

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): **December 23, 2019**

LIQUIDIA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38601
(Commission
File Number)

20-1926605
(IRS Employer
Identification No.)

419 Davis Drive, Suite 100, Morrisville, North Carolina
(Address of principal executive offices)

27560
(Zip Code)

Registrant's telephone number, including area code: **(919) 328-4400**

(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	LQDA	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Private Placement and Common Stock Purchase Agreement

On December 23, 2019, Liquidia Technologies, Inc. (the “Company”) entered into a Common Stock Purchase Agreement (the “Purchase Agreement”) with certain institutional accredited investors (the “Purchasers”) for the sale by the Company in a private placement (the “Private Placement”) of an aggregate of 7,164,534 shares (the “Private Placement Shares”) of the Company’s common stock, par value \$0.001 per share (“Common Stock”), at a purchase price of \$3.13 per Private Placement Share. The closing of the Private Placement (the “Closing”) is expected to occur on or about December 27, 2019, subject to the satisfaction of customary closing conditions. The Company has granted the Purchasers indemnification rights with respect to its representations, warranties, covenants and agreements under the Purchase Agreement.

The aggregate gross proceeds for the sale of the Private Placement Shares will be approximately \$22.4 million, before deducting placement agent fees and offering expenses. The Company will pay placement agent fees of approximately \$1.3 million. Jefferies LLC (the “Placement Agent”) acted as the sole placement agent for the Private Placement.

The Company intends to use the net proceeds from the Private Placement for to complete ongoing development of LIQ861 and LIQ865 and for general corporate purposes.

The Private Placement is exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D of the Securities Act and in reliance on similar exemptions under applicable state laws. Each of the Purchasers represented that it is an accredited investor within the meaning of Rule 501 of Regulation D, and is acquiring the securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. The Private Placement Shares were offered without any general solicitation by the Company or its representatives.

The Private Placement Shares sold and issued in the Private Placement will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission (the “SEC”) or an applicable exemption from the registration requirements.

Registration Rights Agreement

In connection with the Private Placement, on December 23, 2019 the Company entered into a registration rights agreement (the “Registration Rights Agreement”) with the Purchasers. Pursuant to the Registration Rights Agreement, the Company agreed to file a shelf registration statement (the “Registration Statement”) with the SEC within 60 days following the date of entry into the Registration Rights Agreement (the “Filing Deadline”) to register the Private Placement Shares for resale and use its best efforts to (i) cause the Registration Statement to be declared effective by the SEC or otherwise become effective under the Securities Act as soon as practicable after the filing thereof, but in no event later than that date that is five (5) business days after the date the Company receives written notification from the SEC that the Registration Statement will not be reviewed (the “Effectiveness Deadline”); provided, that the Effectiveness Deadline shall be extended to 120 days after the Filing Deadline if such Registration Statement is reviewed by, and receives comments from, the SEC. The Company also agreed, among other things, to indemnify the selling holders under the registration statements from certain liabilities and to pay all fees and expenses incident to the Company’s performance of or compliance with the Registration Rights Agreement.

Transaction Documents

The representations, warranties and covenants contained in the Purchase Agreement were made solely for the benefit of the parties to the Purchase Agreement; provided, however, that the Placement Agent is an intended third-party beneficiary of the representations and warranties of the Company and each Purchaser contained therein. In addition, such representations, warranties and covenants (i) are intended as a way of allocating the risk between the parties to the Purchase Agreement and not as statements of fact, and (ii) may apply standards of materiality in a way that is different from what may be viewed as material by stockholders of, or other investors in, the Company. Accordingly, the Purchase Agreement is filed with this report only to provide investors with information regarding the terms of transaction, and not to provide investors with any other factual information regarding the Company. Stockholders should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in public disclosures.

The foregoing descriptions of the Purchase Agreement and Registration Rights Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Purchase Agreement and Registration Rights Agreement, which are filed hereto as Exhibits 10.1 and 10.2, respectively, and are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02. The Private Placement Shares were offered and sold in transactions exempt from registration under the Securities Act, in reliance on Section 4(a)(2) thereof and Rule 506 of Regulation D thereunder. Each of the Purchasers represented that it was an “accredited investor,” as defined in Regulation D, and is acquiring the Private Placement Shares for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. The Private Placement Shares have not been registered under the Securities Act and such Private Placement Shares may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws. Neither this Current Report on Form 8-K nor any of the exhibits attached hereto is an offer to sell or the solicitation of an offer to buy shares of Common Stock or any other securities of the Company.

Item 8.01 Other Events.

Private Placement Press Release

On December 24, 2019, the Company issued a press release announcing the Private Placement. The full text of the press release issued in connection with this announcement is attached as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

ATM Agreement Sales

On December 24, 2019, the Company sold 2,007,788 shares (the “ATM Shares”) of Common Stock with gross proceeds of approximately \$6.3 million at a price per ATM Share of \$3.13 pursuant to that certain Open Market Sale AgreementSM, dated as of August 23, 2019 (the “ATM Agreement”), by and between the Company and Jefferies LLC, as sales agent and/or principal (the “Sales Agent”). Pursuant to the ATM Agreement, the Company will pay the Sales Agent a commission equal to 3.0% of the gross sales proceeds of any Common Stock sold through the Sales Agent.

Forward-Looking Statements

This Current Report on Form 8-K may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Current Report on Form 8-K other than statements of historical facts, including statements regarding the Company's future results of operations and financial position, the Company's strategic and financial initiatives, including the potential licensing of LIQ861, the Company's business strategy and plans and objectives for future operations, are forward-looking statements. Such forward-looking statements, including statements regarding the anticipated closing of the Private Placement, the use of proceeds from the private placement, the filing of a registration statement to register the resale of the Private Placement Shares to be issued and sold in the Private Placement, clinical trials, clinical studies and other clinical work (including the funding therefor, anticipated patient enrollment, safety data, study data, trial outcomes, timing or associated costs), regulatory applications and related timelines, including the filing of a New Drug Application (NDA) for LIQ861 and the Company's ability to execute on its strategic or financial initiatives, involve significant risks and uncertainties and actual results could differ materially from those expressed or implied herein. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would," and similar expressions are intended to identify forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs, including but not limited to whether the conditions for the closing of the Private Placement will be satisfied. These forward-looking statements are subject to a number of risks discussed in the Company's filings with the SEC, as well as a number of uncertainties and assumptions. Moreover, the Company operates in a very competitive and rapidly changing environment and the Company's industry has inherent risks. New risks emerge from time to time. It is not possible for the Company's management to predict all risks, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. In light of these risks, uncertainties and assumptions, the future events discussed in this Current Report on Form 8-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Nothing in this Current Report on Form 8-K should be regarded as a representation by any person that these goals will be achieved, and the Company undertakes no duty to update its goals or to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d)

Exhibit No.	Exhibit
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<u>10.1+</u>	<u>Common Stock Purchase Agreement, dated as of December 23, 2019, by and among Liquidia Technologies, Inc. and the Purchasers.</u>
<u>10.2+</u>	<u>Registration Rights Agreement, dated as of December 23, 2019, by and among Liquidia Technologies, Inc. and the Purchasers.</u>
<u>99.1</u>	<u>Press Release of Liquidia Technologies, Inc., dated December 24, 2019.</u>

+ Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10). The omitted information is not material and would likely cause competitive harm to the Company if publicly disclosed.

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.

December 26, 2019

Liquidia Technologies, Inc.

By: /s/ Richard D. Katz, M.D.

Name: Richard D. Katz, M.D.

Title: Chief Financial Officer

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [*] INDICATES THAT INFORMATION HAS BEEN REDACTED.**

COMMON STOCK PURCHASE AGREEMENT

COMMON STOCK PURCHASE AGREEMENT (this “**Agreement**”), dated as of December 23, 2019, by and among Liquidia Technologies, Inc., a Delaware corporation, with headquarters located at 419 Davis Drive, Suite 100, Morrisville, NC 27560 (“**Liquidia**”), and each of the investors listed on the Schedule of Buyers attached hereto (individually, a “**Buyer**” and collectively, the “**Buyers**”).

A. **WHEREAS**, each Buyer wishes to purchase from Liquidia, and Liquidia wishes to sell, upon the terms and conditions stated in this Agreement, that aggregate number of shares of Liquidia’s common stock, par value \$0.001 per share (the “**Common Stock**”), set forth opposite such Buyer’s name in column (3) on the Schedule of Buyers attached hereto (collectively, the “**Common Shares**”) for an aggregate purchase price as set forth on the Schedule of Buyers (provided that each Buyer and its Affiliates shall not be a “beneficial owner” of more than 19.99% of the Common Stock (as defined for purposes of Rule 13d-3 of the 1934 Act (as defined below)) immediately following the Closing), and Liquidia desires to sell the Common Shares to the Buyers, all on the terms and conditions set forth in this Agreement; and

B. **WHEREAS**, in reliance upon the representations made by each of the Buyers and Liquidia in this Agreement, the transactions contemplated by this Agreement are such that the offer and sale of securities by Liquidia under this Agreement will be exempt from registration under applicable United States securities laws as a result of the transaction being contemplated hereby being undertaken pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “**1933 Act**”) and Rule 506 of Regulation D (“**Regulation D**”) as promulgated by the U.S. Securities and Exchange Commission (the “**SEC**”) under the 1933 Act.

C. **NOW, THEREFORE**, in consideration of the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Liquidia and each Buyer hereby agree as follows:

1. **PURCHASE AND SALE OF COMMON SHARES.**

(a) **Purchase of Common Shares.** Subject to the satisfaction (or waiver) of all of the conditions set forth in Section 5 and Section 6 below, Liquidia shall issue and sell to each Buyer, and each Buyer severally, but not jointly, agrees to purchase from Liquidia on the Closing Date (as defined below), the number of Common Shares as is set forth opposite such Buyer’s name in column (3) on the Schedule of Buyers attached hereto at a purchase price of \$3.13 per Common Share (the “**Closing**”).

(b) **Closing.** On the Closing Date (as defined below), upon the terms and subject to the conditions set forth herein, Liquidia agrees to sell, and each Buyer agrees to purchase, the number of Common Shares at the Purchase Price (as defined below) set forth opposite such Buyer’s name in columns (3) and (4), respectively, of the Schedule of Buyers attached hereto. The Closing shall occur at 10 a.m. Eastern time on December 27, 2019, subject to the satisfaction or waiver of the conditions set forth in Section 5 and Section 6 in accordance with this Agreement (the “**Closing Date**”), at the offices of DLA Piper LLP (US), 51 John F. Kennedy Parkway, Suite 120, Short Hills, NJ 07078, or at such later date, time or other location as the parties may mutually agree in writing, and of which the Buyers will be notified in advance by Jefferies LLC, as placement agent (the “**Placement Agent**”). At or prior to the Closing, each of Liquidia and the Buyers shall execute any related agreements or other documents required to be executed as of the Closing hereunder, each dated the Closing Date. The Shares shall be delivered via a book-entry record through Liquidia’s transfer agent. Unless Liquidia and a Buyer otherwise mutually agree with respect to such Buyer’s Common Shares, at Closing settlement shall occur on a “delivery versus payment” basis.

(c) Purchase Price. The purchase price for the Common Shares to be purchased by each Buyer pursuant to this Agreement shall be the number of Common Shares to be purchased by such Buyer multiplied by the per share purchase price set forth in Section 1(a) hereof which amount shall be set forth opposite such Buyer's name in column (4) of the Schedule of Buyers attached hereto (each, a "**Purchase Price**").

(d) Section 4(a)(2) and Regulation D. Assuming the accuracy of the representations and warranties of each Buyer and Liquidia set forth in Section 2 and Section 3, respectively, the parties acknowledge and agree that the purpose of such representations and warranties is, among other things, to ensure that the transaction contemplated hereby qualify as a sale of securities under Section 4(a)(2) of the 1933 Act and Rule 506 of Regulation D as promulgated by the SEC under the 1933 Act.

(e) Allocation of Purchase Price. Liquidia and each Buyer, as a result of arm's length bargaining, agree that (I) none of the Buyers nor any of their Affiliates (as defined below) have rendered services to Liquidia in connection with this Agreement, and (II) except as otherwise required by a final "determination" within the meaning of Section 1313(a)(1) of the U.S. Internal Revenue Code of 1986, as amended, all tax returns and other information returns of each party relative to this Agreement, and the Common Shares issued pursuant hereto shall consistently reflect the matters agreed to in clause (I) of this Section 1(e).

2. BUYER'S REPRESENTATIONS AND WARRANTIES. Each Buyer, severally and not jointly, represents and warrants with respect to only itself to Liquidia that, as of the date hereof and as of the Closing Date:

(a) Organization and Existence. Such Buyer is a duly incorporated or organized and validly existing corporation, limited partnership, limited liability company or other legal entity, has all requisite corporate, partnership or limited liability company power and authority to enter into and consummate the transactions contemplated by the Transaction Documents (as defined below) and to carry out its obligations hereunder and thereunder, and to invest in the Common Shares pursuant to this Agreement, and is in good standing under the laws of the jurisdiction of its incorporation or organization.

(b) No Public Sale or Distribution. Such Buyer is acquiring the Common Shares for its own account, not as nominee or agent, for the purpose of investment and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the 1933 Act; provided, however, that by making the representations herein, such Buyer does not agree to hold any of the Common Shares for any minimum or other specific term and reserves the right to dispose of the Common Shares at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Such Buyer is acquiring the Common Shares hereunder in the ordinary course of its business. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Common Shares. For purposes of this Agreement, "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(c) Accredited Investor Status; No Disqualification Events. Such Buyer is (i) an “accredited investor” as that term is defined in Rule 501(a) of Regulation D and (ii) an “Institutional Account” as defined in FINRA Rule 4512(c). Such Buyer has executed and delivered to Liquidia a questionnaire in substantially the form attached hereto as Exhibit A (the “**Investor Questionnaire**”), which such Buyer represents and warrants is true, correct and complete. Such Buyer is a sophisticated institutional investor with sufficient knowledge and experience in investing in private equity transactions to properly evaluate the risks and merits of its purchase of the Common Shares. None of the “bad actor” disqualifications described in Rule 506(d)(1)(i) through (viii) under the 1933 Act (“**Disqualification Events**”) are applicable to such Buyer or any of its Rule 506(d) Related Parties (as defined below), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Such Buyer hereby agrees that it shall notify Liquidia promptly in writing in the event a Disqualification Event becomes applicable to such Buyer or any of its Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Section 2(b), “**Rule 506(d) Related Party**” shall mean a Person that is a beneficial owner of such Buyer’s securities for purposes of Rule 506(d) of the 1933 Act. Except as set forth on Schedule 2(b), such Buyer is not, and has not been, for a period of at least three (3) months prior to the date of this Agreement (a) an officer or director of Liquidia, (b) an “affiliate” of Liquidia (as defined in Rule 144) (an “**Affiliate**”), or (c) a “beneficial owner” of more than 10% of Liquidia’s Common Stock (as defined for purposes of Rule 13d-3 of the 1934 Act).

(d) Placement Agent. Such Buyer hereby acknowledges and agrees that (a) the Placement Agent is acting solely as placement agent in connection with the execution, delivery and performance of the Transaction Documents and is not acting as an underwriter or in any other capacity and is not and shall not be construed as a fiduciary for such Buyer, Liquidia or any other person or entity in connection with the execution, delivery and performance of the Transaction Documents, (b) the Placement Agent has not made or will make any representation or warranty, whether express or implied, of any kind or character, or has provided any advice or recommendation in connection with the execution, delivery and performance of the Transaction Documents, (c) the Placement Agent will not have any responsibility with respect to (i) any representations, warranties or agreements made by any person or entity under or in connection with the execution, delivery and performance of the Transaction Documents, or the execution, legality, validity or enforceability (with respect to any person) thereof, or (ii) the business, affairs, financial condition, operations, properties or prospects of, or any other matter concerning Liquidia, and (d) the Placement Agent will not have any liability or obligation (including without limitation, for or with respect to any losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses or disbursements incurred by such Buyer, Liquidia or any other person or entity), whether in contract, tort or otherwise, to such Buyer, or to any person claiming through it, in respect of the execution, delivery and performance of the Transaction Documents.

