Table of Contents

Index to Financial Statements

As filed with the Securities and Exchange Commission on June 4, 2010
Registration No. 333–163957

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 6
TO

FORM S–1

REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

SurgiVision, Inc.

(Exact name of registrant as specified in its charter)

Delaware	3841	58-2394628
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

SurgiVision, Inc.
One Commerce Square, Suite 2550
Memphis, TN 38103
(901) 522-9300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Kimble L. Jenkins
Chief Executive Officer
SurgiVision, Inc.
One Commerce Square, Suite 2550
Memphis, TN 38103
(901) 522-9300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Large Accelerated filer ¨ Accelerated filer ¨

Non-accelerated filer x (Do not check if a smaller reporting company) Smaller reporting company ¨

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

Table of Contents

Index to Financial Statements

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS **SUBJECT TO COMPLETION, DATED JUNE 4, 2010**

Shares

SurgiVision, Inc.

Common Stock

This is the initial public offering of shares of common stock of SurgiVision, Inc. We are offering shares of our common stock.

No public market currently exists for our common stock. We estimate that the initial public offering price will be between $ and $ per share. We have applied for the quotation of our common stock on the Nasdaq Capital Market under the symbol "SRGV".

Investing in our common stock involves risk. See "Risk Factors" on page 7 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

To the extent that the underwriters sell more than shares of our common stock, the underwriters have the option to purchase up to an additional shares from us at the initial public offering price less the underwriting discount and commissions.

In connection with this offering, we have also agreed to issue to the underwriters warrants to purchase up to an aggregate of shares of our common stock at an exercise price of $ per share. These warrants are exercisable commencing on the first anniversary of the date of this prospectus and ending on the fifth anniversary of the date of this

prospectus.

The underwriters expect to deliver the shares on or about , 2010.

Canaccord Genuity **Rodman & Renshaw, LLC**

Prospectus dated , 2010

[Images to be inserted]

TABLE OF CONTENTS

	Page
PROSPECTUS SUMMARY	1
RISK FACTORS	7
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	33
USE OF PROCEEDS	34
DIVIDEND POLICY	35
CAPITALIZATION	36
DILUTION	38
SELECTED FINANCIAL DATA	40
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	41
BUSINESS	56
MANAGEMENT	90
EXECUTIVE COMPENSATION	104
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	113
PRINCIPAL STOCKHOLDERS	115
DESCRIPTION OF CAPITAL STOCK	117
SHARES ELIGIBLE FOR FUTURE SALE	121
MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-UNITED STATES HOLDERS OF COMMON STOCK	123
UNDERWRITING	126
VALIDITY OF THE COMMON STOCK	135
EXPERTS	135
WHERE YOU CAN FIND MORE INFORMATION	136
INDEX TO FINANCIAL STATEMENTS	F-1

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares of common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

For investors outside the United States: We have not and the underwriters have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus outside the United States.

Dealer Prospectus Delivery Obligation

Through and including , 2010 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Trademarks, Trade Names and Service Marks

ClearConnect™*, ClearPoint*™, *ClearTrace*™, *SmartFrame*™ and *SmartGrid*™ are trademarks of SurgiVision, Inc. All other trademarks, trade names and service marks referred to in this prospectus are the property of their respective owners. Siemens refers to Siemens Aktiengesellschaft, Healthcare Sector. Boston Scientific refers to Boston Scientific Corporation and its affiliates.

Industry and Market Data

The market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms and other published independent sources. Some data is also based on our good faith estimates, which are derived from other relevant statistical information, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information.

PROSPECTUS SUMMARY

This summary highlights the information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. Before investing in our common stock, you should read this entire prospectus, including the information set forth under the heading "Risk Factors" and the financial statements and the notes thereto.

Unless the context otherwise requires, references in this prospectus to "SurgiVision," "we," "our," "us" and the "company" refer to SurgiVision, Inc. and, where appropriate, its consolidated subsidiary. The historical financial statements and financial data included in this prospectus are those of SurgiVision and its consolidated subsidiary.

Our Business

We are a medical device company focused on the development and commercialization of technology that enables physicians to see inside the brain and heart using direct, intra-procedural magnetic resonance imaging, or MRI, guidance while performing minimally invasive procedures. We believe that our product candidates will deliver better patient outcomes in shorter procedure times, enhance revenue potential for both physicians and hospitals, and reduce costs to the healthcare system. For the year ended December 31, 2009, we generated revenues of $2,600,000, incurred a net loss of approximately $7,159,000, and received a going concern qualification from our auditors. For the three months ended March 31, 2010, we generated revenues of $650,000 and incurred a net loss of approximately $2,176,000.

Millions of people suffer from brain and heart diseases and disorders. While some patients can be treated with medication, others require surgery. Current surgical interventions include both open and minimally invasive procedures. Given the option, patients, physicians and hospitals prefer minimally invasive procedures over open procedures. However, because of restricted visibility of the patient's anatomy, surgical field and instruments, minimally invasive alternatives for some procedures in the brain and heart are either unavailable or exceedingly complex.

Based on our years of experience in the interventional MRI field, we have designed two innovative platforms, the ClearPoint system and the ClearTrace system, that address these issues. By combining the continuous, high resolution imaging capabilities of MRI with minimally invasive techniques, these two platforms, subject to appropriate regulatory clearance or approval, will enable physicians to:

- *Guide* a surgical instrument within the patient as it is advanced towards the therapeutic target;
- *Deliver* a planned therapy with precise visualization of a patient's anatomy, the surgical field and instruments;
- *Monitor* for adverse events during and immediately after the administration of the therapy; and
- *Confirm* the desired results of a procedure.

Our Product Candidates

Product Candidates	Regulatory Status	Target Market	Development Partner
ClearPoint Neuro Intervention System	510(k) Clearance Pending	Initial target market is general neurological interventions, such as biopsies and catheter and electrode insertion. Subsequent target markets may include deep brain stimulation lead placement and precision delivery of drugs and biologics.	Developed Internally
ClearTrace Cardiac Intervention System	Development Stage	Initial target market is catheter-based cardiac ablation to treat atrial fibrillation. Subsequent target markets may include precision delivery of drugs and biologics.	Siemens
SafeLead Development Program	Development Stage	Target market is implantable leads for cardiac and neurological applications.	Boston Scientific

Our first product candidate is our ClearPoint system, which is designed to allow minimally invasive procedures in the brain to be performed in an MRI suite. Our ClearPoint system is an integrated system of reusable hardware components, disposable hardware components and intuitive, menu-driven software. Using our ClearPoint system, a physician sees and selects a neurological target, aims our targeting device and watches as the surgical instrument is advanced to the target, significantly reducing the time and complexity of the interventional procedure. Millions of people suffer from neurological disorders or diseases. Performing minimally invasive procedures in the brain presents special challenges, including a need to reach small therapeutic targets often located deep within the brain. We believe that our ClearPoint system addresses these challenges and can become the platform-of-choice for performing the next generation of minimally invasive procedures in the brain.

Our second product candidate is the ClearTrace system, which is designed to allow catheter-based minimally invasive procedures in the heart to be performed using continuous, intra-procedural MRI guidance. We are developing the hardware and MRI software for the ClearTrace system with Siemens, the global market leader in MRI scanners. The ClearTrace system is an integrated system of reusable hardware components, disposable catheters and intuitive, menu-driven software. The ClearTrace system will offer a novel, comprehensive solution for the planning, delivery and intra-procedural assessment of catheter-based cardiac interventions. We expect that the ClearTrace system's initial application will be catheter-based cardiac ablation to treat atrial fibrillation. During cardiac ablation, a physician attempts to restore a normal heart rhythm by destroying small areas of heart tissue to block irregular electrical impulses that cause an irregular heartbeat, or arrhythmia. Atrial fibrillation is the most common cardiac arrhythmia, affecting over three million people in the United States alone.

Our third area of activity is referred to as the SafeLead Development Program. Over the last ten years, we have pioneered several technologies that improve the MRI-safety profile of implantable medical leads. These leads are thin, insulated wires that are connected to implantable generators, such as a pacemaker or neurostimulator, and deliver electrical pulses or stimulation to a specific area of the body, such as the heart or the brain. During an MRI scan, these leads are susceptible to heating, which could burn and destroy adjacent tissue. Our technologies address this issue by maintaining lead temperatures well within safe levels during an MRI scan. We are working with Boston Scientific to incorporate our MRI-safety technologies into Boston Scientific's implantable leads for cardiac and neurological applications. Boston Scientific paid us licensing fees of $13,000,000 in 2008 relating to implantable cardiac leads. In addition, under our agreements, Boston Scientific has agreed to pay us up to $21,600,000 in future milestone-based payments as well as royalties on net sales of products that are covered by a licensed patent. We believe that our MRI-safety technologies, when integrated into Boston Scientific's implantable leads, could represent a meaningful market differentiator over existing implantable lead designs.

Licenses and Collaborative Relationships

In addition to our internally-developed technologies and devices, we have established and intend to continue to pursue licensing and collaborative relationships with medical device companies and academic institutions to further the development and commercialization of our core technologies and product platforms. Our most significant licensing and collaborative relationships are summarized below:

- *Siemens*. We have entered into an agreement with Siemens to develop the hardware and MRI software systems for MRI-guided, catheter-based cardiac ablation to treat atrial fibrillation and other cardiac arrhythmias. Under this agreement, Siemens will develop the software and we will develop the catheters and other hardware, other than the MRI scanner and workstation. The agreement contains exclusivity provisions in the area of MRI-guided, catheter-based cardiac ablation. These provisions prohibit Siemens from marketing or offering software intended to work with other manufacturers' catheters. These provisions also prohibit us from selling or offering catheters intended to work with other manufacturers' MRI scanners.
- *Boston Scientific*. We have entered into a series of agreements with Boston Scientific with respect to our MRI-safety technologies. Under these agreements, Boston Scientific has the exclusive, worldwide right, but not the obligation, to use the licensed technologies in Boston Scientific's implantable leads for cardiac and neurological applications. We are working jointly with Boston Scientific to assess the potential use of our MRI-safety technologies in Boston Scientific's lead designs.
- *University of California, San Francisco*. We have entered into a research agreement with the University of California, San Francisco in the field of interventional MRI. Under our agreement, university personnel are assessing the safety and clinical efficacy of interventional MRI guidance for the performance of certain minimally invasive neurological procedures.
- *The University of Utah*. We have established a collaboration with The University of Utah, under which university personnel are conducting research activities and experiments to develop knowledge, techniques, methods and technologies related to MRI-guided cardiac ablation, including a specific focus on MRI-guided cardiac ablation to treat atrial fibrillation.
- *The Johns Hopkins University*. We have several license agreements with The Johns Hopkins University under which we have obtained exclusive licenses for various technologies relating to devices, systems and methods for performing MRI-guided interventions and MRI-safety.

Our Business Model and Strategy

Our business model is focused on producing recurring revenue from the sale of the disposable components of both the ClearPoint and ClearTrace systems. Our disposable and reusable components are tightly integrated, which allows us to leverage each new installation of a ClearPoint or ClearTrace system to generate recurring sales of our disposable products. We anticipate that recurring revenues will constitute an increasing percentage of our total revenues as our installed base grows.

The key elements of our business strategy are obtaining regulatory clearance of our ClearPoint system, maximizing installation and adoption of our ClearPoint system, continuing development of the ClearTrace system with Siemens, pursuing the SafeLead Development Program with Boston Scientific, and building upon our core technologies to continue to develop MRI-based products.

SurgiVision has a significant intellectual property portfolio in the field of MRI-guided interventions. As of April 30, 2010, our portfolio included 40 patents and 115 patent applications, both US and foreign, which we wholly-own, co-own or have licensed. In addition, we have meaningful collaborations with major industry participants and renowned academic institutions. Our technologies have been the subject of numerous peer-

reviewed articles in medical and scientific journals. As a result of our intellectual property and collaborative relationships, we believe that we are well positioned to remain on the forefront of the emerging market for MRI-guided minimally invasive procedures.

Risks Related to Our Business

We are subject to a number of risks of which you should be aware before you decide to buy our common stock. These risks are discussed more fully in the "Risk Factors" section of this prospectus beginning on page 7 and should be read in their entirety. In general, we face risks associated with the following:

- our limited operating history;
- the net losses that we have incurred in each year since our inception and expect to continue as we develop our business;
- there is no guarantee that we will achieve the milestones under our agreements with Boston Scientific or be entitled to the milestone payments, and, if some of the milestones relating to neurological applications are not met by December 31, 2012, we will be required to repay to Boston Scientific amounts specified in the related development agreement;
- obtaining FDA or other regulatory approvals or clearances of our product candidates;
- convincing physicians and hospitals to use our products and achieving market acceptance for our products;
- any failure to comply with rigorous FDA and other government regulations; and
- securing and maintaining patent or other intellectual property protection covering our products.

Corporate Information

We were incorporated in Delaware in 1998 under the name Surgi-Vision, Inc. On November 12, 2008, we changed our name to SurgiVision, Inc. We operate in only one business segment. Our principal executive office is located at One Commerce Square, Suite 2550, Memphis, TN 38103, and our telephone number is (901) 522-9300. Our website address is www.surgivision.com. We do not incorporate the information on our website into this prospectus, and you should not consider it part of this prospectus.

Summary of the Offering

Common stock offered by us	shares
Common stock to be outstanding after the offering	shares
Proposed Nasdaq Capital Market symbol	SRGV
Use of proceeds	We expect to use the net proceeds from this offering to fund our research and development activities, sales and marketing activities and for working capital and other general corporate purposes.

The number of shares of common stock to be outstanding after this offering is based on the number of shares outstanding as of April 30, 2010 and excludes:

- 2,402,500 shares of common stock issuable upon exercise of options issued under our stock option plans, at a weighted average exercise price of $0.90 per share;
- 266,608 shares of common stock issuable upon the exercise of an option not issued under our stock option plans, at an exercise price of $2.41 per share;
- 1,642,167 shares of common stock issuable upon exercise of warrants, at a weighted average exercise price of $0.75 per share;
- 1,834,520 shares of common stock issuable upon the conversion of $3,669,040 in principal amount of, and interest on, convertible promissory notes, at a conversion price of $2.00 per share;
- shares of our common stock that may be issued to the underwriters, upon exercise of warrants, at an exercise price of $ per share, assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus;
- 101,775 shares of common stock that may be issued pursuant to the placement agent warrant, at an exercise price of $ per share, assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus;
- 50,000 shares of common stock issuable upon the exercise of a warrant to be issued in connection with this offering with an exercise price equal to the initial public offering price;
- shares of common stock issuable upon the exercise of options to be issued in connection with this offering under our 2010 Incentive Compensation Plan with exercise prices equal to the initial public offering price;
- shares of common stock to be issued in connection with this offering under our 2010 Incentive Compensation Plan assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus; and
- shares of common stock reserved for future issuance under our 2010 Incentive Compensation Plan.

