subject to restrictions on transfer under state and/or federal securities laws, as set forth herein or in the Restated LLC Agreement or the Transaction Agreements or as otherwise required by such laws at the time a transfer is proposed. The Conversion Units have been duly reserved for issuance. The Conversion Units, when so issued and delivered upon conversion of the Series A Preferred Units, will be duly authorized, validly issued, fully paid and non-assessable Common Units, and will be free and clear of all liens, charges, restrictions, claims and encumbrances imposed by or through the Company; *provided, however*, that the Common Units may be subject to restrictions on transfer under state and/or federal securities laws, as set forth herein or in the Restated LLC Agreement or the Transaction Agreements or as otherwise required by such laws at the time a transfer is proposed. Neither the issuance, sale or delivery of the Series A Preferred Units is, nor will the issuance or delivery of the Conversion Units upon the conversion of the Series A Preferred Units be, subject to any preemptive right of members of the Company or to any right of first refusal or other right in favor of any individual, limited liability company, corporation, partnership, joint venture, trust, or unincorporated organization, or a government or any agency or political subdivision thereof (each a "***Person***") that have not been properly waived or complied with as of the date of each Closing.

3.6 Governmental Consents and Filings.

Assuming the accuracy of the representations made by the Purchasers in Section 4 of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of the Company in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement, except for filings pursuant to Regulation D of the Securities Act of 1933, as amended (the "***Securities Act***"), and applicable state securities laws.

3.7 Liabilities.

Except as disclosed in Section 3.7 of the Schedule of Exceptions and the Rheumco Note, the Company does not have any liability (whether known or unknown and whether absolute or contingent) having, in the aggregate, a value equal to or in excess of $10,000, except for (a) fees, costs and expenses incurred in the organization and formation of the Company and its Subsidiaries, and the preparation and negotiation of, and entry into, the documents and transactions contemplated by this Agreement (including the Closing Delivery Documents), and (b) obligations under the Transaction Agreements, the Closing Delivery Documents and any other agreements, contracts and instruments that are disclosed anywhere in the Schedule of Exceptions.

3.8 Agreements; Action.

(a) Except as disclosed in Section 3.8(a) of the Schedule of Exceptions, and except for (i) standard employee benefits generally made available to all employees, and (ii) standard manager and officer indemnification agreements approved by the Company's Board of Managers, and (iii) the purchase of the Company's Units and the issuance of options to purchase Common Units, in each instance, approved by the Company's Board of Managers (previously provided to the Purchasers or their counsel), there are no agreements, understandings or proposed transactions between the Company and any of its officers, managers, employees, Affiliates or any Affiliate thereof. For purposes of this Agreement, an "***Affiliate***" is any Person who, directly or indirectly, controls, is controlled by or is under common control with any other Person.

(b) Except as disclosed in Section 3.8(b) of the Schedule of Exceptions, there are no agreements, understandings, instruments, contracts, judgments, orders, writs or decrees to which the Company is a party or by which it is bound which may involve (i) obligations (contingent or otherwise) of, or payments to, the Company in excess of $50,000 (other than obligations of, or payments to, the Company arising from purchase, sale or non-exclusive license agreements entered into in the ordinary course of business), or (ii) the transfer or license of any patent, copyright, trade secret, proprietary software or firmware or other proprietary right to or from the Company (other than licenses arising from the purchase of "off the shelf" or other standard products and related data in the ordinary course of business).

(c) Except as disclosed in Section 3.8(c) of the Schedule of Exceptions, the Company has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its Units, (ii) incurred or guaranteed any indebtedness for money borrowed or any other liabilities (other than with respect to dividend obligations, distributions, indebtedness and other obligations incurred in the ordinary course of business) individually in excess of $50,000 or, in the case of indebtedness and/or liabilities individually less than $50,000, in excess of $100,000 in the aggregate, (iii) made any loans or advances to any Person, other than ordinary advances for travel expenses or in accordance with the Company's employee reimbursement policy, or (iv) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business. For the purposes of subsections (b) and (c) of this Section 3.8(c), all indebtedness, liabilities, agreements, understandings, instruments, contracts and proposed transactions involving the same Person (including Persons the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsections.

3.9 Title to Properties and Assets; Liens, Etc.

The Company has good title to its properties and assets, and good title to its leasehold estates, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than those resulting from taxes which have not yet become delinquent. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are, to the Knowledge of the Company, in good operating condition and repair (ordinary wear and tear excepted) and are reasonably fit and usable for the purposes for which they are being used. The Company is in compliance with all material terms of each lease to which it is a party or is otherwise bound. The Company does not own any real property.

3.10 Intellectual Property.

The Company owns or possesses sufficient legal rights to all Intellectual Property (as defined below) that is necessary to the conduct of the Company's business as now conducted (the "***Company Intellectual Property***"). To the Company's Knowledge, such Company Intellectual Property, as currently used, does not violate or infringe the Intellectual Property rights of others. No product or service marketed or sold (or to the Company's Knowledge, currently proposed to be marketed or sold) by the Company violates any license or infringes any rights to any patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, trade secrets, licenses, domain names, mask works and proprietary rights and processes (collectively, "***Intellectual Property***") of any other party. Other than with respect to commercially available software products under standard end-user object code license agreements, there is no outstanding option, license, agreement, claim, encumbrance or shared ownership interest of any kind relating to the Company Intellectual Property other than pursuant to, or as contemplated in, the Closing Delivery Documents or as disclosed in Section 3.10 of the Schedule of Exceptions. The Company has not received any written communications alleging that the Company has violated or, by conducting its business, would violate any of the Intellectual Property of any other person. To the Company's Knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or persons it currently intends to hire) made prior to their employment by the Company (other than pursuant to its rights under the Closing Delivery Documents). Upon the consummation of the Closing, the only Intellectual Property owned or controlled by the Company will be the Intellectual Property licensed to the Company under the Navidea Licenses and under the Rheumco Licenses.

3.11 Compliance with Other Instruments.

The Company is not in violation or default of any term of its Certificate of Formation or Restated LLC Agreement, or, except as disclosed in Section 3.11 of the Schedule of Exceptions, of any provision of any mortgage, indenture, contract, agreement, instrument or contract to which it is party or by which it is bound or of any judgment, decree, order or writ other than any such violation that, individually or in the aggregate, would not have a Material Adverse Effect. The execution, delivery, and performance of and compliance with this Agreement and the Transaction Agreements, and the authorization, sale, issuance and delivery of the Series A Preferred Units pursuant hereto and the issuance and delivery of the Conversion Units upon conversion of the Series A Preferred Units, will not result in any such violation, or constitute a default under any such term, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company or the suspension, revocation, forfeiture or non-renewal of any permit, license, authorization or approval applicable to the Company, its business or operations or any of its properties.

