

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) May 11, 2015

NAVIDEA BIOPHARMACEUTICALS, INC.  
(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>001-35076</u> (Commission File Number)	<u>31-1080091</u> (IRS Employer Identification No.)
<u>5600 Blazer Parkway, Suite 200, Dublin, Ohio</u> (Address of principal executive offices)		<u>43017</u> (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 May 11, 2014, Navidea Biopharmaceuticals, Inc. (the “Company”) and its subsidiary Macrophage Therapeutics, Inc., as guarantor, executed a Term Loan Agreement (the “CRG Loan Agreement”) with Capital Royalty Partners II L.P. in its capacity as a lender and as control agent for other affiliated lenders party to the CRG Loan Agreement (collectively, the “Lenders”) in which the Lenders agreed to make a term loan to the Company in the aggregate principal amount of \$50,000,000 (the “Term Loan”), with an additional \$10 million in loans to be made available upon the satisfaction of certain conditions stated in the CRG Loan Agreement. Closing and funding of the Term Loan occurred on May 15, 2014 (the “Effective Date”). The principal balance of the Term Loan will bear interest from the Effective Date at a per annum rate of interest equal to 14.0%. The Company will make quarterly payments of interest only in arrears commencing on June 30, 2015. Commencing on the fourth anniversary of the first quarterly interest payment date, the Company has the option of paying (i) 10.00% of the 14.00% per annum interest in cash and (ii) 4.00% of the per annum interest as compounded interest, added to the aggregate principal amount of the Term Loan. Principal is repayable in eight equal quarterly installments during the final two years of the term.

The Company may voluntarily prepay the Term Loan in full, upon fifteen business days’ prior written notice to Lenders, with a prepayment premium beginning at 5% and declining by 1% annually thereafter, with no premium being payable if prepayment occurs after the fifth year of the term. The Term Loan requires the payment on the borrowing date of a financing fee of 1.25% of the amount borrowed, and facility fee payable at the end of the term or when the loan is repaid in full equal to 2% of the principal amount.

The CRG Loan Agreement requires that the Company adhere to certain affirmative and negative covenants, including, without limitation, financial reporting requirements and a prohibition against the incurrence of indebtedness, or creation of additional liens, other than as specifically permitted by the terms of the CRG Loan Agreement. The Lenders may accelerate the payment terms of the CRG Loan Agreement upon the occurrence of certain events of default set forth therein, which include, without limitation, the failure of the Company to make timely payments of amounts due under the CRG Loan Agreement, the failure of the Company to adhere to the covenants set forth in the CRG Loan Agreement, and the insolvency of the Company. The covenants of the CRG Loan Agreement include a covenant that the Company shall have EBITDA of no less than \$5 million in each calendar year during the term or revenues from sales of Lymphoseek® in each calendar year during the term of at least \$11 million in 2015, with the target minimum revenue increasing in each year thereafter until reaching of \$45 million in 2020, which will also be the target minimum revenue in each calendar year thereafter during the term. If the Company fails to meet the applicable EBITDA or minimum revenue target in any calendar year, the Loan Agreement provides the Company a cure right if it raises 2.5 times the EBITDA or revenue shortfall in equity or subordinated debt and deposits such funds in a separate blocked account. Finally, the events of default under the CRG Loan Agreement include a failure of Platinum-Montaur Life Sciences, LLC (“Platinum”) to perform its funding obligations under the Platinum Loan Agreement (as defined below) at any time as to which the Company had negative EBITDA for the most recent fiscal quarter, as a result either of Platinum’s repudiation of its obligations under the Platinum Loan Agreement, or the occurrence of an insolvency event with respect to Platinum.

Pursuant to the terms of a Security Agreement with the Lenders, the Company granted the Lenders a security interest in the Company’s tangible or intangible personal property of every kind, including, without limitation, all accounts, chattel paper, equipment, inventory, contract rights or rights to payment of money, general intangibles, commercial tort claims, documents, instruments (including any promissory notes), cash, deposit accounts, fixtures, letters of credit rights, intellectual property, securities, and all other investment property, and any and all claims, rights and interests in any of the above (collectively, the “Collateral”). The Collateral does not include capital stock of any foreign subsidiary of the Company in excess of 65% of the voting power of all classes of stock entitled to vote, if a pledge of more than 65% of the capital stock of such subsidiary creates an adverse tax consequence to the Company under the U.S. Internal Revenue Code.

In connection with the Company entering into the CRG Loan Agreement, the Company and Platinum entered into a Third Amendment (the “Third Platinum Amendment”) to the Loan Agreement between the Company and Platinum, dated July 25, 2012, as amended June 25, 2013 and March 4, 2014 (the “Platinum Loan Agreement”). Platinum and the Lenders also entered into a Subordination Agreement (the “Subordination Agreement”), which the Company consented to and acknowledged, providing for the subordination of the Company’s indebtedness to Platinum under the Platinum Loan Agreement to the Company’s indebtedness under the CRG Loan Agreement, among other customary terms and conditions. Contemporaneously with the execution of the Third Platinum Amendment, the Company delivered a Third Amended and Restated Promissory Note, dated the Effective Date (the “Third Amended Platinum Note”), which amends and restates the Second Amended Promissory Note, dated March 4, 2014, made by the Company in favor of Platinum in the original principal amount of up to \$35,000,000. Among other things, the Third Platinum Amendment (i) extends the term of the Platinum Loan Agreement until a date six months following the maturity date or earlier repayment of the Term Loan, and (ii) changes the provisions of the Platinum Loan Agreement governing Platinum’s right to convert advances into common stock of the Company. The Platinum Loan Agreement formerly provided for the optional conversion of advances made on or after June 25, 2013 beginning two (2) years from the date of the advance at conversion price equal to the lesser of (i) 90% of the lowest volume weighted average price for the 10 trading days preceding the date of such conversion request, or (ii) the average volume weighted average trading price for the 10 trading days preceding the date of such conversion request. Under the Third Platinum Amendment, the conversion right now applies to all advances made under the Platinum Loan Agreement, but not until such time as the average daily volume weighted average price of the Company’s common stock for the ten (10) preceding trading days exceeds \$2.53 per share. As of the Effective Date, the net advances to the Company under the Platinum Loan Agreement were \$7.7 million.

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

On the Effective Date, in connection with the consummation of the Loan Agreement, the Company repaid all amounts outstanding under the Loan and Security Agreement with Oxford Finance, LLC (the "Oxford Loan Agreement") in the amount of \$31.6 million, which included payments of \$289,000 as a pre-payment fee and \$2,385,000 as an end-of-term final payment fee.

**Item 1.02 Termination of a Material Definitive Agreement.**

The contents of Item 1.01 are incorporated by reference into this item. On the Effective Date, the Oxford Loan Agreement terminated upon the payment to Oxford of the \$31.6 million amount referenced in Item 1.01.

**Item 2.02 Results of Operations and Financial Condition.**

On May 12, 2015, the Company issued a press release regarding its consolidated financial results for the first quarter of 2015. A copy of the Company's May 12, 2015, press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

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

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

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

**Item 8.01 Other Events.**

On May 11, 2015, the Company issued a press release entitled "Navidea Secures \$60 Million Loan with CRG; Funding to Support Lymphoseek® Commercialization and Advancement of Development Pipeline." A copy of the Company's May 11, 2015, press release is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in Item 8.01 of this Current Report on Form 8-K, including Exhibit 99.2 attached hereto, shall not be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

*Exhibit  
Number*

*Exhibit Description*

10.1	Term Loan Agreement, dated as of May 8, 2015, by and among Navidea Biopharmaceuticals, Inc., as borrower, Macrophage Therapeutics, Inc. as guarantor, and Capital Royalty Partners II L.P., Capital Royalty Partners II – Parallel Fund “A” L.P. and Parallel Investment Opportunities Partners II L.P., as lenders (to be filed by amendment to this report).
10.2	Security Agreement, dated as of May 15, 2015 among Navidea Biopharmaceuticals, Inc. , as borrower, Macrophage Therapeutics, Inc. as guarantor, and Capital Royalty Partners II L.P., Capital Royalty Partners II – Parallel Fund “A” L.P. and Parallel Investment Opportunities Partners II L.P., as lenders, and Capital Royalty Partners II L.P., as control agent.
10.3	Subordination Agreement, dated as of May 8, 2015, among Platinum-Montaur Life Sciences, LLC, as subordinated creditor, Capital Royalty Partners II L.P., Capital Royalty Partners II – Parallel Fund “A” L.P. and Parallel Investment Opportunities Partners II L.P., as senior creditors, and Capital Royalty Partners II L.P., as senior creditor agent, and consented to by Navidea Biopharmaceuticals, Inc. as borrower.
10.4	Third Amendment to Loan Agreement, dated as of May 8, 2015, by and between Navidea Biopharmaceuticals, Inc. as borrower, and Platinum-Montaur Life Sciences, LLC, as lender.
10.5	Third Amended and Restated Promissory Note, dated May 8, 2015, made by Navidea Biopharmaceuticals, Inc. in favor of Platinum-Montaur Life Sciences LLC.
99.1	Press Release, dated May 12, 2015, entitled “Navidea Reports First Quarter 2015 Financial Results; Reiterates 2015 Lymphoseek® Revenue Guidance.”
99.2	Press Release, dated May 11, 2015, entitled “Navidea Secures \$60 Million Loan with CRG; Funding to Support Lymphoseek® Commercialization and Advancement of Development Pipeline.”

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, and markets for the Company’s products, are forward-looking statements. 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, 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, and other risks detailed in the Company’s most recent Annual Report on Form 10-K 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: May 15, 2015

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

## SECURITY AGREEMENT

SECURITY AGREEMENT dated as of May 15, 2015 among NAVIDEA PHARMACEUTICALS, INC., a Delaware corporation (“*Borrower*”), MACROPHAGE THERAPEUTICS, INC., a Delaware corporation (“*Macrophage*”; collectively with each entity that becomes a “*Grantor*” hereunder as contemplated by Section 5.12, the “*Grantors*” and each, a “*Grantor*”), CAPITAL ROYALTY PARTNERS II L.P., CAPITAL ROYALTY PARTNERS II – PARALLEL FUND “A” L.P. and PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II L.P. (together, the “*Lenders*” and each, a “*Lender*”) and CAPITAL ROYALTY PARTNERS II L.P., as control agent for the Secured Parties (in such capacity, the “*Control Agent*” and, together with the Lenders, the “*Secured Parties*” and each, a “*Secured Party*”).

The Secured Parties have agreed to provide term loans to Borrower as provided in the Loan Agreement (as defined below).

To induce the Secured Parties to extend credit under the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor has agreed to grant a security interest in the Collateral (as defined below) of such Grantor as security for the Secured Obligations (as defined below).

Accordingly, the parties hereto agree as follows:

**Section 1. Definitions, Etc.**

**1.01 Certain Uniform Commercial Code Terms.** As used herein, the terms “*Accession*”, “*Account*”, “*As-Extracted Collateral*”, “*Chattel Paper*”, “*Check*”, “*Commodity Account*”, “*Commodity Contract*”, “*Deposit Account*”, “*Document*”, “*Electronic Chattel Paper*”, “*Encumbrance*”, “*Equipment*”, “*Fixture*”, “*General Intangible*”, “*Goods*”, “*Instrument*”, “*Inventory*”, “*Investment Property*”, “*Letter-of-Credit Right*”, “*Proceeds*”, “*Promissory Note*”, “*Record*” and “*Supporting Obligation*” have the respective meanings set forth in Article 9 of the NYUCC, and the terms “*Certificated Security*”, “*Entitlement Holder*”, “*Financial Asset*”, “*Securities Account*”, “*Security*”, “*Security Entitlement*” and “*Uncertificated Security*” have the respective meanings set forth in Article 8 of the NYUCC.

**1.02 Additional Definitions.** In addition, as used herein:

“*Collateral*” has the meaning assigned to such term in Section 3.01.

“*Control Agent*” has the meaning assigned to such term in the preamble.

“*Controlled Foreign Corporation*” means a “controlled foreign corporation” as defined in the Code.

“*Copyrights*” means all copyrights, copyright registrations and applications for copyright registrations, including all renewals and extensions thereof, all rights to recover for past, present or future infringements thereof and all other rights whatsoever accruing thereunder or pertaining thereto.

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“**Excluded Asset**” means, to the extent any property is excluded from the Collateral solely by operation of **Section 3.02**, such property.

“**Initial Pledged Shares**” means the Shares of each Issuer beneficially owned by any Grantor on the date hereof and identified in **Annex 2**.

“**Issuers**” means, collectively, (a) the respective Persons identified on **Annex 2** under the caption “Issuer”, (b) any other Person that shall at any time be a Subsidiary of any Grantor, and (c) the issuer of any equity securities hereafter owned by any Grantor.

“**Joinder**” has the meaning specified in **Section 5.12**.

“**Loan Agreement**” means that certain term loan agreement, dated as of the date hereof, among Borrower and the Secured Parties, as such agreement is amended, supplemented, or otherwise modified, restated, extended, renewed, or replaced from time to time.

“**Motor Vehicles**” means motor vehicles, tractors, trailers and other like property, if the title thereto is governed by a certificate of title or ownership.

“**NYUCC**” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“**Patents**” means all patents and patent applications, including the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations in part thereof, all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto, all damages and payments for past or future infringements thereof and rights to sue therefor, and all rights corresponding thereto throughout the world.

“**Pledged Property**” means the Deposit Accounts, the Pledged Shares, the Securities Accounts, the Commodity Accounts and all or any part of any other present or future interests of any Grantors in Investment Property, including all of the present or future Security Entitlements of such Grantor as Entitlement Holders in respect of such Security Entitlements, all of the present or future Commodity Contracts of such Grantor as commodity customers in respect of such Commodity Contracts, all credit balances relating to such property, all Chattel Paper, Electronic Chattel Paper, Instruments and Letter-Of-Credit Rights of Grantors, and all other rights and benefits accruing to or arising in connection with such property, and all Proceeds of such property.