Except as otherwise noted, all information in this prospectus:

- assumes no exercise of the underwriters' over-allotment option; and
- gives effect to an assumed 1-for reverse stock split and conversion into common stock of all outstanding shares of our preferred stock and our 10% senior unsecured convertible notes, or the bridge notes.

Summary Financial Information

The summary financial information below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements, notes thereto and other financial information included elsewhere in this prospectus. The information presented as of and for the three months ended March 31, 2010 and for the three months ended March 31, 2009 is derived from unaudited financial statements and includes, in the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary to present fairly the information for such periods. The summary financial information for the fiscal years ended December 31, 2009, 2008 and 2007 has been derived from our audited financial statements and the notes thereto included elsewhere in this prospectus.

	Three Months Ended March 31,		Years Ended December 31,		
	2010	2009	2009	2008	2007
Statement of Operations Data:					
Related party license revenue	$ 650,000	$ 650,000	$ 2,600,000	$ 1,950,000	$ —
Operating costs and expenses:					
Research and development costs	1,407,551	1,501,555	6,067,617	4,258,492	2,098,672
General and administrative expenses	1,011,747	605,683	3,595,917	2,920,311	1,413,369
Total operating expenses	2,419,298	2,107,238	9,663,534	7,178,803	3,512,041
Other (income) expense	406,570	(32,325)	46,276	200,982	185,096
Income tax expense	—	—	49,250	—	—
Net loss	$ (2,175,868)	$ (1,424,913)	$ (7,159,060)	$ (5,429,785)	$ (3,697,137)
Net loss per share (basic and diluted)	$ (0.11)	$ (0.07)	$ (0.34)	$ (0.26)	$ (0.18)
Weighted average shares outstanding (basic and diluted)	20,517,120	21,473,774	21,346,533	20,980,324	20,098,058

The following table presents a summary of our balance sheet as of March 31, 2010:

- on an actual basis;
- on a pro forma basis to reflect an assumed 1-for- reverse stock split and the conversion into common stock of all outstanding shares of our preferred stock and the bridge notes; and
- on a pro forma as adjusted basis to reflect the pro forma adjustments reflected above and the sale in this offering of shares of common stock at an assumed initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	As of March 31, 2010		
	Actual	Pro Forma	Pro Forma as Adjusted
Balance Sheet Data:			
Cash and cash equivalents	$ 3,548,719	$	$ —
Deferred revenue	8,546,374		
Convertible notes, net of discounts of $1,877,444	5,963,556		
Convertible preferred stock	7,965,000		
Common stock and additional paid-in capital (less treasury stock)	25,178,772		
Accumulated deficit	(44,198,832)		
Total stockholders' equity (deficit)	(11,055,060)		

RISK FACTORS

Any investment in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below and all information contained in this prospectus, before you decide whether to purchase our common stock. If any of the following risks or uncertainties actually occurs, our business, financial condition, results of operations and prospects would likely suffer, possibly materially. In addition, the trading price of our common stock could decline due to any of these risks or uncertainties, and you may lose part or all of your investment.

Risks Related to Our Business

We are an early-stage medical device company and our business may not become profitable.

We are an early-stage medical device company with a limited operating history upon which you can evaluate our business. We have not commercialized any of our current product candidates. The future success of our business depends on our ability to obtain regulatory clearances or approvals for our product candidates, which we may be unable to do in a timely manner, if at all. There is no assurance that we will succeed in bringing any of our product candidates to market.

Even if we obtain regulatory clearances or approvals for our product candidates, we face significant challenges with physician and hospital adoption of our products. We believe the market for our ClearPoint system is fairly concentrated among a few hundred hospitals. Failure to achieve significant penetration within these hospitals will negatively affect our business.

To succeed in our commercialization efforts, we must execute effectively on all elements of our business plan, including developing and testing products, obtaining regulatory clearances and approvals, expanding our sales and marketing capabilities and obtaining commercial-scale production capabilities through third parties. If we fail in any of these endeavors, or experience delays in pursuing them, we will not generate revenues as planned and will need to curtail operations or seek additional financing earlier than otherwise anticipated.

Our success depends substantially on our ability to obtain regulatory clearances or approvals for our current product candidates. We cannot be certain that we will be able to do so in a timely fashion or at all.

We do not have the necessary regulatory clearances or approvals to market either our ClearPoint system or the ClearTrace system in the United States or in any foreign market. In the United States, without Food and Drug Administration, or FDA, clearances or approvals, we can not market a new medical device, or a new use of, or claim for, or significant modification to, an existing product, unless an exemption applies. To obtain FDA clearance or approval, we must first receive either premarket clearance under Section 510(k) of the federal Food, Drug, and Cosmetic Act or approval of a premarket approval application, or PMA, from the FDA.

In the 510(k) clearance process, the FDA must determine that a proposed device is “substantially equivalent” to a device legally on the market, known as a “predicate” device, with respect to intended use, technology, safety and effectiveness, in order to clear the proposed device for marketing. Clinical data is sometimes required to support substantial equivalence. The 510(k) clearance process generally takes three to twelve months from submission, but can take significantly longer.

The process of obtaining PMA approval is much more costly and uncertain than the 510(k) clearance process. The PMA approval process can be lengthy and expensive and requires an applicant to demonstrate the safety and effectiveness of the device based, in part, on data obtained in clinical trials. The PMA process generally takes one to three years, or even longer, from the time the PMA application is submitted to the FDA until an approval is obtained.

The regulatory status of our current product candidates are as follows:

- *ClearPoint System.* We originally submitted five Section 510(k) premarket notifications to the FDA in the first and second calendar quarters of 2009 seeking marketing clearance for the individual devices comprising our ClearPoint system. Based on discussions with the FDA, we consolidated two of the devices into one 510(k) to obtain clearance of these devices as a system. We have obtained 510(k) clearance with respect to the devices addressed in three of those submissions. The final 510(k) submission for our ClearPoint system remains under review by the FDA. In the pending 510(k) submission, we are seeking 510(k) clearance to market the device for use in general neurological interventional procedures. If 510(k) clearance of this general neurological intervention claim is received, our ClearPoint system will initially be marketed to provide guidance for the placement and operation of instruments or devices during planning and operation of neurological procedures within the MRI environment and in conjunction with MR imaging. Our ClearPoint system is intended as an integral part of procedures, such as biopsies and catheter and electrode insertion, that have traditionally used other methods. Until 510(k) clearance is obtained for all components of our ClearPoint system, we cannot market our ClearPoint system.
- *ClearTrace System.* We are still in the early stages of the development of the ClearTrace system and have not made any regulatory filings with the FDA with respect to that system. The ClearTrace system consists of several components, including an ablation catheter. The FDA has determined that ablation catheters specifically indicated to treat atrial fibrillation require the submission of a PMA. Therefore, we will be required to pursue the PMA process for this component. As part of the PMA process, we will be required to conduct a clinical trial regarding the safety and effectiveness of our ablation catheter. We expect to commence enrollment in the clinical trial in the second half of 2011. With the exception of the ClearTrace ablation catheter, we plan to seek FDA clearance through the 510(k) process for the other ClearTrace system components.
- *SafeLead Development Program.* We are still in the early stages of the SafeLead Development Program. Boston Scientific is responsible for making any regulatory filings with the FDA with respect to its products that incorporate our MRI-safety technologies. Boston Scientific will control the timing and manner of any regulatory filing, and will be responsible for the costs associated with any regulatory filing. We do not anticipate that we will be able to influence the process or timing in any meaningful way. No regulatory filings have been made with the FDA to date.

The FDA may not act favorably or quickly in its review of our pending 510(k) submission for our ClearPoint system or any other 510(k) or PMA that, we, or Boston Scientific in connection with the SafeLead Development Program, may file. Additionally, we may encounter significant difficulties and costs in our efforts to obtain FDA clearances or approvals. If we are unable to use the 510(k) clearance process or are unable to obtain 510(k) clearance for any of our product candidates, or otherwise experience delays in obtaining or fail to obtain regulatory clearances, the commercialization of our product candidates will be delayed or prevented, which will adversely affect our ability to generate revenues. Such delay may also result in the loss of potential competitive advantages that we might otherwise attain by bringing our products to market earlier than our competitors. Any of these contingencies could adversely affect our business. Even if cleared or approved, our product candidates may not be cleared or approved for the indications that are necessary or desirable for successful commercialization.

There is no guarantee that the FDA will grant 510(k) clearance or PMA approval of our future products and claims. Failure to obtain necessary clearances or approvals for our future product candidates and claims would adversely affect our ability to expand the utilization of our technologies, which may affect our ability to grow our business.

In the future, we may seek to obtain additional, more specific indications for use of our ClearPoint system beyond the general neurological intervention claim, such as a specific claim for use in deep brain stimulation lead

placement. In addition, we must seek to obtain clearance and approval of our other product candidates, any product candidates we may develop in the future, and expanded claims for any cleared or approved product. Some of these expanded claims and future products may require FDA clearance of a 510(k). Other claims and future products may require FDA approval of a PMA. Moreover, some specific ClearPoint system claims we may seek and some future products may require clinical trials to support regulatory clearance or approval, and we may not successfully complete or have the funds to initiate these clinical trials. The FDA may not clear or approve these future claims or products, or future generations of our ClearPoint system for the indications that are necessary or desirable for successful commercialization. Indeed, the FDA may refuse our requests for 510(k) clearance or PMA approval. Failure to receive clearance or approval for additional claims for our ClearPoint system, or for our future products, would have an adverse effect on our ability to expand our business.

Clinical trials necessary to support 510(k) clearance or PMA approval for our product candidates or new indications for use will be expensive and may require the enrollment of large numbers of suitable patients, who may be difficult to identify and recruit. Delays or failures in our clinical trials will prevent us from commercializing any modified or new product candidates and will adversely affect our business, operating results and prospects.

Initiating and completing clinical trials necessary to support a PMA for the ClearTrace system or any other product candidates that we may develop, or additional safety and efficacy data that the FDA may require for 510(k) clearance or PMA approval for new specific indications of our ClearPoint system will be time consuming and expensive with an uncertain outcome. Moreover, the results of early clinical trials are not necessarily predictive of future results, and any product candidate we advance into clinical trials may not have favorable results in later clinical trials.

Conducting successful clinical trials may require the enrollment of large numbers of patients, and suitable patients may be difficult to identify and recruit. Patient enrollment in clinical trials and completion of patient participation and follow-up depends on many factors, including the size of the patient population, the nature of the trial protocol, the attractiveness of, or the discomforts and risks associated with, the treatments received by enrolled subjects, the availability of appropriate clinical trial investigators and support staff, the proximity to clinical sites of patients that are able to comply with the eligibility and exclusion criteria for participation in the clinical trial, and patient compliance. For example, patients may be discouraged from enrolling in our clinical trials if the trial protocol requires them to undergo extensive post-treatment procedures or follow-up to assess the safety and effectiveness of our product candidates or if they determine that the treatments received under the trial protocols are not attractive or involve unacceptable risks or discomforts. In addition, patients participating in clinical trials may die before completion of the trial or suffer adverse medical events unrelated to our product candidates.

Development of sufficient and appropriate clinical protocols to demonstrate safety and efficacy will be required and we may not adequately develop such protocols to support clearance or approval. Further, the FDA may require us to submit data on a greater number of patients than we originally anticipated and/or for a longer follow-up period or change the data collection requirements or data analysis applicable to our clinical trials. Delays in patient enrollment or failure of patients to continue to participate in a clinical trial may cause an increase in costs and delays in the approval and attempted commercialization of our product candidates or result in the failure of the clinical trial. Such increased costs and delays or failures could adversely affect our business, operating results and prospects.

If the third parties on which we may need to rely to conduct any clinical trials and to assist us with pre-clinical development do not perform as contractually required or expected, we may not be able to obtain regulatory clearance or approval for or commercialize our product candidates.

We do not have the independent ability to conduct pre-clinical and clinical trials for our product candidates. To the extent we will need to conduct such trials, we will need to rely on third parties, such as contract research organizations, medical institutions, clinical investigators and contract laboratories to conduct such trials. If these

third parties do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines, if these third parties need to be replaced, or if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our pre-clinical development activities or clinical trials may be extended, delayed, suspended or terminated, and we may not be able to obtain regulatory clearance or approval for, or successfully commercialize, a product candidate on a timely basis, if at all. As such, our business, operating results and prospects may be adversely affected. Furthermore, our third-party clinical trial investigators may be delayed in conducting our clinical trials for reasons outside of their control.

The results of our clinical trials may not support our product candidate claims or may result in the discovery of adverse side effects.

Even if any clinical trial that we need to undertake is completed as planned, we cannot be certain that its results will support our product candidate claims or that the FDA or foreign authorities will agree with our conclusions regarding them. The clinical trial process may fail to demonstrate that a product candidate is safe and effective for the proposed indicated use, which could cause us to abandon a product candidate and may delay development of others. Any delay or termination of our clinical trials will delay the filing of our product submissions and, ultimately, our ability to commercialize a product candidate and generate revenue. It is also possible that patients enrolled in clinical trials will experience adverse side effects that are not currently part of the product candidate's profile.

Even if we succeed in obtaining FDA clearances and/or approvals for our product candidates within the time frames we anticipate, our products may not be commercially successful.

Even if we receive regulatory clearances or approvals for our product candidates, our product candidates may not gain market acceptance unless we convince physicians, hospitals and patients of the benefits of our products. Moreover, even if physicians and hospitals understand the benefits of our products, they still may elect not to use our products for a variety of reasons, including:

- the shift in location of the procedure to the MRI suite;
- the hospital's ability and willingness to satisfy the increased demand for the MRI suite;
- the cost to the hospital to purchase or otherwise use our products;
- the lack of supporting clinical data;
- the physician's familiarity and having achieved successful results with existing devices, approaches and methodologies; and
- for the ClearTrace system, a hospital may be required to purchase a new MRI scanner.