(e) No General Solicitation. Such Buyer did not learn of the investment in the Common Shares as a result of any general or public solicitation or general advertising, or publicly disseminated advertisements or sales literature, including (a) any advertisement, article, notice or other communication published in any newspaper, magazine, website, or similar media, or broadcast over television or radio, or (b) any seminar or meeting to which such Buyer was invited by any of the foregoing means of communications.

(f) Brokers and Finders. Other than the Placement Agent, no Person will have, as a result of the transactions contemplated by the Transaction Documents, any valid right, interest or claim against or upon Liquidia or a Buyer for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of such Buyer.

(g) Short Sales and Confidentiality Prior to the Date Hereof. Other than consummating the transactions contemplated hereunder, such Buyer has not, nor has any Person acting on behalf of or pursuant to any understanding with such Buyer, directly or indirectly executed any purchases or sales, including “short sales” (as defined in Rule 200 of Regulation SHO under the 1934 Act), of the securities of Liquidia during the period commencing as of the time that such Buyer was first contacted by Liquidia, the Placement Agent or any other Person regarding the transactions contemplated hereby and ending immediately prior to the date hereof. Notwithstanding the foregoing, in the case of a Buyer that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Buyer’s assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Buyer’s assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Common Shares covered by this Agreement. Other than to other Persons party to this Agreement and other than to such Person’s outside attorney, accountant, auditor or investment advisor only to the extent necessary to permit evaluation of the investment, and the performance of the necessary or required tax, accounting, financial, legal, or administrative tasks and services and other than as may be required by law, such Buyer has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect “short sales” or similar transactions in the future.

(h) Reliance on Exemptions. Such Buyer understands that the Common Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of U.S. federal and state securities laws and that Liquidia is relying in part upon the truth and accuracy of, and such Buyer’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Common Shares.

(i) Information. Such Buyer has been furnished with all materials relating to the business, finances and operations of Liquidia and materials relating to the transactions contemplated hereunder that have been requested by such Buyer. Such Buyer has been afforded the opportunity to ask questions of Liquidia. Neither such inquiries nor any other due diligence investigations conducted by such Buyer or its representatives shall modify, amend or affect such Buyer's right to rely on Liquidia's representations and warranties contained herein. Such Buyer acknowledges that all of the documents filed by Liquidia with the SEC under Sections 13(a), 14(a) or 15(d) of the 1934 Act that have been posted on the SEC's EDGAR site are available to such Buyer, and such Buyer has not relied on any statement of Liquidia not contained in such documents in connection with such Buyer's decision to enter into this Agreement and the transactions contemplated hereby. Such Buyer has not relied on any information or advice furnished by or on behalf of the Placement Agent or any other Buyer in connection with the transaction contemplated hereby.

(j) Risk. Such Buyer understands that its investment in the Common Shares involves a high degree of risk. Such Buyer is able to bear the risk of an investment in the Common Shares, including, without limitation, the risk of total loss of its investment. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to the transactions contemplated hereby. Such Buyer understands that there is no assurance that the Common Shares will continue to be quoted, traded or listed for trading or quotation on the Nasdaq Capital Market ("**Nasdaq**") or on any other organized market or quotation system.

(k) No Governmental Review. Such Buyer understands that no U.S. federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Common Shares or the fairness or suitability of the investment in the Common Shares nor have such authorities passed upon or endorsed the merits of the offering of the Common Shares.

(l) No Intent to Effect a Change of Control. Such Buyer has no present intent to effect a "change of control" of Liquidia as such term is understood under the rules promulgated pursuant to Section 13(d) of the 1934 Act.

(m) Residency. Such Buyer's office in which its investment decision with respect to the Common Shares was made is located at the address immediately below such Buyer's name on its signature page hereto.

(n) Transfer or Resale. Such Buyer acknowledges and agrees that the Common Shares are "restricted securities" as defined in Rule 144 promulgated under the 1933 Act as in effect from time to time (or a successor rule thereto) ("**Rule 144**") and must be held indefinitely unless they are subsequently registered under the 1933 Act or an exemption from such registration is available. Buyer has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about Liquidia, the resale occurring following the required holding period under Rule 144 and the number of shares being sold during any three-month period not exceeding specified limitations.

(o) Authorization; Validity; Enforcement. Such Buyer has all requisite power and authority to enter into this Agreement and the other Transaction Documents to which such Buyer is a party, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement and the other Transaction Documents to which such Buyer is a party have been duly and validly authorized, executed and delivered on behalf of such Buyer and shall constitute the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(p) Legends. Such Buyer understands that the certificates or other instruments representing the Common Shares, until such time as the exchange or resale of the Common Shares have been registered under the 1933 Act, may bear a restrictive legend in the following form (and a stop-transfer order may be placed against transfer of such Common Shares):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

In addition, if any Buyer is an affiliate of Liquidia, the Common Shares issued to such Buyer may bear a customary "affiliates" legend. Furthermore, Buyer understands that, if required by the authorities of any state in connection with the issuance of sale of the Common Shares, the Common Shares may bear the legend required by such state authority.

(q) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the other Transaction Documents to which such Buyer is a party and the consummation by such Buyer of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Buyer or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Buyer to perform its obligations hereunder.

3. REPRESENTATIONS AND WARRANTIES OF LIQUIDIA.

Liquidia represents and warrants to each of the Buyers that, as of the date hereof and as of the Closing Date, except as set forth on the Disclosure Schedule attached hereto as Exhibit B (the “**Disclosure Schedule**”) (references to a “Schedule” in this Agreement shall be deemed to refer to a schedule contained in the Disclosure Schedule unless otherwise expressly provided):

(a) Organization and Qualification. Liquidia is an entity duly organized and validly existing and in good standing under the laws of the state of Delaware, and has the requisite corporate power and authorization to own its properties and to carry on its business as now being conducted and as presently proposed to be conducted. Liquidia is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a Material Adverse Effect. As used in this Agreement, “**Material Adverse Effect**” means any material adverse effect on the business, properties, assets, liabilities, operations, results of operations, condition (financial or otherwise) or prospects of Liquidia, individually or taken as a whole, or on the transactions contemplated hereby or on the other Transaction Documents (as defined below) or by the agreements and instruments to be entered into in connection herewith or therewith, or on the authority or ability of Liquidia to perform any of its obligations under any of the Transaction Documents. Liquidia does not, directly or indirectly, own any of the capital stock or hold an equity or similar interest in any entity.

(b) Authorization; Enforcement; Validity. Liquidia has the requisite corporate power and authority to enter into and perform its obligations under this Agreement, that certain Registration Rights Agreement, by and among the parties hereto, dated on or about the date hereof (as may be amended, amended and restated, or supplemented from time to time), and each of the other agreements entered into by Liquidia in connection with the transactions contemplated by this Agreement (collectively, the “**Transaction Documents**”) and to issue the Common Shares in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by Liquidia and the consummation by Liquidia of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Common Shares, have been duly authorized by Liquidia’s Board of Directors and (other than the filing of a Form D with the SEC and any other filings as may be required by any state securities agencies), no further filing, consent or authorization is required by Liquidia, its Board of Directors or its stockholders. This Agreement and the other Transaction Documents have been duly executed and delivered by Liquidia, and constitute the legal, valid and binding obligations of Liquidia, enforceable against Liquidia in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors’ rights and remedies.

(c) Issuance of Common Shares. The issuance of the Common Shares is duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, the Common Shares shall be validly issued and free from all preemptive or similar rights (except for those which have been validly waived prior to the date hereof), taxes, liens and charges and other encumbrances with respect to the issue thereof and the Common Shares shall be fully paid and nonassessable with the holders being entitled to all rights accorded to a holder of Liquidia Common Stock. Assuming the accuracy of each of the representations and warranties set forth in Section 2 of this Agreement, the offer and issuance by Liquidia of the Common Shares is exempt from registration under the 1933 Act. The offer and issuance of the Common Shares hereunder will not obligate Liquidia to issue shares of Common Stock or other securities to any other Person (other than the Buyers) and will not result in the adjustment of the exercise, conversion, exchange or reset price of any outstanding security.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by Liquidia and the consummation by Liquidia of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Common Shares) will not (i) result in a violation of Liquidia's certificate of incorporation, as amended and restated and as in effect on the date hereof (the "**Certificate of Incorporation**"), or Liquidia's bylaws, as amended and restated and as in effect on the date hereof (the "**Bylaws**"), or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which Liquidia is a party, or (iii) result in a violation of any applicable law, rule, regulation, order, judgment or decree (including foreign, federal and state securities laws and regulations) applicable to Liquidia or by which any property or asset of Liquidia is bound or affected, except, in the case of clauses (ii) and (iii) above, as would not have or reasonably be expected to result in a Material Adverse Effect.

(e) Consents. Liquidia is not required to obtain any consent from, authorization or order of, or make any filing or registration with (other than the filing of a Form D with the SEC and any other filings as may be required by any state securities agencies), any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which Liquidia is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the Closing Date (or in the case of filings detailed above, will be made timely after the Closing Date).

(f) Acknowledgment Regarding Buyer's Purchase of Common Shares. Liquidia acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that, except as set forth on Schedule 3(f), no Buyer is (i) an officer or director of Liquidia, (ii) an "affiliate" of Liquidia (as defined in Rule 144) or (iii) to the knowledge of Liquidia, a "beneficial owner" (as defined for purposes of Rule 13d-3 of the 1934 Act) of more than 10% of the Liquidia Common Stock. Liquidia further acknowledges that no Buyer is acting as a financial advisor or fiduciary of Liquidia or any other Buyer (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by a Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Common Shares. Liquidia further represents to each Buyer that Liquidia's decision to enter into the Transaction Documents has been based solely on the independent evaluation by Liquidia and its representatives.

(g) SEC Reports; Financial Statements. Liquidia has filed all reports, schedules, forms, statements and other documents required to be filed by Liquidia under the 1933 Act and the Securities Exchange Act of 1934, as amended (the “**1934 Act**”), including pursuant to Section 13(a) or 15(d) of the 1934 Act, for the twelve (12) months preceding the date of this Agreement (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “**SEC Reports**”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the 1933 Act and the 1934 Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of Liquidia included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Securities Exchange Commission (the “**SEC**”) with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles in the United States applied on a consistent basis during the periods involved (“**GAAP**”), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of Liquidia as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. As of the date of this Agreement and as of the Closing Date, there are no outstanding or unresolved comments received from the staff of the SEC with respect to the SEC Reports, and to Liquidia’s knowledge, none of the SEC Reports is the subject of any ongoing SEC review or investigation.

(h) Subsidiaries. Liquidia does not have any subsidiaries.

(i) No General Solicitation; Placement Agent’s Fees. Neither Liquidia, nor its affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Common Shares. Liquidia shall be responsible for the payment of the Placement Agent’s fees described on Schedule 3(i), which shall be the only such placement agent fees, financial advisory fees, or brokers’ commissions (other than for Persons engaged by any Buyer or its investment advisor) relating to or arising out of the transactions contemplated hereby. Liquidia shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, attorney’s fees and out-of-pocket expenses) arising in connection with any such claim.

(j) No Integrated Offering. Neither Liquidia, nor any of its affiliates, nor any Person acting on its behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Common Shares under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Common Shares to require approval of stockholders of Liquidia for purposes of the 1933 Act or any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of Liquidia are listed or designated for quotation. Neither Liquidia nor its affiliates nor any Person acting on their behalf will take any action or steps that would require registration of the issuance of any of the Common Shares under the 1933 Act or cause the offering of any of the Common Shares to be integrated with other offerings for purposes of any such applicable stockholder approval provisions.

(k) Application of Takeover Protections; Rights Agreement. Liquidia and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement) or other similar anti-takeover provision under the Certificate of Incorporation, Bylaws or other organizational documents or the laws of the jurisdiction of its formation which is or could become applicable to any Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, Liquidia's issuance of the Common Shares and any Buyer's ownership of the Common Shares. Liquidia and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Liquidia Common Stock or a change in control of Liquidia.

(l) Absence of Certain Changes. Except as disclosed in the SEC Reports, since September 30, 2019, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations, condition (financial or otherwise), results of operations or prospects of Liquidia. Except as disclosed in the SEC Reports, since September 30, 2019, Liquidia has not (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, in excess of \$100,000 outside of the ordinary course of business or (iii) had capital expenditures, individually or in the aggregate, in excess of \$350,000. Liquidia has not taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does Liquidia have any knowledge or reason to believe that any of its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. Liquidia is not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the Closing, will not be Insolvent (as defined below). For purposes of this Agreement, "**Insolvent**" means, with respect to any Person, (i) the present fair saleable value of such Person's assets is less than the amount required to pay such Person's total Indebtedness (as defined below), (ii) such Person is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, (iii) such Person intends to incur or believes that it will incur debts that would be beyond its ability to pay as such debts mature or (iv) such Person has unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(m) No Undisclosed Events, Liabilities, Developments or Circumstances. No event, liability, development or circumstance has occurred or exists, or is contemplated to occur with respect to Liquidia or its business, properties, prospects, operations or financial condition, that would be required to be disclosed by Liquidia under applicable securities laws on a registration statement on Form S-1 filed with the SEC relating to an issuance and sale by Liquidia of Liquidia Common Stock and which has not been publicly disclosed.

(n) Conduct of Business; Regulatory Permits. Liquidia is not in violation of any term of or in default under the Certificate of Incorporation or the Bylaws. Liquidia is not in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to Liquidia, and Liquidia will not conduct its business in violation of any of the foregoing, except in all cases for possible violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Liquidia possesses all certificates, authorizations and permits issued by the appropriate foreign, federal or state regulatory authorities necessary to conduct its business, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and Liquidia has not received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit. Without limiting the generality of the foregoing, Liquidia has no knowledge of any facts or circumstances that would reasonably lead to delisting or suspension of Common Stock by Nasdaq in the foreseeable future. The Company is in compliance with applicable Nasdaq continued listing requirements. The issuance and sale of the Common Shares does not contravene the rules and regulations of Nasdaq.

(o) Foreign Corrupt Practices. Neither Liquidia, nor any director, officer, agent, employee or other Person acting on behalf of Liquidia has, in the course of its actions for, or on behalf of, Liquidia (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(p) Transactions with Affiliates. Except as set forth in Schedule 3(p), none of the officers, directors or employees of Liquidia is presently a party to any transaction with Liquidia (other than for ordinary course services as employees, officers or directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director or employee or, to the knowledge of Liquidia, any corporation, partnership, trust or other Person in which any such officer, director, or employee has a substantial interest or is an employee, officer, director, trustee or partner.