“**Pledged Shares**” means, collectively, (i) the Initial Pledged Shares and (ii) all other Shares of any Issuer now or hereafter owned by any Grantor, together in each case with (a) all certificates representing the same, (b) all shares, securities, moneys or other property representing a dividend on or a distribution or return of capital on or in respect of the Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the Pledged Shares or otherwise received in exchange therefor, and any warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Shares, and (c) without prejudice to any provision of any of the Loan Documents prohibiting any merger or consolidation by an Issuer, all Shares of any successor entity of any such merger or consolidation.

“**Secured Obligations**” means, with respect to each Grantor, the Obligations of such Grantor.

“**Secured Parties**” means each of the Persons listed on the signature pages hereto as “Secured Party” and their successors and assigns as Lenders under the Loan Agreement.

“**Secured Parties Representative**” has the meaning specified in **Section 4.05**.

“**Shares**” means shares of capital stock of a corporation, limited liability company interests, partnership interests and other ownership or equity interests of any class in any Person.

“**Trademarks**” means all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including all renewals of trademark and service mark registrations, all rights to recover for all past, present and future infringements thereof and all rights to sue therefor, and all rights corresponding thereto throughout the world, together, in each case, with the product lines and goodwill of the business connected with the use thereof.

**1.03 Other Defined Terms.** All other capitalized terms used and not defined herein have the meanings ascribed to them in the Loan Agreement.

**Section 2. Representations and Warranties.** Each Grantor represents and warrants to the Secured Parties that:

**2.01 Organizational Matters; Enforceability, Etc.** (a) Each Grantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The execution, delivery and performance of this Agreement, and the grant of the security interests pursuant hereto, (a) are within such Grantor’s powers and have been duly authorized by all necessary corporate or other action, (b) do not require any consent or approval of, registration or filing with, or any other action by, any governmental authority or court, except for (i) such as have been obtained or made and are in full force and effect and (ii) filings and recordings in respect of the security interests created pursuant hereto, (c) will not violate any applicable law or regulation or the charter, bylaws or other organizational documents of such Grantor or any order of any governmental authority or court binding upon such Grantor or its property, (d) will not violate or result in a default under any indenture, agreement or other instrument binding upon such Grantor or any of its assets, or give rise to a right thereunder to require any payment to be made by any such person, and (e) except for the security interests created pursuant hereto, will not result in the creation or imposition of any Lien on any asset of such Grantor.

(b) This Agreement has been duly executed and delivered by such Grantor and constitutes, a legal, valid and binding obligation of such Grantor, enforceable against such Grantor in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors’ rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).



**2.02 Title.** (a) Such Grantor is the sole beneficial owner of the Collateral in which it purports to grant a lien hereunder, and no lien exists upon such Collateral (and no right or option to acquire the same exists in favor of any other Person) other than Permitted Liens.

(b) The security interest created or provided for herein constitutes a valid first-priority (subject to Permitted Priority Liens) perfected lien on such Collateral, subject, for the following Collateral, to the occurrence of the following: (i) in the case of Collateral in which a security interest may be perfected by filing a financing statement under the UCC, the filing of a UCC financing statement naming such Grantor as debtor, the Secured Parties as secured parties, and listing all personal property as collateral, (ii) with respect to any Deposit Account, Securities Account or Commodity Account, the execution of agreements among such Grantor, the applicable financial institution and the Control Agent, effective to grant “control” (as defined in the UCC) over such Deposit Account, Securities Account or Commodity Account to the Control Agent, (iii) with respect to any Intellectual Property not described in the foregoing **clause (i)**, the filing of this Security Agreement or a short-form security agreement with the applicable Intellectual Property office of the applicable government, and (iv) in the case of all certificated Shares, the delivery thereof to the Control Agent, properly endorsed for transfer to the Control Agent or in blank.

**2.03 Names, Etc.** The full and correct legal name, type of organization, jurisdiction of organization, organizational ID number (if applicable) and mailing address of such Grantor as of the date hereof are correctly set forth in **Annex 1**. **Annex 1** correctly specifies (i) the place of business of such Grantor or, if such Grantor has more than one place of business, the location of the chief executive office of such Grantor, and (ii) each location where Collateral in excess of \$250,000 is stored or located.

**2.04 Changes in Circumstances.** Such Grantor has not (a) within the period of four months prior to the date hereof, changed its location (as defined in Section 9-307 of the NYUCC), or (b) except as specified in **Annex 1**, heretofore changed its name.

**2.05 Pledged Shares.** (a) The Initial Pledged Shares constitute (a) 100% of the issued and outstanding Shares of each Issuer (other than a Controlled Foreign Corporation) beneficially owned by such Grantor on the date hereof (other than any Shares held in a Securities Account referred to in **Annex 7**), whether or not registered in the name of such Grantor and (b) in the case of each Issuer that is a Controlled Foreign Corporation, (i) 65% of the issued and outstanding shares of voting stock of such Issuer and (ii) 100% of all other issued and outstanding shares of capital stock of whatever class of such Issuer beneficially owned by such Grantor on the date hereof, in each case whether or not registered in the name of such Grantor. **Annex 2** correctly identifies, as at the date hereof, the respective Issuers of the Initial Pledged Shares and (in the case of any corporate Issuer) the respective class and par value of such Shares and the respective number of such Shares (and registered owner thereof) represented by each such certificate.

(b) The Initial Pledged Shares are, and all other Pledged Shares that in the future will constitute Collateral will be, (i) duly authorized, validly existing, fully paid and non-assessable (in the case of any Shares issued by a corporation) and (ii) duly issued and outstanding (in the case of any equity interest in any other entity). None of such Pledged Shares are or will be subject to any contractual restriction, or any restriction under the charter, bylaws, partnership agreement or other organizational instrument of the respective Issuer thereof, upon the transfer of such Pledged Shares (except for any such restriction contained in or expressly permitted under any Loan Document, including any Restrictive Agreement permitted under **Section 9.11** of the Loan Agreement).

**2.06 Promissory Notes.** Annex 3 sets forth a complete and correct list of all Promissory Notes (other than any held in a Securities Account referred to in Annex 7) held by such Grantor on the date hereof.

**2.07 Intellectual Property.** (a) Annexes 4, 5 and 6, respectively, set forth a complete and correct list of all of the following owned by such Grantor on the date hereof (or, in the case of any supplement to said Annexes 4, 5 and 6, effecting a pledge thereof, as of the date of such supplement): (i) applied for or registered Copyrights, (ii) applied for or registered Patents, including the jurisdiction and patent number, (iii) applied for or registered Trademarks, including the jurisdiction, trademark application or registration number and the application or registration date, and (iv) trade names.

(b) Except pursuant to licenses and other user agreements entered into by such Grantor in the ordinary course of business that are listed in said Annexes 4, 5 and 6 (including as supplemented by any supplement effecting a pledge thereof), such Grantor has done nothing to authorize or enable any other Person to use any Copyright, Patent or Trademark listed in said Annexes 4, 5 and 6 (as so supplemented), and all registrations listed in said Annexes 4, 5 and 6 (as so supplemented) are, except as noted therein, in full force and effect.

(c) Such Grantor owns and possesses the right to use all Copyrights, Patents and Trademarks listed on Annexes 4, 5 and 6, respectively. To such Grantor's knowledge, (i) except as set forth on Annex 4, 5 or 6 (as supplemented by any supplement effecting a pledge thereof), there is no violation by others of any right of such Grantor with respect to any Copyright, Patent or Trademark listed on Annex 4, 5 or 6 (as so supplemented), respectively, and (ii) such Grantor is not infringing in any respect upon any Copyright, Patent or Trademark of any other Person. No proceedings alleging such infringement have been instituted or are pending against such Grantor and no written claim against such Grantor has been received by such Grantor, alleging any such violation, except as may be set forth on Annex 4, 5 or 6 (as so supplemented).

**2.08 Deposit Accounts, Securities Accounts and Commodity Accounts.** Annex 7 sets forth a complete and correct list of all Deposit Accounts, Securities Accounts and Commodity Accounts of such Grantor on the date hereof.

**2.09 Commercial Tort Claims.** Annex 8 sets forth a complete and correct list of all commercial tort claims of such Grantor in existence on the date hereof.

**2.10 Update of Annexes.** Each of Annexes 1 through 8 may be updated by Borrower from time to time to insure the continued accuracy of the representations set forth in this Section 2 to be made on any upcoming date on which representations and warranties are made incorporating the information in such Annex, by Borrower providing notice (attaching an amended and restated version of such Annex) in accordance with Section 12.02 of the Loan Agreement.

**Section 3. Collateral.**

**3.01 Granting Clause.** As collateral security for the payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, each Grantor hereby pledges and grants to the Secured Parties as hereinafter provided a security interest in all of such Grantor's right, title and interest in, to and under all of its property, in each case whether tangible or intangible, wherever located, and whether now owned by such Grantor or hereafter acquired and whether now existing or hereafter coming into existence, including without limitation all of the following, but excluding all Excluded Assets (collectively, and subject to the proviso at the end of this **Section 3.01, "Collateral"**):

- (a) all Accounts;
- (b) all As-Extracted Collateral;
- (c) all Chattel Paper and other Records;
- (d) all Checks;
- (e) all commercial tort claims, as defined in Section 9-102(a)(13) of the NYUCC, arising out of the events described in **Annex 8**;
- (f) all Deposit Accounts;
- (g) all Documents;
- (h) all Encumbrances;
- (i) all Equipment;
- (j) all Fixtures;
- (k) all General Intangibles;
- (l) all Goods not otherwise described in this **Section 3**;
- (m) all Instruments, including all Promissory Notes;
- (n) all Intellectual Property;
- (o) all Inventory;
- (p) all Letters of Credit and all Supporting Obligations;
- (q) all Investment Property not otherwise described in this **Section 3**, including all Securities, all Securities Accounts and all Security Entitlements with respect thereto and Financial Assets carried therein, and all Commodity Accounts and Commodity Contracts;

(r) all Pledged Shares; and

(s) all Proceeds of any of the foregoing, all Accessions to and substitutions and replacements for, any of the Collateral, and all offspring, rents, profits and products of any of the Collateral, and, to the extent related to any Collateral, all books, correspondence, credit files, records, invoices and other papers (including all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Grantor or any computer bureau or service company from time to time acting for such Grantor);

*provided, however, that*, nothing set forth in this **Section 3.01** or any other provision of this Agreement or any other Loan Document shall at any time constitute the grant of a security interest in, or a Lien on, any Excluded Asset, none of which shall constitute Collateral.

**3.02 Controlled Foreign Corporations; Certain Leases and Licenses.** Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and each Grantor shall not be deemed to have granted a security interest in, any of such Grantor's right, title or interest in:

(a) any of the outstanding voting capital stock or other ownership interests of a Controlled Foreign Corporation in excess of 65% of the voting power of all classes of capital stock or other ownership interests of such Controlled Foreign Corporation entitled to vote; provided that (i) immediately upon the amendment of the Code to allow the pledge of a greater percentage of the voting power of capital stock or other ownership interests in a Controlled Foreign Corporation without adverse tax consequences, the Collateral shall include, and each Grantor shall be deemed to have granted a security interest in, such greater percentage of capital stock or other ownership interests of each Controlled Foreign Corporation in which it has any interest and (ii) if no adverse tax consequences to the applicable Grantor shall arise or exist in connection with the pledge of any Controlled Foreign Corporation, the Collateral shall include, and the applicable Grantor shall be deemed to have granted a security interest in, all of the capital stock or other ownership interests of such Controlled Foreign Corporation held by such Grantor;

(b) any lease, license, contract or agreement to which any Grantor is a party, in each case, if and only if, and solely to the extent that, (A) the grant of a security interest therein shall constitute or result in a breach, termination or default or invalidity thereunder or thereof (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law or principles of equity) and (B) such lease, license, contract or agreement (1) is an "off the shelf" license of intellectual property that is not material to the operation of the business of the applicable Grantor or which can be replaced without a material expenditure, or (2) is executed by the applicable Grantor after the date hereof (provided that the applicable Grantor, prior to entering into or obtaining such lease, license, contract or agreement, used commercially reasonable efforts to permit the collateral assignment thereof but was unsuccessful in obtaining such permission); provided that immediately upon the time at which the consequences described in the foregoing clause (A) shall no longer exist, the Collateral shall include, and the applicable Grantor shall be deemed to have granted a security interest in, all of such Grantor's right, title and interest in such lease, license, contract or agreement; or

(c) any application for registration of a trademark filed on an intent-to-use basis solely to the extent that the grant of a security interest in any such trademark application would materially adversely affect the validity or enforceability of the resulting trademark registration or result in cancellation of such trademark application.

**Section 4. Further Assurances; Remedies.** In furtherance of the grant of the security interest pursuant to **Section 3**, the Grantors hereby jointly and severally agree with the Secured Parties as follows:

**4.01 Delivery and Other Perfection.** Each Grantor shall promptly from time to time give, execute, deliver, file, record, authorize or obtain all such financing statements, continuation statements, notices, instruments, documents, agreements or consents or other papers as may be necessary or desirable in the judgment of the Majority Lenders to create, preserve, perfect, maintain the perfection of or validate the security interest granted pursuant hereto or to enable the Secured Parties to exercise and enforce their rights hereunder with respect to such security interest, and without limiting the foregoing, shall:

(a) if any of the Pledged Shares, Investment Property or Financial Assets constituting part of the Collateral are received by the Grantor, forthwith (x) deliver to the Control Agent the certificates or instruments representing or evidencing the same, duly endorsed in blank or accompanied by such instruments of assignment and transfer in such form and substance as the Control Agent may request, all of which thereafter shall be held by the Control Agent, pursuant to the terms of this Agreement, as part of the Collateral and (y) take such other action as the Control Agent may deem necessary or appropriate to duly record or otherwise perfect the security interest created hereunder in such Collateral;

(b) promptly from time to time deliver to the Control Agent any and all Instruments constituting part of the Collateral, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Control Agent may request; *provided that* (other than in the case of the Promissory Notes described in **Annex 3**) until the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, such Grantor may retain for collection in the ordinary course any Instruments received by such Grantor in the ordinary course of business and the Control Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Instrument delivered by such Grantor available to such Grantor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent requested by the Control Agent, against trust receipt or like document);

(c) promptly from time to time enter into such control agreements, each in form and substance acceptable to the Majority Lenders, as may be required to perfect the security interest created hereby in any and all Deposit Accounts, Investment Property, Electronic Chattel Paper and Letter-Of-Credit Rights, and will promptly furnish to the Control Agent true copies thereof;

(d) promptly from time to time upon the request of the Control Agent, (i) execute and deliver such short-form security agreements as the Majority Lenders may deem necessary or desirable to protect the interests of the Secured Parties in respect of that portion of the Collateral consisting of Intellectual Property, and (ii) take such other action as the Majority Lenders may deem necessary or appropriate duly to record or otherwise perfect the security interest created hereunder in that portion of the Collateral consisting of Intellectual Property registered or located outside of the United States;

(e) promptly upon request of the Control Agent, cause the Secured Parties to be listed as the lienholder on any certificate of title or ownership covering any Motor Vehicle (other than Motor Vehicles constituting Inventory) and within 120 days of such request deliver evidence of the same to the Control Agent;

(f) keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Majority Lenders may require in order to reflect the security interests granted by this Agreement;

(g) permit representatives of the Secured Parties, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Secured Parties to be present at such Grantor's place of business to receive copies of communications and remittances relating to the Collateral, and forward copies of any notices or communications received by such Grantor with respect to the Collateral, all in such manner as the Majority Lenders may require; and

(h) (i) promptly from time to time upon the request of the Majority Lenders, use commercially reasonable efforts to execute and deliver such real property security documents, landlord consents and collateral access agreements with respect to real Property owned or leased (as tenant) by such Grantor in the United States, (ii) obtain a bailee waiver or other agreement from the lessor of each leased property, the mortgagee of owned property or bailee or consignee with respect to any warehouse, processor or converted facility or other location where Collateral in excess of \$250,000 is stored or located and (iii) cause to be recorded in the appropriate real property records such documents delivered pursuant to this **Section 4.01(h)** as the Control Agent may deem necessary or appropriate.