3.12 Litigation.

Except as disclosed in Section 3.12 of the Schedule of Exceptions, there is no (a) action, suit, proceeding or investigation pending or, to the Company's Knowledge, currently threatened in writing against the Company or any officer or manager of the Company before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (b) arbitration proceeding relating to the Company or, to the Company's Knowledge, any officer or manager of the Company pending, or (c) to the Company's Knowledge, governmental inquiry pending currently threatened against the Company or any officer or manager of the Company (including without limitation any inquiry as to the qualification of the Company to hold or receive any license or permit). The Company is not a party to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or which the Company currently intends to initiate.

3.13 Tax Matters.

(a) The Company (i) has never been a member of an affiliated group or been included in a combined, consolidated or unitary tax return; (ii) is not a party to or bound by any tax allocation or tax sharing agreement or has any current or potential obligation to indemnify any other Person with respect to taxes; and (iii) is not required to make any adjustments under Section 481(a) of the Internal Revenue Code of 1986, as amended (the "***Code***") by reason of a change in accounting method which affects any taxable year ending after the date of the Closing, or has any application pending to effect such a change of accounting method.

(b) The Company is not party to and does not have any obligation under any contract to compensate any Person for excise taxes payable pursuant to Section 4999 of the Code or for accelerated inclusion of income, additional taxes, interest or other sanction incurred by such Person pursuant to Section 409A of the Code.

For purposes of this Section, "tax" or "taxes" refers to any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities relating to taxes, including taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, *ad valorem*, transfer, franchise, withholding, payroll, recapture, employment, excise and property taxes, together with all interest, penalties and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other Person with respect to such amounts and including any liability for taxes of a predecessor entity.

3.14 Employees.

(a) As of the date hereof, the Company does not employ any employees and has never employed any employees. The Company's current officers and management personnel are employed by third parties, and are providing their services to the Company under agreements disclosed on Section 3.8 of the Schedule of Exceptions. To the Company's Knowledge, none of its officers or management personnel is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such person's currently contemplated duties with the Company.

(b) The Company is not delinquent in payments to any of its consultants, or independent contractors for any compensation for any service performed for it to the date hereof or material amounts required to be reimbursed to such consultants, or independent contractors.

(c) Except as disclosed in Section 3.14 of the Schedule of Exceptions, the Company is not a party to or bound by any currently effective employment contract, deferred compensation arrangement, bonus plan, incentive plan, profit sharing plan, retirement agreement or other employee compensation plan or agreement.

(d) The Company has not made any representations regarding equity incentives to any officer, employee, manager or consultant that are inconsistent with the Unit amounts and terms set forth in the Company's board minutes.

(e) The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Company's Knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the Company's Knowledge, threatened, which could have a Material Adverse Effect, nor is the Company aware of any labor organization activity involving its employees.

3.15 ERISA.

The Company does not now, nor has it ever, maintained, established, sponsored, contributed to or participated in any employee benefit plan which is subject to the Employee Retirement Income Security Act of 1974, as amended. The Company has no current liability to any such employee benefit plan, and has complied in all material respects with all applicable laws for any such employee benefit plan.

3.16 Registration and Voting Rights; Restrictions on Transfer.

Except as required pursuant to the Restated LLC Agreement, the Company is presently not under any obligation, and no Person has any existing rights, to register any of the Company's presently outstanding securities or any of its securities that may hereafter be issued. Except as contemplated in the Voting Agreement and the Restated LLC Agreement, no member of the Company has entered into any agreement with respect to the voting of equity securities of the Company. Except as set forth in the Restated LLC Agreement, the Company is presently not under any obligation, and has not granted, any preemptive with respect to its equity securities.

3.17 Compliance with Laws.

The Company is not in violation in any material respect of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties. No governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of this Agreement and the issuance of the Series A Preferred Units or the Conversion Units, except such as has been duly and validly obtained or filed, or with respect to any filings that may be made after the Closing. To the Company's Knowledge, the Company has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as it is now being conducted. The Company is not in default in any material respect under any of such franchises, permits or licenses.

3.18 Environmental and Safety Laws.

The Company is and has been in compliance in all material respects with all Environmental Laws. To the Company's Knowledge there has been no release or threatened release of any pollutant, contaminant or toxic or hazardous material, substance or waste, or petroleum or any fraction thereof, (each a ***"Hazardous Substance"***) on, upon, into or from any site currently or heretofore owned, leased or otherwise used by the Company. There have been no Hazardous Substances generated by the Company that have been disposed of in violation of any Environmental Laws. For purposes of this Agreement, ***"Environmental Laws"*** means any law, regulation, or other applicable requirement relating to (x) releases or threatened release of Hazardous Substance; (y) pollution or protection of employee health or safety, public health or the environment; or (z) the manufacture, handling, transport, use, treatment, storage, or disposal of Hazardous Substances.

3.19 Offering Valid.

Assuming the accuracy of the representations and warranties of Purchasers contained in Section 4 hereof, the offer, sale and issuance of the Series A Preferred Units pursuant hereto and the issuance and delivery of the Conversion Units upon conversion of the Series A Preferred Units will be exempt from the registration requirements of the Securities Act, and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Series A Preferred Units to any Person or Persons so as to bring the sale of such Series A Preferred Units by the Company within the registration provisions of the Securities Act or any state securities laws. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "***Disqualification Event***") is applicable to the Company or, to the Company's Knowledge, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable. As used herein, a "***Company Covered Person***" means, with respect to the Company as an "issuer" for purposes of Rule 506 promulgated under the Securities Act, any Person listed in the first paragraph of Rule 506(d)(1).

3.20 Books and Records

The books of account, ledgers, order books, records and documents of the Company accurately and completely reflect all material information relating to the business of the Company, the location and collection of its assets, and the nature of all transactions giving rise to the obligations or accounts receivable of the Company. The Restated LLC Agreement of the Company is in the form provided to the Purchasers.

3.21 Disclosure

Section 3 of this Agreement (as qualified by the Schedule of Exceptions) does not contain any untrue statement of a material fact or, to the Company's knowledge, omit a material fact necessary to make each statement contained herein not misleading in the light of the circumstances in which they were made. It is understood that this representation is qualified by the fact that the Company has not delivered to the Purchasers, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASERS

Each Purchaser, severally and not jointly, hereby represents and warrants to the Company, as of the date of the Closing, as set forth below.