(q) Equity Capitalization. As of the date hereof, the authorized capital stock of Liquidia consists of (I) 40,000,000 shares of Liquidia Common Stock, of which as of November 30, 2019, 18,657,154 were issued and outstanding, 2,058,065 shares were issuable under outstanding options to purchase Liquidia Common Stock at a weighted average exercise price of \$9.3438 per share, 7,727 shares were issuable upon the vesting of restricted stock units and 106,274 shares were issuable under outstanding warrants to purchase Liquidia Common Stock, each with an exercise price of \$0.0168 per share, and (II) 10,000,000 shares of preferred stock of Liquidia, none of which are issued or outstanding. All of the issued and outstanding shares of Liquidia's capital stock have been duly authorized and validly issued and are fully paid and nonassessable; none of such shares were issued in violation of any preemptive rights; and such shares were issued in compliance with applicable state and federal securities law and any rights of third parties. There are no other outstanding warrants, options, convertible securities or other rights, agreements or arrangements of any character under which Liquidia is or may be obligated to issue any equity securities of any kind, except as contemplated by this Agreement. There are no voting agreements, buy-sell agreements, option or right of first purchase agreements or other agreements of any kind among Liquidia and any of its securityholders relating to Liquidia securities held by them. Except as provided in the Registration Rights Agreement, and except as provided in that certain Seventh Amended and Restated Investors' Rights Agreement, dated as of February 2, 2018, by and among Liquidia and certain investors signatory thereto, no Person has the right to require Liquidia to register any Liquidia securities under the 1933 Act, whether on a demand basis or in connection with the registration of Liquidia securities for its own account or for the account of any other Person.

(r) Indebtedness and Other Contracts. Except as disclosed in the SEC Reports, Liquidia (i) is not a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument would reasonably be expected to result in a Material Adverse Effect, or (ii) is not in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect. For purposes of this Agreement: (x) “**Indebtedness**” of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, “capital leases” in accordance with GAAP, consistently applied during the periods involved) (other than trade payables entered into in the ordinary course of business consistent with past practice), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with GAAP, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, claim, lien, tax, right of first refusal, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above; and (y) “**Contingent Obligation**” means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, capital lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(s) Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of Liquidia, threatened against or affecting Liquidia, the Liquidia Common Stock or any of Liquidia’s officers or directors, whether of a civil or criminal nature or otherwise, in their capacities as such, except as set forth in the SEC Reports. The litigation matters set forth in the SEC Reports would not reasonably be expected to have a Material Adverse Effect.

(t) Employee Relations. Liquidia is not a party to any collective bargaining agreement, nor does it employ any member of a union. Liquidia believes that its relations with its employees are good. No executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) or other key employee of Liquidia has notified Liquidia that such officer intends to leave Liquidia or otherwise terminate such officer's employment with Liquidia. No executive officer or other key employee of Liquidia is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer or other key employee (as the case may be) does not subject Liquidia to any liability with respect to any of the foregoing matters. Liquidia is in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(u) Title. Liquidia has good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by it which is material to the business of Liquidia, in each case free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by Liquidia. Any real property and facilities held under lease by Liquidia is held by it under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by Liquidia.

(v) Intellectual Property Rights. Liquidia owns, or has obtained valid and enforceable licenses for, the inventions, patent applications, patents, trademarks, trade names, service names, copyrights, trade secrets and other intellectual property described in the SEC Reports as being owned or licensed by it or which are necessary for the conduct of its business as currently conducted or as currently proposed to be conducted, in each case as described in the SEC Reports (collectively, "**Intellectual Property**"), except for such exceptions as could not be expected, individually or in the aggregate, to have a Material Adverse Effect. To Liquidia's knowledge: (i) there are no third parties who have rights to any Intellectual Property, except for customary reversionary rights of third-party licensors with respect to Intellectual Property that is disclosed in the SEC Reports as licensed to Liquidia; and (ii) there is no infringement by third parties of any Intellectual Property. There is no pending or, to Liquidia's knowledge, threatened action, suit, proceeding or claim by others: (A) challenging Liquidia's rights in or to any Intellectual Property, and Liquidia is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; (B) challenging the validity, enforceability or scope of any Intellectual Property, and Liquidia is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; or (C) asserting that Liquidia infringes or otherwise violates, or would, upon the commercialization of any product or service described in the SEC Reports as under development, infringe or violate, any patent, trademark, trade name, service name, copyright, trade secret or other proprietary rights of others, and Liquidia is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim. Liquidia has complied in all material respects with the terms of each agreement pursuant to which Intellectual Property has been licensed to Liquidia, and all such agreements are in full force and effect. The product candidates described in the SEC Reports as under development by Liquidia fall within the scope of the claims of one or more patents or patent applications owned by, or exclusively licensed to, Liquidia.

(w) Environmental Laws. Liquidia (A) is in compliance with all Environmental Laws (as defined below), (B) has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business and (C) is in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (A), (B) and (C), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term “**Environmental Laws**” means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, “**Hazardous Materials**”) into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(x) Tax Status. Liquidia (i) has timely filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith, and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of Liquidia know of no basis for any such claim.

(y) Investment Company Status. Liquidia is not, and upon consummation of the sale of the Common Shares, will not be, an “investment company,” an affiliate of an “investment company,” a company controlled by an “investment company” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company” as such terms are defined in the Investment Company Act of 1940, as amended.

(z) U.S. Real Property Holding Corporation. Liquidia is not, and has never been, a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and Liquidia shall so certify upon any Buyer’s reasonable request.

(aa) Shell Company Status. Liquidia is not, and has never been, an issuer identified in, or subject to, Rule 144(i)(1) of the 1933 Act.

(bb) Compliance with Anti-Money Laundering Laws. The operations of Liquidia are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and all other applicable U.S. and non-U.S. anti-money laundering laws, rules and regulations, including, but not limited to, those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the United States Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, and the United States Money Laundering Control Act of 1986 (18 U.S.C. §§1956 and 1957), as amended, as well as the implementing rules and regulations promulgated thereunder, and the applicable money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency or self-regulatory body (collectively, the “**Anti-Money Laundering Laws**”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Liquidia with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of Liquidia, threatened.

(cc) No Conflicts with Sanctions Laws. Neither Liquidia nor any director, officer, employee, agent, affiliate or other person associated with or acting on behalf of Liquidia or any of its affiliates is, or is directly or indirectly owned or controlled by, a Person that is currently the subject or the target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Departments of State or Commerce and including, without limitation, the designation as a “**Specially Designated National**” or on the “**Sectoral Sanctions Identifications List**”, collectively “**Blocked Persons**”), the United Nations Security Council, the European Union, Her Majesty’s Treasury or any other relevant sanctions authority (collectively, “**Sanctions Laws**”); neither Liquidia, nor any director, officer, employee, agent, affiliate or other person associated with or acting on behalf of Liquidia or its affiliates, is located, organized or resident in a country or territory that is the subject or target of a comprehensive embargo or Sanctions Laws prohibiting trade with the country or territory, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria (each, a “**Sanctioned Country**”); Liquidia maintains in effect and enforces policies and procedures reasonably designed to ensure compliance by Liquidia with applicable Sanctions Laws; neither Liquidia, nor any director, officer, employee, agent, affiliate or other person associated with or acting on behalf of Liquidia or its affiliates, acting in any capacity in connection with the operations of Liquidia, conducts any business with or for the benefit of any Blocked Person or engages in making or receiving any contribution of funds, goods or services to, from or for the benefit of any Blocked Person, or deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked or subject to blocking pursuant to any applicable Sanctions Laws; no action of Liquidia in connection with (i) the execution, delivery and performance of this Agreement and the other Transaction Documents, (ii) the issuance and sale of the Common Shares, or (iii) the direct or indirect use of proceeds from the Common Shares or the consummation of any other transaction contemplated hereby or by the other Transaction Documents or the fulfillment of the terms hereof or thereof, will result in the proceeds of the transactions contemplated hereby and by the other Transaction Documents being used, or loaned, contributed or otherwise made available, directly or indirectly, to any joint venture partner or other person or entity, for the purpose of (i) unlawfully funding or facilitating any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions Laws, (ii) unlawfully funding or facilitating any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions Laws. From its inception, Liquidia has not knowingly engaged in and is not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions Laws or with any Sanctioned Country.

(dd) Anti-Bribery. Liquidia has not made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law which violation is required to be disclosed. Neither Liquidia, nor any of its affiliates, nor any director, officer, agent, employee or other person associated with or acting on behalf of Liquidia, or any of its affiliates, has (i) used any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee, to any employee or agent of a private entity with which Liquidia does or seeks to do business or to foreign or domestic political parties or campaigns, (iii) violated or is in violation of any provision of any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any applicable provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, or any other similar law of any other jurisdiction in which Liquidia operates its business, including, in each case, the rules and regulations thereunder (the “**Anti-Bribery Laws**”), (iv) taken, is currently taking or will take any action in furtherance of an offer, payment, gift or anything else of value, directly or indirectly, to any person while knowing that all or some portion of the money or value will be offered, given or promised to anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage or (v) otherwise made any offer, bribe, rebate, payoff, influence payment, unlawful kickback or other unlawful payment; Liquidia has instituted and has maintained, and will continue to maintain, policies and procedures reasonably designed to promote and achieve compliance with the laws referred to in (iii) above and with this representation and warranty; none of Liquidia, nor any of its affiliates will directly or indirectly use the proceeds of the Common Shares or lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or other person or entity for the purpose of financing or facilitating any activity that would violate the laws and regulations referred to in (iii) above; there are, and have been, no allegations, investigations or inquiries with regard to a potential violation of any Anti-Bribery Laws by Liquidia, or its affiliates, or any of their respective current or former directors, officers, employees, stockholders, representatives or agents, or other persons acting or purporting to act on their behalf.

(ee) No Disqualification Events. None of Liquidia, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of Liquidia participating in the offering hereunder, any beneficial owner of 20% or more of Liquidia’s outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with Liquidia in any capacity at the time of sale (each, an “**Issuer Covered Person**” and, together, “**Issuer Covered Persons**”) is subject to any a Disqualification Event, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Liquidia has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. Liquidia has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Buyers a copy of any disclosures provided thereunder.

(ff) Disclosure. Liquidia confirms that neither it nor any other Person acting on its behalf has provided any of the Buyers or their agents or counsel with any information that constitutes or could reasonably be expected to constitute material, non-public information concerning Liquidia, other than the existence of the transactions contemplated by this Agreement and the other Transaction Documents. Liquidia understands and confirms that each of the Buyers will rely on the foregoing representations in effecting transactions in securities of Liquidia. All disclosure provided to the Buyers regarding Liquidia, its business and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of Liquidia is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. All of the written information furnished after the date hereof by or on behalf of Liquidia to you pursuant to or in connection with this Agreement and the other Transaction Documents, taken as a whole, will be true and correct in all material respects as of the date on which such information is so provided and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading. No event or circumstance has occurred or information exists with respect to Liquidia or its business, properties, liabilities, prospects, operations (including results thereof) or conditions (financial or otherwise), which, under applicable law, rule or regulation, requires public disclosure at or before the date hereof or announcement by Liquidia but which has not been so publicly disclosed. Liquidia acknowledges and agrees that no Buyer makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 2.

(gg) Disclosure Controls. Liquidia maintains systems of internal accounting controls designed to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorizations; (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (c) access to assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Liquidia is not aware of any material weaknesses or significant deficiencies in its internal control over financial reporting. To the knowledge of Liquidia, since the date of the latest audited financial statements of Liquidia included within the SEC Reports, there has been no change in Liquidia's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, Liquidia's internal control over financial reporting. Liquidia has established disclosure controls and procedures (as defined in 1934 Act Rules 13a-15 and 15d-15) for Liquidia and designed such disclosure controls and procedures to ensure that material information relating to Liquidia is made known to the certifying officers by others within Liquidia, particularly during the period in which Liquidia's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, is being prepared. Liquidia's certifying officers evaluated the effectiveness of Liquidia's controls and procedures as of a date within 90 days prior to the filing date of the Annual Report on Form 10-K for the fiscal year most recently ended (such date, the "**Evaluation Date**"). Liquidia presented in its Annual Report on Form 10-K for the fiscal year most recently ended the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no significant changes in Liquidia's internal controls (as such term is defined in Item 307(b) of Regulation S-K under the 1933 Act) or, to Liquidia's knowledge, in other factors that would significantly adversely affect Liquidia's internal controls. To the knowledge of Liquidia, Liquidia's "internal control over financial reporting" and "disclosure controls and procedures" (as such terms are defined under the 1934 Act) are effective at a reasonable assurance level.

(hh) Clinical Data and Regulatory Compliance. The preclinical tests and clinical trials, and other studies (collectively, “studies”) that are described in, or the results of which are referred to in, the SEC Reports were and, if still pending, are being conducted in all material respects in accordance with the protocols, procedures and controls designed and approved for such studies and with standard medical and scientific research procedures; each description of the results of such studies is accurate and complete in all material respects and fairly presents the data derived from such studies, and Liquidia has no knowledge of any other studies the results of which are materially inconsistent with, or otherwise call into question, the results described or referred to in the SEC Reports; Liquidia has made all such filings and obtained all such approvals as may be required by the Food and Drug Administration of the U.S. Department of Health and Human Services or any committee thereof or from any other U.S. or foreign government or drug or medical device regulatory agency, or health care facility Institutional Review Board (collectively, the “**Regulatory Agencies**”) based on the location and nature of the relevant study; Liquidia has not received any notice of, or correspondence from, any Regulatory Agency requiring the termination, suspension or modification of any clinical trials that are described or referred to in the SEC Reports; and Liquidia has operated and currently is in compliance in all material respects with all applicable rules, regulations and policies of the Regulatory Agencies.

(ii) Compliance with Health Care Laws. Liquidia is, and at all times has been, in material compliance with all applicable Health Care Laws. For purposes of this Agreement, “**Health Care Laws**” means: (i) the Federal Food, Drug, and Cosmetic Act and the regulations promulgated thereunder; (ii) all applicable federal, state, local and foreign health care laws, including, without limitation, the U.S. Anti-Kickback Statute (42 U.S.C. Section 1320a-7b(b)), the Civil Monetary Penalties Law (42 U.S.C. Section 1320a-7a), the U.S. Civil False Claims Act (31 U.S.C. Section 3729 et seq.), all applicable federal, state, local and all foreign criminal laws relating to health care fraud and abuse, including but not limited to the U.S. False Statements Law (42 U.S.C. Section 1320a-7b(a)), 18 U.S.C. Sections 286 and 287, and the health care fraud criminal provisions under the U.S. Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”) (42 U.S.C. Section 1320d et seq.), the exclusion laws (42 U.S.C. Section 1320a-7), the statutes, regulations and directives of applicable government funded or sponsored healthcare programs, and the regulations promulgated pursuant to such statutes; (iii) to the extent applicable, the Standards for Privacy of Individually Identifiable Health Information (the “**Privacy Rule**”), the Security Standards, and the Standards for Electronic Transactions and Code Sets promulgated under HIPAA, the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. Section 17921 et seq.), and the regulations promulgated thereunder and any state or non-U.S. counterpart thereof or other law or regulation the purpose of which is to protect the privacy of individuals or prescribers; (iv) the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, the regulations promulgated thereunder; (v) the U.S. Controlled Substances Act (21 U.S.C. Section 801 et seq.); (vi) licensure, quality, safety and accreditation requirements under applicable federal, state, local or foreign laws or regulatory bodies; and (vii) all other local, state, federal, national, supranational and foreign laws, relating to the regulation of Liquidia. Liquidia has not received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other material action from any court or arbitrator or governmental or regulatory authority or third party alleging that any product operation or activity is in violation of any Health Care Laws nor is any such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action threatened. Liquidia has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Health Care Laws, and all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were in all material respects timely, complete, accurate and not misleading on the date filed (or were corrected or supplemented by a subsequent submission). Liquidia is not a party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any governmental or regulatory authority. Additionally, neither Liquidia nor any of its employees, officers or directors has been excluded, suspended or debarred from participation in any U.S. federal health care program or human clinical research or is subject to a governmental inquiry, investigation, proceeding, or other similar action that could reasonably be expected to result in debarment, suspension, or exclusion.

(jj) No Additional Agreements. Liquidia has no other agreements or understandings (including, without limitation, side letters) with any Buyer to purchase Common Shares on terms more favorable to such Buyer than as set forth herein.