**4.02 Other Financing Statements or Control.** Except as otherwise permitted under the Loan Documents, no Grantor shall (a) file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to any of the Collateral in which the Secured Parties are not named as the sole secured parties (except to the extent that such financing statement or instrument relates to a Permitted Lien), or (b) cause or permit any Person other than the Control Agent or the Secured Parties or any holder of a Permitted Priority Lien to have "control" (as defined in Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) of any Deposit Account, Securities Account, Commodity Account, Electronic Chattel Paper, Investment Property or Letter-Of-Credit Right constituting part of the Collateral.

**4.03 Preservation of Rights.** The Secured Parties shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

#### 4.04 Special Provisions Relating to Certain Collateral. (a) Pledged Shares.

(i) The Grantors will cause the Pledged Shares to constitute at all times (1) 100% of the total number of Shares of each Issuer (other than a Controlled Foreign Corporation) then outstanding owned by the Grantors and (2) in the case of any Issuer that is a Controlled Foreign Corporation, 65% of the total number of shares of voting stock of such Issuer and 100% of the total number of shares of all other classes of capital stock of such Issuer then issued and outstanding owned by the Grantors.

(ii) Until the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, the Grantors shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Shares for all purposes not inconsistent with the terms of this Agreement, the other Loan Documents or any other instrument or agreement referred to herein or therein, provided that the Grantors jointly and severally agree that they will not vote the Pledged Shares in any manner that is inconsistent with the terms of this Agreement, the other Loan Documents or any such other instrument or agreement; and the Control Agent and Secured Parties shall execute and deliver to the Grantors or cause to be executed and delivered to the Grantors all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Grantors may reasonably request for the purpose of enabling the Grantors to exercise the rights and powers that it is entitled to exercise pursuant to this **Section 4.04(a)(ii)**.

(iii) Until the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, the Grantors shall be entitled to receive and retain any dividends, distributions or proceeds on the Pledged Shares paid in cash out of earned surplus.

(iv) After the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, whether or not the Secured Parties or any of them exercises any available right to declare any Secured Obligations due and payable or seeks or pursues any other relief or remedy available to them under applicable law or under this Agreement, the other Loan Documents or any other agreement relating to such Secured Obligation, all dividends and other distributions on the Pledged Shares shall be paid directly to the Secured Parties Representative for distribution to the Secured Parties and retained by them as part of the Collateral, subject to the terms of this Agreement, and, if the Secured Parties Representative shall so request in writing, the Grantors jointly and severally agree to execute and deliver to the Secured Parties Representative appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default is waived in writing by the Majority Lenders in accordance with the Loan Agreement, any such dividend or distribution theretofore paid to the Secured Parties Representative shall, upon request of the Grantors (except to the extent theretofore applied to the Secured Obligations), be returned by the Secured Parties Representative to the Grantors.

(b) **Intellectual Property.** (i) For the purpose of enabling the Secured Parties to exercise rights and remedies under **Section 4.05** at such time as the Secured Parties shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Secured Parties Representative, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, and the right to assign, license or sublicense, any of the Intellectual Property now owned or hereafter acquired by such Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(ii) Notwithstanding anything contained herein to the contrary, but subject to any provision of the Loan Documents that limits the rights of any Grantor to dispose of its property, until the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, the Grantors will be permitted to exploit, use, enjoy, protect, defend, enforce, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of the Grantors. In furtherance of the foregoing, until the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, the Secured Parties or the Secured Parties Representative shall from time to time, upon the request of the respective Grantor, execute and deliver any instruments, certificates or other documents, in the form so requested, that the Grantors shall have certified are appropriate in its judgment to allow it to take any action permitted above (including relinquishment of the license provided pursuant to **Section 4.04(b)(i)** as to any specific Intellectual Property). Further, upon the payment in full of all of the Secured Obligations (other than contingent indemnification obligations for which no claim has been made) or earlier expiration of this Agreement or release of the Collateral, the Secured Parties Representative shall grant back to the Grantors the license granted pursuant to **Section 4.04(b)(i)**. The exercise of rights and remedies under **Section 4.05** by the Secured Parties shall not terminate the rights of the holders of any licenses, covenants not to sue or sublicenses theretofore granted by the Grantors in accordance with the first sentence of this **Section 4.04(b)(ii)**.

(c) **Chattel Paper.** The Grantors will (i) deliver to the Control Agent each original of each item of Chattel Paper at any time constituting part of the Collateral, and (ii) cause each such original and each copy thereof to bear a conspicuous legend, in form and substance satisfactory to the Control Agent, indicating that such Chattel Paper is subject to the security interest granted hereby and that purchase of such Chattel Paper by a Person other than the Control Agent without the consent of the Control Agent would violate the rights of the Secured Parties.

**4.05 Remedies.** (a) **Rights and Remedies Generally upon Event of Default.** Upon the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, the Secured Parties shall have all of the rights and remedies with respect to the Collateral of a secured party under the NYUCC (whether or not the Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including the right, to the fullest extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Secured Parties were the sole and absolute owner thereof (and each Grantor agrees to take all such action as may be appropriate to give effect to such right). Upon the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the terms of the Loan Agreement, the Majority Lenders shall appoint one of the Secured Parties to act as a representative of all the Secured Parties (such Person, the "**Secured Parties Representative**") to exercise, on behalf of all the Secured Parties, such rights and remedies of the Secured Parties described above; and without limiting the foregoing:



(i) the Secured Parties Representative may, in their name or in the name of any Grantor or otherwise, demand, sue for, collect or receive any money or other property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(ii) the Secured Parties Representative may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(iii) the Secured Parties Representative may require the Grantors to notify (and each Grantor hereby authorizes the Secured Parties Representative to so notify) each account debtor in respect of any Account, Chattel Paper or General Intangible, and each obligor on any Instrument, constituting part of the Collateral that such Collateral has been assigned to the Secured Parties hereunder, and to instruct that any payments due or to become due in respect of such Collateral shall be made directly to the Secured Parties Representative or as it may direct (and if any such payments, or any other Proceeds of Collateral, are received by any Grantor they shall be held in trust by such Grantor for the benefit of the Secured Parties and as promptly as possible remitted or delivered to the Secured Parties Representative for application as provided herein);

(iv) the Secured Parties Representative may require the Grantors to assemble the Collateral at such place or places, convenient to the Secured Parties and the Grantors, as the Secured Parties Representative may direct;

(v) the Secured Parties Representative may require the Grantors to cause the Pledged Shares to be transferred of record into the name of the Secured Parties Representative or its nominee (and the Secured Parties Representative agrees that if any of such Pledged Shares are transferred into its name or the name of its nominee, the Secured Parties Representative will thereafter promptly give to the respective Grantor copies of any notices and communications received by it with respect to such Pledged Shares); and

(vi) the Secured Parties Representative may sell, lease, assign or otherwise dispose of all or any part of the Collateral, at such place or places as the Secured Parties Representative deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required by applicable statute and cannot be waived), and the Secured Parties, Secured Parties Representative or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Grantors, any such demand, notice and right or equity being hereby expressly waived and released. In the event of any sale, assignment, or other disposition of any of the Collateral consisting of Trademarks, the goodwill connected with and symbolized by the Trademarks subject to such disposition shall be included. The Secured Parties Representative may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned.

(vii) The Proceeds of each collection, sale or other disposition under this **Section 4.05**, including by virtue of the exercise of any license granted to the Secured Parties Representative in **Section 4.04(b)**, shall be applied in accordance with **Section 4.09**.

(b) **Certain Securities Act Limitations.** The Grantors recognize that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Secured Parties Representative may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Grantors acknowledge that any such private sales may be at prices and on terms less favorable to the Secured Parties Representative than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agree that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Secured Parties Representative shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the issuer thereof to register it for public sale.

(c) **Notice.** The Grantors agree that to the extent the Secured Parties Representative is required by applicable law to give reasonable prior notice of any sale or other disposition of any Collateral, ten business days' notice shall be deemed to constitute reasonable prior notice.

(d) **No Assumption of Obligations.** Notwithstanding any provision in this Agreement or any other Loan Document to the contrary, the Secured Parties are not assuming any liability or obligation of any Grantor or any of its Affiliates of whatever nature, whether presently in existence or arising or asserted hereafter. All such liabilities and obligations shall be retained by and remain obligations and liabilities of the applicable Grantor and/or its Affiliates, as the case may be. Without limiting the foregoing, the Secured Parties are not assuming and shall not be responsible for any liabilities or Claims of any Grantor or its Affiliates, whether present or future, absolute or contingent and whether or not relating to a Grantor, the Obligor Intellectual Property, and/or the Material Agreements, and each Grantor shall indemnify and save harmless the Secured Parties from and against all such liabilities, Claims and Liens.

**4.06 Deficiency.** If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to **Section 4.05** are insufficient to cover the costs and expenses of such realization and the indefeasible payment in full in cash of the Secured Obligations (other than contingent indemnification obligations for which no claim has been made), the Grantors shall remain liable for any deficiency.

**4.07 Locations; Names, Etc.** No Grantor shall (i) change its location (as defined in Section 9-307 of the NYUCC), (ii) change its name from the name shown as its current legal name on **Annex 1**, or (iii) agree to or authorize any modification of the terms of any item of Collateral that would result in a change thereof from one Uniform Commercial Code category to another such category (such as from a General Intangible to Investment Property), if the effect thereof would be to result in a loss of perfection of, or diminution of priority for, the security interests created hereunder in such item of Collateral, or the loss of control (within the meaning of Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) over such item of Collateral, unless in each case 30 days' prior written notice has been provided to the Control Agent and such change is not otherwise restricted by the terms of any Loan Document.

**4.08 Private Sale.** The Secured Parties shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to **Section 4.05** conducted in a commercially reasonable manner. Each Grantor hereby waives any claims against the Secured Parties Representative, the Secured Parties or any of them arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Secured Parties Representative, the Secured Parties or any of them accepts the first offer received and does not offer the Collateral to more than one offeree.

**4.09 Application of Proceeds.** Except as otherwise herein expressly provided and except as provided below in this **Section 4.09**, the Proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Control Agent or the Secured Parties under this **Section 4**, shall be applied by the Control Agent or the Secured Parties (as the case may be):

First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable out of pocket costs and expenses of the Secured Parties and the fees and expenses of their agents and counsel, and all expenses incurred and advances made by the Secured Parties in connection therewith;

Next, to the indefeasible payment in full of the Secured Obligations (other than contingent indemnification obligations for which no claim has been made) in such order as the Secured Parties in their sole discretion shall determine; and

Finally, to the payment to respective Grantor, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

**4.10 Attorney in Fact.** Without limiting any rights or powers granted by this Agreement to the Secured Parties, upon the occurrence of an Event of Default that has not been waived in writing by the Majority Lenders in accordance with the Loan Agreement, the Secured Parties Representative (and any of its officers, employees or agents) hereby is appointed the attorney in fact of each Grantor for the purpose of carrying out the provisions of this **Section 4** and taking any action and executing any instruments that the Secured Parties Representative may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney in fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Secured Parties Representative shall be entitled under this **Section 4** to make collections in respect of the Collateral, the Secured Parties Representative shall have the right and power to receive, endorse and collect all checks made payable to the order of any Grantor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

**4.11 Perfection and Recordation.** Each Grantor authorizes the Secured Parties to file Uniform Commercial Code financing statements describing the Collateral as “all assets” or “all personal property and fixtures” of such Grantor (provided that no such description shall be deemed to modify the description of Collateral set forth in **Section 3**).

**4.12 Termination.** When all Secured Obligations (other than contingent indemnification obligations for which no claim has been made) shall have been indefeasibly paid in full in cash, this Agreement automatically shall terminate, and the Secured Parties shall, upon request of Grantors, cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the respective Grantor and to be released and canceled all licenses and rights referred to in **Section 4.04(b)**, in each case, at Grantors’ sole expense. The Secured Parties shall also, at the expense of such Grantor, execute and deliver to such Grantor upon such termination such Uniform Commercial Code termination statements, certificates for terminating the liens on the Motor Vehicles and such other documentation as shall be reasonably requested by the respective Grantor to effect the termination and release of the liens on the Collateral as required by this **Section 4.12**, in each case, at Grantors’ sole expense.

**4.13 Further Assurances.** Each Grantor agrees that, from time to time upon the written request of the Majority Lenders, such Grantor will execute and deliver such further documents and do such other acts and things as the Majority Lenders may request in order fully to effect the purposes of this Agreement. The Secured Parties shall release any lien covering any asset that has been disposed of in accordance with the provisions of the Loan Documents.