If physicians and hospitals do not perceive our products as attractive alternatives to existing products and procedures, we will not be able to generate significant revenue, if any.

If hospitals and physicians are unable to obtain adequate coverage and reimbursement from third-party payors for procedures utilizing any products that we commercialize, our revenue and prospects for profitability will suffer.

We anticipate that our products will be purchased primarily by hospitals, which bill various third-party payors, including governmental healthcare programs, such as Medicare, and private insurance plans, for procedures in which our products will be used. Reimbursement is a significant factor considered by hospitals in determining whether to acquire new medical devices such as our product candidates. Therefore, our ability to successfully commercialize products depends significantly on the availability of coverage and reimbursement from these third-party payors.

Medicare pays acute care hospitals a prospectively determined amount for inpatient operating costs. The prospective payment for a patient's stay is determined by the patient's condition and other patient data and procedures performed during the inpatient stay using a classification system known as Medical Severity Diagnosis Related Groups, or MS-DRGs. Medicare pays a fixed amount to the hospital based on the MS-DRG into which the patient's stay is assigned, regardless of the actual cost to the hospital of furnishing the procedures, items and services provided. Therefore, a hospital must absorb the cost of our products as part of the payment it receives for the procedure in which the product is used. In addition, physicians that perform procedures in hospitals are paid a set amount by Medicare for performing such services under the Medicare physician fee schedule. Medicare payment rates for both systems are established annually.

At this time, we do not know if hospitals will consider third-party reimbursement levels adequate to cover the cost of our products. Furthermore, we do not know if physicians will consider third-party reimbursement levels adequate to compensate them for performing the procedures in which our products will be used. Failure by hospitals and physicians to receive an amount that they consider to be adequate reimbursement for procedures in which our products are used will deter them from purchasing or using our products and limit our sales growth.

One result of the current Medicare payment system, which is also utilized by most non-governmental third-party payors, is that a patient's treating physician orders a particular service and the hospital (or other facility in which the procedure is performed) bears the cost of delivery of the service. Hospitals have limited ability to align their financial interests with that of the treating physician because Medicare law generally prohibits hospitals from paying physicians to assist in controlling the costs of hospital services, including paying physicians to limit or reduce services to Medicare beneficiaries even if such services are medically unnecessary. As a result, hospitals have traditionally stocked supplies and products requested by physicians and have had limited ability to restrict physician choice of products and services.

The Patient Protection and Affordable Care Act enacted on March 23, 2010, as amended by the Health Care and Education Reconciliation Act of 2010, which was enacted on March 30, 2010 (collectively, the "Health Care Reform Law"), includes a number of provisions that will likely result in more coordination between hospitals and physicians resulting in the alignment of financial incentives between hospitals and physicians to control hospital costs. Most significantly, the Health Care Reform Law provides for the establishment of a Medicare shared savings program whereby Medicare will share certain savings realized in the delivery of services to Medicare beneficiaries with accountable care organizations, which may be organized through various different legal structures between hospitals and physicians. We expect that the overall result of such increased coordination will be voluntary reductions in the array of choices currently available to physicians with respect to diagnostic services, medical supplies and equipment. Such a reduction in physician choices may also result in hospitals reducing their overall number of vendors from which they purchase supplies, equipment and products. The Health Care Reform Law may make it more difficult for us to become and remain an approved vendor, which could have an adverse effect on our financial results and business.

If there are changes in coverage or reimbursement from third-party payors, our revenues and prospects for profitability will suffer.

We anticipate that existing billing codes would apply to procedures using our products. Reimbursement levels for procedures using our products could be decreased or eliminated as a result of future legislation, regulation, or reimbursement policies of third-party payors. Any such decrease or elimination would adversely affect the demand for our products and our ability to sell products on a profitable basis. For example, on July 30, 2008, Centers for Medicare and Medicaid Services, or CMS, the federal agency that administers the Medicare Program, released a list of potential topics for national coverage determinations. This list included ablation for atrial fibrillation and specifically asked whether the evidence was adequate to demonstrate health benefits in patients who receive the procedure. On October 21, 2009, the Medicare Evidence Development and Coverage Advisory Committee held a meeting on the adequacy of the available evidence for catheter ablation for the treatment of atrial fibrillation. Although CMS has not formally opened a national coverage analysis on this topic,

the agency has shown that it is interested in the clinical evidence of atrial fibrillation treatments and any national coverage decisions it makes could have a material effect on our potential business in this area. Furthermore, if procedures using our products gain market acceptance and the number of these procedures increases, CMS and other public or private payors may establish new billing codes for those procedures that provide for a lower reimbursement amount than traditional approaches, which could adversely affect our financial results and business.

Among other things, the Health Care Reform Law will ultimately increase the overall pool of persons with access to health insurance in the United States. Although such an increase in covered lives should ultimately benefit hospitals, the Health Care Reform Law also includes a number of cuts in Medicare reimbursement to hospitals that may take effect prior to hospitals' realizing the financial benefit of a larger pool of insured persons. Such cuts in Medicare reimbursement could adversely impact the operations and finances of hospitals reducing their ability to purchase medical devices such as our products. Further, the fact that the Health Care Reform Law did not address pending reductions of Medicare physician payment rates under the sustainable growth rate formula could result in an overall reduction of physicians willing to participate in Medicare. Either of these events could adversely affect demand for our products, our business and financial results.

If third-party payors deny coverage or reimbursement for procedures using our products, our revenues and prospects for profitability will suffer.

Notwithstanding regulatory clearances or approvals, if obtained, third-party payors may deny coverage or reimbursement if the payor determines that use of our product is unnecessary, inappropriate, experimental, not cost-effective, or is used for a non-approved indication. In addition, no uniform policy of coverage and reimbursement for medical technology exists among third-party payors. Therefore, coverage and reimbursement for medical technology can differ significantly from payor to payor.

The Health Care Reform Law and other payment and policy changes may have a material adverse effect on us.

In addition to reimbursement changes discussed above, the Health Care Reform Law will also impose a 2.3% excise tax on the sale of any taxable human medical devices after December 31, 2012, subject to certain exclusions, by the manufacturer, producer or importer of such devices. Further, the Health Care Reform Law encourages hospitals and physicians to work collaboratively through shared savings programs, such as accountable care organizations, which may ultimately result in the reduction of medical device acquisitions and the consolidation of medical device suppliers used by hospital purchasers. While passage of the Health Care Reform Law may ultimately expand the pool of potential end-users of our products, the above-discussed changes could adversely affect our financial results and business.

Further, with the increase in demand for healthcare services, we expect both a strain on the capacity of the healthcare system and more proposals by legislators, regulators and third-party payors to keep healthcare costs down. Certain proposals, if passed, could impose limitations on the prices we will be able to charge for our products, or the amounts of reimbursement available for our products from governmental agencies or third-party payors. These limitations could have a material adverse effect on our financial position and results of operations.

Various healthcare reform proposals have also emerged at the state level. We cannot predict what healthcare initiatives, if any, will be implemented at the federal or state level, or the effect any future legislation or regulation will have on us. However, an expansion in government's role in the United States healthcare industry may lower reimbursements for our products, reduce medical procedure volumes and adversely affect our business, possibly materially.

The markets for medical devices, such as our product candidates, are highly competitive and we may not be able to compete effectively against the larger, well-established companies in our markets or emerging and small innovative companies that may seek to obtain or increase their share of the market.

We will face competition from products and techniques already in existence in the marketplace. The markets for our product candidates are intensely competitive, and many of our competitors are much larger and have substantially more financial and human resources than we do. Many have long histories and strong reputations within the industry, and a relatively small number of companies dominate these markets. Examples of such large, well-known companies include Biosense Webster Inc., a division of Johnson & Johnson, Medtronic, Inc. and St. Jude Medical Inc.

These companies enjoy significant competitive advantages over us, including:

- broad product offerings, which address the needs of physicians and hospitals in a wide range of procedures;
- greater experience in, and resources for, launching, marketing, distributing and selling products, including strong sales forces and established distribution networks;
- existing relationships with physicians and hospitals;
- more extensive intellectual property portfolios and resources for patent protection;
- greater financial and other resources for product research and development;
- greater experience in obtaining and maintaining FDA and other regulatory clearances or approvals for products and product enhancements;
- established manufacturing operations and contract manufacturing relationships; and
- significantly greater name recognition and more recognizable trademarks.

Even if we successfully introduce our product candidates to market, we may not succeed in overcoming the competitive advantages of these large and established companies. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These companies may introduce products that compete effectively against our products in terms of performance, price or both.

We could become subject to product liability claims that could be expensive, divert management's attention and harm our business.

Our business exposes us to potential product liability risks that are inherent in the manufacturing, marketing and sale of medical devices. We may be held liable if our products cause injury or death or are found otherwise unsuitable or defective during usage. Our ClearPoint system and the ClearTrace system incorporate mechanical and electrical parts, complex computer software and other sophisticated components, any of which can have defective or inferior parts or contain defects, errors or failures. Complex computer software is particularly vulnerable to errors and failures, especially when first introduced.

Because our ClearPoint system and the ClearTrace system are designed to be used to perform complex surgical procedures, defects could result in a number of complications, some of which could be serious and could harm or kill patients. The adverse publicity resulting from any of these events could cause physicians or hospitals to review and potentially terminate their relationships with us.

The medical device industry has historically been subject to extensive litigation over product liability claims. A product liability claim, regardless of its merit or eventual outcome, could result in significant legal defense costs. Although we maintain product liability insurance, the coverage is subject to deductibles and

limitations, and may not be adequate to cover future claims. Additionally, we may be unable to maintain our existing product liability insurance in the future at satisfactory rates or in adequate amounts. A product liability claim, regardless of its merit or eventual outcome could result in:

- decreased demand for our products;
- injury to our reputation;
- diversion of management's attention;
- significant costs of related litigation;
- payment of substantial monetary awards by us;
- product recalls or market withdrawals;
- a change in the design, manufacturing process or the indications for which our products may be used;
- loss of revenue; and
- an inability to commercialize product candidates.

If we are unable to expand our sales and marketing capabilities or enter into agreements with third parties to market and sell our products, we may be unable to generate material product revenue.

We do not have experience in the sales, marketing and distribution of medical devices. In order to commercialize any products that we develop, we must expand our present sales, marketing and distribution capabilities or make arrangements with a third party to perform these services. If we are unable to establish adequate sales, marketing and distribution capabilities, independently or with others, we will not be able to generate material product revenue and will not likely become profitable.

If our ClearPoint system is cleared or approved for commercial sale, we currently plan to establish an internal sales force to market our product to physicians and hospitals in the United States. Although we anticipate a small sales force will be sufficient to cover the United States market, developing that sales force could prove time-consuming and expensive and could delay a wide product launch. We might not be able to develop our sales and marketing and distribution capabilities. If we are unable to establish these capabilities, we will need to contract with third parties to market and sell our products. To the extent that we enter into arrangements with third parties to perform sales, marketing and distribution services, our product revenues are likely to be lower than if we market and sell our products ourselves.

We may not realize the anticipated benefits from our collaborative agreements with Boston Scientific regarding the SafeLead Development Program.

We entered into license and development agreements with Boston Scientific with respect to our MRI-safety technologies. We are working with Boston Scientific to incorporate our MRI-safety technologies into Boston Scientific's implantable medical leads for cardiac and neurological applications. There is no assurance that our joint development efforts will be successful or that patents will issue on any patent applications we licensed to Boston Scientific, in which case we would not receive future milestone payments or royalties provided for under our agreements with Boston Scientific. Further, Boston Scientific has no obligation to include our licensed intellectual property in its product candidates. Even if Boston Scientific incorporates our licensed intellectual property into its product candidates, Boston Scientific may be unable to obtain regulatory clearance or approval or successfully commercialize the related products, in which case we would not receive royalties in the amounts that we currently anticipate.

We may be required to pay amounts to Boston Scientific under our development agreement in the neurological field if all of our development milestones under that agreement are not met by December 31, 2012.

Our development agreement with Boston Scientific in the neurological field requires specified milestones in the development of an MRI-safe implantable lead to be achieved by December 31, 2012. If the milestones are not

achieved by that date, and this failure is not the result of Boston Scientific's failure to reasonably cooperate with us in pursuing the milestones, we will be required to pay Boston Scientific a sum of money equal to all milestone payments previously paid to us by Boston Scientific under the development agreement, all development expense reimbursements previously paid to us by Boston Scientific under the development agreement, and all patent prosecution costs incurred by Boston Scientific with respect to the intellectual property licensed under the related license agreement. As of March 31, 2010, the potential obligation to Boston Scientific was approximately $750,000, plus costs incurred by Boston Scientific in prosecuting the licensed intellectual property. Our potential payment obligation to Boston Scientific under the neuro development agreement does not apply to any amounts we receive under our agreements in the cardiac field, including the $13,000,000 of upfront licensing fees and any development milestone payments. Our agreements with Boston Scientific in the cardiac field do not impose a payment obligation on us for failure to achieve development milestones.

Boston Scientific has the right to terminate our development agreement for implantable cardiac leads under specified circumstances.

Boston Scientific has the one-time option, within 60 days after successful completion of the first lead feasibility study for cardiac applications, to cease further development work and to terminate the development agreement. If Boston Scientific elects to exercise its termination option under the development agreement, the license we granted to Boston Scientific in that field of use will automatically become non-exclusive with respect to some intellectual property; other intellectual property will be removed from the scope of the license and all rights will revert to us; and Boston Scientific will not be obligated to pay us any future royalties based on sales of its products containing our intellectual property that remains subject to the non-exclusive license.

We may not realize the anticipated benefits from our collaborative agreement with Siemens regarding the ClearTrace system.

We have entered into a co-development agreement with Siemens to develop the hardware and MRI software necessary for the ClearTrace system. There can be no assurance that our co-development efforts will be successful or that we will complete development of the ClearTrace system hardware and MRI software. Under our agreement, Siemens is responsible for developing the software for the ClearTrace system, and we are responsible for developing the catheters and other hardware, other than the MRI scanner and workstation. We are obligated to pay Siemens up to approximately $2,500,000 in milestone payments associated with Siemens' successful development of the software in accordance with our specifications. We started making these payments in the second quarter of 2009 and will continue through the third quarter of 2011. Once the software for the ClearTrace system is commercially available, Siemens is obligated to pay us a fixed amount for each software license sold by Siemens until we recoup our investment in the software. However, if Siemens does not successfully commercialize the software, or if our agreement with Siemens is terminated, we may not recover our investment in the software.