4.1 Requisite Power and Authority.

The Purchaser has all necessary power and authority under all applicable provisions of law to execute and deliver this Agreement and the Transaction Agreements and to carry out their provisions. All action on the Purchaser's part required for the lawful execution and delivery of this Agreement and the Transaction Agreements have been or will be effectively taken prior to the Closing. Upon their execution and delivery, this Agreement and the Transaction Agreements will be valid, legal and binding obligations of the Purchaser, enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

4.2 Investment Representations.

The Purchaser understands that none of the Units have been registered under the Securities Act. The Purchaser also understands that the Series A Preferred Units are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon such Purchaser's representations contained in this Agreement.

4.3 Purchaser Bears Economic Risk.

The Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that it is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests. The Purchaser must bear the economic risk of this investment indefinitely unless the Units are registered pursuant to the Securities Act, or an exemption from registration is available. The Purchaser understands that the Company has no present intention of registering any Units. The Purchaser also understands that there is no assurance that any exemption from registration under the Securities Act will be available and that, even if available, such exemption may not allow the Purchaser to transfer all or any portion of the Units under the circumstances, in the amounts or at the times that the Purchaser might propose or desire.

4.4 Acquisition for Own Account.

The Purchaser is acquiring the Series A Preferred Units and the Conversion Units for the Purchaser's own account for investment only, and not with a view towards distribution, assignment or resale of the Units to others or to fractionalization of the Units in whole or in part.

4.5 Purchaser Can Protect Its Interest.

The Purchaser represents that by reason of its, or of its management's, business or financial experience, the Purchaser has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement and the Transaction Agreements. Further, the Purchaser is aware of no publication of any advertisement in connection with the transactions contemplated in the Agreement.

4.6 Accredited Investor; No Bad Actor.

The Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D, as promulgated under the Securities Act. Each Purchaser that is an entity formed for the specific purpose of purchasing the Series A Preferred Units under this Agreement represents and warrants that, to the best of such Purchaser's knowledge (after due inquiry), each equity owner of such Purchaser is also an "accredited investor" within the meaning of Regulation D, as promulgated under the Securities Act. Each Purchaser represents that neither such Purchaser, nor any person or entity with whom such Purchaser shares beneficial ownership of Company securities, is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act.

4.7 Company Information.

The Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with management of the Company and has had the opportunity to review the Company's operations and facilities. The Purchaser has also had the opportunity to ask questions of and receive answers from, the Company and its management regarding the terms and conditions of this investment. The Purchaser has had access to business and financial information regarding the Company and its prospects. The Purchaser understands and acknowledges that the Company has encouraged the Purchaser to conduct his or her own due diligence regarding the merits and risks of this investment. The Purchaser has conducted such due diligence as he deemed appropriate, and is fully satisfied with the results of such due diligence. The Purchaser has received a copy of certain other materials relating to the Company as the Purchaser has requested, if any, (collectively, the "***Documents***"), and confirms that he or she has carefully read and understands these materials and has made such further investigation of the Company as was deemed appropriate to obtain additional information to verify the accuracy of such materials and to evaluate the merits and risks of this investment. The Purchaser is not relying upon any information provided to him or her by the Company or its agents, representatives, officers, directors or employees, including, without limitation, the Documents, and relying solely on the results of his or her own independent investigation, if any. Much of the information provided to the Purchaser has been in the nature of plans, beliefs, expectations, projections or other forward-looking statements (including, without limitation, regarding the Company and its potential business, operations and prospects, and regarding potential market opportunities). The Company and its potential business face many risks. These risks may cause the Company's actual results to differ significantly from any expectations, plans or projections expressed or implied in its forward-looking statements. The Company cannot, and does not, guarantee future results, events, levels of activity, performance or achievements, or the accuracy of its projections.

4.8 Rule 144.

The Purchaser acknowledges and agrees that in addition to any requirements under the state securities laws, the Series A Preferred Units, and, if issued, the Conversion Units, are “restricted securities” as defined in Rule 144 promulgated under the Securities Act as in effect from time to time and must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. The Purchaser has been advised or is aware of the provisions of Rule 144 as promulgated under the Securities Act as in effect from time to time (“***Rule 144***”), which permits limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions, including, among other things, the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144, and the number of securities being sold during any three-month period not exceeding specified limitations. The Purchaser has been further advised that the Company has no present intention of satisfying the current public information requirements of Rule 144, and as a result the Purchaser will be able to rely on Rule 144 only under the limited circumstances described in paragraph (b)(1) of that rule, which requires, among other things, that the Purchaser not be an Affiliate of the Company at the time of sale and satisfy a one-year holding period requirement.

4.9 Residence.

If the Purchaser is an individual, then such Purchaser resides in the state or province identified in the address of Purchaser set forth on the Schedule of Purchasers; if the Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of Purchaser in which its investment decision was made is located at the address or addresses of Purchaser set forth on the Schedule of Purchasers.

4.10 Foreign Purchasers.

If the Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Code), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Series A Preferred Units or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Series A Preferred Units, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any government or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of the Series A Preferred Units. The Purchaser's subscription and payment for and continued beneficial ownership of the Series A Preferred Units will not violate any applicable securities or other laws of Purchaser's jurisdiction.

4.11 No General Solicitation.

To the knowledge of the Purchaser, the Series A Preferred Units have not been offered to the Purchaser by any form of general solicitation or general advertising, including, without limitation, (a) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media, or broadcast over television or radio, or (b) any seminar or meeting whose attendees (including the Purchaser) have been invited by any general solicitation or general advertising.

4.12 No Public Market; Transfer Restrictions.

The Purchaser understands that no public market now exists for the Units, and that the Company has made no assurances that a public market will ever exist for the Units. The Purchaser acknowledges and agrees that the Units are subject to restrictions on transfer as set forth in the Restated LLC Agreements and the Transaction Agreements.

4.13 Legends.

The Purchaser understands and agrees that the certificates evidencing the Series A Preferred Units or the Conversion Units, or any other securities issued in respect of the Series A Preferred Units or the Conversion Units upon any equity split, equity dividend, recapitalization, merger, consolidation or similar event, shall bear any legends set forth in or required by the Restated LLC Agreement or the Transaction Agreements, any legend required by the securities laws of any state to the extent such laws are applicable to the Units represented by the certificate bearing such legend, and the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW. NEITHER THIS SECURITY NOR ANY PORTION HEREOF OR INTEREST HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS THE SAME IS REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAW, OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE COMPANY SHALL HAVE RECEIVED, AT THE EXPENSE OF THE HOLDER HEREOF, EVIDENCE OF SUCH EXEMPTION REASONABLY SATISFACTORY TO THE COMPANY (WHICH MAY INCLUDE, AMONG OTHER THINGS, AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY).