(kk) Manipulation of Price. Liquidia has not taken, and, to Liquidia's knowledge, no Person acting on its behalf has taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of Liquidia to facilitate the sale or resale of any of the Common Shares.

4. COVENANTS.

(a) Commercially Reasonable Efforts. Each party shall use its commercially reasonable efforts timely to satisfy each of the covenants and the conditions to be satisfied by it as provided in Section 5 and Section 6 of this Agreement.

(b) No Conflicting Agreements. Liquidia will not take any action, enter into any agreement or make any commitment that would conflict or interfere in any material respect with Liquidia's obligations to the Buyers under the Transaction Documents.

(c) Nasdaq Listing. Liquidia will use commercially reasonable efforts to continue the listing and trading of its Common Stock on Nasdaq and, in accordance therewith, will use commercially reasonable efforts to comply in all material respects with Liquidia's reporting, filing and other obligations under the bylaws or rules of such market or exchange, as applicable.

(d) Reporting Status. Liquidia shall timely file all reports required to be filed with the SEC pursuant to the 1934 Act, and Liquidia shall not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would otherwise permit such termination.

(e) Termination of Covenants. The provisions of Sections 4(b), 4(c) and 4(d) shall terminate and be of no further force and effect on the date on which Liquidia's obligations under the Registration Rights Agreement being entered into among Liquidia and the Buyers on the date hereof (the "**Registration Rights Agreement**") to register or maintain the effectiveness of any registration covering the Registrable Securities (as such term is defined in the Registration Rights Agreement) shall terminate.

(f) Compliance with Laws. Notwithstanding any other provision of the Transaction Documents, each Buyer covenants that the Common Shares may be disposed of only pursuant to an effective registration statement under, and in compliance with the requirements of, the 1933 Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act, and in compliance with any applicable state and federal securities laws. In connection with any transfer of the Common Shares other than (i) pursuant to an effective registration statement or (ii) to Liquidia, Liquidia may require the transferor thereof to provide to Liquidia an opinion of counsel selected by the transferor and reasonably acceptable to Liquidia, the form and substance of which opinion shall be reasonably satisfactory to Liquidia, to the effect that such transfer does not require registration of such transferred Common Shares under the 1933 Act.

(g) Removal of Legends. Subject to Liquidia's right to request an opinion of counsel as set forth in Section 4(f), the legend set forth in Section 2(p) shall be removable and Liquidia shall issue or cause to be issued a certificate or book-entry evidence of ownership without such legend or any other legend (except for any "affiliates" legend as set forth in Section 2(p)) to the holder of the applicable Common Shares upon which it is stamped, if (i) such Common Shares are registered for resale and resold pursuant to an effective registration statement under the 1933 Act or (ii) such Common Shares are sold or transferred in compliance with Rule 144, including without limitation in compliance with the current public information requirements of Rule 144 if applicable to Liquidia at the time of such sale or transfer, and the holder and its broker have delivered customary documents reasonably requested by counsel to Liquidia in connection with such sale or transfer. Any fees (with respect to the counsel to Liquidia or otherwise) associated with the removal of such legend shall be borne by Liquidia.

(h) Use of Proceeds. Liquidia shall use the proceeds from the sale of the Common Shares to complete ongoing development of LIQ861 and LIQ865 and for general corporate purposes.

(i) Fees. Liquidia and the Buyers shall each pay the fees and expenses of their respective advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party in connection with the negotiation, preparation, execution, delivery and performance of this Agreement; except that Liquidia will pay the reasonable fees and expenses of Wyrick Robbins Yates & Ponton LLP, not to exceed Twenty-Five Thousand Dollars (\$25,000), for acting as counsel to Buyer Eshelman Ventures, LLC.

(j) Short Sales and Confidentiality After the Date Hereof. Each Buyer covenants that neither it nor any Affiliates acting on its behalf or pursuant to any understanding with it will execute any "short sales" during the period from the date hereof until the earlier of such time as (i) the transactions contemplated by this Agreement are first publicly announced or (ii) this Agreement is terminated in full. Each Buyer covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by Liquidia, such Buyer will maintain the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction), other than to such Person's outside attorney, accountant, auditor or investment advisor only to the extent necessary to permit evaluation of the investment, and the performance of the necessary or required tax, accounting, financial, legal, or administrative tasks and services and other than as may be required by law. Each Buyer understands and acknowledges that the SEC currently takes the position that coverage of "short sales" of shares of the Common Stock "against the box" prior to effectiveness of a resale registration statement with securities included in such registration statement would be a violation of Section 5 of the 1933 Act, as set forth in Item 239.10 of the Securities Act Rules Compliance and Disclosure Interpretations compiled by the Office of Chief Counsel, Division of Corporation Finance.

(k) Notice of Disqualification Events. Liquidia will notify the Buyers in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person, in each case of which it is aware.

(l) Subsequent Equity Sales.

(i) From the date hereof until 90 days after the Closing Date, without the consent of the Placement Agent, Liquidia shall not offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of any Common Stock (other than the Common Shares offered pursuant to this Agreement) or securities convertible into or exchangeable for Common Stock, warrants or any rights to purchase or acquire, Common Stock prior to the termination of this Agreement; provided, however, that such restrictions will not be required in connection with Liquidia's (i) issuance or sale of Common Stock, options to purchase Common Stock or Common Stock issuable upon the exercise of options, restricted stock units or other equity awards pursuant to any employee or director share option, incentive or benefit plan, share purchase or ownership plan, long-term incentive plan, dividend reinvestment plan, inducement award under the rules of Nasdaq or other compensation plan of Common Stock, whether now in effect or hereafter implemented, disclosed in the SEC Reports (or, in the case of an inducement award under Nasdaq rules, disclosed by press release), (ii) issuance or sale of Common Stock issuable upon exchange, conversion or redemption of securities or the exercise or vesting of warrants, options, restricted stock units or other equity awards outstanding at the date of this Agreement or disclosed in the SEC Reports, (iii) issuance or sale of Common Stock or securities convertible into or exchangeable for Common Stock as consideration for mergers, acquisitions, other business combinations, joint ventures or strategic alliances, marketing or distribution arrangements, collaboration agreements, co-promotion agreements or intellectual property license agreements occurring after the date of this Agreement which are not used for capital raising purposes, provided, that the aggregate number of Common Stock issued or issuable does not exceed 10% of the number of shares of Common Stock outstanding immediately following the Closing and (iv) modification of any outstanding options, warrants, restricted stock units or any other rights to purchase or acquire Common Stock.

5. CONDITIONS TO LIQUIDIA'S OBLIGATION TO ISSUE AND SELL.

The obligation of Liquidia hereunder to issue and sell the Common Shares at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for Liquidia's sole benefit and may be waived by Liquidia at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Such Buyer shall have executed each of the Investor Questionnaire and the Transaction Documents to which it is a party and delivered the same to Liquidia.

(ii) The Purchase Price for the Common Shares with respect to each Buyer shall have been received by Liquidia.

(iii) The representations and warranties made by such Buyer in this Agreement shall be true and correct as of the date hereof and on and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date); and such Buyer shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Closing Date.

(iv) All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Common Shares pursuant to this Agreement shall be obtained and effective as of the Closing.

6. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE.

The obligation of each Buyer hereunder to purchase the Common Shares at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing Liquidia with prior written notice thereof:

(i) Liquidia shall have duly executed and delivered to such Buyer (A) each of the Transaction Documents and (B) the Common Shares (allocated in such amounts as such Buyer shall request), being purchased by such Buyer at the Closing pursuant to this Agreement.

(ii) Liquidia shall have filed with Nasdaq a Notification Form: Listing of Additional Shares for the listing of the Common Shares, and Nasdaq shall have raised no objection to the consummation of the transactions contemplated by the Transaction Documents.

(iii) No judgment, writ, order, injunction, award or decree of or by any court, or judge, justice or magistrate, including any bankruptcy court or judge, or any order of or by any governmental authority, shall have been issued, and no action or proceeding shall have been instituted by any governmental authority, enjoining or preventing the consummation of the transactions contemplated hereby or in the other Transaction Documents.

(iv) Liquidia shall have delivered a certificate, executed by Liquidia's Secretary and dated as of the Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by its Board of Directors and Pricing Committee, (ii) the Certificate of Incorporation and (iii) the Bylaws in effect at the Closing, in the form attached hereto as Exhibit C.

(v) The representations and warranties made by Liquidia in this Agreement shall be true and correct as of the date hereof and on and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date); and Liquidia shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing Date. Such Buyer shall have received a certificate, executed by the Chief Executive Officer of Liquidia, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form attached hereto as Exhibit D.

(vi) Liquidia shall have delivered a customary legal opinion in substance reasonably satisfactory to such Buyer, dated the date of Closing, from DLA Piper LLP (US), counsel for Liquidia, with respect to the Transaction Documents and the Common Shares.

(vii) There shall have been no Material Adverse Effect with respect to Liquidia since the date hereof.

(viii) No stop order or suspension of trading shall have been imposed by Nasdaq, the SEC or any other governmental or regulatory body with respect to public trading in the Common Stock.

(ix) All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Common Shares pursuant to this Agreement shall be obtained and effective as of the Closing.

7. TERMINATION OF OBLIGATIONS TO EFFECT CLOSING; EFFECTS.

The obligations of Liquidia, on the one hand, and the Buyers, on the other hand, to effect the Closing shall terminate as follows:

(i) Upon the mutual written consent of Liquidia and Buyers that agreed to purchase a majority of the Common Shares to be issued and sold pursuant to this Agreement;

(ii) By Liquidia if any of the conditions set forth in Section 5 shall have become incapable of fulfillment, and shall not have been waived by Liquidia;

(iii) By a Buyer (with respect to itself only) if any of the conditions set forth in Section 6 shall have become incapable of fulfillment, and shall not have been waived by the Buyer; or

(iv) By either Liquidia or any Buyer (with respect to itself only) if the Closing has not occurred on or prior to January 15, 2020;

provided, however, that, except in the case of clause (i) above, the party seeking to terminate its obligation to effect the Closing shall not then be in breach of any of its representations, warranties, covenants or agreements contained in this Agreement or the other Transaction Documents if such breach has resulted in the circumstances giving rise to such party's seeking to terminate its obligation to effect the Closing.

In the event of termination by Liquidia or any Buyer of its obligations to effect the Closing pursuant to this Section 7, written notice thereof shall be given to the other Buyers by Liquidia and the other Buyers shall have the right to terminate their obligations to effect the Closing upon written notice to Liquidia and the other Buyers. Nothing in this Section 7 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

8. INDEMNIFICATION.

(a) Indemnification. Liquidia agrees to indemnify and hold harmless each Buyer and its Affiliates, and their respective directors, officers, trustees, members, managers, employees, investment advisers and agents, from and against any and all losses, claims, damages, liabilities and expenses (including without limitation reasonable and documented attorney fees and disbursements and other documented out-of-pocket expenses reasonably incurred in connection with investigating, preparing or defending any action, claim or proceeding, pending or threatened and the costs of enforcement thereof) to which such Person may become subject as a result of any breach of representation, warranty, covenant or agreement made by or to be performed on the part of Liquidia under the Transaction Documents, and will reimburse any such Person for all such amounts as they are incurred by such Person solely to the extent such amounts have been finally judicially determined not to have resulted from such Person's fraud, bad faith or willful misconduct.

(b) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided that any person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such person unless (a) the indemnifying party has agreed in writing to pay such fees or expenses, (b) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such person or (c) in the reasonable judgment of any such person, based upon written advice of its counsel, a conflict of interest exists between such person and the indemnifying party with respect to such claims (in which case, if the person notifies the indemnifying party in writing that such person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such person); and provided, further, that the failure of any indemnified party to give written notice as provided herein shall not relieve the indemnifying party of its obligations hereunder, except to the extent that such failure to give notice shall materially adversely affect the indemnifying party in the defense of any such claim or litigation. It is understood that the indemnifying party shall not, in connection with any proceeding in the same jurisdiction, be liable for fees or expenses of more than one separate firm of attorneys at any time for all such indemnified parties. No indemnifying party will, except with the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. No indemnified party will, except with the consent of the indemnifying party, consent to entry of any judgment or enter into any settlement.

9. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. This Agreement and any related dispute shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that State. Each of the parties hereto hereby (a) irrevocably submits to the personal jurisdiction of the Supreme Court of the State of New York and any state appellate court therefrom within the State of New York (or, if the Supreme Court of the State of New York declines to accept jurisdiction over a particular matter, any state or federal court within the State of New York) in the event that any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the Supreme Court of the State of New York and any state appellate court therefrom within the State of New York (or, if the Supreme Court of the State of New York declines to accept jurisdiction over a particular matter, any state or federal court within the State of New York). **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile, .pdf or any other electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com) shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile, .pdf or other electronic signature.

(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments. This Agreement and the other Transaction Documents supersede all other prior oral or written agreements between Liquidia, its affiliates and Persons acting on their behalf, on the one hand, and the Buyers, their affiliates and Persons acting on their behalf, on the other hand, with respect to the matters discussed herein, and this Agreement, the other Transaction Documents and the instruments referenced herein and therein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither Liquidia nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be amended other than by an instrument in writing signed by Liquidia and the holders of at least a majority of the aggregate amount of Common Shares issued hereunder, and any amendment to this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Common Shares and Liquidia; provided, that any such amendment or waiver that complies with the foregoing but that disproportionately, materially and adversely affects the rights and obligations of any Buyer relative to the comparable rights and obligations of the other Buyers shall require the prior written consent of such adversely affected Buyer (for the avoidance of doubt, participation by any Buyer in an unrelated financing by Liquidia shall not be deemed to disproportionately affect the Buyers who do not participate in such financing). No provisions hereto may be waived other than by an instrument in writing signed by the party against whom enforcement is sought. No such amendment shall be effective to the extent that it applies to less than all of the Buyers or holders of the applicable Common Shares then outstanding. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration (other than the reimbursement of legal fees) also is offered to all of the parties to the Transaction Documents and holders of Common Shares, as the case may be.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement or any of the other Transaction Documents must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon delivery by electronic mail; (iii) upon delivery, when sent by electronic mail (provided, that the sending party does not receive an automated rejection notice); or (iv) one (1) Business Day after deposit with an overnight courier service, in each case properly addressed to the party to receive the same. For purposes of this Section 9(f), “**Business Day**” means any day, excluding Saturday, Sunday and any day which is a legal holiday in the City of New York or is a day on which banking institutions located in the City of New York are authorized or required by law or other governmental action to close. The addresses and e-mail addresses for such communications shall be:

If to Liquidia:
Liquidia Technologies, Inc.
P.O. Box 110085
Research Triangle Park, NC 27709
Telephone: (919) 328-4400
Attention: Neal Fowler
E-mail: [***]

With a copy (for informational purposes only) to:
DLA Piper LLP (US)
51 John F. Kennedy Parkway, Suite 120
Short Hills, NJ 07078
Telephone: [***]
Facsimile: [***]
E-mail: [***]
Attention: Andrew P. Gilbert, Esq.

If to a Buyer, to its address, facsimile number and e-mail address set forth on the Schedule of Buyers attached hereto, with copies to such Buyer's representatives as set forth on the Schedule of Buyers attached hereto, or to such other address and/or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) calendar days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's e-mail containing the time and date or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any purchasers of the Common Shares. Liquidia shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyers (other than by merger, consolidation or to an entity which acquires Liquidia, including by way of acquiring all or substantially all of Liquidia's assets). No Buyer may assign this Agreement or any rights or obligations hereunder without the prior written consent of Liquidia.

(h) Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person. Notwithstanding the foregoing, the Placement Agent is an intended third-party beneficiary of the representations and warranties of each Buyer and Liquidia set forth in Section 2 and Section 3, respectively, of this Agreement.