**Section 5. Miscellaneous.**

**5.01 Notices.** All notices, requests, consents and demands hereunder shall be delivered in accordance with **Section 12.02** of the Loan Agreement.

**5.02 No Waiver.** No failure on the part of any Secured Party to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any Secured Party of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

**5.03 Amendments, Etc.** The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by each Grantor and the Majority Lenders (unless the consent of each Secured Party is required in accordance with **Section 12.04** of the Loan Agreement).

**5.04 Expenses.**

(a) The Grantors shall pay or reimburse the Control Agent or the Secured Parties for costs and expenses in accordance with **Section 12.03** of the Loan Agreement.

(b) The Grantors shall hereby indemnify the Secured Parties, their Affiliates, and their respective directors, officers, employees, attorneys, agents, advisors and controlling parties in accordance with **Section 12.03(b)** of the Loan Agreement.

**5.05 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each Grantor, the Control Agent, the Secured Parties Representative and the Secured Parties (provided that no Grantor shall assign or transfer its rights or obligations hereunder unless consented to in writing by the Majority Lenders in accordance with the Loan Agreement).

**5.06 Counterparts.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

**5.07 Governing Law; Submission to Jurisdiction; Etc.** (a) **Governing Law.** This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the law of the State of New York, without regard to principles of conflicts of laws that would result in the application of the laws of any other jurisdiction; *provided that* Section 5-1401 of the New York General Obligations Law shall apply.

(b) **Submission to Jurisdiction.** Each Grantor agrees that any suit, action or proceeding with respect to this Agreement or any other Loan Document to which it is a party or any judgment entered by any court in respect thereof may be brought initially in the federal or state courts in Houston, Texas or in the courts of its own corporate domicile and irrevocably submits to the non-exclusive jurisdiction of each such court for the purpose of any such suit, action, proceeding or judgment. This **Section 5.07(b)** is for the benefit of the Secured Parties only and, as a result, no Secured Party shall be prevented from taking proceedings in any other courts with jurisdiction. To the extent allowed by applicable Laws, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

(c) **Waiver of Venue.** Each Grantor irrevocably waives to the fullest extent permitted by law any objection that it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement and hereby further irrevocably waives to the fullest extent permitted by law any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment (in respect of which time for all appeals has elapsed) in any such suit, action or proceeding shall be conclusive and may be enforced in any court to the jurisdiction of which such Grantor is or may be subject, by suit upon judgment.

(d) **Service of Process.** Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in **Section 5.01**. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

**5.08 WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS **SECTION 5.08**.

**5.09 Captions.** The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

**5.10 Agents and Attorneys in Fact.** The Secured Parties may employ agents and attorneys in fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys in fact selected by it in good faith.

**5.11 Severability.** If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Secured Parties in order to carry out the intentions of the parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

**5.12 Additional Grantors.** Additional Persons may from time to time after the date of this Agreement become Grantors under this Agreement by executing and delivering to the Control Agent a supplemental agreement (together with all schedules thereto, a “*Joinder*”) to this Agreement, in substantially the form attached hereto as **Exhibit A**. Accordingly, upon the execution and delivery of any such Joinder by any such Person, such Person shall automatically and immediately, and without any further action on the part of any Person, become a “Grantor” under and for all purposes of this Agreement, and each of the Annexes hereto shall be supplemented in the manner specified in such Joinder. In addition, upon the execution and delivery of any such Joinder, the new Grantor makes the representations and warranties set forth in **Section 2**.

**5.13 Limited Agency for Perfection.** (a) The Secured Parties each hereby appoint Capital Royalty Partners II L.P. as their collateral agent (in such capacity, together with any successor in such capacity appointed by Capital Royalty Partners II L.P. and consented to in writing by the Majority Lenders in accordance with the Loan Agreement (such consent not to be unreasonably withheld or delayed), the “*Control Agent*”) for the limited purpose of acting as the agent on behalf of the Secured Parties with respect to the Pledged Property for purposes of the perfecting of the Liens of the Secured Parties on the Pledged Property. The Control Agent accepts such appointment and agrees to hold or to have control of, as applicable, the Pledged Property for the benefit of itself and the other Secured Parties and any permitted assignee of any thereof solely for the purpose of perfecting the security interest granted to such parties in such Pledged Property, subject to the terms and conditions of this **Section 5.13**. All Secured Parties hereby agree that the Control Agent shall have the sole and exclusive right and authority to give instructions to, and otherwise direct, the Grantors in respect of the Pledged Property and no other Secured Party will hinder, delay or interfere with the exercise of such rights by the Control Agent in any respect. The Grantors hereby agree to pay, reimburse, indemnify and hold harmless the Control Agent for any claims or losses related to its acting in such role except to the extent due to the gross negligence or willful misconduct of the Control Agent. Except as specifically prescribed herein, the Control Agent shall have no obligation whatsoever to the other Secured Parties including any obligation to assure that the Pledged Property is genuine or owned by a Grantor or to preserve rights or benefits of any Person except as expressly set forth in this **Section 5.13**. In acting on behalf of the other Secured Parties, the duties or responsibilities of the Control Agent under this **Section 5.13** shall be limited solely to physically holding the Pledged Property delivered to the Control Agent by the Grantors, and entering into control agreements for the benefit of the Secured Parties, in each case, for purposes of perfecting the Lien held by the Secured Parties.

(b) The Control Agent shall not have by reason of any document including this Agreement a fiduciary relationship in respect of any other Secured Party.

(c) The Control Agent may perform any of its duties under this Agreement by or through its officers, directors, agents, employees, affiliates or other designees.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the day and year first above written.

NAVIDEA PHARMACEUTICALS, INC., as  
Grantor

By /s/ Brent L. Larson

Name: Brent L. Larson

Title: Executive Vice President & CFO

MACROPHAGE THERAPEUTICS, INC., as  
Grantor

By /s/ Brent L. Larson

Name: Brent L. Larson

Title: Secretary

[Signature Page to Security Agreement]

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CAPITAL ROYALTY PARTNERS II L.P.,  
as Secured Party and as Control Agent  
By CAPITAL ROYALTY PARTNERS II GP L.P.,  
its General Partner  
By CAPITAL ROYALTY PARTNERS II GP LLC,  
its General Partner

By /s/ Charles Tate  
Name: Charles Tate  
Title: Sole Member

CAPITAL ROYALTY PARTNERS II –  
PARALLEL FUND “A” L.P., as Secured Party  
By CAPITAL ROYALTY PARTNERS II –  
PARALLEL FUND “A” GP L.P., its General  
Partner  
By CAPITAL ROYALTY PARTNERS II –  
PARALLEL FUND “A” GP LLC,  
its General Partner

By /s/ Charles Tate  
Name: Charles Tate  
Title: Sole Member

PARALLEL INVESTMENT OPPORTUNITIES  
PARTNERS II L.P., as Secured Party  
By PARALLEL INVESTMENT  
OPPORTUNITIES PARTNERS II GP L.P.,  
its General Partner  
By PARALLEL INVESTMENT  
OPPORTUNITIES PARTNERS II GP LLC,  
its General Partner

By /s/ Charles Tate  
Name: Charles Tate  
Title: Sole Member

[Signature Page to Security Agreement]

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FORM OF JOINDER AGREEMENT

JOINDER AGREEMENT dated as of [\_\_\_\_\_] by [NAME OF ADDITIONAL GRANTOR], a [\_\_\_\_\_] corporation (the “**Additional Grantor**”), in favor of CAPITAL ROYALTY PARTNERS II L.P., CAPITAL ROYALTY PARTNERS II – PARALLEL FUND “A” L.P. and PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II L.P. (together, the “**Secured Parties**” and each, a “**Secured Party**”) under the Loan Agreement referred to below.

A. Reference is made to (i) the Term Loan Agreement (as amended, supplemented, restated, extended, renewed or replaced from time to time, the “**Loan Agreement**”), dated as of May \_\_, 2015, among Navidea Pharmaceuticals, Inc., a Delaware corporation (“**Borrower**”), Macrophage Therapeutics, Inc., a Delaware corporation (“**Macrophage**”), the other Grantors from time to time party thereto and the Secured Parties, and (ii) the Security Agreement (as amended, supplemented, restated, extended, renewed or replaced from time to time, the “**Security Agreement**”; capitalized terms used herein by not defined shall have the meaning ascribed to such terms therein), dated as of May \_\_, 2015, among the Grantors party thereto, the Secured Parties and the Control Party.

B. **Section 5.12** of the Security Agreement provides that additional Persons may from time to time after the date of the Security Agreement become Grantors under the Security Agreement by executing and delivering to the Secured Parties a supplemental agreement to the Security Agreement in the form of this Joinder.

C. To induce the Secured Parties to maintain the term loans pursuant to the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Additional Grantor has agreed to execute and deliver (i) a Guarantee Assumption Agreement under the Loan Agreement, and (ii) this Joinder to the Secured Parties.

The Additional Grantor hereby agrees to become a “Grantor” for all purposes of the Security Agreement (and hereby supplements each of the Annexes to the Security Agreement in the manner specified in **Appendix A** hereto). Without limitation, as collateral security for the payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations (other than contingent indemnification obligations for which no claim has been made), the Additional Grantor hereby pledges and grants to the Secured Parties as provided in **Section 3** of the Security Agreement a security interest in all of the Additional Grantor’s right, title and interest in, to and under the Collateral of the Additional Grantor, in each case whether tangible or intangible, wherever located, and whether now owned by the Additional Grantor or hereafter acquired and whether now existing or hereafter coming into existence. In addition, the Additional Grantor hereby makes the representations and warranties set forth in **Section 2** of the Security Agreement, with respect to itself and its obligations under this Agreement, as if each reference in such Sections to the Loan Documents included reference to this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Additional Grantor has caused this Joinder Agreement to be duly executed and delivered as of the day and year first above written.

[INSERT NAME OF ADDITIONAL GRANTOR],  
as Grantor

By \_\_\_\_\_  
Name:  
Title:

CAPITAL ROYALTY PARTNERS II L.P.,  
as Secured Party and as Control Agent  
By CAPITAL ROYALTY PARTNERS II GP  
L.P., its General Partner  
By CAPITAL ROYALTY PARTNERS II  
GP LLC, its General Partner

By \_\_\_\_\_  
Name: Charles Tate  
Title: Sole Member

CAPITAL ROYALTY PARTNERS II –  
PARALLEL FUND “A” L.P., as Secured Party  
By CAPITAL ROYALTY PARTNERS II –  
PARALLEL FUND “A” GP L.P., its General  
Partner  
By CAPITAL ROYALTY PARTNERS II –  
PARALLEL FUND “A” GP LLC,  
its General Partner

By \_\_\_\_\_  
Name: Charles Tate  
Title: Sole Member

PARALLEL INVESTMENT OPPORTUNITIES  
PARTNERS II L.P., as Secured Party  
By PARALLEL INVESTMENT  
OPPORTUNITIES PARTNERS II GP L.P.,  
its General Partner  
By PARALLEL INVESTMENT  
OPPORTUNITIES PARTNERS II GP LLC,  
its General Partner

By \_\_\_\_\_  
Name: Charles Tate  
Title: Sole Member

Appendix A

SUPPLEMENT[S] TO ANNEX[ES] TO SECURITY AGREEMENT

Supplement to Annex 1:

[to be completed]

Supplement to Annex 2:

[to be completed]

Supplement to Annex 3:

[to be completed]

Supplement to Annex 4:

[to be completed]

Supplement to Annex 5:

[to be completed]

Supplement to Annex 6:

[to be completed]

Supplement to Annex 7:

[to be completed]

Supplement to Annex 8:

[to be completed]

**ANNEX 1  
to Security Agreement**

**CERTAIN GRANTOR INFORMATION**

<b>Grantor</b>	<b>Legal Name</b>	<b>Type of Org.</b>	<b>Jurisdiction of Org.</b>	<b>Organization ID Number (if applicable)</b>	<b>Mailing Address</b>	<b>Chief Executive Office</b>	<b>Other Places of Business and Collateral Locations</b>	<b>Former Names (both legal names and d/b/as)</b>	<b>Former Chief Executive Offices or Places of Business</b>
Navidea Biopharmaceuticals, Inc.	Same	Corp.	Delaware	2159135	5600 Blazer Parkway, Suite 200, Dublin, OH 43017	Same as mailing address	Reliable 1945 Walton Road St. Louis, MO  OsoBio 4401 Alexander Blvd NE Albuquerque, NM  Cardinal NDC 1950 Bentley Court, Suite 300 Glendale Heights, IL  Praxis 7650 Caterpillar Court SW, Ste. D Grand Rapids, MI	Neoprobe Corporation	425 Metro Place North, Suite 300 Dublin, OH 43017  10 New England Business Center, Andover, MA 01810
Macrophage Therapeutics, Inc.	Same	Corp.	Delaware	5680660	5600 Blazer Parkway, Suite 200, Dublin, OH 43017	Same as mailing address	None	None	None

PLEDGED SHARES

1. Pledged LLC Interests. Interests in each limited liability company as follows:

N/A

2. Pledged Partnership Interests. Interests in each general partnership, limited partnership, limited liability partnership or other partnership as follows:

N/A

3. Pledged Stock. Interests in any entity represented by certificates as follows:

Grantor	Issuer	Certificate No.	Certificate Date	No. and Class of Pledged Shares; Par Value	Pledged Units' Percentage of all Outstanding Units
Navidea Biopharmaceuticals, Inc.	Macrophage Therapeutics, Inc.	C-001	Feb. 26, 2015	298,500 common (par value \$0.001)	99%
Navidea Biopharmaceuticals, Inc.	Navidea Biopharmaceuticals Ltd.	5	Apr. 14, 2015	65 ordinary shares (par value 1p each)	65%
Navidea Biopharmaceuticals, Inc.	Cardiosonix, Ltd.	A100	July 24, 2013	213,029.7 common shares (par value 0.1 NIS)	65%

PROMISSORY NOTES

None.