If we fail to obtain regulatory approval in foreign jurisdictions, we will not be able to expand the commercialization of our products abroad.

To sell our product candidates in foreign jurisdictions, we will have to obtain separate regulatory approvals from those foreign jurisdictions. The regulatory approval process varies among jurisdictions and can involve substantial additional testing. Clearance or approval by the FDA does not ensure clearance or approval by regulatory authorities in other jurisdictions, and clearance or approval by one foreign regulatory authority does not ensure clearance or approval by regulatory authorities in other foreign jurisdictions or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA clearance or approval in addition to other risks. In addition, the time required to obtain foreign clearance or approval may differ from that required to obtain FDA clearance or approval and we may not obtain foreign regulatory clearances or approvals on a timely basis, if at all. We may not be able to file for regulatory clearance or approval and may not receive necessary clearance or approval to commercialize our product candidates in any foreign market, either of which would preclude sale of our products in foreign jurisdictions.

Currently, our target market for our ClearPoint system is the United States, however, we will also look to sell our ClearPoint system in the European Union. We anticipate that the initial market for the ClearTrace system will be the European Union. To market a product in the European Union, we must be entitled to affix a CE mark, an international symbol of adherence to quality assurance standards and compliance with applicable European medical device directives. A CE mark would enable us to market a product in all of the countries of the European Union, as well as in other countries, such as Switzerland and Israel, that have mutual recognition agreements with the European Union or have adopted the European Union's regulatory standards. There can be no assurance that we will receive CE marking approval for any of our product candidates.

We intend to apply for CE marking approval for sale of our ClearPoint system during 2010, and we have engaged KEMA as the Notified Body for our CE marking approval process. A Notified Body is a private commercial entity that is designated by the national government of a European Union member state as being competent to make independent judgments about whether a device complies with applicable regulatory requirements. The exact regulatory pathway for CE marking approval for our ClearPoint system will be the subject of discussions we have with KEMA. At this time, we are unable to accurately predict when, if ever, CE marking for our ClearPoint system will be obtained, whether clinical trials will be required as part of the CE marking approval process or the regulatory requirements to which we would be subject after approval.

Our reliance on single source suppliers could harm our ability to meet demand for our ClearPoint system in a timely manner or within budget.

Many of the components and subparts of our ClearPoint system are currently provided to us by single-sourced suppliers. We generally purchase components and component assemblies through purchase orders rather than long-term supply agreements and generally do not maintain large volumes of inventory. While alternative suppliers exist and have been identified, the disruption or termination of the supply of components and component assemblies could cause a significant increase in the costs of these components, which could affect our operating results. Our dependence on a limited number of third-party suppliers and the challenges we may face in obtaining adequate supplies involve several risks, including limited control over pricing, availability, quality and delivery schedules. If we receive regulatory clearance to sell our ClearPoint system, a disruption or termination in the supply of components could also result in our inability to meet demand for our ClearPoint system, which could harm our ability to generate revenues, lead to customer dissatisfaction and damage our reputation. Furthermore, if we are required to change the supplier of a key component or subpart of our product candidates, we may be required to verify that the new supplier maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. The delays associated with the verification of a new supplier could delay our ability to manufacture our ClearPoint system in a timely manner or within budget.

Risks Related to our Need for Financing

We have incurred significant losses since our inception and anticipate that we may continue to incur significant losses.

As of March 31, 2010, we had an accumulated deficit of approximately $44,199,000. The accumulated deficit has resulted principally from costs incurred in our research and development efforts and general operating expenses. We have incurred significant losses in each year since our inception in 1998. Net losses were approximately $2,176,000 for the three months ended March 31, 2010, approximately $7,159,000 for the year ended December 31, 2009, approximately $5,430,000 for the year ended December 31, 2008, and approximately $3,697,000 for the year ended December 31, 2007. We expect to continue to incur significant operating losses as we continue to invest capital in the development of our product candidates and our business generally. We also expect that our general and administrative expenses will increase due to additional operational and regulatory burdens associated with operating as a public company. Because of the numerous risks and uncertainties associated with developing medical devices, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Any failure to achieve and maintain profitability would continue to have an adverse effect on our stockholders' equity and working capital and could result in a decline in our stock price or cause us to cease operations.

We may not be able to continue operations as a going concern and our stockholders may lose their entire investment in us.

At March 31, 2010 and December 31, 2009 we had cash and cash equivalents of approximately $3,549,000 and $2,569,000, respectively, and stockholders' deficit of approximately $11,055,000 and $9,888,000, respectively. In addition, we had a net loss for the three months ended March 31, 2010 of approximately $2,176,000 and a net loss for the year ended December 31, 2009 of approximately $7,159,000.

These factors raise substantial doubt that we will be able to continue operations as a going concern. Our independent auditors included an explanatory paragraph regarding the uncertainty of whether we will be able to continue operations as a going concern in their report on our financial statements for the year ended December 31, 2009. Our ability to continue as a going concern is dependent upon us generating cash flow sufficient to fund operations and reducing operating expenses. Our business plans may not be successful in addressing these issues. If we cannot continue as a going concern, our stockholders may lose their entire investment in us.

We may need additional funding to complete the development and commercialization of our product candidates and may not be able to raise capital when needed, which would force us to delay, reduce or eliminate our product development programs or commercialization efforts.

We will require substantial future capital in order to continue to conduct the research and development and regulatory clearance and approval activities necessary to bring our product candidates to market and to establish effective marketing and sales capabilities. If we are unable to generate revenue, we do not expect our existing capital resources and the net proceeds from this offering to be sufficient to enable us to fund the completion of the development and commercialization of all of our product candidates. We believe that the net proceeds from this offering, our existing cash resources and interest on these funds will be sufficient to meet our projected operating requirements through the end of 2011. However, our operating plans may change, and we may need additional funds sooner than anticipated to meet our operational needs and capital requirements for product development, clinical trials, regulatory clearances and approvals, and product commercialization.

Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available on a timely basis, we may terminate or delay the development of one or more of our product candidates, or delay establishment of sales and marketing capabilities or other activities necessary to commercialize our product candidates successfully.

Our future funding requirements will depend on many factors, including:

- the scope, rate of progress and cost of our research and development activities;
- the achievement of milestone events under, and other matters related to, our agreements with Boston Scientific and Siemens;
- the terms and timing of any future collaborative, licensing or other arrangements that we may establish;
- the cost and timing of clinical trials;
- the cost and timing of regulatory filings, clearances and approvals;
- the cost and timing of establishing sales, marketing and distribution capabilities and other corporate infrastructure;
- the cost of establishing product inventories;
- the effect of competing technological and market developments; and
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

Raising additional capital by issuing securities or through collaborative or licensing arrangements may cause dilution to existing stockholders, restrict our operations or require us to relinquish proprietary rights.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or products or grant licenses on terms that are not favorable to us. Any of these events could adversely affect our ability to achieve our product development and commercialization goals and have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Intellectual Property

We are currently subject to intellectual property litigation. We may spend substantial funds to defend ourselves in the litigation and, if we are unsuccessful in our defense, we may have to change our name and incur substantial additional costs, all of which could harm our operating results.

On April 22, 2010, SurgiVision Consultants, Inc. and Guy M. Kezirian filed a lawsuit against us in the United States District Court, Central District of California, alleging trademark infringement, unfair competition, trademark dilution, and violation of the Anti-Cybersquatting Protection Act, all relating to our use of our SURGI-VISION and SURGIVISION trademarks and our www.surgivision.com domain name. The plaintiffs are seeking unspecified monetary damages and injunctive relief. This action is at a very preliminary stage. We believe that we have strong defenses to the allegations, and we intend to vigorously defend ourselves in the lawsuit to protect our rights. However, intellectual property litigation is inherently time consuming, expensive and unpredictable. If we are unsuccessful in the litigation, we may be required to change our name as well as pay monetary damages. If we are required to change our name, we may incur substantial costs and suffer from a loss of name recognition, which could harm our business, operating results and financial condition.

If we, or the third parties from whom we license intellectual property, are unable to secure and maintain patent or other intellectual property protection for the intellectual property covering our products, our ability to compete will be harmed.

Our commercial success depends, in part, on obtaining patent and other intellectual property protection for the technologies contained in our products. The patent positions of medical device companies, including ours, can be highly uncertain and involve complex and evolving legal and factual questions. Our patent position is uncertain and complex, in part, because of our dependence on intellectual property that we license from others. If we, or the third parties from whom we license intellectual property, fail to obtain adequate patent or other intellectual property protection for intellectual property covering our products, or if any protection is reduced or eliminated, others could use the intellectual property covering our products, resulting in harm to our competitive business position. In addition, patent and other intellectual property protection may not provide us with a competitive advantage against competitors that devise ways of making competitive products without infringing any patents that we own or have rights to.

As of April 30, 2010, our portfolio included eight wholly-owned issued United States patents (including one design patent), 25 wholly-owned pending United States patent applications (including five provisional applications), four co-owned issued United States patents, nine co-owned pending United States patent applications, one wholly-owned issued foreign patent, 38 wholly-owned pending foreign patent applications (including seven Patent Cooperation Treaty applications), one co-owned issued foreign patent and 22 co-owned pending foreign patent applications (including one Patent Cooperation Treaty application). In addition, as of April 30, 2010, we had licensed rights to 11 United States and 15 foreign third-party issued patents, and we had licensed rights to nine United States and 12 foreign third-party pending patent applications. United States patents and patent applications may be subject to interference proceedings and United States patents may be subject to re-issue and reexamination proceedings in the United States Patent and Trademark Office. Foreign patents may be subject to opposition or comparable proceedings in the corresponding foreign patent offices. Any of these

proceedings could result in either loss of the patent or denial of the patent application, or loss or reduction in the scope of one or more of the claims of the patent or patent application. Changes in either patent laws or in interpretations of patent laws may also diminish the value of our intellectual property or narrow the scope of our protection. Interference, reexamination and opposition proceedings may be costly and time consuming, and we, or the third parties from whom we license intellectual property, may be unsuccessful in such proceedings. Thus, any patents that we own or license may provide limited or no protection against competitors. In addition, our pending patent applications and those we may file in the future may not result in patents being issued or may have claims that do not cover our products. Even if any of our pending or future patent applications are issued, they may not provide us with adequate protection or any competitive advantages. Our ability to develop additional patentable technology is also uncertain.

Non-payment or delay in payment of patent fees or annuities, whether intentional or unintentional, may also result in the loss of patents or patent rights important to our business. Many countries, including certain countries in Europe, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of the patent. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States, particularly in the field of medical devices and procedures.

Others may assert that our products infringe their intellectual property rights, which may cause us to engage in costly disputes and, if we are not successful in defending ourselves, could also cause us to pay substantial damages and prohibit us from selling our products.

There may be United States and foreign patents issued to third parties that relate to our business, including MRI-guided intervention systems and the components and methods and processes related to these systems. Some of these patents may be broad enough to cover one or more aspects of our present technologies and/or may cover aspects of our future technologies. We do not know whether any of these patents, if asserted, would be held valid, enforceable and infringed.

We cannot assure that a court or administrative body would agree with any arguments or defenses we may have concerning invalidity, unenforceability or non-infringement of any third-party patent. In addition, other parties may have filed or may in the future file patent applications for products that are similar or identical to ours. We cannot assure that any patents issuing from applications filed by a third party will not cover our products or will not have priority over our patents or patent applications.

The medical device industry has been characterized by extensive litigation and administrative proceedings regarding patents and other intellectual property rights, and companies have employed such actions to gain a competitive advantage. If third parties assert infringement or other intellectual property claims against us, our technical and management personnel will experience a significant diversion of time and effort and we will incur large expenses defending our company. If third parties in any patent action are successful, our patent portfolio may be damaged, we may have to pay substantial damages and we may be required to stop selling our products or obtain a license which, if available at all, may require us to pay substantial royalties. We cannot be certain that we will have the financial resources or the substantive arguments to defend our products from infringement or our patents from claims of invalidity or unenforceability, or to defend our products against allegations of infringement of third-party patents. In addition, any public announcements related to litigation or administrative proceedings initiated by us, or initiated or threatened against us, could cause our stock price to decline.

If we lose access to critical third-party software which is integrated into our ClearPoint system software, our costs could increase and sales of our ClearPoint system could be delayed, potentially hurting our competitive position.

We license software from a third party that is integrated into the software component of our ClearPoint system. Our license continues through July 2015. If we are unable to continue to license this third-party software,

we would not be able to continue to commercialize our ClearPoint system until equivalent software could be identified, licensed or developed, and integrated into the software component of our ClearPoint system. These delays, if they occur, could harm our business, operating results and financial condition.

We may be subject to damages resulting from claims that our employees or we have wrongfully used or disclosed alleged trade secrets or other proprietary information of their former employers.

Many of our employees were previously employed at universities or other medical device companies, including competitors or potential competitors. In the future, we could be subject to claims that these employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending against such claims, a court could order us to pay substantial damages and prohibit us from using technologies or features that are essential to our products and processes, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. In addition, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper or prevent our ability to commercialize certain potential products, which could severely harm our business. Even if we are successful in defending against these claims, such litigation could result in substantial costs and be a distraction to our employees and management.

If the combination of patents, trade secrets and contractual provisions that we rely on to protect our intellectual property is inadequate, our ability to commercialize our products will be harmed, and we may not be able to operate our business profitably.

Our success and ability to compete is dependent, in part, upon our ability to maintain the proprietary nature of our technologies. We rely on a combination of patent, copyright, trademark and trade secret law and nondisclosure agreements to protect our intellectual property. However, such methods may not be adequate to protect us or permit us to gain or maintain a competitive advantage. Our patent applications may not issue as patents in a form that will be advantageous to us, or at all. Our issued patents, and those that may issue in the future, may be challenged, invalidated or circumvented, which could limit our ability to stop competitors from marketing related products.

To protect our proprietary rights, we may in the future need to assert claims of infringement against third parties to protect our intellectual property. There can be no assurance that we will be successful on the merits in any enforcement effort. In addition, we may not have sufficient resources to litigate, enforce or defend our intellectual property rights. Litigation to enforce our intellectual property rights in patents, copyrights or trademarks is highly unpredictable, expensive and time consuming and would divert human and monetary resources away from managing our business, all of which could have a material adverse effect on our financial condition and results of operations even if we were to prevail in such litigation. In the event of an adverse judgment, a court could hold that some or all of our asserted intellectual property rights are not infringed, or that they are invalid or unenforceable, and could award attorney fees.