(i) Survival. The representations and warranties of the Buyers and Liquidia contained in Section 2 and Section 3, respectively, and the agreements and covenants set forth in Section 4, Section 8 and this Section 9 shall survive the Closing. Liquidia and each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(l) Remedies. Each Buyer and each holder of the Common Shares shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. The parties agree that irreparable damage may occur in the event that any of the provisions of the Transaction Documents were not performed in accordance with their specific terms or were otherwise breached and that monetary damages may not be adequate compensation for any loss incurred by the Buyers or Liquidia by reason of any breach of any such provisions. As such, the non-breaching party shall be entitled to seek equitable relief, including an injunction and specific performance, as a remedy for any such breach.

(m) Independent Nature of Buyers' Obligations and Rights. The obligations of each Buyer under any Transaction Document are several and not joint with the obligations of any other Buyer, and no Buyer shall be responsible in any way for the performance of the obligations of any other Buyer under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Buyer pursuant hereto or thereto, shall be deemed to constitute the Buyers as, and Liquidia acknowledges that the Buyers do not so constitute, a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Buyers are in any way acting in concert or as a group, and Liquidia shall not assert any such claim with respect to such obligations or the transactions contemplated by the Transaction Documents and Liquidia acknowledges that the Buyers are not acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Liquidia acknowledges and each Buyer confirms that it has independently participated in the negotiation of the transaction contemplated hereby with the advice of its own counsel and advisors. Each Buyer shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Buyer to be joined as an additional party in any proceeding for such purpose.

(n) Waiver of Conflicts. Each Buyer acknowledges that: (a) it has read this Agreement; (b) it has been represented in the preparation, negotiation and execution of this Agreement by legal counsel of its own choice or has voluntarily declined to seek such counsel; and (c) it understands the terms and consequences of this Agreement and is fully aware of the legal and binding effect of this Agreement. Each Buyer understands that Liquidia has been represented in the preparation, negotiation and execution of this Agreement by DLA Piper LLP (US) and that DLA Piper LLP (US) now or may in the future represent one or more Buyers or their affiliates in matters unrelated to the transactions contemplated by this Agreement, including the representation of such Buyers or their affiliates in matters of a nature similar to those contemplated by this Agreement. Liquidia and each Buyer hereby acknowledge that they have had an opportunity to ask for and have obtained information relevant to such representation, including disclosure of the reasonably foreseeable adverse consequences of such representation, and hereby waives any conflict arising out of such representation solely with respect to the matters contemplated by this Agreement.

(o) Exculpation of the Placement Agent. Each party acknowledges that it has read the notice available at [http://www.jefferies.com/CMSFiles/Jefferies.com/files/Reg%20A%20and%20D%20Disclosure%207_2014\(1\).pdf](http://www.jefferies.com/CMSFiles/Jefferies.com/files/Reg%20A%20and%20D%20Disclosure%207_2014(1).pdf) and hereto agrees for the express benefit of each of the Placements Agents, their affiliates and their representatives that:

(i) Neither the Placement Agent nor any of its affiliates or any of their representatives (1) has any duties or obligations other than those specifically set forth herein or in the engagement letter, dated as of December 23, 2019, between Liquidia and Jefferies LLC (the "**Engagement Letter**"); (2) shall be liable for any improper payment made in accordance with the information provided by Liquidia; (3) makes any representation or warranty, or has any responsibilities as to the validity, accuracy, value or genuineness of any information, certificates or documentation delivered by or on behalf of Liquidia pursuant to this Agreement or the Transaction Documents or in connection with any of the transactions contemplated hereby and thereby; or (4) shall be liable (x) for any action taken, suffered or omitted by any of them in good faith and reasonably believed to be authorized or within the discretion or rights or powers conferred upon it by this Agreement or any Transaction Document or (y) for anything which any of them may do or refrain from doing in connection with this Agreement or any Transaction Document, except in each case for such party's own gross negligence, willful misconduct or bad faith.

(ii) The Placement Agent, its affiliates and their representatives shall be entitled to (1) rely on, and shall be protected in acting upon, any certificate, instrument, notice, letter or any other document or security delivered to any of them by or on behalf of Liquidia, and (2) be indemnified by Liquidia for acting as the Placement Agent hereunder pursuant to the indemnification provisions set forth in the Engagement Letter.

(p) Publicity. Except as set forth below, no public release or announcement concerning the transactions contemplated hereby shall be issued by the Buyers without the prior consent of Liquidia, except as such release or announcement may be required by law or the applicable rules or regulations of any securities exchange or securities market, in which case the Buyers shall allow Liquidia reasonable time to comment on such release or announcement in advance of such issuance. Notwithstanding the foregoing, each Buyer may identify Liquidia and the value of such Buyer's security holdings in Liquidia in accordance with applicable investment reporting and disclosure regulations or internal policies without prior notice to or consent from the Liquidia (including, for the avoidance of doubt, filings pursuant to Sections 13 and 16 of the 1934 Act). Liquidia shall not include the name of any Buyer or any Affiliate or investment adviser of such Buyer in any press release or public announcement (which, for the avoidance of doubt, shall not include any SEC filing to the extent such disclosure is required by SEC rules and regulations) without the prior written consent of such Buyer. By 8:30 a.m. (New York City time) on the Business Day immediately following the date this Agreement is executed, Liquidia shall issue a press release disclosing all material terms of the transactions contemplated by this Agreement and any other material nonpublic information that Liquidia may have provided any Buyer at any time prior to the filing of such press release (the "**Press Release**"). From and after the issuance of the Press Release, no Buyer shall be in possession of any material nonpublic information received from Liquidia, its subsidiaries or any of their respective officers, directors, employees or agents (including the Placement Agent). No later than 5:30 p.m. (New York City time) on the first Business Day following the date this Agreement is executed, Liquidia will file a Current Report on Form 8-K attaching the press release described in the foregoing sentence as well as copies of the Transaction Documents. In addition, Liquidia will make such other filings and notices in the manner and time required by the SEC or Nasdaq. Liquidia shall not, and shall cause each of its officers, directors, employees and agents not to, provide any Buyer with any such material nonpublic information regarding Liquidia from and after the filing of the Press Release without the express prior written consent of such Buyer.

[Signature Page Follows]

IN WITNESS WHEREOF, each Buyer and Liquidia have caused their respective signature pages to this Common Stock Purchase Agreement to be duly executed as of the date first written above.

LIQUIDIA TECHNOLOGIES, INC.

By: /s/ Neal Fowler
Name: Neal Fowler
Title: Chief Executive Officer

BUYERS:

ESHELMAN VENTURES, LLC

By: /s/ Fred Eshelman
Name: Fred Eshelman
Title: Principal

BKB GROWTH INVESTMENTS, LLC

By: Tiger City Capital, LLC, its manager

By: /s/ Paul B. Manning
Name: Paul B. Manning
Title: Manager

By: /s/ Bradford Manning
Name: Bradford Manning
Title: Manager

PD JOINT HOLDINGS, LLC, SERIES 2016-A

By: Tiger City Capital, LLC, its manager

By: /s/ Paul B. Manning
Name: Paul B. Manning
Title: Manager

By: /s/ Bradford Manning
Name: Bradford Manning
Title: Manager

SAMSARA BIOCAPITAL, L.P.

By: /s/ Srinivas Akkaraju, M.D., Ph.D.

Name: Srinivas Akkaraju, M.D., Ph.D.

Title: Managing General Partner

CANAAN VIII LP

By: Canaan Partners VIII LLC, its general partner

By: /s/ Stephen Bloch

Name: Stephen Bloch

Title: Manager

AMDG 1, LLC

By: /s/ Henry R. Kaestner

Name: Henry R. Kaestner

Title: Manager

SOVEREIGN'S CAPITAL II, LP

By: Sovereign's GP II, LLC, its General Partner

By: /s/ Lukas M. Roush

Name: Lukas M. Roush

Title: Manager

BRENT BURGESS

By: /s/ Brent Burgess

Name: Brent Burgess

Title: N/A

SCHEDULE OF BUYERS

(1)	(2)	(3)	(4)
Buyer	Address	Number of Common Shares	Purchase Price
Eshelman Ventures, LLC	[***]	5,159,744	\$ 16,149,998.72
BKB Growth Investments, LLC	[***]	479,233	\$ 1,499,999.29
PD Joint Holdings, LLC, Series 2016-A	[***]	479,233	\$ 1,499,999.29
Samsara BioCapital, L.P.	[***]	479,233	\$ 1,499,999.29
Canaan VIII L.P.	[***]	319,488	\$ 999,997.44
AMDG 1, LLC	[***]	159,744	\$ 499,998.72
Sovereign's Capital II, LP	[***]	79,872	\$ 249,999.36
Brent Burgess	[***]	7,987	\$ 24,999.31
TOTAL		7,164,534	\$ 22,424,991.42

EXHIBITS

Exhibit A	Investor Questionnaire
Exhibit B	Disclosure Schedule
Exhibit C	Form of Secretary's Certificate
Exhibit D	Form of Officer's Certificate

EXHIBIT A

Investor Questionnaire

(See attached)

3. Have you ever been **subject to any final order** from the U.S. Commodity Futures Trading Commission, federal banking agencies, the National Credit Union Administration, or state regulators of securities, insurance, banking, savings associations or credit unions that:

(a) bars you from associating with an entity regulated by any such commission or agency, engaging in the business of securities, insurance or banking, or engaging in savings association or credit union activities; or

(b) is based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct?

_____ Yes _____ No

4. Have you ever been subject to any order of the SEC that:

(a) suspends or revokes your registration as a broker, dealer, municipal securities dealer or investment adviser;

(b) places limitations on your activities, functions or operations, or imposes civil monetary penalties; or

(c) bars you from being associated with any entity or from participating in the offering of any penny stock?

_____ Yes _____ No

5. In the 5 years preceding the Offering Date, have you been **subject to any order of the SEC ordering you to cease and desist** from committing or causing a violation or future violation of:

(a) any scienter-based (intent-based) anti-fraud provision of the federal securities laws; or

(b) Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), covering prohibitions relating to interstate commerce and the mails?

_____ Yes _____ No

6. Have you ever been **suspended or expelled from membership in, or suspended or barred from association with** a member of, any securities self-regulatory organization (i.e., a registered national securities exchange or a registered national or affiliated securities association) for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade?

_____ Yes _____ No

7. In the 5 years preceding the Offering Date, have you filed (as a registrant or issuer), or been named as an underwriter in, any registration statement or Regulation A offering statement filed with the SEC **that was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or are you the subject of any ongoing investigation or proceeding** to determine whether a stop order or suspension order should be issued?

_____ Yes _____ No

8. In the 5 years preceding the Offering Date, have you been **subject to any United States Postal Service ("USPS") false representation order, or are you currently subject to any temporary restraining order or preliminary injunction** with respect to conduct alleged by the USPS to constitute a scheme or device for obtaining money or property through the mail by means of false representations?

_____ Yes _____ No

By signing below, you acknowledge and agree to the following:

- (a) you represent and warrant that **the information provided by you in this Questionnaire is true** and correct to the best of your knowledge and belief after a reasonable investigation, as of the date you sign the Questionnaire;
- (b) the **Company is relying on your representations and warranties contained herein** for the purpose of compliance with federal, state, and local law, including without limitation the Securities Act;
- (c) you will **promptly notify the Company** of any changes in information provided in the Questionnaire occurring after the date you sign the Questionnaire;
- (d) you **give your consent for the Company to rely upon the information** provided in this Questionnaire; and
- (e) you **acknowledge that the SEC, another regulatory body or a court may require the Company to publicly disclose** the information you provided in this Questionnaire, and you consent to such public disclosure.

If you are an **individual**, please print your name and sign below:

OR If you are signing on behalf of an **entity**, please print the name of the entity and your name and sign below, indicating your title:

Print Individual's Name

Name of the Entity

Individual's Signature

Print Name of Person Signing for Entity

Address:

Date: _____

Signature of Authorized Person

Title

Address:

Date: _____

Note: For any questions you answered "Yes," provide details on an attached page.

EXHIBIT B

Disclosure Schedule

(See attached)

**DISCLOSURE SCHEDULE
TO
COMMON STOCK PURCHASE AGREEMENT**

This Disclosure Schedule, dated as of December 23, 2019 (this “Disclosure Schedule”), relates to the Common Stock Purchase Agreement, dated as of December 23, 2019 (the “Agreement”), by and among Liquidia Technologies, Inc., and each of the investors listed on the Schedule of Buyers attached to the Agreement. All capitalized terms used but not otherwise defined in this Disclosure Schedule have the meanings set forth in the Agreement, unless otherwise indicated.

This Disclosure Schedule is subject to the following terms and conditions:

1. The parties agree that any reference in a particular Section of this Disclosure Schedule shall be deemed to be an exception to (or, as applicable, a disclosure for purposes of) the representations and warranties (or covenants, as applicable) of Company that are contained in the corresponding Section of the Agreement and any other representations and warranties of such party that is contained in the Agreement to which the relevance of such item thereto is reasonably apparent on its face.
 2. Company has or may have set forth information in this Disclosure Schedule in a Section hereof that corresponds to the Section of the Agreement to which it relates. The fact that any item of information is disclosed in this Disclosure Schedule shall not be construed to mean that such information is required to be disclosed by the Agreement.
 3. The mere inclusion of an item by Company in this Disclosure Schedule as an exception to (or, as applicable, a disclosure for purposes of) a representation or warranty shall not be deemed an admission that (a) such item represents a material exception or material fact, event or circumstance or that such item has had or would reasonably be expected to have, with respect to Company, a Material Adverse Effect, or (b) such information (or any non-disclosed information of comparable or greater significance) is required to be disclosed by the terms of the Agreement or is material to the business, results of operations or financial condition of Company.
 4. The introductory language and headings to each Section of this Disclosure Schedule are inserted for convenience only and shall not affect in any way the meaning or interpretation of the Agreement.
 5. Any summary or description of any law, regulation, contract, agreement, plan, document or other disclosure item contained in this Disclosure Schedule, including any term or provision of the Agreement, is for convenience only and does not purport to be a complete statement of the material terms of such law, regulation, contract, agreement, plan, document or other disclosure item, and any such summary or description is qualified in its entirety by the actual language, terms and provisions of such law, regulation, contract, agreement, plan, document or other disclosure item.
-

Part 3(f)
Buyers

Canaan VIII L.P. is an “affiliate” of Liquidia and a “beneficial owner” of more than 10% of the Liquidia Common Stock

Part 3(i)

Placement Agent's Fees, Financial Advisory Fees, or Brokers' Commissions

At the Closing, Jefferies LLC will receive 5.75% of the total Purchase Price for the Common Shares sold pursuant to this Agreement.