5. MISCELLANEOUS

5.1 Governing Law; Consent to Jurisdiction.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflicts of laws. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

5.2 Waiver of Jury Trial.

EACH PARTY HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

5.3 Survival.

The representations, warranties, covenants and agreements made herein shall survive any investigation made by any Purchaser and each Closing for a period of 18 months from the date of the Closing. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument.

5.4 Successors and Assigns.

Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto and shall inure to the benefit of and be enforceable by each Person who shall be a holder of the Series A Preferred Units from time to time.

5.5 Entire Agreement.

This Agreement, the exhibits and schedules hereto, the Transaction Agreements, the Restated LLC Agreement, and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

5.6 Severability.

In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

5.7 Amendment and Waiver.

(a) This Agreement may be amended or modified only upon the written consent of the Company and holders of at least a majority of the Series A Preferred Units then outstanding (treated as if converted and including any Conversion Units into which the Series A Preferred Units have been converted that have not been sold to the public).

(b) Subject to Section 5.7(c) below, any party hereto may waive compliance with any agreements, covenants or conditions for the benefit of such party contained herein. Any agreement on the part of a party hereto to any such waiver shall be valid only if set forth in an instrument in writing signed by or on behalf of such party.

(c) The obligations of the Company and the rights of the holders of the Series A Preferred Units and the Conversion Units under the Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the holders of at least a majority of the Series A Preferred Units then outstanding (treated as if converted and including any Conversion Units into which the Series A Preferred Units have been converted that have not been sold to the public). Any such waiver effected in accordance with this Section 5.7(c) shall be binding on all parties hereto, even if they do not execute such consent.

5.8 Delays or Omissions.

No delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement, the Transaction Agreements or the Restated LLC Agreement, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any Purchaser's part of any breach, default or noncompliance under this Agreement, the Transaction Agreements or under the Restated LLC Agreement or any waiver on such party's part of any provisions or conditions of the Agreement, the Transaction Agreements or the Restated LLC Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, the Transaction Agreements, the Restated LLC Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

5.9 Notices.

All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at 21 Waterway Avenue, Suite 225, The Woodlands, TX 77381, Attn: Chief Executive Officer, Fax: (520) 792-0093, with a copy (which shall not constitute notice) to Goldberg, Meanix, McCallin & Muth, 213 - 215 West Miner Street, West Chester, PA 19382, Attn: Martin P. Manco, Fax: 610-436-0628, and to the Purchasers at the address as set forth for each on the Schedule of Purchasers attached hereto, or at such other address as the Company or any Purchaser may designate by written notice to the other parties hereto.

5.10 Expenses; Attorneys' Fees.

Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of the Agreement. In the event that any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

5.11 Titles and Subtitles.

The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

5.12 Broker's Fees.

Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein, except, in the case of the Company, as provided in Section 5.12 of the Schedule of Exceptions. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this Section 5.12 being untrue.

5.13 Exculpation Among Purchasers.

Each Purchaser acknowledges that it is not relying upon any person, firm, limited liability company or corporation, other than the Company and its officers and managers, in making its investment or decision to invest in the Company. Each Purchaser agrees that no Purchaser nor the respective controlling persons, officers, managers, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the Series A Preferred Units and the Conversion Units.

5.14 Pronouns.

All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

5.15 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile, PDF or TIF signatures.

5.16 No Commitment for Additional Financing.

The Company acknowledges and agrees that no Purchaser has made any representation, undertaking, commitment or agreement to provide or assist the Company in obtaining any financing, investment or other assistance, other than the purchase of the Units as set forth herein and subject to the conditions set forth herein. In addition, the Company acknowledges and agrees that (i) no statements, whether written or oral, made by any Purchaser or its representatives on or after the date of this Agreement shall create an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment, (ii) the Company shall not rely on any such statement by any Purchaser or its representatives and (iii) an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment may only be created by a written agreement, signed by such Purchaser and the Company, setting forth the terms and conditions of such financing or investment and stating that the parties intend for such writing to be a binding obligation or agreement. Each Purchaser shall have the right, in its sole and absolute discretion, to refuse or decline to participate in any other financing of or investment in the Company, and shall have no obligation to assist or cooperate with the Company in obtaining any financing, investment or other assistance.

Signatures on the Following Page

This **Series A Preferred Unit Purchase Agreement** is hereby executed as of the date first above written.

COMPANY:

R-NAV, LLC

By: /s/ Gilbert Gonzales
Name: Gilbert Gonzales
Title: Chief Executive Officer

[SIGNATURE PAGE TO R-NAV, LLC
SERIES A PREFERRED UNIT PURCHASE AGREEMENT]

This **Series A Preferred Unit Purchase Agreement** is hereby executed as of the date first above written.

PURCHASER:

CVF, LLC

By: /s/ Richard C. Goodman
Name: Richard C. Goodman
Title: Manager

[SIGNATURE PAGE TO R-NAV, LLC
SERIES A PREFERRED UNIT PURCHASE AGREEMENT]

This **Series A Preferred Unit Purchase Agreement** is hereby executed as of the date first above written.

PURCHASER:

INFINITY CAPITAL III, LLC

By: McRay Money Management, LLC, its Manager

By: /s/ Laurie A. McRay
Name: Laurie A. McRay
Title: Chief Executive Officer

[SIGNATURE PAGE TO R-NAV, LLC
SERIES A PREFERRED UNIT PURCHASE AGREEMENT]

This **Series A Preferred Unit Purchase Agreement** is hereby executed as of the date first above written.

PURCHASER:

NAVIDEA BIOPHARMACEUTICALS, INC.