**ANNEX 4  
to Security Agreement**

COPYRIGHTS, COPYRIGHT REGISTRATIONS AND APPLICATIONS FOR COPYRIGHT REGISTRATIONS

<u>Obligor Owner</u>	<u>Title of Work</u>	<u>Registration Number (if registered)</u>	<u>Date of Issuance (if Registered) or Application Date (if applied for only)</u>
Navidea Biopharmaceuticals Inc.	“Neoprobe Corporation OneMedPlace Finance Forum San Francisco, CA January 2010.” Registration #: TX0007391587	TX0007391587	2011-07-01
Navidea Biopharmaceuticals Inc.	“Neoprobe Corporation Product Pipeline — Oncology Diagnostic Drugs.” Registration #: TX0007400138	TX0007400138	2011-07-05



**PATENTS AND PATENT APPLICATIONS**

<b>Owner</b>	<b>Patent Description/Title</b>	<b>Jurisdiction</b>	<b>Patent Number (if issued)/Application Number (if applied for only)</b>	<b>Issuance Date (if issued)/Filing Date (if applied for only)</b>
Navidea Biopharmaceuticals, Inc.	“Macromolecular Carrier for Drug and Diagnostic Agent Delivery” (Lymphoseek - Composition)	US	6,409,990	6/25/2002
Navidea Biopharmaceuticals, Inc.	“Macromolecular Carrier for Drug and Diagnostic Agent Delivery” (Lymphoseek - Composition)	Europe [France, Germany, Netherlands, Italy, Spain Sweden, GB-UK]	EP1178838B1	9/29/04
Navidea Biopharmaceuticals, Inc.	“Macromolecular Carrier for Drug and Diagnostic Agent Delivery” (Lymphoseek - Composition)	JP	4056701	3/5/2008
Navidea Biopharmaceuticals, Inc.	“Compositions for radiolabeling DTPA dextran” (Lymphoseek - Formulation)	US	8,545,808	10/1/2013
Navidea Biopharmaceuticals, Inc.	“Compositions for radiolabeling DTPA dextran” (Lymphoseek - Formulation)	US	14/039,648 (Pending)	9/27/2013
Navidea Biopharmaceuticals, Inc.	“Compositions for radiolabeling DTPA dextran” (Lymphoseek - Formulation)	EP	EP10736135.4 (Pending)	1/28/2010
Navidea Biopharmaceuticals, Inc.	“Compositions for radiolabeling DTPA dextran” (Lymphoseek - Formulation)	AU	2010208624 (Pending)	1/28/2010
Navidea Biopharmaceuticals, Inc.	“Compositions for radiolabeling DTPA dextran” (Lymphoseek - Formulation)	CA	2,750,230 (Pending)	1/28/2010

Navidea Biopharmaceuticals, Inc.	"Compositions for radiolabeling DTPA dextran" (Lymphoseek - Formulation)	JP	2011-547973 (Pending)	1/28/2010
Navidea Biopharmaceuticals, Inc.	"Compositions for radiolabeling DTPA dextran" (Lymphoseek - Formulation)	KR	2011-7020202 (Pending)	1/28/2010
Navidea Biopharmaceuticals, Inc./OSU	"Compositions, Methods and Kits for Diagnosing and Treating CD206 Expressing Cell-Related Disorders" (Lymphoseek – New Field/Composition)	US	14/338,332	7/22/2014
Navidea Biopharmaceuticals, Inc./OSU	"Compositions, Methods and Kits for Diagnosing and Treating CD206 Expressing Cell-Related Disorders" (Lymphoseek – New Field/Composition)	PCT	PCT/US14/47708	7/22/2014
Navidea Biopharmaceuticals, Inc.	"Compositions and Methods for Diagnosing and Treating Macrophage Related Disorders Using Carbohydrate Based Macromolecular Carrier" (Lymphoseek – New Field/Composition)	US	62/031,348	7/31/2014
Navidea Biopharmaceuticals, Inc./OSU	"Compounds and Compositions for Targeting Macrophages and Other CD206 High Expressing Cells and Methods of Treating and Diagnosing Using Same" (Lymphoseek – New Field/Composition)	US	62/106,194	1/21/2015
Navidea Biopharmaceuticals, Inc.	"2-Heteroaryl Substituted Benzothiophenes and Benzofuranes" (NAV4694 – Drug Substance)	US	7,772,256	8/10/2010

Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	EP	08724190.7 (pending)	3/5/2008
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	AR	080100905 (pending)	3/5/2008
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	AU	2008221668	7/28/2011
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	BR	PI0808503-0 (pending)	3/5/2008
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	JP	552641/2009 (pending)	3/5/2008
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	CA	2680157 (pending)	3/5/2008
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	CN	201210093347.6 (pending)	3/31/2012
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	CN	200880014994.5	6/13/2012
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	IN	5412/DELNP/200 (pending)	3/5/2008
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	KR	2009/7018603 (pending)	3/5/2008

Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	MX	299829	6/4/2012
Navidea Biopharmaceuticals, Inc.	“2-Heteroaryl Substituted Benzothiophenes and Benzofuranes” (NAV4694 – Drug Substance)	RU	2472789	N/A
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	US	8,193,363	6/5/2012
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	US	8,653,274	2/18/2014
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	US	14/149,563 (pending)	1/7/2014
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	EP	09810319.5 (pending)	8/28/2009
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	EA	EA19093	1/30/2014
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	AR	090103323 (pending)	8/28/2009
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	AU	2009286176	8/23/2012

Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	BR	PI0917147-9 (pending)	8/28/2009
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	JP	5613669 (pending)	10/29/2014
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	CA	2735497 (pending)	8/28/2009
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	CN	102197036	12/10/2014
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	CN	201410653507.7 (pending)	N/A
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	CN	201410655681.5 (pending)	N/A
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	IN	1428/DELNP/2011 (pending)	8/28/2009
Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	KR	2011/7004579 (pending)	8/28/2009

Navidea Biopharmaceuticals, Inc.	“Compounds Suitable as Precursors to Compounds that are Useful for Imaging Amyloid Deposits” (NAV4694 – Precursor Substance)	MX	303024	9/4/2012
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	US	8,163,928	4/24/2012
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	US	8,957,215	2/17/2015
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	EP	7709290.6 (pending)	1/25/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	AR	70100305 (pending)	1/24/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	AU	2007207904	1/25/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	BR	PI0707283 (pending)	1/25/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	JP	5289061	1/25/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	CN	101410393	1/25/2012
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	IN	6133/DELNP/2008 (pending)	1/25/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	KR	10-1406248	6/19/2014
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	RU	2008130695	1/25/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl Substituted Benzothiazoles” (AZD2184)	MX	2008/009396	1/25/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl substituted benzoxazoles” (AZD2995)	US	7,670,591	3/2/2010
Navidea Biopharmaceuticals, Inc.	“Heteroaryl substituted benzoxazoles” (AZD2995)	EP	7748254.5 (pending)	6/18/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl substituted benzoxazoles” (AZD2995)	CN	200780030807.8	6/18/2007

Navidea Biopharmaceuticals, Inc.	“Heteroaryl substituted benzoxazoles” (AZD2995)	IN	10035/DELNP/2008 (pending)	6/18/2007
Navidea Biopharmaceuticals, Inc.	“Heteroaryl substituted benzoxazoles” (AZD2995)	JP	5548842	6/18/2007

**ANNEX 6  
to Security Agreement**

**TRADE NAMES, TRADEMARKS, SERVICES MARKS, TRADEMARK AND SERVICE MARK REGISTRATIONS AND  
APPLICATIONS FOR TRADEMARK AND SERVICE MARK REGISTRATIONS**

<b>Owner</b>	<b>Trademark</b>	<b>Jurisdiction</b>	<b>Registration Number (if registered)/Serial Number (if applied for only)</b>	<b>Registration Date (if registered)/ Filing Date (if applied for only)</b>
Navidea Biopharmaceuticals, Inc.	"LYMPHOSEEK" (Standard Characters)	US	3,163,525	10/24/2006
Navidea Biopharmaceuticals, Inc.	"LYMPHOSEEK" (Standard Characters)	CA	1647184	10/9/2013
Navidea Biopharmaceuticals, Inc.	"LYMPHOSEEK" (Standard Characters)	EP	12,204,202	3/5/2014
Navidea Biopharmaceuticals, Inc.	"LYMPHOSEEK" (Standard Characters)	JP	5,649,575	2/14/2014
Navidea Biopharmaceuticals, Inc.	"LYMPHOSEEK" (Standard Characters)	CN	13988394	1/27/2014
Navidea Biopharmaceuticals, Inc.	"LYMPHOSEEK" (Logo)	US	86/055,675	9/4/2013
Navidea Biopharmaceuticals, Inc.	"NAVIDEA" (Standard Characters)	US	4,514,173	4/15/2014
Navidea Biopharmaceuticals, Inc.	"NAVIDEA" (Standard Characters)	CA	1647179	10/9/2013
Navidea Biopharmaceuticals, Inc.	"NAVIDEA" (Standard Characters)	EP	122,041,786	3/6/2014
Navidea Biopharmaceuticals, Inc.	"NAVIDEA" (Standard Characters)	JP	5,652,414	2/28/2014
Navidea Biopharmaceuticals, Inc.	"NAVIDEA" (Standard Characters)	CN	14109341	3/4/2013
Navidea Biopharmaceuticals, Inc.	"NAVIDEA BIOPHARMACEUTICALS" (Logo)	US	4,207,633	9/11/2012
Navidea Biopharmaceuticals, Inc.	"MANOCEPT" (Standard Characters – Class 5)	US	86/287,230	5/21/2014
Navidea Biopharmaceuticals, Inc.	"MANOCEPT" (Standard Characters – Class 42)	US	86/287231	5/21/2014



COMMERCIAL TORT CLAIMS

None.

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Annex 8-1

SUBORDINATION AGREEMENT

**THIS SUBORDINATION AGREEMENT** (this “**Agreement**”) is entered into as of May 8, 2015, by and among Platinum-Montaur Life Sciences LLC, a Delaware limited liability company (together with its permitted successors and assigns, the “**Subordinated Creditor**”), and Capital Royalty Partners II L.P., Capital Royalty Partners II – Parallel Fund “A” L.P. and Parallel Investment Opportunities Partners II L.P. (together, the “**Senior Creditors**” and each, a “**Senior Creditor**”), Capital Royalty Partners II L.P., in its capacity as control agent for the Senior Creditors (together with its successors and assigns, in such capacity, the “**Senior Creditor Agent**”), and is consented to and acknowledged by Navidea Biopharmaceuticals, Inc., a Delaware corporation (the “**Borrower**”, and together with any other borrower or guarantor of the Senior Debt (as defined below), collectively, the “**Company**”).

**RECITALS**

**A** . The Company has entered into the Term Loan Agreement, dated as of May 8, 2015 (as amended, restated, supplemented, replaced, increased or otherwise modified from time to time in accordance with the terms hereof, the “**Senior Loan Agreement**”), by and among (a) the Company, (b) Senior Creditors and (c) the financial institutions or other entities signatory thereto from time to time as Lenders (such Lenders and any other holders from time to time of any of the Senior Debt, collectively, the “**Senior Creditor**”), pursuant to which Senior Creditor Agent and Senior Creditor have made and may make certain loans from time to time to the Company on the terms and conditions set forth therein. All of the Company’s obligations to Senior Creditor Agent and Senior Creditors under the Senior Debt Documents (as hereinafter defined) are secured by first-priority liens on and security interests in all of the property of the Company in which the Company purports to grant a security interest from time to time under the Senior Debt Documents and the products and proceeds thereof (collectively, the “**Collateral**”).

**B** . Subordinated Creditor has extended and may in the future extend loans to the Company under that certain Loan Agreement, dated as of July 25, 2012, between the Borrower and the Subordinated Creditor, as amended as of June 25, 2013, March 4, 2014 and as of the date hereof (and as further amended, restated, supplemented or otherwise modified in accordance with the terms hereof, the “**Subordinated Loan Agreement**”), which loans are evidenced by that certain Third Amended and Restated Promissory Note (*Term Loan Facility*) dated as of the date hereof in the original principal amount of \$35,000,000, as amended as of the date hereof (and as further amended, restated, supplemented, replaced or modified in accordance with the terms hereof, the “**Subordinated Note**”). All of the Company’s obligations evidenced by the Subordinated Debt Documents are and will remain unsecured obligations.

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

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

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

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

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

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

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

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

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

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

**“Senior Debt”** shall mean all obligations, liabilities and indebtedness of every nature of the Company from time to time owed to Senior Creditor Agent and Senior Creditor under the Senior Debt Documents, including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest, prepayment premiums and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a Proceeding under the Bankruptcy Code together with (a) any amendments, restatements, modifications, renewals, increases or extensions thereof in accordance with the terms hereof and (b) any interest, fees, expenses, premiums or other amounts accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest, fees, expenses, premiums or other amounts are allowed or allowable in whole or in part in any such Proceeding; provided that in no event shall the principal amount of Senior Debt exceed \$78,000,000. Senior Debt shall be considered to be outstanding whenever any loan or loan commitment under any Senior Debt Document is outstanding.

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

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

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

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

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

## **2. Subordination.**

**2.1 Subordination of Subordinated Debt to Senior Debt.** The Company covenants and agrees, and Subordinated Creditor by its execution hereof or its acceptance of the Subordinated Loan Agreement and any Subordinated Note (whether upon original issue or upon transfer or assignment) likewise covenants and agrees, notwithstanding anything to the contrary contained in any of the Subordinated Debt Documents, that the payment of any and all of the Subordinated Debt shall be subordinate and subject in right and time of payment, in the manner set forth in this Agreement, to the prior indefeasible payment in full in cash of all Senior Debt. Each holder of Senior Debt, whether such Senior Debt is now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired Senior Debt in reliance upon the provisions contained in this Agreement. Notwithstanding the terms of the Subordinated Debt Documents, the Company agrees that it will not make, and Subordinated Creditor agrees that it will not accept, any Distribution, whether in cash, securities or other property, with respect to or as payment for the Subordinated Debt until the Subordination Termination Date (including, without limitation, any amounts owing pursuant to Section 3.2 of the Subordinated Loan Agreement other than pursuant to a Subordinated Debt Conversion); provided, however, that the Borrower may issue to the Subordinated Creditor, and the Subordinated Creditor may accept, common stock of the Borrower in connection with a Subordinated Debt Conversion.