Part 3(p)
Transactions with Affiliates

1. Investors' Rights Agreement, February 2, 2018, by and among Liquidia Technologies, Inc. and certain stockholders of the Company (including Canaan VIII L.P., NEA Ventures 2006, Limited Partnership, New Enterprise Associates 12, Limited Partnership and Rob Lippe).
-

EXHIBIT C

Form of Secretary's Certificate

(See attached)

LIQUIDIA TECHNOLOGIES, INC.
SECRETARY'S CERTIFICATE

The undersigned hereby certifies that he is the duly elected, qualified and acting Secretary of Liquidia Technologies, Inc., a Delaware corporation (the "**Company**"), and that as such he is authorized to execute and deliver this certificate in the name and on behalf of the Company and in connection with the Common Stock Purchase Agreement, dated as of December 23, 2019, by and among the Company and the investors listed on the Schedule of Buyers attached thereto (as may be amended or restated from time to time, the "**Purchase Agreement**"), and further certifies in his official capacity, in the name and on behalf of the Company, the items set forth below. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

1. Attached hereto as Exhibit A are true, correct and complete copy of the resolutions of the Board of Directors of the Company, dated December 15, 2019, and the pricing committee of the Board of Directors of the Company, dated December 23, 2019 approving the transaction contemplated by the Purchase Agreement, the Transaction Documents and the issuance of the Common Shares. The resolutions contained in Exhibit A have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect.
2. Attached hereto as Exhibit B is a true, correct and complete copy of the Certificate of Incorporation, together with any and all amendments thereto, and no action has been taken to further amend, modify or repeal such Certificate of Incorporation, the same being in full force and effect in the attached form as of the date hereof.
3. Attached hereto as Exhibit C is a true, correct and complete copy of the Bylaws and any and all amendments thereto, and no action has been taken to further amend, modify or repeal such Bylaws, the same being in full force and effect in the attached form as of the date hereof.
4. Each person listed below has been duly elected or appointed to the position(s) indicated opposite his name and is duly authorized to sign the Purchase Agreement and each of the Transaction Documents on behalf of the Company, and the signature appearing opposite such person's name below is such person's genuine signature.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Neal Fowler	Chief Executive Officer	_____
Richard D. Katz, M.D.	Chief Financial Officer	_____

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of this _____ day of December, 2019.

Shawn Glidden
Secretary

I, Neal Fowler, Chief Executive Officer of the Company, hereby certify that Shawn Glidden is the duly elected, qualified and acting Secretary of the Company and that the signature set forth above is his true signature.

Neal Fowler
Chief Executive Officer

Exhibit A

Board and Pricing Committee Resolutions

(See attached)

Exhibit B

Amended and Restated Certificate of Incorporation

(See attached)

Exhibit C

Amended and Restated Bylaws

(See attached)

EXHIBIT D

Form of Officer's Certificate

(See attached)

LIQUIDIA TECHNOLOGIES, INC.
OFFICER'S CERTIFICATE

The undersigned Chief Executive Officer of Liquidia Technologies, Inc., a Delaware corporation (the "**Company**"), hereby represents, warrants and certifies to the Buyers (as defined below), pursuant to Section 6(iv) of the Purchase Agreement (as defined below), as follows:

1. The representations and warranties of the Company set forth in Section 3 of the Common Stock Purchase Agreement, dated as of December 23, 2019 (as may be amended or restated from time to time, the "**Purchase Agreement**"), by and among the Company and the investors identified on the Schedule of Buyers attached to the Purchase Agreement (the "**Buyers**"), are true and correct in all respects as of the date when made and as of the date hereof (except for representations and warranties that speak as of a specific date, which are true and correct as of such specified date).
2. The Company has performed, satisfied and complied in all respects with the covenants, agreements and conditions required by the Transaction Documents (as defined in the Purchase Agreement) to be performed, satisfied and complied with by the Company as of the date hereof.

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Purchase Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this certificate this _____ day of December, 2019.

By: _____
Name: Neal Fowler
Title: Chief Executive Officer

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [*] INDICATES THAT INFORMATION HAS BEEN REDACTED.**

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this “**Agreement**”) is made as of December 23, 2019, by and among Liquidia Technologies, Inc., a Delaware corporation (the “**Company**”), and the purchasers identified on **Schedule A** hereto (each, a “**Purchaser**” and collectively, the “**Purchasers**”) and such other Persons, if any, from time to time, that become a party hereto as holders of Registrable Securities (as defined below).

RECITALS

WHEREAS, pursuant to the Purchase Agreement (as defined below), concurrently with the execution of this Agreement, on the Closing Date (as defined in the Purchase Agreement), the Company will issue to each Purchaser shares of Common Stock (as defined below) as is set forth in the Purchase Agreement (each, a “**Share**” and collectively, the “**Shares**”); and

WHEREAS, in connection with the execution and delivery of the Purchase Agreement and the consummation of the transactions contemplated thereby, the Company has agreed to grant the Holders (as defined below) certain registration rights as set forth below.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and other consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Definitions

1.1 Definitions. Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings ascribed to them in the Common Stock Purchase Agreement. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) “**Additional Shares**” means any restricted shares and any shares of Common Stock issued to the Purchasers pursuant to a stock split, stock dividend or other distribution with respect to, or in exchange or in replacement of, the Shares, or in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other reorganization or other similar event, whether or not such acquisition has actually been effected.

(b) “**Affiliate**” means with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including, without limitation, any general partner, limited partner, member, officer, director or manager of such Person and any venture capital or private equity fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. For purposes of this definition, the terms “**controls**,” “**controlled by**,” or “**under common control with**” means the possession, direct or indirect, of power to direct or cause the direction of management or policies (whether through ownership of voting securities, by contract or otherwise).

(c) “**Agreement**” has the meaning set forth in the Preamble.

(d) “**Business Day**” means any day, excluding Saturday, Sunday and any day which is a legal holiday in the City of New York or is a day on which banking institutions located in the City of New York are authorized or required by law or other governmental action to close.

(e) “**Common Stock**” means shares of the common stock of the Company, par value \$0.001 per share.

(f) “**Company**” has the meaning set forth in the Preamble.

(g) “**Company Indemnified Party**” has the meaning set forth in Section 2.5(b).

(h) “**Controlling Person**” has the meaning set forth in Section 2.5(a).

(i) “**Disclosure Package**” has the meaning set forth in Section 2.5(a).

(j) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

(k) “**Governmental Authority**” means any domestic or foreign multinational, federal, state, provincial, municipal or local government (or any political subdivision thereof) or any domestic or foreign governmental, regulatory or administrative authority or any department, commission, board, agency, court, tribunal, judicial body or instrumentality thereof, or any other body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature (including any arbitral body).

(l) “**Holder**” (collectively, “**Holders**”) means any Purchaser and any transferee permitted under Section 3.1, in each case, to the extent holding or beneficially owning Registrable Securities.

(m) “**Holder Indemnified Parties**” has the meaning set forth in Section 2.5(a).

(n) “**Indemnified Party**” has the meaning set forth in Section 2.5(c).

(o) “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(p) “**Prospectus**” means the prospectus or prospectuses (whether preliminary or final) included in any Registration Statement and relating to Registrable Securities, as amended or supplemented and including all material incorporated by reference in such prospectus or prospectuses.

(q) “**Purchase Agreement**” means that certain Common Stock Purchase Agreement (as may be amended, amended and restated, or supplemented from time to time), dated as of the date hereof, by and among the Company and the Purchasers.

(r) “**register**,” “**registered**” and “**registration**” refer to a registration effected by filing with the SEC a registration statement in compliance with the Securities Act, and the declaration or ordering by the SEC of the effectiveness of such registration statement.

(s) “**Registrable Securities**” means (i) the Shares and (ii) any Additional Shares; *provided, however*, that Shares or Additional Shares shall cease to be treated as Registrable Securities on the earliest to occur of, (A) the date such security has been disposed of pursuant to an effective registration statement, (B) the date on which such security is sold pursuant to Rule 144, (C) the date on which such security ceases to be outstanding, or (D) the date on which the Holder thereof, together with its Affiliates, is able to dispose of all of its Registrable Securities without restriction or limitation pursuant to Rule 144 and without the requirement for the Company to be in compliance with Rule 144 (or any successor rule).

(t) “**Registration Expenses**” means any and all expenses incident to the Company’s performance of or compliance with this Agreement, including: (i) all SEC, FINRA and other registration and filing fees, (ii) all fees and expenses associated with filings to be made with, or the listing of any Registrable Securities on, any securities exchange or over-the-counter trading market on which the Registrable Securities are to be listed or quoted, (iii) all fees and expenses with respect to filings required to be made with an exchange or any securities industry self-regulatory body, (iv) all fees and expenses of compliance with securities or “blue sky” laws (including fees and disbursements of counsel for the Company in connection therewith and reasonable fees and disbursements of counsel for the underwriters or holders of securities in connection with blue sky qualifications of the securities and determination of their eligibility for investment under the laws of such jurisdictions), (v) printing, messenger, telephone and delivery expenses of the Company (including the cost of distributing Prospectuses in preliminary and final form as well as any supplements thereto), (vi) all fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any special audits or comfort letters, or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters), (vii) securities acts liability insurance, if the Company so desires, (viii) all internal expenses of the Company (including, all salaries and expenses of its officers and employees performing legal or accounting duties), (ix) the expense of any annual audit; (x) the fees and expenses of any Person, including special experts, retained by the Company; and (xi) all legal fees and expenses of one (1) legal counsel to the Holders, such fees and expenses not to exceed \$25,000 per registration; *provided, however* that “**Registration Expenses**” shall not include fees and expenses in connection with an underwriting discounts, selling commissions and stock transfer taxes attributable to the sale of the Registrable Securities or (except as otherwise set forth in this Agreement) any legal fees and expenses of counsel to the Holders above \$25,000 per registration and all such excluded expenses in this proviso relating to the offer and sale of Registrable Securities registered under the Securities Act pursuant to this Agreement shall be borne and paid by the holders of such Registrable Securities, in proportion to the number of Registrable Securities included in such registration for each such holder.

(u) “**Registration Statement**” means any registration statement of the Company under the Securities Act which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, all amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all documents incorporated by reference in such Registration Statement.

(v) “**Rule 144**” means Rule 144 under the Securities Act.

(w) “**SEC**” means the U.S. Securities and Exchange Commission.

(x) “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

(y) “**Shares**” has the meaning set forth in the Recitals.

(z) “**Shelf Registration**” has the meaning set forth in Section 2.1(a).

(aa) “**Shelf Registration Statement**” has the meaning set forth in Section 2.1(a).

(bb) “**Shelf Takedown**” has the meaning set forth in Section 2.1(e).

(cc) “**Updated Disclosure Package**” has the meaning set forth in Section 2.5(a).

(dd) “**Underwritten Shelf Takedown**” has the meaning set forth in Section 2.1(e).

(ee) “**Underwritten Shelf Takedown Notice**” has the meaning set forth in Section 2.1(e).

ARTICLE II **Registration Rights**

2.1 Provisions Relating to Registration.

(a) Filing. Within sixty (60) days following the date hereof, the Company shall file with the SEC a Registration Statement on Form S-3 or the then appropriate form for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act or any successor rule thereto (a “**Shelf Registration Statement**”) pursuant to which all of the Registrable Securities shall be included (on the initial filing or by supplement or amendment thereto) to enable an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act or any successor rule thereto (a “**Shelf Registration**”).

(b) Effectiveness. The Company shall use its best efforts to (i) cause the Shelf Registration Statement filed pursuant to Section 2.1(a) to be declared effective by the SEC or otherwise become effective under the Securities Act as soon as practicable after the filing thereof, but in no event later than that date that is five (5) Business Days after the date the Company receives written notification from the SEC that the Shelf Registration will not be reviewed and (ii) maintain the effectiveness of such Shelf Registration Statement, including by filing any necessary post-effective amendments and Prospectus supplements and by filing one or more replacement or renewal Shelf Registration Statements upon the expiration of such Shelf Registration Statement, continuously until such time as there are no Registrable Securities remaining.

(c) Additional Registrable Securities; Additional Selling Stockholders. At any time and from time to time that a Shelf Registration Statement is effective, if a Holder of Registrable Securities requests (i) the registration under the Securities Act of additional Registrable Securities pursuant to such Shelf Registration Statement or (ii) that such Holder be added as a selling stockholder in such Shelf Registration Statement, the Company shall as promptly as practicable amend or supplement the Shelf Registration Statement to cover such additional Registrable Securities and/or Holder.

(d) Right to Effect Shelf Takedowns. Each Holder shall be entitled, at any time and from time to time when a Shelf Registration Statement is effective, to sell any or all of the Registrable Securities covered by such Shelf Registration Statement (a “**Shelf Takedown**”). A Holder shall give the Company prompt written notice of the consummation of a Shelf Takedown.

(e) Underwritten Shelf Takedowns. Any Holder or Holders intending to effect a Shelf Takedown shall be entitled to request, by written notice to the Company (an “**Underwritten Shelf Takedown Notice**”), that the Shelf Takedown be an underwritten offering (an “**Underwritten Shelf Takedown**”). The Underwritten Shelf Takedown Notice shall specify the number of Registrable Securities intended to be offered and sold by such Holder(s) pursuant to the Underwritten Shelf Takedown. The Company shall not be required to effect more than two (2) Underwritten Shelf Takedowns during the term of this Agreement and shall not be required to facilitate an Underwritten Shelf Takedown unless (i) in the case of the first Underwritten Shelf Takedown, such offering is for the lesser of (a) expected aggregate gross proceeds of \$5 million or (b) all of such Holder’s remaining Registrable Securities and (ii) in the case of the second Underwritten Shelf Takedown, the Holder(s) requesting such Underwritten Shelf Takedown request the inclusion in such Underwritten Shelf Takedown of all of its or their remaining Registrable Securities.

(f) Selection of Underwriters. The Holder(s) requesting an Underwritten Shelf Takedown shall have the right to select the investment banking firm(s) and manager(s) to administer such Underwritten Shelf Takedown, subject to the approval of the Company (which approval shall not be unreasonably withheld, conditioned or delayed).

2.2 Provisions Relating to Registration.

(a) If and whenever the Company is required to effect the registration of any Registrable Securities pursuant to this Agreement, the Company shall use reasonable best efforts to effect and facilitate the registration, offering and sale of such Registrable Securities in accordance with the intended method of disposition thereof as soon as reasonably practicable (but no later than sixty (60) days from the date hereof (the “**Filing Deadline**”)), and, pursuant thereto, the Company shall, as applicable:

(i) prepare and file with the SEC a Registration Statement with respect to such Registrable Securities, make all required filings required in connection therewith and use reasonable best efforts to cause such Registration Statement to become effective as soon as reasonably practicable if the SEC notifies the Company that it will not review such Registration Statement (the “**Effectiveness Deadline**”); provided, that the Effectiveness Deadline shall be extended to one hundred twenty (120) days after the Filing Deadline if such Registration Statement is reviewed by, and receives comments from, the Commission;

(ii) furnish to each Holder participating in the registration, without charge, such number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and any supplement thereto (in each case including all exhibits thereto and all documents incorporated by reference therein) and such other documents as such Holder may reasonably request, including in order to facilitate the disposition of the Registrable Securities owned by such Holder;

(iii) use reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such U.S. jurisdiction(s) as any Holder participating in the registration or any managing underwriter reasonably requests and do any and all other acts and things that may be necessary or reasonably advisable to enable such Holder and each underwriter, if any, to consummate the disposition of such Holder's Registrable Securities in such jurisdiction(s); *provided*, that the Company shall not be required to qualify generally to do business, subject itself to taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for its obligations pursuant to this Section 2.2(a)(iii);

(iv) use reasonable best efforts to cause all Registrable Securities covered by any Registration Statement to be registered with or approved by such other Governmental Authorities or self-regulatory bodies as may be necessary or reasonably advisable in light of the business and operations of the Company to enable each Holder participating in the registration to consummate the disposition of such Registrable Securities in accordance with the intended method or methods of disposition thereof;

(v) notwithstanding any other provisions of this Agreement to the contrary, cause (A) any Registration Statement (as of the effective date of the Registration Statement), any amendment thereof (as of the effective date thereof) or supplement thereto (as of its date), (1) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the SEC and (2) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading and (B) any related Prospectus, preliminary Prospectus and any amendment thereof or supplement thereto (as of its date), (1) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the SEC, and (2) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company shall have no such obligations or liabilities with respect to any written information pertaining to a Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; *provided further*, that each Holder of Registrable Securities, upon receipt of any notice from the Company of any event of the kind described in this Section 2.2(a)(v), shall forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such holder is advised in writing by the Company that the use of the Prospectus may be resumed and is furnished with a supplemented or amended Prospectus as contemplated by this Section 2.2(a)(v) (provided that the Company may not so suspend dispositions for more than thirty (30) days at a time or more than twice in any 12-month period) and if so directed by the Company, such Holder shall deliver to the Company all copies, other than permanent file copies then in such holder's possession, of the Prospectus covering such Registrable Securities at the time of receipt of such notice;