By: /s/ Brent L. Larson
Name: Brent L. Larson
Title: Executive Vice President & CFO

[SIGNATURE PAGE TO R-NAV, LLC
SERIES A PREFERRED UNIT PURCHASE AGREEMENT]

EXHIBIT A

SCHEDULE OF PURCHASERS

Purchaser	**Notice Address**	**Purchase Price**	**Series A Preferred Units**
CVF, LLC	222 N. La Salle Street, Suite 2000 Chicago, IL 60601 Attn: Richard C. Goodman, General Partner Fax: (312) 984-1489	$2,000,000 cash	2,000,000
Infinity Capital III, LLC	McRay Money Management, L.L.C. c/o Infinity Capital III, LLC 3333 Allen Parkway, Suite 606 Houston, TX 77019 Attn: Laurie McRay Fax: (713) 528-0288	$2,000,000 cash	2,000,000
Navidea Biopharmaceuticals, Inc.	5600 Blazer Parkway, Suite 200 Dublin, OH 43017 Attn: Chief Executive Officer Fax: (614) 793-7522	$333,333 cash Navidea Note* Navidea Services Agreement**	333.333 666,666 500,000
Total			**5,500,000**

*Delivery of the Navidea Note shall constitute payment for 666,666 of the Series A Preferred Units being purchased by Navidea, all subject to the terms of Section 2.2 of this Agreement. The parties agree that delivery of the Navidea Note will be deemed a "Capital Contribution" under the Restated LLC Agreement in the amount of $666.666.

** Delivery of the Navidea Services Agreement shall constitute payment for 500,000 of the Series A Preferred Units being purchased by Navidea, all subject to the terms of Section 2.2 of this Agreement. The parties agree that delivery of the Navidea Services Agreement will be deemed a "Capital Contribution" under the Restated LLC Agreement in the amount of $500,000.

Exhibit 10.2

PROMISSORY NOTE

USD $666,666 **July 15, 2014**

This Promissory Note (this "Note") was issued as of the date set forth above (the "Issuance Date"). FOR VALUE RECEIVED, the undersigned, Navidea Biopharmaceuticals Inc., a Delaware corporation (the "Maker"), promises to pay to the order of R-NAV, LLC, a Delaware limited liability company or its assigns (together with any subsequent holder of this Note, the "Holder"), the principal sum of Six Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars ($666,666.00) or, if less, the portion thereof that remains outstanding, in accordance with the payment terms set forth herein. This Note is made by the Maker pursuant to that certain Series A Preferred Unit Purchase Agreement of even date herewith by and among the Maker, the Holder and certain other parties (the "Purchase Agreement"). This Note is the "Navidea Note" referred to in the Purchase Agreement.

1 . Payments of Principal and Interest. The outstanding principal amount of this Note shall initially bear interest at a rate of interest equal to thirty one hundredths of one percent (0.31%) per annum, compounded annually; provided, that from and after the occurrence of an Event of Default until the unpaid principal balance of this Note is paid in full, interest shall accrue on the unpaid principal balance of this Note at twelve percent (12%) per annum, compounded monthly. The initial Three Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars ($333,333.00) of the principal sum and all interest under this Note accrued through such date shall be due and payable by the Maker to the Holder on July 15, 2015 (the "First Payment Date"). All remaining amounts, including the remaining Three Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars ($333,333.00) of the principal sum and all interest under this Note accrued through such date shall be due and payable by the Maker to the Holder on July 15, 2016 (the "Maturity Date").

2 . Application of Payments. All payments shall be applied first to interest then due and payable, if any, and any balance shall be applied in reduction of principal. The principal and interest shall be payable in lawful money of the United States which shall be legal tender for public and private debts at the time of payment. All interest rates herein provided shall be calculated on the basis of a 365-day year.

3 . Events of Default; Acceleration of Note. The entire remaining outstanding principal balance hereof, and all outstanding accrued and unpaid interest thereon, shall immediately accelerate and become due, owing and payable (without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other requirements of any kind or any action by Holder, all of which are hereby expressly waived by the Maker) upon the occurrence of any of the following (each an "Event of Default"):

(a) the failure by Maker to pay the amounts due hereunder on the First Payment Date or the Maturity Date, as applicable; or

(b) a material breach by Maker of any of the covenants, obligations, representations or warranties contained in this Note, and such default continues for a period of 10 days after written notice to Borrower; or

(c) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, shall be entered or filed against the Maker or its assets, in an aggregate amount in excess of $1,000,000 (except to the extent fully covered by insurance pursuant to which the insurer has accepted liability therefor in writing), and which remains undischarged, unvacated, unbonded or unstayed for a period of 60 days; or

(d) (i) any default shall occur with respect to any one or more items of indebtedness aggregating in excess of $10,000,000 which is issued, assumed, borrowed, owed or guaranteed by the Maker, and such default is not cured within 60 days or results in the acceleration of the maturity thereof and (ii) either (A) such default would cause a material breach under the Navidea License (as defined in the Purchase Agreement) or (B) be reasonably likely to impair Maker's ability to pay any amounts outstanding under this Note; or

(e) the Maker shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) admit in writing its inability to pay its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its assets, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action authorizing any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in the following clause (f) hereof; or

(f) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Maker or any substantial part of its assets, or a proceeding described in clause (e)(v) above shall be instituted against any the Maker, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 days; or

(g) any of the following occurs: (i) a consolidation, merger or reorganization of Maker with or into any other entity in which the holders of Maker's outstanding voting equity securities immediately before such transaction do not, immediately after such transaction, retain an equity interest representing at least a majority of the voting power of the entity surviving such transaction, (ii) a sale, conveyance, exchange or transfer of all or substantially all of the assets of Maker and its subsidiaries on a consolidated basis, or (iii) a sale of Maker's equity securities in a single transaction or a series of related transactions, with the result that the holders of Maker's outstanding voting equity securities immediately before the first such related transaction do not, immediately after the last such related transaction, retain an equity interest representing at least a majority of the voting power of Maker.

4 . Prepayment. The Maker may prepay the principal balance of this Note, together with any interest owing thereon, in whole or, from time to time, in part, without penalty.

5 . Payments. Each payment of principal, interest and any other sum owed under this Note shall be made in United States Dollars and immediately available funds by 2:00 p.m., Dallas, Texas time, at the address for the Holder set forth on the signature page to this Note, or at such other location as is specified by notice from the Holder to the Maker (or by wire of immediately available funds to such account as is specified by notice from the Holder to the Maker not less than three (3) days prior to the payment date). If any payment of principal, interest or any other sum owed under this Note shall be due on a day other than a business day, then such payment shall be made on the next succeeding business day.

6 . Transfer. No obligation hereunder may be assigned (by operation of law or otherwise) by Maker or assumed by another individual or entity without the prior written consent of the Holder, and any attempt to do so will be void. Subject to the preceding sentence, this Note shall be binding upon, shall inure to the benefit of and shall be enforceable by the Holder, Maker and their respective successors and assigns. The Holder may assign this Note and its rights hereunder, in whole or in part, to any persons or entities without any consent of Maker (and any subsequent "Holder(s)" may thereafter also further assign this Note and rights hereunder without any consent of Maker).