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

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

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

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

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

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

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

**2 . 3     Subordinated Debt Standstill Provisions.** Until the Subordination Termination Date, Subordinated Creditor shall not, without the prior written consent of Senior Creditor Agent, take any Enforcement Action with respect to the Subordinated Debt. Any Distributions or other proceeds of any Enforcement Action obtained by Subordinated Creditor in violation of the immediately preceding sentence shall in any event be held in trust by it for the benefit of Senior Creditor Agent and Senior Creditor and promptly paid or delivered to Senior Creditor Agent in the form received. Notwithstanding any provision of this Agreement to the contrary, Subordinated Creditor may take any action solely to the extent necessary to prevent the running of any applicable statute of limitations or other similar restriction on claims, including the submission of any proof of claim in respect of the Subordinated Debt in any Proceeding.

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

**2 . 5 Subordination of Liens and Security Interests; Agreement Not to Contest; Agreement to Release Liens; Acknowledgement of Liens.**

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

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



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

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

**2.7 Sale, Transfer or other Disposition of Subordinated Debt**

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

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

2 . 8 **Legends.** Until the Subordination Termination Date, Subordinated Creditor will cause to be clearly, conspicuously and prominently inserted on the face of the Subordinated Note and any other Subordinated Debt Document, as well as any renewals or replacements thereof, the following legend:

“This instrument and the indebtedness, rights and obligations evidenced hereby and any liens or other security interests securing such rights and obligations are subordinate in the manner and to the extent set forth in that certain Subordination Agreement (as amended, restated, supplemented or modified from time to time, the “**Subordination Agreement**”) dated as of May 8, 2015, by and among the Subordinated Creditor identified therein and Capital Royalty Partners II L.P. in its capacity as control agent for certain lenders (together with its successors and assigns, “**Senior Creditor Agent**”), to certain indebtedness, rights, and obligations of Navidea Biopharmaceuticals, Inc. to Senior Creditor Agent and Senior Creditor (as defined therein) and liens and security interests of Senior Creditor Agent securing the same all as described in the Subordination Agreement; and each holder and transferee of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Subordination Agreement.”

3. **Modifications.**

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

**3 . 2 Modifications to Subordinated Debt Documents by Subordinated Creditor.** Until the Subordination Termination Date, and notwithstanding anything to the contrary contained in the Subordinated Debt Documents, neither the Company nor Subordinated Creditor shall, without the prior written consent of Senior Creditor Agent, agree to any amendment, modification, waiver or supplement to the Subordinated Debt Documents.

**3 . 3 Parallel Modifications Subordinated Debt Documents.** If the Senior Debt Documents are modified with the consent of Senior Lenders, the modification will apply automatically, without the consent of Subordinated Creditor and without any action by Subordinated Creditor or the Company, to the following provisions of the Subordinated Loan Agreement so as to make such Subordinated Loan Agreement provisions, less, but not more, burdensome to the Company: Sections 6.6 (Indebtedness), 6.9 (Fundamental Changes; Asset Transfers), 6.10 (Transactions with Affiliates), 6.12 (Guaranties), and 7.1(viii) (cross-acceleration) and the definition of “Change of Control”, provided that no such modification will (a) modify the economic terms or payment obligations of the Subordinated Debt or (b) impose duties on Subordinated Creditor without its consent.

**4. Waiver of Certain Rights by Subordinated Creditor.**

**4 . 1 Notice.** To the fullest extent permitted by applicable law, Subordinated Creditor hereby waives any right to receive the following notices from Senior Creditor Agent: (a) notice of acceptance hereof; (b) notice of any loans or other financial accommodations made or extended under the Senior Debt Documents, or the creation or existence of any Senior Debt; (c) notice of the amount of the Senior Debt; (d) notice of any adverse change in the financial condition of Company or any account debtor or of any other fact that might increase Subordinated Creditor’s risk hereunder; (e) notice of presentment for payment, demand, protest, and notice thereof as to any instrument among the Senior Debt Documents; (f) notice of any default or event of default under the Senior Debt Documents or otherwise relating to the Senior Debt; and (g) all other notices (except if such notice is specifically required to be given to Subordinated Creditor under this Agreement) and demands to which Subordinated Creditor might otherwise be entitled. Notwithstanding anything to the contrary, Subordinated Creditor is not waiving, and shall not be deemed to have waived, any rights that Subordinated Creditor has as a stockholder of the Company, including any voting, consent or information rights. Moreover, nothing contained herein shall be deemed to be a waiver of, and Subordinated Creditor is not waiving, any notice obligations that the Company has to Subordinated Creditor.

**4 . 2 Marshaling.** Subordinated Creditor hereby waives any rights it may have under applicable law to assert the doctrine of marshaling or to otherwise require Senior Creditor Agent to marshal any property of the Company or any guarantor of the Senior Debt for the benefit of Subordinated Creditor.

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

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

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

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

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

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

**5. Representations and Warranties.**

**5 . 1 Representations and Warranties of Subordinated Creditor.** Subordinated Creditor hereby represents and warrants to Senior Creditor Agent, for the benefit of Senior Creditor Agent and Senior Creditor, that as of the date hereof: (a) it is a limited liability company duly formed and validly existing under the laws of the jurisdiction of its formation; (b) it has the power and authority to enter into, execute, deliver and carry out the terms of this Agreement, all of which have been duly authorized by all proper and necessary action; (c) the execution of this Agreement by Subordinated Creditor will not violate or conflict with its organizational documents, any material agreement binding upon it or any law, regulation or order or require any consent or approval which has not been obtained; (d) this Agreement is the legal, valid and binding obligation of Subordinated Creditor, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles; (e) it is the sole owner, beneficially and of record, of the Subordinated Debt Documents and the Subordinated Debt; (f) neither Subordinated Creditor, nor its agent, has any liens or security interests in the Collateral or any other assets of the Company; and (g) such Person has no contractual put right to require that the Company redeem any equity securities.

**5 . 2 Representations and Warranties of Senior Creditor Agent.** Senior Creditor Agent hereby represents and warrants to Subordinated Creditor that as of the date hereof: (a) Senior Creditor Agent is a limited liability company duly formed and validly existing under the laws of the jurisdiction of its formation; (b) Senior Creditor Agent has the power and authority to enter into, execute, deliver and carry out the terms of this Agreement, all of which have been duly authorized by all proper and necessary action; (c) the execution of this Agreement by Senior Creditor Agent will not violate or conflict with the organizational documents of Senior Creditor Agent, any material agreement binding upon Senior Creditor Agent or any law, regulation or order or require any consent or approval which has not been obtained; (d) this Agreement is the legal, valid and binding obligation of Senior Creditor Agent, enforceable against Senior Creditor Agent in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by equitable principles and (e) the Senior Loan Agreement does not permit the re-borrowing of funds advanced thereunder and repaid.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

**20. Representations Regarding Subordinated Loan Agreement.** Subordinated Creditor hereby represents and warrants to Senior Creditor Agent, for the benefit of Senior Creditor Agent and each Senior Creditor, that as of the date hereof: (a) it has executed and delivered to Senior Creditor Agent executed copies of the Subordinated Loan Agreement and the Subordinated Note which together with the other agreements and instruments contemplated therein constitute the entire agreement of the Company and Subordinated Creditor in respect thereof and Subordinated Creditor is not aware of any current Event of Default under the Subordinated Debt Documents; (b) as of the date of this Agreement, the Draw Credit Maximum Amount (as defined in the Subordinated Loan Agreement) is no less than \$35,000,000 (of which \$7,718,000 has been drawn and \$27,282,000 remains available for the Company to draw, subject only to the express conditions precedent in the Subordinated Loan Agreement ) and may be increased pursuant to Section 2.6 of the Subordinated Loan Agreement by an additional \$15,000,000; and (c) no liens or other security interest have been granted in favor of the Subordinated Creditor or any of its affiliates pursuant to any Subordinated Debt Document. Senior Creditors each hereby represents and warrants to Subordinated Creditor that as of the date hereof it has executed and delivered to Subordinated Creditor executed copies of the Senior Loan Agreement which together with the other agreements and instruments contemplated therein constitute the entire agreement of the Company and Senior Creditors.

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

**(Signature page follows)**

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

SENIOR CREDITORS AND SENIOR CREDITOR AGENT:

**CAPITAL ROYALTY PARTNERS II L.P.**

By CAPITAL ROYALTY PARTNERS II GP L.P., its General Partner

By CAPITAL ROYALTY PARTNERS II GP LLC, its General Partner

By /s/ Charles W. Tate  
Name: Charles Tate  
Title: Sole Member

Address for Notices:

1000 Main Street, Suite 2500  
Houston, TX 77002  
Attn: General Counsel  
Tel.: 713.209.7350  
Fax: 713.209.7351  
Email: adorenbaum@crglp.com

**CAPITAL ROYALTY PARTNERS II – PARALLEL FUND “A” L.P.**

By CAPITAL ROYALTY PARTNERS II – PARALLEL FUND “A” GP L.P., its General Partner

By CAPITAL ROYALTY PARTNERS II – PARALLEL FUND “A” GP LLC, its General Partner

By /s/ Charles W. Tate  
Name: Charles Tate  
Title: Sole Member

Address for Notices:

1000 Main Street, Suite 2500  
Houston, TX 77002  
Attn: General Counsel  
Tel.: 713.209.7350  
Fax: 713.209.7351  
Email: adorenbaum@crglp.com

Signature Page to Subordination Agreement (Navidea)

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**PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II  
L.P.**

By PARALLEL INVESTMENT OPPORTUNITIES PARTNERS  
II GP L.P., its General Partner

By PARALLEL INVESTMENT OPPORTUNITIES  
PARTNERS II GP LLC, its General Partner

By /s/ Charles W. Tate

\_\_\_\_\_  
Name: Charles Tate  
Title: Sole Member

Address for Notices:

1000 Main Street, Suite 2500  
Houston, TX 77002  
Attn: General Counsel  
Tel.: 713.209.7350  
Fax: 713.209.7351  
Email: adorenbaum@crglp.com

Signature Page to Subordination Agreement (Navidea)

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SUBORDINATED CREDITOR

**PLATINUM-MONTAUR LIFE SCIENCES LLC**

By: /s/ David Steinberg

Name: David Steinberg

Its: Authorized Signatory

Address for Notices:

250 West 55<sup>th</sup> Street, 14<sup>th</sup> Floor

New York, New York 10019

Attn: David Steinberg

Fax: 212.271-7855

Email: [dsteinberg@platinump.com](mailto:dsteinberg@platinump.com)

Signature Page to Subordination Agreement (Navidea)

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## COMPANY ACKNOWLEDGMENT, CONSENT AND AGREEMENT

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

*[Signature pages follow]*

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

NAVIDEA BIOPHARMACEUTICALS, INC.

By: /s/ Brent L. Larson

Name: Brent L. Larson

Title: EVP, CFO, Treasurer and Secretary

Signature Page to Subordination Agreement (Navidea)

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**THIRD AMENDMENT TO LOAN AGREEMENT**

This Third Amendment to Loan Agreement (the "Third Amendment") is made as of the 8th day of May, 2015, by and between **NAVIDEA BIOPHARMACEUTICALS, INC.**, a Delaware corporation (the "Borrower"), and **PLATINUM-MONTAUR LIFE SCIENCES, LLC**, a Delaware limited liability company (the "Lender").

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

**WHEREAS**, the Loan Agreement was amended as of June 25, 2013, in connection with a loan to the Borrower by General Electric Capital Corporation;

**WHEREAS**, the Loan Agreement was further amended as of March 4, 2014, in connection with a loan to the Borrower by Oxford Finance LLC (the "Second Amendment"), and a Subordination Agreement of even date among the Borrower, the Lender and Oxford Finance LLC (the "Oxford Subordination Agreement");

**WHEREAS**, the Borrower has entered into a Term Loan Agreement dated as of May 8, 2015 (the "CRG Loan Agreement") with Capital Royalty Partners II L.P., Capital Royalty Partners II – Parallel Fund "A" L.P. and Parallel Investment Opportunities Partners II L.P. (collectively, the "CRG Lenders"), a portion of the proceeds of which will be applied to discharge Borrower's Indebtedness to Oxford Finance LLC; and

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

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

**ARTICLE ONE  
DEFINITIONS; REPRESENTATIONS; CONSENT**

**Section 1.1**      **Terms Defined.**

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

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

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

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

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

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

1.2.5      As of April 30, 2015, the Borrower has outstanding, on a fully-diluted basis (assuming conversion or exercise in full of all outstanding warrants, convertible preferred stock, options and other common stock equivalents) 177,473,065 shares of Common Stock. The fully diluted outstanding share capitalization of the Borrower has not materially changed since such date.

**Section 1.3**      **Consent to CRG Loan Documents**

Upon and as of the Effective Date, the Lender hereby consents to the terms and conditions of the CRG Loan Agreement and the “Loan Documents” as defined therein, each in substantially the forms attached hereto as Exhibit A as the same may be hereafter amended consistent with the terms of the Subordination Agreement, including amendments to increase the principal amount of the Senior Debt (as defined in the Subordination Agreement) to the extent permitted in the definition thereof, and the incurrence of Indebtedness and granting of Liens contemplated thereby.

**ARTICLE TWO  
AMENDMENTS**

**Section 2.1**      **Amendments to Defined Terms.**

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

“This instrument and the indebtedness, rights and obligations evidenced hereby and any liens or other security interests securing such rights and obligations are subordinate in the manner and to the extent set forth in that certain Subordination Agreement (as amended, restated, supplemented or modified from time to time, the “Subordination Agreement”) dated on or about the date hereof, by and among the Subordinated Creditor identified therein and with Capital Royalty Partners II L.P., Capital Royalty Partners II – Parallel Fund “A” L.P. and Parallel Investment Opportunities Partners II L.P. to certain indebtedness, rights, and obligations of Navidea Biopharmaceuticals, Inc. to Senior Creditor Agent and Senior Creditor (each as defined therein) and liens and security interests of Senior Creditor Agent securing the same all as described in the Subordination Agreement; and each holder and transferee of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Subordination Agreement.”

(b)            Upon and as of the Effective Date, the definition of “Applicable Rate” in Section 1.1 of the Loan Agreement shall be amended to read in its entirety as follows:

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

(c)            Upon and as of the Effective Date, the following definition of “Convertibility Date” shall be added to Section 1.1 of the Loan Agreement:

“**Convertibility Date**” means the first Business Day following the date on which the average of the daily VWAP for ten (10) preceding Trading Days exceeds \$2.53 per share (as adjusted for splits, combinations and the like).