(vi) notify the Holders and the managing underwriters of any underwritten offering: (A) when the Registration Statement, any pre-effective amendment thereto, the Prospectus or any Prospectus supplement or any post-effective amendment thereto has been filed with the SEC and when the Registration Statement or any post-effective amendment thereto has become effective, (B) of any oral or written comments by the SEC or of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus included therein or for any additional information regarding such Holder, (C) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceedings for that purpose and of any other action, event or failure to act that would cause the Registration Statement not to remain effective and (D) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction or the initiation of any proceeding for such purpose;

(vii) in the event of the issuance of any stop order suspending the effectiveness of a Registration Statement, any order suspending or preventing the use of any related Prospectus or any suspension of the qualification or exemption from qualification of any Registrable Securities for sale in any jurisdiction, use reasonable best efforts to obtain the withdrawal or lifting of any such order or suspension;

(viii) not file or make any amendment to any Registration Statement with respect to any Registrable Securities, or any amendment of or supplement to the Prospectus used in connection therewith, that refers to any Holder covered thereby by name or otherwise identifies such Holder as the holder of any securities of the Company without the consent of such Holder (which consent shall not be unreasonably withheld, conditioned or delayed), unless and to the extent such disclosure is required by law; *provided*, that (A) each Holder shall furnish to the Company in writing such information regarding itself and the distribution proposed by it as the Company may reasonably request for use in connection with a Registration Statement or Prospectus and (B) each Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished to the Company by such Holder or of the occurrence of any event that would cause the Prospectus included in such Registration Statement to contain an untrue statement of a material fact regarding such Holder or the distribution of such Registrable Securities or to omit to state any material fact regarding such Holder or the distribution of such Registrable Securities required to be stated therein or necessary to make the statements made therein not misleading in light of the circumstances under which they were made and to furnish to the Company, as promptly as practicable, any additional information required to correct and update the information previously furnished by such Holder such that such Prospectus shall not contain any untrue statement of a material fact regarding such Holder or the distribution of such Registrable Securities or omit to state a material fact regarding such Holder or the distribution of such Registrable Securities necessary to make the statements therein not misleading in light of the circumstances under which they were made; *provided further*, that each Holder of Registrable Securities, upon receipt of any notice from the Company of any event of the kind described in this Section 2.2(a)(viii), shall forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed and is furnished with a supplemented or amended Prospectus as contemplated by this Section 2.2(a)(viii), and if so directed by the Company, such Holder shall deliver to the Company all copies, other than permanent file copies then in such holder's possession, of the Prospectus covering such Registrable Securities at the time of receipt of such notice;

(ix) cause such Registrable Securities to be listed on each securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on any securities exchange, use reasonable best efforts to cause such Registrable Securities to be listed on a national securities exchange selected by the Company;

(x) provide a transfer agent and registrar (which may be the same Person) for all such Registrable Securities not later than the effective date of such Registration Statement;

(xi) make available upon reasonable notice and during normal business hours for inspection by any Holder participating in the registration, any underwriter participating in any underwritten offering pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such Holder or underwriter, all pertinent corporate documents, financial and other records relating to the Company and its business reasonably requested by such Holder or underwriter as shall be reasonably necessary to enable them to exercise their due diligence responsibility, cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such Holder, underwriter, attorney, accountant or agent in connection with such registration or offering and make senior management of the Company and the Company's independent accountants reasonably available for customary due diligence and drafting sessions; *provided*, that, unless the disclosure of such information is necessary to avoid or correct a misstatement or omission in the Registration Statement or the release of such information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, the Company shall not be required to provide any information under this Section 2.2(a)(xi) if (i) the Company believes, after consultation with counsel for the Company, that to do so would cause the Company to forfeit an attorney-client privilege that was applicable to such information or (ii) either (A) the Company has sought, or been granted from the SEC, confidential treatment of such information contained in any filing with the SEC or documents provided supplementally or otherwise or (B) the Company reasonably determines in good faith that such information is confidential and so notifies the Holder or underwriter their representatives, as applicable, in writing, unless prior to furnishing any such information with respect to clause (ii) such Holder of Registrable Securities requesting such information agrees to enter into a confidentiality agreement in customary form and subject to customary exceptions; *provided further*, that any Person gaining access to information or personnel of the Company pursuant to this Section 2.2(a)(xi) shall (A) reasonably cooperate with the Company to limit any resulting disruption to the Company's business and (B) protect the confidentiality of any information regarding the Company which the Company determines in good faith to be confidential and of which determination such Person is notified, unless such information (1) is or becomes known to the public without a breach of this Agreement, (2) is or becomes available to such Person on a non-confidential basis from a source other than the Company, (3) is independently developed by such Person without reference to such information, (4) is requested or required by a deposition, interrogatory, request for information or documents by a Governmental Authority, subpoena or similar process or (5) is otherwise required to be disclosed by law;

(xii) otherwise use reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its stockholders, as soon as reasonably practicable, an earnings statement (in a form that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 under the Securities Act or any successor rule thereto) covering the period of at least 12 months beginning with the first day of the Company's first full fiscal quarter after the effective date of the applicable Registration Statement, which requirement shall be deemed satisfied if the Company timely files complete and accurate information on Forms 10-K, 10-Q and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act or any successor rule thereto;

(xiii) in the case of an underwritten offering of Registrable Securities, incorporate in a supplement to the Prospectus or a post-effective amendment to the Registration Statement such information as is reasonably requested by the managing underwriter(s) or any Holder participating in such underwritten offering to be included therein, the purchase price for the securities to be paid by the underwriters and any other applicable terms of such underwritten offering, and make all required filings of such supplement or post-effective amendment;

(xiv) in the case of an underwritten offering of Registrable Securities, enter into such customary agreements (including underwriting and lock-up agreements in customary form) and take all such other customary actions as any Holder participating in such offering or the managing underwriter(s) of such offering reasonably requests in order to expedite or facilitate the disposition of such Registrable Securities;

(xv) in the case of an underwritten offering of Registrable Securities, make senior management of the Company available, to the extent reasonably requested by the managing underwriter(s), to assist in the marketing of the Registrable Securities to be sold in such underwritten offering, including the participation of such members of senior management of the Company in "road show" presentations and other customary marketing activities, including "one-on-one" meetings with prospective purchasers of the Registrable Securities to be sold in such underwritten offering, and otherwise reasonably facilitate, cooperate with, and participate in such underwritten offering and customary selling efforts related thereto, in each case to the same extent as if the Company were engaged in a primary underwritten registered offering of its Common Stock; *provided*, that the Company's obligation to make senior management available for participation in "road show" presentations shall be limited to no more than one underwritten offering during any 12-month period;

(xvi) cooperate with the Holders of the Registrable Securities to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold pursuant to such Registration Statement free of any restrictive legends and representing such number of shares of Common Stock and registered in such names as the Holders of the Registrable Securities may reasonably request a reasonable period of time prior to sales of Registrable Securities pursuant to such Registration Statement if such Holder delivers a legal opinion and representation letter in form reasonably satisfactory to the Company or its counsel stating that such sale is permitted; *provided*, that the Company may satisfy its obligations hereunder without issuing physical stock certificates through the use of The Depository Trust Company's Direct Registration System;

(xvii) not later than the effective date of such Registration Statement, provide a CUSIP number for all Registrable Securities covered thereby and provide the applicable transfer agent with printed certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company; *provided*, that the Company may satisfy its obligations hereunder without issuing physical stock certificates through the use of The Depository Trust Company's Direct Registration System; and

(xviii) otherwise use reasonable best efforts to take or cause to be taken all other actions necessary or reasonably advisable to effect the registration, marketing and sale of such Registrable Securities contemplated by this Agreement.

(b) Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be required to include Registrable Securities in any Registration Statement unless the Holder owning the Registrable Securities to be registered on the Registration Statement, following reasonable advance written request by the Company, furnishes to the Company, no later than seven (7) Business Days after the date on which the Company has given notice of the Company's proposed filing of the Registration Statement, an executed stockholder questionnaire in the form attached hereto as **Exhibit A**.

2.3 Participation in Underwritten Offerings. No Person may participate in any underwritten offering pursuant to this Agreement unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements in customary form approved by the Persons entitled under this Agreement to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

2.4 Registration Expenses

(a) The Company shall bear all Registration Expenses.

(b) The obligation of the Company to bear and pay the Registration Expenses shall apply irrespective of whether a registration, once properly demanded or requested, becomes effective or is withdrawn or suspended, including one (1) request by one or more Holder(s) to withdraw any Registration Statement; *provided*, that, after such first request by one or more Holder(s), the Registration Expenses for any Registration Statement withdrawn at the request of one or more Holder(s) shall be borne by such Holder(s).

2.5 Indemnification.

(a) The Company shall, to the fullest extent permitted by law, indemnify and hold harmless each Holder, any Person who is or might be deemed to be a “controlling person” of the Holder or any of its subsidiaries within the meaning of the Securities Act or the Exchange Act (each such Person, a “**Controlling Person**”) and their respective direct and indirect general and limited partners, advisory board members, directors, officers, trustees, managers, members, employees, agents, Affiliates and shareholders, and each other Person, if any, who acts on behalf or controls any such Holder or Controlling Person (collectively, the “**Holder Indemnified Parties**”) from and against any losses, claims, damages, liabilities or expenses, joint or several, or any actions in respect thereof to which each Holder Indemnified Party may become subject under the Securities Act, Exchange Act, any state blue sky securities laws, any equivalent non-U.S. securities laws or otherwise, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in or incorporated by reference in any Registration Statement or in any amendment thereof, in each case at the time such became effective under the Securities Act, or in the preliminary Prospectus, free writing prospectus (as defined in Rule 405 under the Securities Act or any successor rule thereto) or other information that is deemed, under Rule 159 promulgated under the Securities Act to have been conveyed to purchasers of securities at the time of sale of such securities (“**Disclosure Package**”), in the Prospectus or in any amendment thereof or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Disclosure Package or any Prospectus, in the light of the circumstances under which they were made) not misleading, and the Company shall reimburse, as incurred, the Holder Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, expense or action in respect thereof; *provided, however*, that the Company shall not be liable in any such case to the extent that such loss, claim, damage, liability, expense or action arises out of or is based upon any untrue statement or omission made or incorporated by reference in any such Registration Statement, the Disclosure Package, any Prospectus or in any amendment thereof or supplement thereto in reliance upon and in conformity with written information pertaining to a Holder and furnished to the Company by or on behalf of such Holder Indemnified Party specifically for inclusion therein; and *provided further, however*, that the Company shall not be liable in any such case to the extent that such loss, claim, damage, liability, expense or action arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Disclosure Package, where (A) such statement or omission had been eliminated or remedied in any subsequently filed amended prospectus or prospectus supplement (the Disclosure Package, together with such updated documents, the “**Updated Disclosure Package**”), the filing of which such Holder had been notified in accordance with the terms of this Agreement, (B) such Updated Disclosure Package was available at the time such Holder sold Registrable Securities under the Registration Statement, (C) such Updated Disclosure Package was not furnished by such Holder to the Person asserting the loss, liability, claim, damage, liability, expense or action, or an underwriter involved in the distribution of such Registrable Securities, at or prior to the time such furnishing is required by the Securities Act, (D) the Updated Disclosure Package would have cured the defect giving rise to such loss, liability, claim, damage, liability, expense or action, and (E) the Updated Disclosure Package was provided to the Holder and the Holder failed to use such Updated Disclosure Package and such failure led to the loss, liability, claim, damage, liability, expense or action. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Indemnified Parties and shall survive the transfer of the Registrable Securities by any Holder.

(b) In connection with any registration in which a Holder of Registrable Securities is participating, each such Holder shall furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and shall to the fullest extent permitted by law, indemnify and hold harmless the Company, its directors and officers, employees, agents and any Person who is or might be deemed to be a Controlling Person (a “**Company Indemnified Party**”) from and against any losses, claims, damages, liabilities or expenses or any actions in respect thereof, to which a Company Indemnified Party may become subject under the Securities Act, the Exchange Act, any state blue sky securities laws, any equivalent non-U.S. securities laws or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or in any amendment thereof, in each case at the time such became effective under the Securities Act, or in any Disclosure Package, Prospectus or in any amendment thereof or supplement thereto, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Disclosure Package or any Prospectus, in the light of the circumstances under which they were made) not misleading, but in each of clauses (i) and (ii), only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein, and, subject to the limitation immediately preceding this clause, shall reimburse, as incurred, the Company Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, expense or action in respect thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder, or any such director, officer, employees, Affiliates and agents and shall survive the transfer of such Registrable Securities by such Holder, and such Holder shall reimburse the Company, and each such director, officer, employees, Affiliates and agents for any legal or other expenses reasonably incurred by them in connection with investigating, defending, or settling and such loss, claim, damage, liability, action, or proceeding. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer, employees, Affiliates and agents and shall survive the transfer by a Holder of such Registrable Securities.

(c) Promptly after receipt by a Holder Indemnified Party or a Company Indemnified Party (each, an “**Indemnified Party**”) of notice of the commencement of any action or proceeding (including a governmental investigation), such Indemnified Party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 2.5, notify the indemnifying party of the commencement thereof; *provided*, that the omission to so notify the indemnifying party will not relieve the indemnifying party from liability under Sections 2.5(a) or 2.5(b), unless and to the extent it did not otherwise learn of such action and the indemnifying party has been materially prejudiced by such failure. In case any such action is brought against any Indemnified Party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof at the indemnifying party’s expense, with counsel reasonably satisfactory to such Indemnified Party (who shall not, except with the consent of the Indemnified Party, be counsel to the indemnifying party); *provided*, that any Indemnified Party shall continue to be entitled to participate in the defense of such claim or action, with counsel of its own choice, but the indemnifying party shall not be obligated to reimburse such Indemnified Party for any fees, costs and expenses subsequently incurred by the Indemnified Party in connection with such defense unless (i) the indemnifying party has agreed in writing to pay such fees, costs and expenses, (ii) the indemnifying party has failed to assume the defense of such claim or action within a reasonable time after receipt of notice of such claim or action, (iii) having assumed the defense of such claim or action, the indemnifying party fails to employ counsel reasonably acceptable to the Indemnified Party or to pursue the defense of such claim or action in a reasonably vigorous manner, (iv) the use of counsel chosen by the indemnifying party to represent the Indemnified Party would present such counsel with a conflict of interest or (v) the Indemnified Party has reasonably concluded that there may be one or more legal or equitable defenses available to it and/or other any other Indemnified Party which are different from or additional to those available to the indemnifying party. In no event shall the indemnifying party be liable for the fees and expenses of more than one counsel (together with appropriate local counsel) at any time for any Indemnified Party in connection with any one action or separate but substantially similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. An indemnifying party shall not be liable for any settlement of any action or claim referred to in this Section 2.5 effected without its prior written consent.