7 . Special Remedy. At any time after the occurrence of an Event of Default, the Holder may in its sole discretion, in addition to other rights and remedies provided for herein or otherwise available to it at law or in equity, elect in its sole discretion to terminate, cancel and cause the forfeiture by the Maker of Series A Preferred Units (as defined in the Purchase Agreement) held by the Maker as of the occurrence of an Event of Default, as provided in this Section.

(a) At any time, and from time to time, after an Event of Default, if the Holder wishes to exercise the special remedy provided by this Section, the Holder shall notify the Maker in writing that the Holder is exercising such right, which notice shall specify the number of Series A Preferred Units held by the Maker that are being cancelled, terminated and forfeited by the Maker. For each such Series A Preferred Unit so cancelled, terminated and forfeited, the aggregate amount owing under this Note to the Holder shall be reduced by $1.00 (as such number is proportionately adjusted for Series A Preferred Unit splits, combinations and dividends after the date of this Note affecting the number of outstanding Series A Preferred Units); provided, that the maximum number of Series A Preferred Units that Holder may elect to cancel, terminate and have forfeited hereunder shall not exceed the difference between (i) 666,666 (as such number is proportionately adjusted for Series A Preferred Unit splits, combinations and dividends after the date of this Note affecting the number of outstanding Series A Preferred Units) and (ii) the quotient obtained by dividing the aggregate principal amount paid by Maker hereunder by $1.00 (as such number is proportionately adjusted for Series A Preferred Unit splits, combinations and dividends after the date of this Note affecting the number of outstanding Series A Preferred Units). For the avoidance of doubt, if the Holder exercises this special remedy (including where it exercises for the maximum number of Units permitted by the proviso in the preceding sentence), but amounts still remain owing under this Note thereafter (whether accrued interest, expenses or otherwise), such remaining amounts shall remain outstanding and constitute continued indebtedness of the Maker due and owing under this Note. Further, Holder may exercise this special remedy as many times as it may desire, subject to the maximum limitation specified above.

(b) Immediately upon delivery of any such notice, the resulting cancellation, termination and forfeiture of the specified number of Series A Preferred Units shall automatically be deemed to occur, without any requirement of any further action of Maker or the Holder, and thereafter the Maker shall not have any further rights with respect to such Series A Preferred Units of any sort or nature. Notwithstanding the foregoing, if requested by the Holder the Maker will return to the Holder any Unit certificate(s) representing Series A Preferred Units held by the Maker, so that the Holder may reflect such cancellation, termination and forfeiture by decreasing the number of Units represented by such certificate(s) accordingly. The Maker hereby agrees from time to time to promptly execute any and all such other documentation as the Holder may reasonably request to evidence and effect any cancellation, termination and forfeiture pursued by the Holder hereunder, or to otherwise give effect to the intended special remedy of the Holder hereunder.

(c) Maker hereby agrees that it will, at all times until this Note is indefeasibly repaid in full, retain and hold at least 666,666 Series A Preferred Units (as such number is proportionately adjusted for Series A Preferred Unit splits, combinations and dividends after the date of this Note affecting the number of outstanding Series A Preferred Units) or such lesser number of shares as may be redeemable under this Section 7, as determined in accordance with Section 7(a) above, so that Holder may elect to use this special remedy if it so chooses. Maker further agrees that it shall not pledge, grant a security interest in, or otherwise transfer or assign any beneficial ownership interest in such number of Series A Preferred Units until this Note is indefeasibly repaid in full. The foregoing is in addition to all other transfer restrictions applicable to Maker under other agreements to which it is party (and those under applicable law).

(d) The Holder's rights and remedies provided herein are cumulative and are in addition to any rights and remedies available to the Holder at law or in equity. In no event shall Holder be required to pursue this special remedy unless it wishes to do so. Holder shall always retain the right to pursue payment in full of this Note in cash. Finally, the Maker hereby irrevocably agrees and acknowledges that the amount of indebtedness that is deemed satisfied by the cancellation, termination and forfeiture of a Series A Preferred Unit (i.e., $1.00 per Unit, subject to potential adjustment as explicitly provided above) has been finally and conclusively agreed by Maker and Holder, and shall be given effect even if a Series A Preferred Unit at the time of any such cancellation, termination and forfeiture has a higher fair market value (as this special remedy and the $1.00 price utilized herein were integral terms to the original issuance of Series A Preferred Units to the Maker pursuant to the Purchase Agreement in exchange for delivery of this Note to Holder, and the Holder would not have accepted this Note, or issued such Units, without this special right on these terms).

8. Subordination. Pursuant to the terms of the Subordination Agreement dated July __, 2014 between Oxford and R-NAV, LLC (the "Subordination Agreement") all indebtedness and obligations of Maker and rights of Holder under this Note are expressly subordinate to all indebtedness and obligations of Maker to Oxford Finance LLC ("Oxford") in its capacity as agent for certain lenders, as described in the Subordination Agreement. The obligations of Maker and rights of Holder under this Note are also expressly subordinate to all obligations and indebtedness of Maker (including, without limitation, principal, premium (if any), interest, fees, charges, expenses, costs, professional fees and expenses, and reimbursement obligations), whether presently existing or arising in the future, to Platinum-Montaur Life Sciences, LLC ("Platinum") under the Loan Agreement, dated July 25, 2012 (as amended as of June 25, 2013 and March 4, 2014), between Maker and Platinum.

9. Miscellaneous.

(a) This Note may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. The rights of Holder and obligations of Maker under this Note may only be waived by an executed written waiver delivered by the Holder to Maker. Any failure by Holder hereof to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any other time and from time to time thereafter.

(b) The Maker hereby represents and warrants to the Holder, and hereby agrees with Holder, that (i) this Note constitutes the legal, valid and binding obligation of Maker, enforceable against Maker in accordance with its terms, and (ii) Maker has the absolute and unrestricted right, power and authority to execute and deliver this Note, and has the absolute and unrestricted right, power and authority to perform its obligations hereunder, including its obligation to pay all amounts due hereunder when due whether by acceleration or otherwise, without breach or violation of any contract or restriction of any type or nature. Maker is not subject to, and will not enter into, any credit agreement, intercreditor agreement or other agreement or covenant of any type, in any case, that purports to restrict, limit or prohibit Maker from paying any amounts under this Note to Holder when due, whether by acceleration or otherwise.

(c) The Maker acknowledges that the obligations of Maker to Holder under this Note are full recourse.