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

“**CRG Loan Agreement**” means the Term Loan Agreement, dated as of May 8, 2015, by and among the Borrower, the other loan parties from time to time party thereto, and the lenders from time to time party thereto, as it may be amended, restated, supplemented, refinanced or otherwise modified from time to time.

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

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

(f) Upon and as of the Effective Date, the definition of “Draw Loan Maturity Date” in Section 1.1 of the Loan Agreement shall be amended to read in its entirety as follows:

“**Draw Loan Maturity Date**” means with respect to each Draw, the day that is the earlier of (a) two (2) years following the day such Draw was funded by the Lender and (b) six (6) months following the CRG Maturity Date; provided, that in no event shall the Draw Loan Maturity Date for any Draw occur prior to the earlier of (a) six (6) months following the CRG Maturity Date and (b) the Subordination Termination Date (as defined in the Subordination Agreement).

(g) Upon and as of the Effective Date, the definition of “Permitted Liens” in Section 1.1 of the Loan Agreement shall be amended to read in its entirety as follows:

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

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

“**Subordination Agreement**” means the Subordination Agreement, dated as of May 8, 2015, among the Lender and Capital Royalty Partners II L.P., Capital Royalty Partners II – Parallel Fund “A” L.P. and Parallel Investment Opportunities Partners II L.P., and consented to by the Borrower and the Subsidiaries of the Borrower from time to time party thereto.

(i) Upon and as of the Effective Date, the following definition of “CRG Maturity Date” shall be added to Section 1.1 of the Loan Agreement:

“**CRG Maturity Date**” means “Maturity Date” as defined in the CRG Loan Agreement as in effect on May 8, 2015.

**Section 2.2**      **Amendment to Section 2.2(b).**

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

(b) Interest shall accrue on the unpaid aggregate principal balance of each Draw at an interest rate per annum, subject to the terms and conditions hereof, equal to the Applicable Rate per annum, and shall compound monthly. All interest accruing on each Draw shall be due and payable on each Payment Date; provided, however, in no event shall interest be payable in cash if such payment would violate the terms of the Subordination Agreement, including, without limitation, Section 2.1 thereof.

**Section 2.3 Amendment to Section 2.2 (f).**

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

(f) Notwithstanding anything to the contrary contained herein, the Lender shall have no obligation to fund any Draw hereunder (i) upon and after the occurrence of an Event of Default or an "Event of Default" under and as defined in the CRG Loan Agreement that has not been waived by the CRG Lenders or (ii) upon and after the CRG Maturity Date.

**Section 2.4 Amendment to Section 5.10.**

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

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

**Section 2.5 Amendment to Section 7.1.**

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

(viii) An event of default shall have occurred under any Indebtedness in excess of the amount of \$1,000,000 of Borrower and/or any Guarantor on an aggregate basis and as a result thereof such Indebtedness shall have been accelerated and become due prior to the stated maturity thereof or is unpaid on the stated maturity thereof (other than Indebtedness incurred pursuant to the CRG Loan Documents);

**Section 2.6 Amendment to Section 7.1.**

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

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

**Section 2.7 Amendment to Section 2.7(a).**

Upon and as of the Effective Date, Section 2.7(a) of the Loan Agreement shall be amended to read in its entirety as follows:

(a) Subject to Sections 2.7(c) and (e), with respect to any Draw heretofore or hereafter advanced hereunder, beginning on the Convertibility Date and thereafter at any time and from time to time while any portion of the principal, or unpaid interest accrued on such Draw, is outstanding (whether or not such Draw is outstanding as of the Convertibility Date), the Lender shall have the right, at Lender's option, to convert all or any portion of the unpaid principal or unpaid interest accrued on such Draw (the "Conversion Amount") into the number of shares of Borrower's common stock (the "Common Stock") computed by dividing the Conversion Amount by a conversion price equal to the lesser of (i) 90% of the lowest VWAP for the 10 Trading Days preceding the date of such conversion request, or (ii) the average VWAP for the 10 Trading Days preceding the date of such conversion request (the "Conversion Price");

**Section 2.8 Amendment to Section 2.7(b).**

Upon and as of the Effective Date, Section 2.7(b) of the Loan Agreement shall be amended to read in its entirety as follows:

(b) Subject to Sections 2.7(c) and (e), while the Subordination Agreement is in effect, if at any time following the later of the Triggering Event Date and the Convertibility Date, Borrower is required, without giving effect to the proviso in Section 3.2 hereof, to repay Lender any amount due under Section 3.2 of this Agreement (a "Revenue-Based Repayment") but is prohibited by the Subordination Agreement from doing so, and Senior Creditor Agent (as defined in the Subordination Agreement), has not waived such prohibition in writing on behalf of itself and the Senior Creditor (as defined in the Subordination Agreement), Lender shall have the right, at Lender's option to convert all or any portion of Revenue-Based Repayment (the "Conversion Amount") into Common Stock at the Conversion Price;

**Section 2.9 Amendment to Section 2.7(c).**

Upon and as of the Effective Date, the reference to 23,906,000 shares of Common Stock in Section 2.7(c) shall be deemed amended to 30,100,000 shares of Common Stock.

**Section 2.10**     **Amendment and Restatement of Note.**

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

**ARTICLE THREE**  
**CLOSING CONDITIONS**

**Section 3.1**     **Closing Conditions.**

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

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

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

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

(iv)      the Lender shall have received evidence of the execution and delivery of the CRG Loan Agreement and the "Loan Documents" referred to therein, and the CRG Lenders shall have committed, subject to the terms of the CRG Loan Agreement, to fund Indebtedness thereunder in a gross amount of not less than \$50,000,000 contemporaneously with this Amendment becoming effective.

**Section 3.2**     **Effective Date.**

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

**ARTICLE FOUR  
MISCELLANEOUS**

**Section 4.1      Loan Documents**

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

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

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

**Section 4.3      Expenses.**

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

**Section 4.4      General.**

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

*[Signature Page Follows]*





THIS INSTRUMENT AND THE INDEBTEDNESS, RIGHTS AND OBLIGATIONS EVIDENCED HEREBY AND ANY LIENS OR OTHER SECURITY INTERESTS SECURING SUCH RIGHTS AND OBLIGATIONS ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (AS AMENDED, RESTATED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME, THE "SUBORDINATION AGREEMENT") DATED AS OF MAY 8, 2015, BY AND AMONG THE SUBORDINATED CREDITOR IDENTIFIED THEREIN AND CAPITAL ROYALTY PARTNERS II L.P. IN ITS CAPACITY AS AGENT FOR CERTAIN LENDERS (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "SENIOR CREDITOR AGENT"), TO CERTAIN INDEBTEDNESS, RIGHTS, AND OBLIGATIONS OF NAVIDEA BIOPHARMACEUTICALS, INC. TO SENIOR CREDITOR AGENT AND SENIOR CREDITOR (AS DEFINED THEREIN) AND LIENS AND SECURITY INTERESTS OF SENIOR CREDITOR AGENT SECURING THE SAME ALL AS DESCRIBED IN THE SUBORDINATION AGREEMENT; AND EACH HOLDER AND TRANSFEREE OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

THIRD AMENDED AND RESTATED PROMISSORY NOTE

*(Term Loan Facility)*

\$35,000,000.00

Dublin, Ohio

Date of Original Issuance: July 25, 2012

Date of First Amendment and Restatement: June 25, 2013

Date of Second Amendment and Restatement: March 4, 2014

Date of Third Amendment and Restatement: May 15, 2015

FOR VALUE RECEIVED, NAVIDEA BIOPHARMACEUTICALS, INC., a Delaware corporation (the "Borrower"), with its principal place of business at 425 Metro Place North, Dublin, Ohio 43107, promises to pay to the order of PLATINUM-MONTAUR LIFE SCIENCES LLC (together with any successors or assigns, the "Lender") at the office of the Lender, 250 West 55<sup>th</sup> Street, New York, New York 10019, the sum of THIRTY FIVE MILLION DOLLARS and zero cents (\$35,000,000.00), or, if less, the amount of all Draws advanced (and not hereafter repaid) by the Lender pursuant to the Loan Agreement, dated June 25, 2012, between the Borrower and the Lender (as amended, supplemented or modified, the "Loan Agreement"), together with interest on the unpaid balance and all other charges, as provided below. This Note evidences the Term Loan Facility made under and pursuant to the Loan Agreement; capitalized terms used herein and not otherwise defined shall have the respective meanings given in the Loan Agreement.

Interest will accrue on the unpaid balance of each Draw at the Applicable Rate. All interest accruing on each Draw shall be due and payable as set forth in Section 2.2(b) of the Loan Agreement. The principal sum of each Draw shall be due and payable as set forth in Section 2.2(c) of the Loan Agreement. Principal, interest and other amounts owing under this Note may be converted into Common Stock as is set forth in the Loan Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Amendment and Restatement.** This Note amends and restates the Promissory Note (Term Note Facility) dated July 25, 2012 made by Borrower in favor of the Lender in the original principal amount of up to \$35,000,000, as amended and restated on each of June 25, 2013 and March 4, 2014 (the "Prior Note"). This Note is issued in exchange for (and not in discharge of the indebtedness evidenced by) the Prior Note.

*[Signature Page Follows]*

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

IN THE PRESENCE OF:

**NAVIDEA BIOPHARMACEUTICALS, INC.**

/s/ Elizabeth Johnson  
Witness

By: /s/ Brent L. Larson  
Name: Brent L. Larson  
Title: EVP/CFO



Press Release

FOR IMMEDIATE RELEASE

## Navidea Reports First Quarter 2015 Financial Results; Reiterates 2015 Lymphoseek® Revenue Guidance

DUBLIN OHIO, May 12, 2015 - Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB), today announced financial results for the first quarter of 2015. Navidea reported total revenue for the first quarter of 2015 of \$2.1 million, including Lymphoseek® (technetium Tc 99m tilmanocept) injection sales revenue of \$1.84 million. The net loss attributable to common stockholders was \$7.3 million .

“Performance year-to-date reflects our aggressive transformation into an organization singularly focused on unlocking the value of our Manocept™ technology as a state-of-the-art cancer imaging agent and as a novel therapeutic platform,” said Rick Gonzalez, Navidea Chief Executive Officer. “We executed on our stated objectives to grow revenues sequentially, continued to take steps to reduce operating cash burn, strengthened our balance sheet, and are positioned to begin realizing the impact of a fully deployed surgical oncology field force in the second half of the year. Based on this progress, we reaffirm our \$10 to \$12 million Lymphoseek revenue guidance for 2015 and our expectation of achieving cash-flow breakeven from operations during the first quarter of 2016.”

Specific milestones achieved in the first quarter and year-to-date include the following:

- Achieved sequential quarter-on-quarter Lymphoseek revenue growth of 26% and continued improvement in key performance indicator growth targets;
- Hired Lymphoseek field force of 12 representatives which will be fully deployed in the second quarter;
- Entered a European commercial partnership for Lymphoseek with Norgine BV and received \$2 million up-front payment;
- Reported additional validating data at the American Association for Cancer Research (AACR) meeting demonstrating the potential for our CD206 targeting platform, Manocept, to target and treat Kaposi’s sarcoma (KS), which is an ideal model for other tumor types and infectious diseases;
- Signed a new credit facility that will allow us to restructure our debt and provide us with over \$18 million in additional net capital to support the Company’s growth and plans to reach cash flow breakeven;
- Completed an initial external investment into Macrophage Therapeutics, Inc. enabling further development of the promising, early-stage Manocept therapeutic platform; and,
- Completed the divestiture of the first of two non-core neuroimaging assets.

### FINANCIALS

Total revenues for the quarter ended March 31, 2015 were \$2.1 million compared to \$752,000 in the first quarter last year. First quarter product revenues recognized from the sale of Lymphoseek were \$1.84 million, compared to \$1.46 million in the fourth quarter of last year and \$627,000 in the first quarter of last year. This represents a sequential quarter-on-quarter growth of 26% and year-over-year growth of approximately 200%. During the first quarter of 2015, the Company also received a \$2.0 million up-front payment related to the execution of a sublicense for Lymphoseek in the EU with Norgine BV; however, this amount is being amortized over a two-year period in accordance with applicable revenue recognition rules.

Gross margins on Lymphoseek product sales remain strong at 76% for the first quarter of 2015 compared to 69% for the first quarter of 2014.

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Research and development expenses for the first quarter of 2015 were \$4.0 million, compared to \$5.2 million in the first quarter of last year. Selling, general and administrative expenses for the first quarter of 2015 were \$5.5 million, compared to \$3.9 million in the first quarter of last year. Total operating expenses were \$9.5 million, compared to \$9.1 million in the first quarter of last year. Operating expenses for the first quarter of 2015 included approximately \$1.4 million in estimated one-time severance and stock compensation-related costs associated with the March 2015 reduction in force and approximately \$1.5 million in out-of-pocket costs related to the Company's neuroimaging programs.

Navidea's net loss attributable to common stockholders for the quarter ended March 31, 2015 was \$7.3 million, or \$0.05 per share, compared to \$11.7 million, or \$0.08 per share, for the same period in 2014.

Navidea ended the quarter with \$4.9 million in cash. Subsequent to the end of the quarter, the Company entered into a loan agreement with CRG which, after paying off certain outstanding debt, will increase our cash position by over \$18 million. The CRG loan agreement provides for an initial funding of \$50 million with up to \$10 million of additional funding available to Navidea, at its option, through December 2016, subject to the satisfaction of certain revenue milestones and other borrowing conditions.

In connection with the CRG financing, the Company also announced certain amendments to the Company's existing line of credit currently in place with Platinum-Montaur Life Sciences, LLC (Platinum) are being made that allow this facility to remain in place in a subordinated position to the CRG loan. The amendments will allow Platinum to convert the Company's \$7.7 million debt during a time period in which the Company's average stock price has exceeded \$2.53 per share for 10 consecutive trading days.