Despite our efforts to safeguard our unpatented and unregistered intellectual property rights, we may not be successful in doing so or the steps taken by us in this regard may not be adequate to detect or deter misappropriation of our technologies or to prevent an unauthorized third party from copying or otherwise obtaining and using our products, technologies or other information that we regard as proprietary. Additionally, third parties may be able to design around our patents. Furthermore, the laws of foreign countries may not protect our proprietary rights to the same extent as the laws of the United States. Our inability to adequately protect our intellectual property could allow our competitors and others to produce products based on our technologies, which could substantially impair our ability to compete.

We have entered into confidentiality and intellectual property assignment agreements with our employees and consultants as one of the ways we seek to protect our intellectual property and other proprietary technologies. However, these agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements.

Our employees, consultants and other advisors may unintentionally or willfully disclose our confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Enforcing a claim that a third party illegally obtained and is using our proprietary know-how is expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect know-how than courts in the United States. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. Failure to obtain or maintain intellectual property protection could adversely affect our competitive business position.

We may be dependent upon one of our licenses from The Johns Hopkins University to develop and commercialize some components of the ClearTrace system.

We have entered into exclusive license agreements with The Johns Hopkins University, or Johns Hopkins, with respect to a number of technologies owned by Johns Hopkins. Under one of those agreements, which we entered into in 1998, we licensed a number of technologies relating to devices, systems and methods for performing MRI-guided interventions, particularly MRI-guided cardiac ablation procedures. Therefore, that license is important to the development of the ClearTrace system. Without that license, we may not be able to commercialize some of the components of the ClearTrace system when, and if, developed, subject to FDA clearance or approval. Johns Hopkins has the right to terminate the license under specified circumstances, including a breach by us and failure to cure such breach or in the event we file for bankruptcy. We are obligated to use commercially reasonable efforts to develop and commercialize products based on the licensed patents and patent applications. This obligation could require us to take actions related to the development of the ClearTrace system that we would otherwise not take.

Risks Related to Regulatory Compliance

We operate in a highly-regulated industry and any failure to comply with the extensive government regulations may subject us to fines, injunctions and other penalties that could harm our business.

Our medical device products and operations are subject to extensive regulation by the FDA and various other federal, state and foreign governmental authorities. Government regulations and foreign requirements specific to medical devices are wide ranging and govern, among other things:

- design, development and manufacturing;
- testing, labeling and storage;
- product safety;
- marketing, sales and distribution;
- premarket clearance or approval;
- recordkeeping procedures;
- advertising and promotions;
- recalls and field corrective actions;
- post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; and
- product export.

If we receive regulatory clearance or approval to sell our product candidates, we will be subject to ongoing FDA requirements, including: required submissions of safety and other post-market information; manufacturing facility registration and device listing requirements; compliance with FDA's medical device current Good Manufacturing Practice regulations, as codified in the Quality System Regulation, or QSR; requirements regarding field corrections and removals of our products; reporting of adverse events and certain product

malfunctions to the FDA; and numerous recordkeeping requirements. If we or any of our collaborators or suppliers fail to comply with applicable regulatory requirements, a regulatory agency may take action against us, including any of the following sanctions:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- customer notifications or orders for the repair, replacement or refund of products;
- recall, detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) clearances or PMA approvals of new products or modified products;
- withdrawing 510(k) clearances or PMA approvals that have already been granted; or
- refusal to grant export approval for our products.

The FDA's and foreign regulatory agencies' statutes, regulations or policies may change, and additional government regulation or statutes may be enacted, which could increase post-approval regulatory requirements, or delay, suspend or prevent marketing of any approved products. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the United States or abroad.

If we or our third-party suppliers fail to comply with the FDA's QSR or any applicable state equivalent, our manufacturing operations could be interrupted and our potential product sales and operating results could suffer.

We and some of our third-party suppliers are required to comply with the FDA's QSR, which covers the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage and shipping of our products. We and our suppliers will also be subject to the regulations of foreign jurisdictions regarding the manufacturing process if we market our products in these jurisdictions. The FDA enforces the QSR through periodic and unannounced inspections of manufacturing facilities. Our facilities have not been inspected by the FDA for QSR compliance. We anticipate that we and certain of our third-party suppliers will be subject to future inspections. The failure by us or one of our third-party suppliers to comply with applicable statutes and regulations administered by the FDA and other regulatory bodies, or the failure to timely and adequately respond to any adverse inspectional observations, could result in enforcement actions against us, which could impair our ability to produce our products in a cost-effective and timely manner in order to meet our customers' demands. If we fail to comply with the FDA's QSR or any applicable state equivalent, we would be required to incur the costs and take the actions necessary to bring our operations into compliance, which may have a negative impact on our future sales and our ability to generate a profit.

Our products may in the future be subject to product recalls that could harm our reputation, business operations and financial results.

The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design, manufacture or labeling. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is a reasonable probability that the device would cause serious injury or death. In addition, foreign governmental bodies have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Recalls of any of our products would divert managerial and financial resources and have an adverse effect on our financial condition and results of operations. We may initiate certain voluntary recalls involving our products in the future. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA. If we determine that certain of those recalls do not require notification to the FDA, the FDA may disagree with our determinations and

require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA could take enforcement actions against us, which could impair our ability to produce our products in a cost-effective and timely manner in order to meet our customers' demands. Regulatory investigations or product recalls could also result in our incurring substantial costs, losing revenues and implementing a change in the design, manufacturing process or the indications for which our products may be used, each of which would harm our business.

If our marketed products cause or contribute to a death or a serious injury, or malfunction in certain ways, we will be subject to medical device reporting regulations, which can result in voluntary corrective actions or agency enforcement actions.

Under the FDA's medical device reporting regulations, we are required to report to the FDA any incident in which our product may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. In the future, we may experience events that may require reporting to the FDA pursuant to the medical device reporting regulations. In addition, all manufacturers placing medical devices in European Union markets are legally bound to report any serious or potentially serious incidents involving devices they produce or sell to the relevant authority in whose jurisdiction the incident occurred. Any adverse event involving our products could result in future voluntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection, mandatory recall or other enforcement action. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business, and may harm our reputation and financial results. In addition, failure to report such adverse events to appropriate government authorities on a timely basis, or at all, could result in an enforcement action against us.

We may incur significant liability if it is determined that we are promoting off-label uses of our products in violation of federal and state regulations in the United States or elsewhere.

We are initially seeking clearance of our ClearPoint system from the FDA for a general neurological intervention claim. We believe that seeking 510(k) clearance for this general indication is the least burdensome path to initial regulatory clearance. The general indication we are seeking is the same indication for use that applies to other devices that have traditionally been used in the performance of stereotactic neurological procedures, under which a physician merges pre-operative images and data with specialized surgical instruments to help guide the procedure. Our business and future growth, however, may depend substantially on the use or enhancement of our ClearPoint system in deep brain stimulation lead placement procedures. Once 510(k) clearance is obtained, we may seek regulatory clearance or approval, as the case may be, for use of our ClearPoint system for a variety of specific neurological indications, including deep brain stimulation lead placement, to allow us to market and promote our ClearPoint system for those specific uses. Unless and until we receive regulatory clearance or approval for use of our ClearPoint system in these specific procedures, uses in procedures other than general neurological intervention procedures, such as biopsies and catheter and electrode insertion, may be considered off-label uses of our ClearPoint system.

Under the federal Food, Drug, and Cosmetic Act and other similar laws, we are prohibited from labeling or promoting our products, or training physicians, for such off-label uses. The FDA defines labeling to include not only the physical label attached to the product, but also items accompanying the product. This definition also includes items as diverse as materials that appear on a company's website. As a result, we are not permitted to promote uses of our products that are not cleared or approved, whether on our website, in product brochures or in customer communications. This prohibition means that the FDA could deem it unlawful for us to make claims about the use of our ClearPoint system in deep brain stimulation lead placement procedures or proactively discuss or provide information or training on the use of our ClearPoint system for deep brain stimulation lead placement procedures, with very limited exceptions. However, although manufacturers are not permitted to promote for off-label uses, in their practice of medicine, physicians may lawfully choose to use medical devices for off-label uses. Therefore, if the FDA grants 510(k) clearance for our ClearPoint system for use in general

neurological interventions, a physician could use our ClearPoint system for uses not covered by the cleared labeling. This would constitute an off-label use. We expect that physicians will use our ClearPoint system for a variety of specific neurological procedures, including deep brain stimulation lead placement.

The FDA and other regulatory agencies actively enforce regulations prohibiting promotion of off-label uses and the promotion of products for which marketing clearance or approval has not been obtained. If the FDA determines that our promotional materials or training constitutes promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fine and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In that event, our reputation could be damaged and market adoption of the products would be impaired. Due to these legal constraints, our sales and marketing efforts will focus only on the general technical attributes and benefits of our ClearPoint system and the FDA cleared indications for use. In addition, the off-label use of our products may increase the risk of injury to patients, and, in turn, the risk of product liability claims. Product liability claims are expensive to defend and could divert our management's attention and result in substantial damage awards against us.

We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws and regulations and could face substantial penalties if we are unable to fully comply with such laws.

Although we do not provide healthcare services nor receive payments directly from Medicare, Medicaid or other third-party payors for our products or the procedures in which our products may be used, many state and federal healthcare laws and regulations governing financial relationships between medical device companies and healthcare providers apply to our business and we could be subject to enforcement by both the federal government, private whistleblowers and the states in which we conduct our business. The healthcare laws and regulations that may affect our ability to operate include:

- The federal healthcare programs' Anti-Kickback Statute, which prohibits, among other things, individuals or entities from knowingly and willfully soliciting, receiving, offering or providing any kickback, bribe, or other remuneration, directly or indirectly, in exchange for or to induce the purchase, lease or order, or arranging for or recommending of, any item or service for which payment may be made under a federal healthcare program such as the Medicare and Medicaid programs.
- Federal false claims laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment to Medicare, Medicaid, or other federally- funded healthcare programs that are false or fraudulent, or are for items or services not provided as claimed, and which may apply to entities like us to the extent that our interactions with customers may affect their billing or coding practices. Changes to the Federal false claims law enacted as part of the Health Care Reform Law will likely increase the number of whistle-blower cases brought against providers and suppliers of health care items and services.
- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, in addition to the privacy and security rules normally associated with it, which are discussed below, established new federal crimes for knowingly and willfully executing a scheme to defraud any healthcare benefit program or making false statements in connection with the delivery of or payment for healthcare benefits, items or services.
- State and foreign law equivalents and analogues of each of the above federal laws, such as anti-kickback and false claims laws and the Foreign Corrupt Practices Act, which may apply to items or services reimbursed by any third-party payor, including commercial insurers, or when physicians are employees of a foreign government entity.
- The Health Care Reform Law, which imposes certain reporting obligations on manufacturers of drugs, devices and biologics. On March 31, 2013, and on the 90th day of each calendar year thereafter, these

manufacturers must report all payments or other transfers of value to or on behalf of a physician or teaching hospital by such manufacturers as well as any ownership or investment interest held by physicians in such manufacturers. The Health Care Reform Law also grants the Office of Inspector General additional authority to obtain information from any individual or entity to validate claims for payment or to evaluate the economy, efficiency or effectiveness of the Medicare and Medicaid programs, expands the permissible exclusion authority to include any false statements or misrepresentations of material facts, enhances the civil monetary penalties for false statements or misrepresentation of material facts, and enhances the Federal Sentencing Guidelines for those convicted of Federal healthcare offenses.

Recently, the medical device industry has been under heightened scrutiny as the subject of government investigations and government enforcement or private whistleblower actions under the Anti-Kickback Statute and the False Claims Act involving manufacturers who allegedly offered unlawful inducements to potential or existing customers in an attempt to procure their business, including specifically arrangements with physician consultants. For example, four of the five major orthopedic implant manufacturers were required to pay a total of $311 million and operate for 18 months under federal court supervision in settlement of kickback allegations concerning their physician consulting contracts.

We have a number of agreements with physicians that may be scrutinized or be subject to reporting requirements in the future, including consulting contracts for product development in which we compensate physicians for various services, including:

- keeping us informed of new developments in their respective fields of practice;
- advising us on our research and development projects related to their respective fields;
- advising us on improvements to methods, processes and devices related to their respective fields (such as advice on the development of prototype devices);
- assisting us with the technical evaluation of our methods, processes and devices related to their respective fields; and
- advising us with respect to the commercialization of products in their respective fields.

We may enter into similar consulting agreements with physicians in the future. Likewise, when we have commercialized products, we may enter into consulting agreements with physicians to provide training and other similar services on the proper use of our products.

The Health Care Reform Law mandates increased transparency of arrangements between physicians and medical device companies, which we expect will increase our overall cost of compliance. We believe that this increased transparency will also result in a heightened level of government scrutiny of the relationships between physicians and medical device companies. While we believe that all of our arrangements with physicians comply with applicable law, the increased level of scrutiny, coupled with the expanded enforcement tools available to the government under the Health Care Reform Law, may increase the likelihood of a governmental investigation. If we become subject to such an investigation, our business and operations would be adversely affected even if we ultimately prevail because the cost of defending such investigation would be substantial. Moreover, companies subject to governmental investigations could lose both overall market value and market share during the course of the investigation.

In addition, we may provide customers with information on products that could be deemed to influence their coding or billing practices, and may have sales, marketing or other arrangements with hospitals and other providers that could also be the subject of scrutiny under these laws. If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from the Medicare and Medicaid programs, and the curtailment or restructuring of our operations. Any penalties, damages, fines, exclusions, curtailment or restructuring of our operations could adversely affect our ability to operate our business and our

financial results. The risk of our being found in violation of these laws is increased by the fact that many of these laws are broad and their provisions are open to a variety of interpretations. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If the surgeons or other providers or entities with whom we do business are found to be non-compliant with applicable laws, they may be subject to sanctions, which could also have a negative impact on our business.

We may be subject to privacy and data protection laws governing the transmission, security and privacy of health information which may impose restrictions on technologies and subject us to penalties if we are unable to fully comply with such laws.