(d) The Maker hereby (i) waives demand, presentment, protest, notice of non-payment, notice of intention to accelerate, notice of acceleration, notice of protest and any lack of diligence or delay in collection or the filing of suit hereon, and agrees that its liability on this Note shall not be affected by any renewal or extension in the time of payment hereof, by any indulgences, or by any release or change in any security for the payment hereof, and (ii) hereby consents to any and all renewals, extensions, indulgences, releases or waives demand, presentment, protest, dishonor and notice of dishonor.

(e) The Maker agrees to pay upon demand all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the Holder in collecting or attempting to collect under this Note after an Event of Default, including in pursuing its rights to cancel, terminate and cause the forfeiture of Series A Preferred Units as provided above.

(f) It is the intent of the Maker and the Holder that the Maker not pay and the Holder not receive, directly or indirectly, interest in excess of that which may be lawfully paid by the Maker and received by the Holder under the law applicable to this Note. Accordingly, in no event shall the rate or amount of interest due or payable under this Note exceed the maximum rate or amount of interest allowed by applicable law, and in the event any excess amount is paid by the Maker or received by the Holder, the excess amount shall be credited as a payment of principal or returned to the Maker, at the election of the Maker upon written notice to the Holder. The foregoing shall be the Holder's sole obligation and the Maker's exclusive remedy in such an event.

(g) Section headings in this Note are included herein for convenience of reference only and shall not constitute a part of this Note for any other purpose.

(h) This Note shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflicts of laws. The Maker hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Note. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under the Purchase Agreement. The Maker irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. The Maker irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. FURTHER, THE MAKER AGREES THAT THE HOLDER SHALL HAVE THE RIGHT TO PROCEED AGAINST THE MAKER IN A COURT IN ANY LOCATION TO ENABLE THE HOLDER TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE HOLDER. THE MAKER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE HOLDER HAS COMMENCED A PROCEEDING DESCRIBED IN THIS CLAUSE.

(i) EACH PARTY HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS NOTE OR ANY RELATED MATTER AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

(j) The provisions of this Note are severable, and the invalidity or unenforceability of one or more of the provisions of this Note shall not affect or impair the validity or enforceability of the remaining terms hereof.

(k) In case the Note shall be mutilated, lost, stolen, or destroyed, the Maker shall issue and deliver in exchange and substitution for, and upon cancellation of the mutilated instrument or in lieu of and substitution for the instrument lost, stolen or destroyed, a new note or other document of like tenor and representing an equivalent right or interest, but only upon receipt of evidence satisfactory to the Company of such loss, theft or destruction; the affidavit of the Holder, without bond but with promise of indemnity, shall be satisfactory.

(l) Any notices or consents required or permitted by this Note shall be in writing and shall be deemed delivered as specified for the giving of notices under the Purchase Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first set forth above.

Navidea Biopharmaceuticals Inc.

By: /s/ Brent L. Larson
Name: Brent L. Larson
Title: Executive Vice President & CFO

ACKNOWLEDGED AND AGREED:

R-NAV, LLC

By: /s/ Gilbert Gonzales
Name: Gilbert Gonzales
Title: Chief Executive Officer

Exhibit 99.1

FOR IMMEDIATE RELEASE

Navidea Joins Essex Woodlands' Rheumco to Develop Radiopharmaceuticals for Detection and Treatment of Arthritic Diseases

- Combining Manocept™ with Rheumco's Tin-117m radioisotope to enable earlier disease detection and localized therapy -

DUBLIN OHIO, July 16, 2014 -- Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB) today announced that it has formed a joint enterprise with Essex Woodlands-backed Rheumco, LLC, to develop and commercialize radiolabeled diagnostics and therapeutics for rheumatologic and arthritic diseases. The joint enterprise, called R-NAV, LLC, will combine Navidea's proprietary Manocept CD206 macrophage targeting platform and Rheumco's proprietary Tin-117m radioisotope technology to focus on leveraging the platforms across several indications with high unmet medical need:

1) Detection of rheumatoid arthritis (RA) initially using Tc-99m tilmanocept, commercially known as Lymphoseek ® (technetium Tc-99m tilmanocept) Injection,
2) Combination of the Manocept platform with Tin-117m for detection and treatment of RA,
3) Detection and treatment of human and veterinary osteoarthritis (OA) using the Tin-117m technology, and
4) Treatment of pediatric hemophilic arthropathy (PHA); a rare rheumatologic condition.

"We chose to combine our proprietary Tin-117m technology with Navidea's Manocept CD206 receptor- targeting technology due to its unique ability to seek out and attach itself to immune cells responsible for detrimental inflammation in arthritic conditions," said Gilbert Gonzales, M.D., Founder, Rheumco, and R-NAV Director.

Immanuel Thangaraj, Managing Director and Partner at Essex Woodlands and R-NAV Director, added, "A broad-based approach using radiopharmaceuticals would enable earlier detection and therapeutic intervention before irreversible damage occurs in joints, distinguish between autoimmune and degenerative diseases, and potentially improve patient outcomes and quality of care."

"Through this partnership, we will for the first time explore the development of our Manocept technology for therapeutic uses, expanding the commercial potential of the platform beyond the important role it currently plays in cancer detection," said Michael Goldberg, M.D., Navidea Interim Chief Executive Officer. "We believe R-NAV may help accelerate development of both diagnostic and therapeutic applications of our Manocept platform in a cost-effective manner, capitalizing on the proven pathway established by the FDA approval of Lymphoseek, the first US FDA-approved product from the Manocept platform. The R-NAV joint enterprise allows us to leverage our broad Manocept technology platform for therapeutic and diagnostic applications, including global license rights to tilmanocept, to multiply the available funding, create optionality, and efficiently expand our product pipeline outside of Navidea as we focus our internal resources on Lymphoseek commercialization and market growth."

R-NAV will focus on deploying the two technology platforms as an ideal combination for the development of novel diagnostic and therapeutic agents for rheumatologic and arthritic conditions. For a number of years, Essex Woodlands and Rheumco have invested in the development of their patented, high-specific-activity Tin-117m technology to optimize its therapeutic potential and safety profile. Tin-117m possesses unique imaging and therapeutic properties not found in alternative medical isotopes, including its ability to locally target disease-causing cells without damaging adjacent healthy tissue. Navidea's Manocept technology is able to quickly seek out and attach to certain immune cells expressing CD206, called macrophages. Macrophages are an emerging participant in disease-associated inflammation, which has been found to play a role in conditions such as RA, cancer, and heart disease.