(d) If the indemnification provided for in this Section 2.5 is unavailable or insufficient to hold harmless an Indemnified Party under Sections 2.5(a) or 2.5(b), then each indemnifying party shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in Sections 2.5(a) or 2.5(b) in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and the Indemnified Party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or a Holder or Holder Indemnified Party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this Section 2.5 shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim that is the subject of this Section 2.5(d). The parties agree that it would not be just and equitable if contributions were determined by *pro rata* allocation (even if a Holder was treated as one Person for such purpose) or any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding anything else in this Agreement, in no event will a Holder be required to pay via indemnification or contribution an amount in excess of its net proceeds of sales of Shares under the Registration Statement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE III
Transfer Restrictions

3.1 Transfer Restrictions. Each Holder acknowledges and agrees that the following legend shall be imprinted on any certificate or book-entry security entitlement evidencing any of the Registrable Securities:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

This legend shall be removed by the Company from any certificate or book-entry security entitlement evidencing the Registrable Securities upon delivery by the holder thereof to the Company of a written request to that effect if at the time of such written request (a) a registration statement under the Securities Act is at that time in effect with respect to the legended security, or (b) the legended security can be transferred in a transaction in compliance with Rule 144 under the Securities Act, and, in the case of (b), upon the request and in the reasonable discretion of the Company’s transfer agent, the holder of such Registrable Securities executes and delivers a representation letter that includes customary representations regarding the holding requirements and whether such holder is an “affiliate” for purposes of Rule 144 under the Securities Act. The Company represents and warrants to the Holders that the Company is not currently a shell company (as defined in Rule 405 promulgated under the Securities Act).

3.2 Rule 144 Compliance. With a view to making available to the Holders of Registrable Securities the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration, until the date on which the Holder no longer hold any Registrable Securities, the Company shall:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to any Holder of Registrable Securities, upon request, a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act.

ARTICLE IV **Miscellaneous**

4.1 Remedies; Specific Performance. In the event of a breach or a threatened breach by any party to this Agreement of its obligations under this Agreement, any party injured or to be injured by such breach shall be entitled to specific performance of its rights under this Agreement or to injunctive relief, in addition to being entitled to exercise all rights provided in this Agreement and granted by law, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense or objection in any action for specific performance or injunctive relief for which a remedy at law would be adequate is hereby waived.

4.2 No Waivers. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

4.3 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

4.4 Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or e-mail as follows:

If to the Company:

Liquidia Technologies, Inc.
P.O. Box 110085
Research Triangle Park, NC 27709
E-mail: [***]
Attn: Neal Fowler, Chief Executive Officer

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

DLA Piper LLP (US)
51 John F. Kennedy Parkway, Suite 120
Short Hills, NJ 07078
E-mail: [***]
Attn: Andrew P. Gilbert, Esq.

If to a Purchaser: To the address set forth opposite such Purchaser's name on **Schedule A** hereto, or to such other address and/or e-mail address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party at least five (5) days prior to the effectiveness of such change.

Notices or communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, notices or communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient) and notices or communications sent by e-mail shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) (except that, if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient).

4.5 Headings. Section headings herein are included for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

4.6 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

4.7 Governing Law; Disputes. This Agreement and any related dispute shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that State. Each of the parties hereto hereby (a) irrevocably submits to the personal jurisdiction of the Supreme Court of the State of New York and any state appellate court therefrom within the State of New York (or, if the Supreme Court of the State of New York declines to accept jurisdiction over a particular matter, any state or federal court within the State of New York) in the event that any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the Supreme Court of the State of New York and any state appellate court therefrom within the State of New York (or, if the Supreme Court of the State of New York declines to accept jurisdiction over a particular matter, any state or federal court within the State of New York). **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

4.8 Successors and Assigns. This Agreement and the rights and obligations evidenced hereby shall be binding upon and inure to the benefit of the parties hereto and their respective the successors and permitted assigns. Neither this Agreement nor any right, benefit, remedy, obligation or liability arising hereunder may be assigned by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no effect; *provided*, that notwithstanding the foregoing, the Company may assign this Agreement at any time in connection with a sale or acquisition of the Company, whether by merger, consolidation, sale of all or substantially all of the Company’s assets, or similar transaction, without the consent of the Purchasers; *provided further*, that the successor or acquiring Person agrees in writing to assume all of the Company’s rights and obligations under this Agreement; *provided further*, that a Holder may assign this Agreement to (i) an Affiliate of such Holder or (ii) a Person that is not an Affiliate of such Holder if the Shares or Additional Shares are sold or transferred by such Holder not pursuant to Rule 144 or a registered offering.

4.9 Amendments. No provision of this Agreement may be amended, waived or modified other than by an instrument in writing signed by the Company and each Purchaser affected thereby.

4.10 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

4.11 Termination. This Agreement shall terminate with respect to any Holder upon such time as such Holder ceases to hold or beneficially own any remaining Registrable Securities or upon the dissolution, liquidation or winding up of the Company; *provided*, that Section 2.5 of this Agreement and this Article IV shall survive such termination.

4.12 No Third Party Beneficiaries. This Agreement is intended for the sole benefit of the parties hereto and their respective permitted successors and assigns and transferees, and is not for the benefit of, nor may any provision hereof be enforced by, any other person; *provided, however*, that the parties hereto hereby acknowledge that the Persons set forth in Section 2.5 shall be express third-party beneficiaries of the obligations of the parties hereto set forth in Section 2.5.

4.13 Language; Currency. This Agreement has been prepared in the English language and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral or other communications between the parties regarding this Agreement, shall be in the English language. All references to “\$” contained in this Agreement shall refer to United States Dollars unless otherwise stated.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

THE COMPANY:

LIQUIDIA TECHNOLOGIES, INC.
a Delaware Corporation

By: /s/ Neal Fowler

Name: Neal Fowler

Title: Chief Executive Officer

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

ESHELMAN VENTURES, LLC

By: /s/ Fred Eshelman
Name: Fred Eshelman
Title: Principal

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

BKB GROWTH INVESTMENTS, LLC

By: Tiger City Capital, LLC, its manager

By: /s/ Paul B. Manning

Name: Paul B. Manning

Title: Manager

By: /s/ Bradford Manning

Name: Bradford Manning

Title: Manager

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

PD JOINT HOLDINGS, LLC, SERIES 2016-A

By: Tiger City Capital, LLC, its manager

By: /s/ Paul B. Manning

Name: Paul B. Manning

Title: Manager

By: /s/ Bradford Manning

Name: Bradford Manning

Title: Manager

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

SAMSARA BIOCAPITAL, L.P.

By: /s/ Srinivas Akkaraju, M.D., Ph.D.

Name: Srinivas Akkaraju, M.D., Ph.D.

Title: Managing General Partner

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

CANAAN VIII L.P.

By: Canaan Partners VIII LLC, its general partner

By: /s/ Stephen Bloch

Name: Stephen Bloch

Title: Manager

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

AMDG 1, LLC

By: /s/ Henry R. Kaestner
Name: Henry R. Kaestner
Title: Manager

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

SOVEREIGN'S CAPITAL II, LP

By: Sovereign's GP II, LLC, its General Partner

By: /s/ Lukas M. Roush

Name: Lukas M. Roush

Title: Manager

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Registration Rights Agreement as of the date first written above.

PURCHASER:

By: /s/ Brent Burgess
Name: Brent Burgess
Title: N/A

[Signature Page to Registration Rights Agreement]

**Schedule A
Purchasers**

Purchaser	Contact Information for Notices	Total Registrable Securities
Eshelman Ventures, LLC	[***]	5,159,744
BKB Growth Investments, LLC	[***]	479,233
PD Joint Holdings, LLC, Series 2016-A	[***]	479,233
Samsara BioCapital, L.P.	[***]	479,233
Canaan VIII L.P.	[***]	319,488
AMDG 1, LLC	[***]	159,744
Sovereign's Capital II, LP	[***]	79,872
Brent Burgess	[***]	7,987
	TOTAL	7,164,534

Exhibit A

**Form of Selling Stockholder Questionnaire
LIQUIDIA TECHNOLOGIES, INC.**

SELLING STOCKHOLDER NOTICE AND QUESTIONNAIRE

Notice Address: Liquidia Technologies, Inc.
P.O. Box 110085
Research Triangle Park, NC 27709

The undersigned holder of shares of common stock of Liquidia Technologies, Inc. (the "**Company**") understands that the Company intends to file with the Securities and Exchange Commission a registration statement on Form S-3 (the "**Registration Statement**") for the registration and the resale under Rule 415 of the Securities Act of 1933, as amended (the "**Securities Act**"), of the Registrable Securities in accordance with the terms of the Common Stock Purchase Agreement, dated December 23, 2019, by and among the Company and the several signatories thereto (the "**Purchase Agreement**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

In order to sell or otherwise dispose of any Registrable Securities pursuant to the Registration Statement, a holder of Registrable Securities generally will be required to be named as a selling stockholder in the related prospectus or a supplement thereto (as so supplemented, the "**Prospectus**") and deliver the Prospectus to purchasers of Registrable Securities (including pursuant to Rule 172 under the Securities Act). Holders must complete and deliver this notice and questionnaire ("**Notice and Questionnaire**") in order to be named as selling stockholders in the Prospectus. Certain legal consequences arise from being named as a selling stockholder in the Registration Statement and the Prospectus. Holders of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not named as a selling stockholder in the Registration Statement and the Prospectus.

NOTICE

The undersigned holder (the "**Selling Stockholder**") of Registrable Securities hereby gives notice to the Company of its intention to sell or otherwise dispose of Registrable Securities owned by it and listed below in Item 3(b) pursuant to the Registration Statement. The undersigned, by signing and returning this Notice and Questionnaire, understands and agrees that it will be bound by the terms and conditions of this Notice and Questionnaire.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is materially accurate and complete:

QUESTIONNAIRE

1. Name:

(a) Full legal name of the Selling Stockholder:

(b) Full legal name of the registered holder (if not the same as Item 1(a) above) through which the Registrable Securities listed in Item (3) below are held:

(c) Full legal name of any natural control person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the Registrable Securities listed in Item (3) below):

2. Notices to Selling Stockholder:

(a) Address:

(b) Telephone:

(c) Fax:

(d) Contact person:

(e) E-mail address of contact person:

3. Beneficial Ownership of Registrable Securities:

(a) Type and number of Registrable Securities beneficially owned:

(b) Number of shares of Common Stock to be registered for resale pursuant to this Notice and Questionnaire:

4. **Broker-Dealer Status:**

(a) Are you a broker-dealer?

Yes No

(b) If you answered “yes” to Item 4(a) above, did you receive your Registrable Securities as compensation for investment banking services provided to the Company?

Yes No

Note: If you answered “no”, the SEC’s staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes No

If you answered “yes”, provide a narrative explanation below:

(d) If you are an affiliate of a broker-dealer, do you certify that you bought the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes No

Note: If you answered “no”, the SEC’s staff has indicated that you should be identified as an underwriter in the Registration Statement.

5. **Beneficial Ownership of Other Securities of the Company Owned by the Selling Stockholder:**

Except as set forth below in this Item 5, the undersigned is not the beneficial or registered owner of any securities of the Company, other than the Registrable Securities listed above in Item 3.

Type and amount of other securities beneficially owned:

6. **Relationships with the Company:**

(a) Have you or any of your affiliates, officers, directors or principal equity holders (owners of 5% or more of the equity securities of the undersigned) held any position or office or have you had any other material relationship with the Company (or its predecessors or affiliates) within the past three years?

Yes No

(b) If your response to Item 6(a) above is “yes”, please state the nature and duration of your relationship with the Company:

7. **Plan of Distribution:**

The undersigned has reviewed the form of Plan of Distribution attached as Annex A hereto, and hereby confirms that, except as set forth below, the information contained therein regarding the undersigned and its plan of distribution is correct and complete.

State any exceptions here:

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof and prior to the effective date of any applicable Registration Statement. In the absence of any such notification, the Company shall be entitled to continue to rely on the accuracy of the information in this Notice and Questionnaire.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 7 above and the inclusion of such information in the Registration Statement and the Prospectus. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of any such Registration Statement and Prospectus.

By signing below, the undersigned acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M in connection with any offering of Registrable Securities pursuant to the Registration Statement. The undersigned also acknowledges that it understands that the answers to this Notice and Questionnaire are furnished for use in connection with registration statements filed pursuant to the Purchase Agreement and any amendments or supplements thereto filed with the SEC pursuant to the Securities Act.

The undersigned confirms that, to the best of his/her knowledge and belief, the foregoing answers to this Notice and Questionnaire are correct.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _____

Beneficial Owner:

Name of Entity

By: _____
Name: _____
Title: _____



For Immediate Release

Liquidia Technologies Announces \$22.4 Million Private Placement

RESEARCH TRIANGLE PARK, NC – December 24, 2019 – Liquidia Technologies, Inc. (Nasdaq:LQDA) (“Liquidia”), a late-stage clinical biopharmaceutical company focused on the development and commercialization of therapeutics using its proprietary PRINT® technology, today announced that it has entered into a common stock purchase agreement (the “Purchase Agreement”) with certain institutional accredited investors for the private placement of 7,164,534 shares of common stock at a purchase price of \$3.13 per share, yielding expected gross proceeds of approximately \$22.4 million. The private placement is expected to close on or about December 27, 2019, subject to the satisfaction of customary closing conditions.

Jefferies acted as the sole placement agent to Liquidia in connection with the private placement. Net proceeds from this private placement are expected to be used to complete ongoing development of LIQ861 and LIQ865 and for general corporate purposes.

The securities to be sold in the private placement have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any state or other applicable jurisdiction’s securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions’ securities laws. Liquidia has agreed to file a registration statement with the U.S. Securities and Exchange Commission registering the resale of the shares of common stock to be issued and sold in the private placement no later than the 60th day after its entry into the Purchase Agreement. Any offering of the securities under the resale registration statement will only be made by means of a prospectus.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any offer, solicitation or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Liquidia

Liquidia is a late-stage clinical biopharmaceutical company focused on the development and commercialization of therapeutics using its proprietary PRINT technology to transform the lives of patients. Currently, Liquidia is focused on the development of two product candidates using its PRINT particle engineering platform: LIQ861 for the treatment of pulmonary arterial hypertension and LIQ865 for the treatment of local post-operative pain. Having been evaluated in a phase 3 clinical trial (INSPIRE), LIQ861 is designed to improve the therapeutic profile of tadalafil by enhancing deep-lung delivery and achieving higher dose levels than current inhaled therapies by using a convenient, palm-sized, disposable dry powder inhaler. LIQ865, for which Liquidia has completed two phase 1 clinical trials, is designed to deliver sustained-release particles of bupivacaine, a non-opioid anesthetic, to treat local post-operative pain for three to five days through a single administration.



For Immediate Release

Cautionary Note Regarding Forward-Looking Statements

This press release may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release other than statements of historical facts, including statements regarding our future results of operations and financial position, our strategic and financial initiatives, including the potential licensing of LIQ861, our business strategy and plans and our objectives for future operations, are forward-looking statements. Such forward-looking statements, including statements regarding the anticipated closing of the private placement, the use of proceeds from the private placement, the filing of a registration statement to register the resale of the shares to be issued and sold in the private placement, clinical trials, clinical studies and other clinical work (including the funding therefor, anticipated patient enrollment, safety data, study data, trial outcomes, timing or associated costs), regulatory applications and related timelines, including the filing of a New Drug Application (NDA) for LIQ861 and our ability to execute on our strategic or financial initiatives, involve significant risks and uncertainties and actual results could differ materially from those expressed or implied herein. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “would,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs, including but not limited to whether the conditions for the closing of the private placement will be satisfied. These forward-looking statements are subject to a number of risks discussed in our filings with the Securities and Exchange Commission, as well as a number of uncertainties and assumptions. Moreover, we operate in a very competitive and rapidly changing environment and our industry has inherent risks. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Nothing in this press release should be regarded as a representation by any person that these goals will be achieved, and we undertake no duty to update our goals or to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact Information

Investors:

Jason Adair
Vice President, Corporate Development and Strategy
919.328.4400
jason.adair@liquidia.com

Media:

Christy Curran
Sam Brown Inc.
615.414.8668
media@liquidia.com