Numerous federal, state and international laws and regulations govern the collection, use, disclosure, storage and transmission of patient-identifiable health information. These laws include:

- HIPAA and its implementing regulations, the HIPAA Privacy and Security Rules, apply to covered entities, which include most healthcare facilities that purchase and use our products. The HIPAA Privacy and Security Rules set forth minimum standards for safeguarding individually identifiable health information, imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information and provides certain rights to individuals with respect to that information. HIPAA also requires covered entities to contractually bind third parties, known as business associates, in the event that they perform an activity or service for or on behalf of the covered entity that involves access to patient identifiable health information, including imposing liability on business associates of HIPAA "covered entities".
- The federal Health Information Technology for Economic and Clinical Health Act, or HITECH, which was enacted in February 2009, strengthens and expands the HIPAA Privacy and Security Rules and its restrictions on use and disclosure of patient identifiable health information.
- Other federal and state laws restricting the use and protecting the privacy and security of patient information may apply, many of which are not preempted by HIPAA.
- Federal and state consumer protection laws are being applied increasingly by the United States Federal Trade Commission, or FTC, and state attorney's general to regulate the collection, use, storage and disclosure of personal or patient information, through websites or otherwise, and to regulate the presentation of website content.
- Other countries also have, or are developing, laws governing the collection, use and transmission of personal or patient information.
- Federal and state laws regulating the conduct of research with human subjects.

We are required to comply with federal and state laws governing the transmission, security and privacy of patient identifiable health information that we may obtain or have access to in connection with manufacture and sale of our products. We do not believe that we are a HIPAA covered entity because we do not submit electronic claims to third-party payors, but there may be limited circumstances in which we may operate as a business associate to covered entities if we receive patient identifiable data through activities such as training providers on the use of our products or investigating product performance or if our products store patient identifiable health information on behalf of a healthcare provider. We may be required to make costly system modifications to comply with the HIPAA privacy and security requirements that will be imposed on us contractually through business associate agreements by covered entities and directly under HITECH provisions that became effective in February 2010. Due to the recent enactment of HITECH, we are not able to predict what the extent of the impact on our business may be. Our failure to comply may result in criminal and civil liability because the potential for enforcement action against business associates is now greater. Enforcement actions can be costly and interrupt regular operations which may adversely affect our business.

In addition, numerous other federal and state laws protect the confidentiality of patient information as well as employee personal information, including state medical privacy laws, state social security number protection

laws and federal and state consumer protection laws. These various laws in many cases are not preempted by the HIPAA rules and may be subject to varying interpretations by the courts and government agencies, creating complex compliance issues for us and our customers and potentially exposing us to additional expense, adverse publicity and liability.

In connection with any clinical trials we conduct, we will be subject to state and federal privacy and human subject protection regulations. The HIPAA requirement and other human subjects research laws could create liability for us or increase our cost of doing business because we must depend on our research collaborators to comply with the applicable laws. We may adopt policies and procedures that facilitate our collaborators' compliance, but we cannot ensure that non-employee collaborators or investigators will comply with applicable laws. As a result, unauthorized uses and disclosures of research subject information in violation of the law may occur. These violations may lead to sanctions that will adversely affect our business.

Risks Related to Facilities, Employees and Growth

We are dependent on our senior management team, engineering team, sales and marketing team and key research and physician advisors, and the loss of any of them could harm our business.

We are highly dependent on members of our senior management, in particular Kimble L. Jenkins, our President, Chief Executive Officer and Chairman of the Board of Directors, and Peter G. Piferi, our Chief Operating Officer. The loss of members of our senior management team, engineering team, sales and marketing team and key research and physician advisors, or our inability to attract or retain other qualified personnel or advisors, could have a material adverse effect on our business, financial condition and results of operations. We do not maintain, and do not currently intend to obtain, key employee life insurance on any of our personnel other than for Mr. Jenkins and Mr. Piferi. Although we have obtained key employee insurance covering Mr. Jenkins and Mr. Piferi in the amount of $2,000,000, this would not fully compensate us for the loss of Mr. Jenkins' or Mr. Piferi's services.

We need to hire and retain additional qualified personnel to grow and manage our business. If we are unable to attract and retain qualified personnel, our business and growth could be seriously harmed.

Our performance depends on the talents and efforts of our employees. Our future success will depend on our ability to attract, retain and motivate highly skilled personnel in all areas of our organization. We plan to continue to grow our business and will need to hire additional personnel to support this growth. We believe that there are only a limited number of individuals with the requisite skills to serve in many of our key positions, and we compete for key personnel with other medical device companies, as well as universities and research institutions. It is often difficult to hire and retain these persons, and we may be unable to replace key persons if they leave or fill new positions requiring key persons with appropriate experience. If we experience difficulties locating and hiring suitable personnel in the future, our growth may be hindered. Qualified individuals are in high demand, particularly in the medical device industry, and we may incur significant costs to attract and retain them. Employees that hold shares of our common stock or options to purchase our common stock may be more likely to leave us following our initial public offering as a result of the establishment of a public market for our common stock. If we are unable to attract and retain the personnel we need to succeed, our business and growth could be harmed.

If we do not effectively manage our growth, we may be unable to successfully develop, market and sell our products.

Our future revenue and operating results will depend on our ability to manage the anticipated growth of our business. In order to achieve our business objectives, we must continue to grow. However, continued growth presents numerous challenges, including:

- implementing appropriate operational and financial systems and controls;
- expanding our assembly capacity and increasing production through third parties;

- expanding our sales and marketing infrastructure and capabilities;
- improving our information systems;
- identifying, attracting and retaining qualified personnel in our areas of activity; and
- hiring, training, managing and supervising our personnel.

We cannot be certain that our systems, controls, infrastructure and personnel will be adequate to support our future operations. Any failure to effectively manage our growth could impede our ability to successfully develop, market and sell our products and our business will be harmed.

Our operations are vulnerable to interruption or loss due to natural disasters, power loss and other events beyond our control, which would adversely affect our business.

We will conduct a significant portion of our activities, including component processing, final assembly, packaging and distribution activities for our ClearPoint system, at a facility located in Irvine, California, which is a seismically active area that has experienced major earthquakes in the past, as well as other natural disasters, including wildfires. We have taken precautions to safeguard our facility, including obtaining business interruption insurance. However, any future natural disaster, such as an earthquake or a wildfire, could significantly disrupt our operations, and delay or prevent product assembly and shipment during the time required to repair, rebuild or replace our facility, which could be lengthy and result in significant expenses. Furthermore, the insurance coverage we maintain may not be adequate to cover our losses in any particular case or continue to be available at commercially reasonable rates and terms. In addition, our facility may be subject to shortages of electrical power, natural gas, water and other energy supplies. Any future shortage or conservation measure could disrupt our operations and cause expense, thus adversely affecting our business and financial results.

Risks Related to this Offering

An active trading market for our common stock may not develop.

Prior to this offering, there has been no public market for our common stock. We have applied for listing on the Nasdaq Capital Market; however, we may not become listed and an active trading market for our shares may never develop or be sustained following this offering. Accordingly, you may not be able to sell your shares quickly or at the market price if trading in our stock is not active.

Market volatility may cause our stock price and the value of your investment to decline.

The initial public offering price for our common stock was determined through negotiations between the underwriters and us. The initial public offering price may vary from the market price of our common stock after the closing of this offering. Investors may not be able to sell their common stock at or above the initial public offering price.

We expect that the price of our common stock will fluctuate substantially, as the market price for the common stock after this offering will be affected by a number of factors, including:

- the receipt, denial or timing of regulatory clearances or approvals of our products or competing products;
- changes in policies affecting third-party coverage and reimbursement in the United States and other countries;
- ability of our products, if they receive regulatory clearance or approval, to achieve market success;
- the performance of third-party contract manufacturers and component suppliers;
- our ability to enhance our sales and marketing capabilities;
- our ability to manufacture our products to commercial standards;
- the success of any collaborations we have or may undertake with other companies;

- our ability to develop, introduce and market new or enhanced versions of our products on a timely basis;
- actual or anticipated variations in our results of operations or those of our competitors;
- announcements of new products, technological innovations or product advancements by us or our competitors;
- sales of common stock or other securities by us or our stockholders in the future;
- additions or departures of key management personnel;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- trading volume of our common stock;
- changes in earnings estimates or recommendations by securities analysts, failure to obtain analyst coverage of our common stock or our failure to achieve analyst earnings estimates;
- developments in our industry; and
- general market conditions and other factors unrelated to our operating performance or the operating performance of our competitors.

In addition, the stock prices of many companies in the medical device industry have experienced wide fluctuations that have often been unrelated to the operating performance of these companies. We expect our stock price to be similarly volatile. These broad market fluctuations may continue and could harm our stock price. Following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against those companies. Class action securities litigation, if instituted against us, could result in substantial costs and a diversion of our management resources, which could significantly harm our business.

Securities analysts may not initiate coverage for our common stock or may issue negative reports, and this may have a negative impact on the market price of our common stock.

Securities analysts may elect not to provide research coverage of our common stock after the completion of this offering. The lack of research coverage may adversely affect the market price of our common stock. The trading market for our common stock may be affected in part by the research and reports that industry or financial analysts publish about us or our business. It may be difficult for companies such as ours, with smaller market capitalizations, to attract securities analysts that will cover our common stock. If one or more of the analysts who elects to cover us downgrades our stock, our stock price would likely decline rapidly. If one or more of these analysts ceases coverage of our company, we could lose visibility in the market, which in turn could cause our stock price to decline. This could have a negative effect on the market price of our stock.

Our directors, executive officers and principal stockholders and their respective affiliates will continue to have substantial control over us after this offering and could delay or prevent a change in corporate control.

After this offering, our directors, executive officers and holders of more than 5% of our common stock, together with their affiliates, will beneficially own, in the aggregate, approximately % of our outstanding common stock. As a result, these stockholders, acting together, will continue to have substantial control over the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these stockholders, acting together, will continue to have significant influence over the management and affairs of our company. Accordingly, this concentration of ownership may have the effect of:

- delaying, deferring or preventing a change in corporate control;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

We have not paid dividends in the past and do not expect to pay dividends in the future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all future earnings for the operation and expansion of our business and, therefore, do not anticipate declaring or paying cash dividends in the foreseeable future. The payment of dividends will be at the discretion of our Board of Directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payments of dividends present in any of our future debt agreements, and other factors our Board of Directors may deem relevant. If we do not pay dividends, a return on your investment will only occur if our stock price appreciates.

Anti-takeover provisions in our certificate of incorporation, bylaws and Delaware law could prevent or delay a change in control of our company.

Provisions in our certificate of incorporation and bylaws, which will be effective upon the closing of this initial public offering, as well as provisions of Delaware law, may discourage, delay or prevent a merger, acquisition or change of control. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors and take other corporate actions. These provisions:

- provide for a staggered Board of Directors;
- permit our Board of Directors to issue shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change in our control;
- provide that the authorized number of directors may be changed only by resolution of the Board of Directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of our stockholders may be called only by the chairman of the Board of Directors, our Chief Executive Officer or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and
- provide that stockholders will be permitted to amend our amended and restated bylaws only upon receiving at least 66 2/3% of the votes entitled to be cast by holders of all outstanding shares then entitled to vote generally in the election of directors, voting together as a single class.

In addition, we are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any broad range of business combinations with any stockholder who owns, or at any time in the last three years owned, 15% or more of our outstanding voting stock for a period of three years following the date on which the stockholder became an interested stockholder. This provision could have the effect of delaying or preventing a change of control, whether or not it is desired by or beneficial to our stockholders.

Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that they may occur, may depress the market price of our common stock.

Sales of substantial amounts of our common stock in the public market following this offering, or the perception that substantial sales may be made, could cause the market price of our common stock to decline. The lock-up agreements to be delivered by our executive officers, directors and certain of our stockholders provide that the underwriters, acting jointly and in their discretion, may release those parties, at any time, or from time to time, and without notice, from their obligation not to dispose of shares of common stock for a period of 180 days after the date of this prospectus, which period may be extended in certain limited circumstances. The underwriters do not have any pre-established conditions to waiving the terms of the lock-up agreements, and any decision by them to waive those conditions would depend on a number of factors, which may include market conditions, the performance of the common stock in the market and our financial condition at that time.

Based on the number of shares of common stock outstanding as of April 30, 2010, upon completion of this offering, shares of our common stock will be outstanding. All of the shares sold in this offering will be freely transferable unless held by an affiliate of ours. Of the remaining shares, during the 90 days following the date of this prospectus, shares held by non-affiliates, or approximately % of our common stock outstanding after this offering, will be freely transferable subject to compliance with Rule 144. Beginning on the 91st day following the date of this prospectus, shares of our common stock, or approximately % of our common stock outstanding after this offering, will be freely transferable subject to compliance with Rule 144 under the Securities Act. The lockup agreements between the underwriters and our directors, executive officers and certain of our stockholders will expire 180 days after the date of this prospectus, at which time all of our shares of our common stock will be freely transferable subject to compliance with the provisions of Rule 144 under the Securities Act. See "Shares Eligible for Future Sale—Lock-up Agreements." Our affiliates must comply with the volume, manner of sale, holding period and other limitations of Rule 144. As restrictions on resale end, the market price could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. Any substantial sale of common stock pursuant to any resale registration statements or Rule 144 may have an adverse effect on the market price of our common stock by creating an excessive supply.

We intend to file a registration statement on Form S-8 to register the shares subject to outstanding options or reserved for issuance under our stock option plans. The registration statement will become effective when filed, and, subject to applicable lock-up agreements, if any, these shares may be resold without restriction in the public marketplace. For a more detailed description, please see the section of this prospectus entitled "Shares Eligible for Future Sale."

New investors in our common stock will experience immediate and substantial dilution after this offering.

If you purchase shares of our common stock in this offering, you will experience immediate dilution of $ per share based on the mid-point of the range on the cover page of this prospectus because the price that you pay will be substantially greater than the adjusted pro forma net tangible book value per share of common stock that you acquire. This dilution is due in large part to the fact that many of our earlier investors paid substantially less than the price of the shares being sold in this offering when they purchased their shares of our capital stock. If outstanding options and warrants to purchase our common stock are exercised, you will experience additional dilution. See the section entitled "Dilution" in this prospectus for a more detailed description of this dilution.

We will incur significant increased costs as a result of operating as a public company, and our management will be required to divert attention from product development and commercialization and to devote substantial resources and time to new compliance initiatives.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We are working with our independent legal and accounting advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and our

obligations as a public company. These areas include corporate control, disclosure controls and procedures and financial reporting and accounting systems, including requirements under the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act. We will incur costs associated with our public company reporting requirements and corporate governance requirements, including requirements under the Sarbanes-Oxley Act, as well as rules implemented by the SEC and the securities exchange on which our stock trades. We will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our Board of Directors, our board committees or as executive officers.