-more-

"We decided to form the joint enterprise with Rheumco and Essex Woodlands and their financial partners given their successful track record of investing and building innovative medical technologies and the resources they will be able to contribute to this venture," said Mark Pykett, V.M.D., Ph.D., Head of Navidea's Manocept development program and R-NAV Director. "Together, with this proof statement for our technology platforms, we have the opportunity to help the millions of patients diagnosed each year with arthritic conditions as well as the very serious rare disease, pediatric hemophilic arthropathy, for which there are no effective treatment options available today."

R-NAV will be initially funded primarily through a $4 million investment from Infinity Capital III, of Houston-based McRay Money Management, and other third-party private investors working closely with Essex Woodlands, and underpinning the technology contributions from Rheumco and Navidea. Navidea has committed an additional $1 million to support R-NAV's development efforts to be paid in equal installments over three years. In exchange for its cash, in-kind and technology contributions, Navidea has received both common units and Preferred Series A units of R-NAV and will initially own approximately 30% of the combined entity. Joint oversight of R-NAV is shared between Navidea, Rheumco, Infinity Capital III of Houston-based McRay Money Management, and the other investors. Navidea also has an option to acquire, at its sole discretion prior to Phase 3 clinical study, imaging products derived from the Manocept platform, and therapeutic products combining Manocept agents from Navidea with the Tin-117m technology for commercialization.

Detection of RA, a chronic, progressive, systemic autoimmune disorder, is the nearest-term opportunity being pursued by R-NAV. Clinicians are often faced with diagnostic confusion early in disease progression resulting in inaccurate diagnosis when existing therapies could be most effective. There is currently no approach to reliably detect, evaluate or therapeutically target the macrophage inflammatory component of RA, which is a key driver of RA pathogenesis. Misdiagnosis results in billions of dollars being spent each year unnecessarily on therapies, which may result in significant side effects. According to the Centers for Disease Control (CDC), the overall cost of arthritis and other rheumatic conditions in the U.S was approximately $128 billion in 2003. Of this, $80.8 billion was due to direct costs and $47 billion was due to indirect costs (lost wages only). The CDC also notes that in 2004 arthritis resulted in 78 million physician visits and 5 million hospitalizations having a principal or secondary diagnosis of arthritis. Further, current intervention using methotrexate or biologics is costly, associated with side effects, and in many cases does not adequately treat the disease or the underlying inflammatory pathology. A targeted imaging agent such as Manocept could assist physicians and healthcare providers to better diagnose patients and allow for earlier and more effective intervention, and use of a Tin-117m therapeutic could improve and localize therapeutic intervention for the same patients.

-more-

About the Manocept™ Platform
Navidea's Manocept platform is predicated on the ability to specifically target the CD206 mannose receptor expressed on macrophages. Macrophages play important roles in many disease states and are an emerging target in many disorders where diagnostic uncertainty exists. This flexible and versatile platform acts as an engine for purpose-built molecules that may enhance diagnostic accuracy, clinical decision-making, therapeutic delivery and ultimately patient care, while offering the potential to utilize a breadth of radioisotopes and diagnostic imaging modalities, including SPECT, PET, intra-operative and/or optical-fluorescence detection. The Company's FDA-approved precision diagnostic lymphatic mapping agent, Lymphoseek® (technetium Tc-99m tilmanocept) Injection, is representative of the ability to successfully exploit this mechanism to develop powerful, new diagnostic agents.

About Tin-117m Technology
Tin-117m is a unique radioisotope that has the potential to both identify and treat multiple disease areas that include rheumatoid arthritis, vulnerable plaque, cancers, and other medical problems. Tin-117m has two significant energy emissions, a SPECT gamma photon similar to Tc-99m enabling imaging, and conversion electrons ideally suited for therapeutic applications. When linked to a targeting molecule, the radiopharmaceutical complex selectively binds to its specific target. This enables both imaging and therapy to a localized disease area limiting its therapeutic effect to the desired tissue without damage to adjacent healthy tissue and using remarkably low doses of radiopharmaceutical.

About Lymphoseek®
Lymphoseek® (technetium Tc 99m tilmanocept) Injection is the first and only FDA-approved receptor-targeted lymphatic mapping agent. It is a novel, receptor-targeted, small-molecule radiopharmaceutical used in the evaluation of lymphatic basins that may have cancer involvement in patients with breast cancer, melanoma and head and neck cancer patients with oral cavity carcinoma. Lymphoseek is designed for the precise identification of lymph nodes that drain from a primary tumor, which have the highest probability of harboring cancer. Lymphoseek is approved by the U.S. Food and Drug Administration (FDA) for use in lymphatic mapping to assist in the localization of lymph nodes draining a primary tumor in patients with breast cancer or melanoma and for use in guiding sentinel lymph node biopsy in head and neck cancer patients with squamous cell carcinoma of the oral cavity. The Company anticipates continuing development of Lymphoseek into other solid tumor areas.

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 45,000 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 55,000 new cases of head and neck/oral cancer diagnosed in Europe annually.

Lymphoseek Indication and Important Safety Information
Lymphoseek (technetium Tc 99m tilmanocept) Injection is indicated, using a hand-held gamma counter, for:

- Lymphatic mapping to assist in the localization of lymph nodes draining a primary tumor site in patients with breast cancer or melanoma;
- Guiding sentinel lymph node biopsy, in patients with clinically node negative squamous cell carcinoma (SCC) of the oral cavity.

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).

-more-

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.

Any radiation-emitting product may increase the risk for cancer. Adhere to dose recommendations and ensure safe handling to minimize the risk for excessive radiation exposure to patients or health care workers. In clinical trials, no patients experienced serious adverse reactions and the most common adverse reactions were injection site irritation and/or pain (<1%).

Full Lymphoseek Prescribing Information Can Be Found at: WWW.LYMPHOSEEK.COM

About Navidea Biopharmaceuticals Inc.
Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB) is a biopharmaceutical company focused on the development and commercialization of precision diagnostics and radiopharmaceutical agents. Navidea is developing multiple precision diagnostic products and platforms, including NAV4694, NAV5001, Manocept™ and NAV1800 (RIGScan™), to help identify the sites and pathways of undetected disease and enable better diagnostic accuracy, clinical decision-making and, ultimately, patient care. Lymphoseek® (technetium Tc-99m tilmanocept) Injection, Navidea's first commercial product from the Manocept platform, was approved by the FDA in March 2013. For more information, please visit www.navidea.com.

About Rheumco, LLC.
Rheumco, LLC is a privately held early-stage pharmaceutical development company focused on rheumatological applications using Tin-117m. Tin-117m is a theranostic isotope that can be used for medical imaging and therapeutic applications.

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 in this news release, 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 and other Securities and Exchange Commission filings. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

-more-

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

###

-end-