The Company reiterates its 2015 Lymphoseek product revenue estimate of \$10 million to \$12 million. Additionally, margins on Lymphoseek product sales are expected to approach and possibly exceed 80% in the coming quarters. The Company also expects, following completion of the partnering activities for NAV4694, that cash operating expenses on a quarterly basis will continue to decrease to the point necessary for the Company to achieve its goals of cash flow breakeven from operations. This guidance excludes therapeutic-related research and development costs for the Manocept platform which are expected to be funded separately by Macrophage Therapeutics, Inc.

"Our first quarter results are on track with our operating budget and are reflective of the Company's goal to accomplish our objectives more efficiently," said Brent Larson, Chief Financial Officer. "Consistent with this effort, we closed our Boston office, reduced headcount and have moved forward with our plans to discontinue development of our non-core neuroimaging products. These events, coupled with the restructuring of our debt, provide us with greater financial flexibility than we have enjoyed for some time. We believe this will not only help us through the point of achieving our stated goal of reaching cash flow break-even from operations early next year, but ultimately sets the stage for achievement of the longer term growth prospects for the Manocept platform."

**COMMERCIALIZATION**

2015 commercialization efforts will focus initially on breast cancer, melanoma, and oral cavity head and neck cancers, where sentinel lymph node biopsies are already standard of care. Lymphoseek has a highly differentiated label, and the product provides a compelling clinical value proposition.

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“Our commercial business achieved its stated objectives this quarter, which position us to realize the full effect of our new field force and commercial strategy,” said Thomas Klima, Chief Commercial Officer. “We have recruited a seasoned and highly-motivated sales team who will cover territories that capture more than 80% of Lymphoseek-applicable cancer diagnoses in the U.S. They will execute a new brand strategy reflective of Lymphoseek’s expanded label directed to the oncology treatment team with a focus on surgeons and other decision makers within the hospital. Based on the anticipated impact of the deployment of this sales force and our positive first quarter revenues and key performance indicators, we remain confident in our 2015 sales projections.”

**MANOCEPT PIPELINE**

The core Manocept CD206 targeting platform, upon which Lymphoseek is based, is central to our future business. As part of this effort, several critical new datasets have been, or are expected to be, reported at recent or upcoming medical conferences. Most recently, the company reported the following data at the AACR meeting:

- The Manocept molecule selectively binds to, and is continuously internalized by, tumor-associated macrophages and KS tumor cells in a preclinical model; and
- A single, subcutaneous injection of Lymphoseek, a product based on the Manocept platform, detects and localizes in both KS tumors and lymph nodes involved in draining the KS tumor fields.

“Our collective body of data reinforces our belief that the modulation or destruction of macrophage and KS expression profiles represents a potential for a paradigm-shifting immunotherapeutic strategy,” said Frederick O. Cope, Ph.D., Chief Scientific Officer of Navidea. “We believe these results indicate KS could serve as a model system for future immunotherapeutic development. We look forward to reporting additional data supporting the development of these efforts at upcoming medical conferences.”

**CONFERENCE CALL DETAILS**

Investors and the public are invited to access the live audio webcast through the link below. Participants who would like to ask questions during the question and answer session must participate by telephone also. Participants are encouraged to log-in and/or dial-in fifteen minutes before the conference call begins. The webcast replay is expected to be available on our investor website, <http://ir.navidea.com>, approximately two to four hours after the live event.

Event: Navidea Biopharmaceuticals Q1 2015 Financial Results Conference Call

Date/Time: Tuesday, May 12, 2015 at 8:30 a.m. EDT

Webcast Link: <http://edge.media-server.com/m/p/yafuo9zw/lan/en>

Dial-in Number – US: 1 (855) 897-5884

Dial in Number – Int'l: 1 (720) 634-2940

Confirmation Number: 39734236

Replay: A webcast replay will be available on the Investor Relations section of our website at <http://ir.navidea.com> for 30 days.

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### 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. 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 solid tumor cancers where lymphatic mapping is a component of surgical management and for guiding sentinel lymph node biopsy in patients with clinically node negative breast cancer, melanoma or squamous cell carcinoma of the oral cavity. Lymphoseek has also received European approval in imaging and intraoperative detection of sentinel lymph nodes in patients with melanoma, breast cancer or localized squamous cell carcinoma of the oral cavity.

Accurate diagnostic evaluation of cancer is critical, as it guides therapy decisions and determines patient prognosis and risk of recurrence. Overall in the U.S., solid tumor cancers may represent up to 1.2 million cases per year. The sentinel node label in the U.S. and Europe may address 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 in the U.S., 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 is a radioactive diagnostic agent indicated with or without scintigraphic imaging for:

- Lymphatic mapping using a handheld gamma counter to locate lymph nodes draining a primary tumor site in patients with solid tumors for which this procedure is a component of intraoperative management.
- Guiding sentinel lymph node biopsy using a handheld gamma counter in patients with clinically node negative squamous cell carcinoma of the oral cavity, breast cancer or melanoma.

### Important Safety Information

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

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

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](http://WWW.LYMPHOSEEK.COM)

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**About Navidea**

Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB) is a biopharmaceutical company focused on the development and commercialization of precision diagnostics, therapeutics and radiopharmaceutical agents. Navidea is developing multiple precision-targeted products and platforms including Manocept™ and NAV4694 to help identify the sites and pathways of undetected disease and enable better diagnostic accuracy, clinical decision-making, targeted treatment 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 and in Europe in November 2014. Navidea's strategy is to deliver superior growth and shareholder return by bringing to market novel radiopharmaceutical agents and therapeutics, and advancing the Company's pipeline through global partnering and commercialization efforts. For more information, please visit [www.navidea.com](http://www.navidea.com).

*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.*

**Source:** Navidea Biopharmaceuticals, Inc.

**Contact:** Navidea Biopharmaceuticals

Investors

Tom Baker, 617-532-0624

tbaker@navidea.com

Media

Sharon Correia, 978-655-2686

Associate Director, Corporate Communications

FINANCIAL TABLES TO FOLLOW

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**NAVIDEA BIOPHARMACEUTICALS**

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**NAVIDEA BIOPHARMACEUTICALS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2015 (unaudited)	December 31, 2014
<b>Assets:</b>		
Cash	\$ 4,884,189	\$ 5,479,006
Other current assets	3,133,589	3,120,139
Non-current assets	<u>2,900,131</u>	<u>3,321,035</u>
<b>Total assets</b>	<b><u>\$ 10,917,909</u></b>	<b><u>\$ 11,920,180</u></b>
<b>Liabilities and stockholders' deficit:</b>		
Deferred revenue, current	\$ 1,000,000	\$ -
Notes payable, net of discount, current	6,092,442	4,383,472
Other current liabilities	5,803,976	4,711,619
Deferred revenue	916,667	-
Notes payable, net of discount	29,306,751	29,539,135
Other liabilities	3,161,885	3,089,420
Navidea stockholders' deficit	(35,846,713)	(29,803,466)
Noncontrolling interest	482,901	-
Stockholders' deficit	<u>(35,363,812)</u>	<u>(29,803,466)</u>
<b>Total liabilities and stockholders' deficit</b>	<b><u>\$ 10,917,909</u></b>	<b><u>\$ 11,920,180</u></b>

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## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended	
	March 31, 2015	March 31, 2014
	(unaudited)	(unaudited)
Revenue:		
Lymphoseek sales revenue	\$ 1,835,422	\$ 626,631
Lymphoseek license revenue	83,333	-
Grant and other revenue	189,701	125,173
Total revenue	<u>2,108,456</u>	<u>751,804</u>
Cost of goods sold	<u>449,057</u>	<u>193,220</u>
Gross profit	<u>1,659,399</u>	<u>558,584</u>
Operating expenses:		
Research and development	3,981,288	5,226,794
Selling, general and administrative	5,494,168	3,910,833
Total operating expenses	<u>9,475,456</u>	<u>9,137,627</u>
Loss from operations	<u>(7,816,057)</u>	<u>(8,579,043)</u>
Interest expense	(966,859)	(943,838)
Equity in the loss of joint venture	(262,227)	-
Change in fair value of financial instruments	1,727,103	392,483
Loss on extinguishment of debt	-	(2,610,196)
Other income (expense), net	26,815	41
Net loss	(7,291,225)	(11,740,553)
Net loss attributable to noncontrolling interest	(100)	-
Deemed dividend on beneficial conversion feature	(46,000)	-
Net loss attributable to common stockholders	<u>\$ (7,337,125)</u>	<u>\$ (11,740,553)</u>
Loss per common share (basic and diluted)	\$ (0.05)	\$ (0.08)
Weighted average shares outstanding (basic and diluted)	149,794,331	144,783,351

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Press Release

FOR IMMEDIATE RELEASE

## Navidea Secures \$60 Million Loan with CRG; Funding to Support Lymphoseek<sup>®</sup> Commercialization and Advancement of Development Pipeline

DUBLIN, OHIO — May 11, 2015 — Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB), today announced that it has entered into a term loan with CRG (formerly Capital Royalty L.P.), which provides for an initial funding of \$50 million at closing. The majority of the funds provided by CRG will be used by Navidea to retire its debt from Oxford Finance LLC in its entirety. After repayment of the Oxford debt, this transaction will provide a net amount of \$18 million in capital to Navidea. Proceeds will be used to support the growth of the Company's Manocept<sup>™</sup> technology, initially as a state-of-the-art FDA-approved cancer imaging agent, Lymphoseek<sup>®</sup> (technetium Tc 99m tilmanocept) injection, and for general operating purposes.

Lymphoseek received FDA approvals in 2014 that made it the first and only imaging agent indicated for sentinel lymph node detection in breast cancer, melanoma and oral cavity head and neck cancers. This provides surgeons with a tool to determine the extent a cancer has spread in the body, which may inform accurate staging and patient management. This is accomplished through Lymphoseek's distinct ability to target the cell surface protein CD206, a marker of disease-associated macrophages.

"As a premier lender that has invested in companies across all healthcare sectors, CRG is the ideal strategic partner for providing us with growth capital under attractive terms. Our relationship with CRG will allow us to execute on our Lymphoseek commercial plan and advance our Manocept diagnostic and therapeutic platform development programs," commented Rick Gonzalez, Navidea's President and Chief Executive Officer. "Importantly, this provides us with substantially greater financial flexibility to achieve our goal for cash flow breakeven in the first quarter of 2016 and with the options to access additional capital or to accelerate principal payment. In addition, CRG offers Navidea its breadth of healthcare experience, deep knowledge of our business, and access to its impressive network and resources."

"Navidea represents a compelling investment opportunity for CRG with a first-in-class diagnostic imaging agent, Lymphoseek, and its Manocept platform, which has the potential to treat cancer and other conditions in a new way by targeting disease-associated macrophages," said Charles Tate, Chairman of CRG. "We believe that Navidea is poised to become a major player in the oncology market and CRG is pleased to provide the Company with capital as it grows Lymphoseek revenues and advances more innovative products to market."

Select terms of the transaction include the following:

- Navidea will receive an initial \$50 million loan with a term of six years, an interest only period for the first four years, and a 14% annual interest rate.
- Up to \$10 million of additional funding will be available to Navidea, at its option, through December 2016, subject to the satisfaction of certain revenue milestones and other borrowing conditions.
- At the Company's option, during the first four years, a portion of the interest payments may be compounded and paid together with the principal in the fifth and sixth years.

In connection with the CRG financing, the Company also announced certain amendments to the Company's existing line of credit currently in place with Platinum-Montaur Life Sciences LLC (Platinum) are being made that allow this facility to remain in place in a subordinated position to the CRG loan. The amendments will allow Platinum to convert the Company's \$7.7 million debt during a time period in which the Company's average stock price has exceeded \$2.53 per share for 10 consecutive trading days.

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WBB Securities LLC acted as financial advisor to Navidea in connection with this transaction.

### **About Lymphoseek**

Lymphoseek<sup>®</sup> (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. 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 solid tumor cancers where lymphatic mapping is a component of surgical management and for guiding sentinel lymph node biopsy in patients with clinically node negative breast cancer, melanoma or squamous cell carcinoma of the oral cavity. Lymphoseek has also received European approval in imaging and intraoperative detection of sentinel lymph nodes in patients with melanoma, breast cancer or localized squamous cell carcinoma of the oral cavity.

Accurate diagnostic evaluation of cancer is critical, as it guides therapy decisions and determines patient prognosis and risk of recurrence. Overall in the U.S., solid tumor cancers may represent up to 1.2 million cases per year. The sentinel node label in the U.S. and Europe may address 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 in the U.S., 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 is a radioactive diagnostic agent indicated with or without scintigraphic imaging for:

- Lymphatic mapping using a handheld gamma counter to locate lymph nodes draining a primary tumor site in patients with solid tumors for which this procedure is a component of intraoperative management.
- Guiding sentinel lymph node biopsy using a handheld gamma counter in patients with clinically node negative squamous cell carcinoma of the oral cavity, breast cancer or melanoma.

### **Important Safety Information**

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

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

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](http://WWW.LYMPHOSEEK.COM)

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**About Navidea Biopharmaceuticals Inc.**

Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB) is a biopharmaceutical company focused on the development and commercialization of precision diagnostics, therapeutics and radiopharmaceutical agents. Navidea is developing multiple precision-targeted products and platforms including Manocept™ and NAV4694 to help identify the sites and pathways of undetected disease and enable better diagnostic accuracy, clinical decision-making, targeted treatment 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 and in Europe in November 2014. Navidea's strategy is to deliver superior growth and shareholder return by bringing to market novel radiopharmaceutical agents and therapeutics, and advancing the Company's pipeline through global partnering and commercialization efforts. For more information, please visit [www.navidea.com](http://www.navidea.com).

**About CRG**

Founded in 2003, CRG (previously known as Capital Royalty L.P.) is a healthcare-focused investment firm with over \$2 billion of assets under management that provides capital to healthcare companies primarily through structured debt and senior secured loans. CRG works across the spectrum of life science products and technologies and targets investment sizes ranging between \$20 million and \$200 million. The firm partners with commercial-stage healthcare companies to provide flexible financing solutions so they can achieve their growth objectives. CRG is headquartered in Houston, Texas with offices in Boulder, Colorado and New York City. For additional information, please visit [www.crglp.com](http://www.crglp.com).

*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.*

Source: Navidea Biopharmaceuticals, Inc.

**Navidea Biopharmaceuticals**

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