In addition, the Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, for the fiscal year ending December 31, 2010, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our compliance with Section 404 will require that we incur substantial expense and expend significant management time on compliance-related issues.

We may not use the net proceeds from this offering effectively.

We intend to use the net proceeds from this offering in the manner described in “Use of Proceeds” elsewhere in this prospectus. Our use of the net proceeds of the offering in this manner will not necessarily improve our operating results or enhance the value of our common stock. The failure by our management to apply these funds effectively could result in financial losses, cause the price of our common stock to decline or delay product development.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the anticipated progress of our research, development and clinical trials;
- the ability to obtain regulatory clearance or approval for product candidates;
- the ability to market, commercialize and achieve market acceptance for current product candidates or any future product candidates or products;
- the ability to generate additional product candidates;
- the ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others; and
- the estimates regarding the sufficiency of our cash resources.

In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these words. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain.

You should refer to the section of this prospectus entitled "Risk Factors" for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We do not undertake to update any of the forward-looking statements after the date of this prospectus, except to the extent required by applicable securities laws.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of shares of common stock in this offering will be approximately $ and an additional $ if the underwriters exercise their over-allotment option in full, based upon an assumed initial public offering price of $ per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The principal purposes of this offering are to obtain additional capital and to create a public market for our common stock.

We expect to use approximately $ of the net proceeds from this offering to fund our research and development activities, including payments of up to $ to Siemens in connection with the development of the ClearTrace system software, which is only a portion of the estimated remaining development costs of the ClearTrace system, approximately $ to fund our sales and marketing activities and approximately $ for working capital and general corporate purposes. In addition, we may use a portion of the net proceeds from this offering to acquire equipment, products or technologies, although we currently have no commitments or agreements relating to any of these types of transactions. We believe that the net proceeds from this offering, our existing cash resources and interest on these funds will be sufficient to meet our projected operating requirements through the end of 2011.

Pending these uses, we plan to invest the net proceeds in a variety of capital preservation instruments, including short-term, interest bearing obligations, investment grade instruments, certificates of deposit or direct or guaranteed obligations of the United States. The goal with respect to the investment of these net proceeds is capital preservation and liquidity so that such funds are readily available to fund our research and development operations.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings to fund the development and expansion of our business, and therefore we do not anticipate paying cash dividends on our common stock in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2010:

- on an actual basis;
- on a pro forma basis to reflect an assumed 1-for- reverse stock split and the conversion into common stock of all outstanding shares of our preferred stock and the bridge notes; and
- on a pro forma as adjusted basis to reflect the pro forma adjustments reflected above and the sale in this offering of shares of common stock at an assumed initial offering price of $ per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The information in the following table is based on shares outstanding as of March 31, 2010 and excludes:

- 2,402,500 shares of common stock issuable upon exercise of options issued under our stock option plans, at a weighted average exercise price of $0.90 per share;
- 266,608 shares of common stock issuable upon exercise of options not issued under our stock option plans, at an exercise price of $2.41 per share;
- 1,642,167 shares of common stock issuable upon exercise of warrants, at a weighted average exercise price of $0.75 per share;
- 1,820,833 shares of common stock issuable upon the conversion of $3,641,667 in principal amount of, and interest on, convertible promissory notes, at a conversion price of $2.00 per share;
- shares of our common stock that may be issued to the underwriters upon exercise of warrants, at an exercise price of $ per share, assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus;
- 101,775 shares of common stock that may be issued pursuant to the placement agent warrant, at an exercise price of $ per share, assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus;
- 50,000 shares of common stock issuable upon the exercise of a warrant to be issued in connection with this offering with an exercise price equal to the initial public offering price;
- shares of common stock issuable upon the exercise of options to be issued in connection with this offering under our 2010 Incentive Compensation Plan with exercise prices equal to the initial public offering price;
- shares of common stock to be issued in connection with this offering under our 2010 Incentive Compensation Plan assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus; and
- shares of common stock reserved for future issuance under our 2010 Incentive Compensation Plan.

You should read the information below in conjunction with the financial statements and the related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	As of March 31, 2010		
	Actual	Pro Forma	Pro Forma As Adjusted
Convertible notes payable, net of discounts of $1,877,444	$ 5,963,556		
Series A convertible preferred stock, $0.01 par value: 8,000,000 shares authorized and 7,965,000 shares issued and outstanding, actual; and no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	7,965,000	—	
Common stock, $0.01 par value: 70,000,000 shares authorized and 21,820,440 shares issued and 20,517,120 shares outstanding, actual; 70,000,000 shares authorized and shares issued and outstanding, pro forma; and shares authorized and shares issued and outstanding, pro forma as adjusted	218,205		
Additional paid-in capital	26,639,801		
Treasury stock	(1,679,234)		
Accumulated deficit	(44,198,832)		
Total stockholders' equity (deficit)	(11,055,060)		
Total capitalization	$ (5,361,504)	$	

DILUTION

The historical net tangible book value of our common stock as of March 31, 2010 was approximately $(12,257,000), or $(0.60) per share, based on the number of shares of common stock outstanding as of March 31, 2010. Historical net tangible book value per share is determined by dividing our total tangible assets less total liabilities by the actual number of outstanding shares of our common stock. The pro forma net tangible book value of our common stock as of March 31, 2010 was $, or $ per share. Pro forma net tangible book value per share is determined by dividing (x) our total tangible assets less total liabilities by (y) the actual number of outstanding shares of our common stock plus the number of shares issuable upon conversion of all of our outstanding shares of preferred stock and bridge notes into common stock as if such conversion had occurred on March 31, 2010 after giving effect to an assumed 1-for- reverse stock split as if it had occurred on March 31, 2010.

After giving effect to the sale of common stock offered in this offering at the assumed public offering price of $ per share, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2010 would have been approximately $, or $ per share of common stock. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors purchasing our common stock in this offering. The following table illustrates this per share dilution to the new investors:

Historical net tangible book value per share as of March 31, 2010	$ (0.60)
Assumed initial public offering price	
Pro forma net tangible book value per share as of March 31, 2010	
Increase in pro forma net tangible book value per share attributable to this offering	
Pro forma as adjusted net tangible book value per share after offering	
Dilution per share to new investors in this offering	$

The following table summarizes, on a pro forma as adjusted basis as of March 31, 2010 , the differences between the number of shares of common stock purchased from us, the total consideration and the average price per share paid by existing stockholders and by the investors participating in this offering, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, at an assumed initial public offering price of $ per share:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders		%	$	%	$
New investors					
Total		100.0%	$	100.0%	$

The number of shares of common stock outstanding in the table above is based on the pro forma number of shares outstanding as of March 31, 2010 which includes the assumed conversion of all of our outstanding shares of preferred stock and bridge notes into common stock, and assumes no exercise of the underwriters'over-allotment option. If the underwriters' over-allotment option is exercised in full, the number of shares of common stock held by existing stockholders will be reduced to % of the total number of shares of common stock to be outstanding after this offering, and the number of shares of common stock held by investors participating in this offering will be increased to shares or % of the total number of shares of common stock to be outstanding after this offering.

The above discussion and tables also assume no exercise of any outstanding stock options or warrants. As of March 31, 2010, there were:

- 2,402,500 shares of common stock issuable upon exercise of options issued under our stock option plans, at a weighted average exercise price of $0.90 per share;
- 266,608 shares of common stock issuable upon exercise of options not issued under our stock option plans, at an exercise price of $2.41 per share;
- 1,642,167 shares of common stock issuable upon exercise of warrants, at a weighted average exercise price of $0.75 per share;
- 1,820,833 shares of common stock issuable upon the conversion of $3,641,667 in principal amount of, and interest on, convertible promissory notes, at a conversion price of $2.00 per share; and
- 101,755 shares of common stock that may be issued pursuant to the placement agent warrant, at an exercise price of $ per share, assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus.

The following table summarizes, as of March 31, 2010, after giving effect to the exercise of all stock options and warrants outstanding as of March 31, 2010 as well as the assumed conversion of all of our outstanding shares of preferred stock and bridge notes into common stock, the differences between the number of shares of common stock purchased from us, the total consideration and the weighted average price per share paid by existing stockholders and by investors participating in this offering at an assumed initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus, before deducting underwriting discounts and commissions and estimated offering expenses:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders		%	$	%	$
New investors					
Total		100.0%	$	100.0%	$

Effective upon the closing of this offering, an aggregate of shares of our common stock will be reserved for future issuance under our benefit plans. To the extent that any of the outstanding options or warrants are exercised, new options are issued under our benefit plans and those options are exercised or we issue additional shares of common stock in the future, there may be further dilution to investors participating in this offering.

SELECTED FINANCIAL DATA

We have derived the following statement of operations data for the years ended December 31, 2009, 2008 and 2007 and consolidated balance sheet data as of December 31, 2009 and 2008 from our audited financial statements included elsewhere in this prospectus. We have derived the following statement of operations data for the year ended December 31, 2006 and balance sheet data as of December 31, 2007 and 2006 from our audited financial statements not included in this prospectus. We have derived the following statement of operations data for the year ended December 31, 2005 and the balance sheet data as of December 31, 2005 from our unaudited financial statements not included in this prospectus. We derived the following selected historical financial data as of and for the three months ended March 31, 2010 and for the three months ended March 31, 2009 from our unaudited historical financial statements and the notes thereto included elsewhere in this prospectus. In the opinion of management, the interim financial data set forth below include all adjustments, consisting of normal recurring accruals, necessary to present fairly our financial position. Operating results for the three months ended March 31, 2010 are not necessarily indicative of the results that may be expected for the entire fiscal year. You should read the financial data set forth below in conjunction with our financial statements and related notes and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of our results to be expected in any future period.

	Three Months Ended March 31,		Years Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
Statement of Operations Data:							
Related party license revenue	$ 650,000	$ 650,000	$ 2,600,000	$ 1,950,000	$ —	$ —	$ —
Operating costs and expenses:							
Research and development costs	1,407,551	1,501,555	6,067,617	4,258,492	2,098,672	620,297	288,784
General and administrative expenses	1,011,747	605,683	3,595,917	2,920,311	1,413,369	525,323	934,395
Gain on settlement of accounts payable	—	—	—	—	—	(483,917)	-
Total operating expenses and costs	2,419,298	2,107,238	9,663,534	7,178,803	3,512,041	661,703	1,223,179
Other (income) expense:							
Gain on debt extinguishment	—	—	—	—	—	—	(301,309)
Loss on change in fair value of derivative liability	209,350	—	—	—	—	—	—
Interest (income) expense, net	197,220	(32,325)	46,276	200,982	185,096	132,847	29,659
Loss before taxes	(2,175,868)	(1,424,913)	(7,109,810)	(5,429,785)	(3,697,137)	(794,550)	(951,529)
Income tax expense	—	—	49,250	—	—	—	—
Net loss	$ (2,175,868)	$ (1,424,913)	$ (7,159,060)	$ (5,429,785)	$ (3,697,137)	$ (794,550)	$ (951,529)
Net loss per share (basic and diluted)	$ (0.11)	$ (0.07)	$ (0.34)	$ (0.26)	$ (0.18)	$ (0.04)	$ (0.05)
Weighted average shares outstanding (basic and diluted)	20,517,120	21,473,774	21,346,533	20,980,324	20,098,058	19,566,981	19,458,938

	As of March 31,	As of December 31,				
	2010	2009	2008	2007	2006	2005
Balance Sheet Data:						
Cash and cash equivalents	$ 3,548,719	$ 2,569,129	$ 9,920,801	$ 3,611,814	$ 6,068,413	$ 57,026
Total assets	6,574,176	4,673,688	10,955,360	3,730,092	6,109,753	130,393
Deferred revenue	8,546,374	9,196,374	11,685,099	—	—	—
Convertible notes, net of discounts of $1,877,444 at March 31, 2010 and $1,129,000 at December 31, 2009	5,963,556	2,371,000	—	—	—	—
Convertible preferred stock	7,965,000	7,965,000	7,965,000	7,965,000	7,965,000	—
Common stock	218,205	218,205	218,071	201,353	198,780	193,226
Additional paid-in capital	26,639,801	25,631,208	25,490,092	23,888,910	23,023,823	23,365,568
Treasury stock	(1,679,234)	(1,679,234)	—	—	—	—
Notes and subscriptions receivable, stockholder	—	—	(573,620)	(551,961)	(630,361)	(508,761)
Accumulated deficit	(44,198,832)	(42,022,964)	(34,863,904)	(29,434,119)	(25,736,982)	(24,942,432)
Total stockholders' equity (deficit)	(11,055,060)	(9,887,785)	(1,764,361)	2,069,183	4,820,260	(1,892,399)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and related notes included elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that are based upon current expectations and involve risks, assumptions and uncertainties. You should review the "Risk Factors" section of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements described in the following discussion and analysis.

Overview

We are a medical device company focused on the development and commercialization of technology that enables physicians to see inside the brain and heart using direct, intra-procedural MRI guidance while performing minimally invasive surgical procedures. None of our current product candidates is cleared or approved for sale. As compared to the manner in which the existing procedures are performed, we believe that our product candidates will deliver better patient outcomes in shorter procedure times, enhance revenue potential for both physicians and hospitals, and reduce costs to the healthcare system. Our first product candidate is our ClearPoint system, which is designed to allow minimally invasive procedures in the brain to be performed in an MRI suite. Our second product candidate is the ClearTrace system, which is designed to allow catheter-based minimally invasive procedures in the heart to be performed in an MRI suite. Finally, under our SafeLead Development Program, we are working with Boston Scientific to incorporate our MRI-safety technologies into Boston Scientific's implantable leads for cardiac and neurological applications.

We have not generated revenues from the sale of our ClearPoint system or the ClearTrace system. In 2008, we received licensing fees totaling $13,000,000 from Boston Scientific for our MRI-safety technologies, which we used to finance our operations and internal growth. We have also financed our operations and internal growth through private placements of securities, borrowings, and interest earned on the net proceeds from our private placements and the Boston Scientific licensing fees. Prior to 2008, we were a development stage enterprise. We have incurred significant losses since our inception in 1998 as we have devoted substantially all of our efforts to research and development. As of March 31, 2010, we had an accumulated deficit of approximately $44,199,000. We expect to continue to incur significant operating losses as we develop and commercialize our product candidates, increase our sales and marketing activities, and expand our business generally. We also expect that our general and administrative expenses will increase due to additional operational and regulatory costs and burdens associated with operating as a public company.

Factors Which May Influence Future Results of Operations

The following is a description of factors which may influence our future results of operations, including significant trends and challenges that we believe are important to an understanding of our business and results of operations.

Revenues

Since inception, we have generated revenues primarily from our collaborative agreements with Boston Scientific, principally from recognition of portions of the $13,000,000 of licensing fees, which we received in 2008. Revenue associated with these licensing fees is recognized on a straight-line basis over a five year period, which is our estimated period of continuing involvement in the development activities. Additional payments related to substantive, performance-based milestones and incentive payments which may be received under the agreement regarding implantable cardiac leads will be deferred upon receipt and achievement of the specified milestones and recognized over our estimated period of continuing involvement. These revenue recognition

policies are more fully described in the "Critical Accounting Policies and Significant Judgments and Estimates" section below. We did not report any revenues in 2007, 2006 or 2005.

We cannot sell any of our product candidates until we receive regulatory clearance or approval. Future revenues from sales of our products are difficult to predict and may not be sufficient to offset our continuing and increasing research and development expenses and selling, general and administrative expenses for the next several years.

The generation of recurring revenues through sales of our disposable components is an important part of our business model for our ClearPoint system. We anticipate that recurring revenues will constitute an increasing percentage of our total revenues as we leverage each new installation of our ClearPoint system to generate recurring sales of these disposable components. With respect to a single hospital, we do not anticipate that sales of the reusable components of our ClearPoint system will generate recurring revenues.

Research and Development Expenses

Our research and development expenses consist primarily of costs associated with the conceptualization, design, testing and prototyping of our product candidates. This includes the salaries, travel and benefits of research and development personnel; materials and laboratory supplies used by our research personnel; consultant costs; sponsored contract research and product development with third parties; and licensing costs. From our inception through March 31, 2010, we have incurred approximately $26,643,000 in research and development expenses. We anticipate that research and development expenses will increase as we: (i) continue to develop enhancements to our ClearPoint system; (ii) continue our early-stage product development efforts for the ClearTrace system; (iii) commence clinical trials for the ablation catheter component of the ClearTrace system; and (iv) expand our research to apply our technologies to additional product applications.

Product development timelines, likelihood of success and total costs vary widely by product candidate. Currently, we are focused primarily on advancing our ClearPoint system through the 510(k) clearance process. Our ClearPoint system's initial application will be for general neurological interventions, such as biopsies and catheter and electrode insertion. If 510(k) clearance is obtained, we may seek additional regulatory clearance or approval for use of our ClearPoint system for more specific indications to allow us to market and promote our ClearPoint system for those specific uses. Such additional regulatory clearances or approvals may require us to perform clinical studies. At this time, due to the risks inherent in the product clearance and approval process and given the early stage of development of our product candidates other than our ClearPoint system, we are unable to estimate with any certainty the costs that we will incur in the continued development of our product candidates for commercialization.

General and Administrative Expenses

Our general and administrative expenses consist primarily of: salaries, travel and benefits for administrative personnel; share-based compensation; professional fees, including fees for attorneys and outside accountants; selling costs; occupancy costs; insurance; and other general and administrative expenses, which include corporate licenses and taxes, postage, office supplies and meeting costs. Our general and administrative expenses are expected to increase due to costs associated with the anticipated commercial launch of our ClearPoint system, increased headcount necessary to support our continued growth in operations, and the additional operational and regulatory burdens and costs associated with operating as a publicly traded company. In addition, we expect to incur additional costs associated with protecting our intellectual property rights as necessary to support our product offerings.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted

in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements as well as the reported expenses during the reporting periods. The accounting estimates that require our most significant, difficult and subjective judgments include revenue recognition, impairment of long-lived assets, computing the fair value of our derivative liability and the determination of share-based compensation. We evaluate our estimates and judgments on an ongoing basis. Actual results may differ materially from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in note 2 to our financial statements included elsewhere in this prospectus, we believe that the following accounting policies and estimates are most critical to a full understanding and evaluation of our reported financial results.

Revenue Recognition. We evaluate revenue recognition on an agreement by agreement basis which, as of March 31, 2010, principally involved two license agreements with Boston Scientific. Both agreements provide various revenue streams for us, including an up-front licensing fee for one of the licenses, various milestone payments, payments for research and development and consulting services, and royalties.

We evaluate the various elements of these agreements based upon generally accepted accounting principles, or GAAP, for multiple element arrangements to determine whether the various elements represent separate units of accounting. This evaluation requires subjective determinations about the fair value of each element and whether delivered elements have stand alone value and, therefore, are separable from the undelivered contract elements for revenue recognition purposes. In addition, we evaluated repayment provisions associated with one of the license agreements which, under certain conditions, would require us to return payments received under the agreement. In both license agreements, we concluded that all of the contract elements should be treated as a single unit of accounting. As such, all amounts received were initially recorded as deferred revenue and thereafter recognized as revenue over our estimated period of performance on a straight-line basis. In the case of the license with possible repayment obligation provisions, revenue recognition will not occur until the repayment obligation period expires.

Note 2 to our financial statements, "—Revenue Recognition", more fully describes the deliverables under these license agreements including our rights, obligations and cash flows.

Inventory. Inventory is carried at the lower of cost (first-in, first-out method) or net realizable value for products that are cleared or approved for commercial sale or for which clearance or approval is anticipated. As of March 31, 2010, all items included in inventory related to our ClearPoint system, which as of that date had not received regulatory clearance. If we are unable to obtain clearance for our ClearPoint system, these amounts will be charged to expense to the extent that the inventory cannot be returned to the vendors for cash or sold for scrap. At each reporting period in which our balance sheet reflects inventory related to products that do not have regulatory clearance or approval, we evaluate the likelihood of receiving regulatory clearance or approval for these products based on input from our external regulatory advisers. We also consider our anticipated selling prices based on analysis of product pricing of competitors and review of market information prepared by third party research analysts to determine net realizable value.

Valuation Allowance for Deferred Tax Assets and Liabilities. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that included the enactment date.

Valuation allowances are recorded for deferred tax assets when the recoverability of such assets is not deemed more likely than not.

We have evaluated the effect of the guidance provided by GAAP regarding accounting for uncertainty in income taxes that became effective in 2009. In that regard, we have evaluated all tax positions that could have a significant effect on the financial statements and determined we have no uncertain tax positions at March 31, 2010 that could have a significant effect on our financial statements. Our tax returns after 2005 remain open for examination.

Impairment of long-lived assets. We evaluate the recoverability of our long-lived assets (finite lived intangible assets and property and equipment) whenever events or changes in circumstances indicate that the carrying amount of long-lived assets may not be fully recoverable. When this occurs, the expected undiscounted future cash flows are compared to the net book value of the related assets. If the net book value of the related assets exceeds the expected undiscounted future cash flows of the assets, the carrying amount will be reduced to the present value of the expected future cash flows and an impairment loss would be recognized.

Share-based compensation. We account for compensation for all arrangements under which employees and others receive shares of stock or equity instruments (including options and warrants) in accordance with FASB ASC Topic 718 "*Compensation – Stock Compensation"*, or ASC Topic 718. Under ASC Topic 718, the fair value of each award is estimated and amortized as compensation expense over the requisite service period. The fair value of our share-based awards is estimated on the grant date using the Black-Scholes valuation model. This valuation model requires the input of highly subjective assumptions, including the expected price volatility and estimated option term. As we have been operating as a private company, we are unable to use actual price volatility and option life data as input assumptions within our Black-Scholes valuation model. Prior to October 2009, we used expected volatilities based on the historical volatility of the industry sector in which we operate, in accordance with the guidance set forth in ASC Topic 718.

Beginning in October 2009, we based our estimate of expected volatility on the average historical volatilities of publicly traded companies we deemed similar because we lack historical volatility data of our own. We will consistently apply this methodology until a sufficient amount of historical information regarding the volatility of our share price becomes available.

To estimate the expected term, we chose to utilize the "simplified" method for "plain vanilla" options as discussed within the Securities and Exchange Commission's Staff Accounting Bulletin 107, or SAB 107. We believe that all factors listed within SAB 107 as pre-requisites for utilizing the simplified method are true for us and for our share-based payment arrangements. We intend to utilize the simplified method for the foreseeable future until more detailed information about exercise behavior becomes available.

Our risk-free interest rates are based on a zero-coupon U.S. treasury instrument, the term of which is consistent with the expected term of the stock options. We have not paid and do not anticipate paying cash dividends on our shares of common stock; therefore, the expected dividend yield is assumed to be zero. The fair value of share-based payments are generally amortized on a straight-line basis over the requisite service periods of the awards, which are generally the vesting periods.

We believe there is a high degree of subjectivity involved when using option pricing models to estimate share-based compensation under ASC Topic 718. Currently, there is not a market-based mechanism or other practical application to verify the reliability and accuracy of the estimates stemming from these valuation models, nor is there a means to compare and adjust the estimates to actual values. Although the fair value of stock option awards is determined in accordance with ASC Topic 718 using an option pricing model, that value may not be indicative of the fair value observed in a market transaction between a willing buyer and a willing seller. If factors change and we employ different assumptions in the application of ASC Topic 718 in future periods than those currently applied under ASC Topic 718, the compensation expense we record in future periods under ASC Topic 718 may differ significantly from what we have historically reported.

Total share-based compensation expense for the three months ended March 31, 2010 and 2009 was approximately $54,000 and $38,000, respectively, and for years ended December 31, 2009 and 2008 it was

approximately $131,000 and $118,000, respectively. As of March 31, 2010 there was approximately $343,000 of unrecognized compensation cost related to nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of approximately three years.

Research and development costs. Research and development costs consist of direct and indirect costs associated with the development of our technologies. These costs are expensed as incurred.

Derivative Financial Instruments. We account for derivative instruments in accordance with FASB ASC Topic 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value. We calculate the fair value of these instruments using the Black-Scholes valuation model. Changes in the fair value of derivatives are recorded each period as a gain or loss in the statement of operations unless the derivative qualifies for hedge accounting. At March 31, 2010 and at December 31, 2009 and 2008, we did not have any derivative instruments that were designated as hedges.

Results of Operations

Comparison of the Three Months Ended March 31, 2010 to the Three Months Ended March 31, 2009

	March 31,		Percentage Change
	2010	2009	
Revenues	$ 650,000	$ 650,000	0%
Research and development costs	1,408,000	1,502,000	(6)
General and administrative expenses	1,012,000	606,000	67
Other (income) expense, net	$ 407,000	$ (32,000)	nm

Revenues. Revenues were $650,000 for both the three months ended March 31, 2010 and 2009. Revenues for both periods relate solely to our licensing and development agreements with Boston Scientific.

Research and development costs. Research and development expense was approximately $1,408,000 for the three months ended March 31, 2010, compared to approximately $1,502,000 for the three months ended March 31, 2009, a decrease of approximately 6%. This decrease was due in part to a decrease of approximately $121,000 in third party research and development related services. The costs of materials and supplies necessary for product candidate testing and prototyping also decreased by approximately $68,000. These decreases related primarily to the timing of development activities associated with our ClearPoint system. The decreases noted above were partially offset by an increase of approximately $104,000 related to regulatory submissions for our ClearPoint system.

General and administrative expenses. General and administrative expense was approximately $1,012,000 for the three months ended March 31, 2010, compared to approximately $606,000 for the three months ended March 31, 2009, an increase of approximately 67%. The increase was due primarily to: (i) an increase of approximately $170,000 in patent filing and prosecution costs related primarily to intellectual property associated with our ClearPoint system; (ii) an increase of approximately $112,000 related to accruals for annual bonuses; and (iii) an increase of approximately $77,000 in sales and marketing costs incurred in preparation of the anticipated commercial launch of our ClearPoint system.

Other (income) expense. Net other expense was approximately $407,000 for the three months ended March 31, 2010, compared to other income of approximately $32,000 for the three months ended March 31, 2009. A loss of approximately $209,000 related to the change in fair value of our derivative liability was recorded during the three months ended March 31, 2010. Interest expense for the three months ended March 31, 2010 was approximately $201,000, while no interest expense was incurred during the same period in 2009. Interest expense

of approximately $153,000 relates to the accretion of a discount and accrued interest on related party convertible notes payable with a principal balance of $3,500,000. All other interest expense relates to the bridge notes that were issued in March 2010. Interest income for the three months ended March 31, 2010 decreased by approximately $29,000 compared to the same period in 2009 due to lower average cash balances and lower interest rates.

Comparison of the Year Ended December 31, 2009 to the Year Ended December 31, 2008

	December 31,		Percentage Change
	2009	2008	
Revenues	$2,600,000	$1,950,000	33%
Research and development costs	6,068,000	4,258,000	43
General and administrative expenses	3,596,000	2,920,000	23
Interest expense, net	$ (46,000)	$ (201,000)	(77)

Revenues. Revenues were approximately $2,600,000 for the year ended December 31, 2009 compared to approximately $1,950,000 for the year ended December 31, 2008, an increase of approximately 33%. Revenues for both periods relate solely to our licensing and development agreements with Boston Scientific. The increase in revenues resulted from the recognition of a full twelve months of licensing fee revenues during the year ended December 31, 2009 compared to the recognition of only nine months of licensing fee revenues for the year ended December 31, 2008.

Research and development costs. Research and development expense was approximately $6,068,000 for the year ended December 31, 2009, compared to approximately $4,258,000 for the year ended December 31, 2008, an increase of approximately 43%. This increase was due primarily to: (i) an increase of approximately $1,177,000 related to the employment of additional research and development personnel; (ii) an increase of approximately $746,000 related to the use of third-parties for research and development services; and (iii) an increase of approximately $441,000 for materials and supplies necessary for product candidate testing and prototyping, depreciation and miscellaneous research and development expenses. The increase in research and development expenses was offset by decreases in engineering design costs and software development costs of approximately $356,000 and $301,000, respectively.

General and administrative expenses. General and administrative expense was approximately $3,596,000 for the year ended December 31, 2009 compared to approximately $2,920,000 for the year ended December 31, 2008, an increase of approximately 23%. The increase was due primarily to: (i) an increase of approximately $527,000 in corporate and operations personnel costs; (ii) an increase of approximately $263,000 in sales and marketing costs incurred in preparation of the anticipated commercial launch of our ClearPoint system; and (iii) an increase of approximately $129,000 in occupancy costs. Increases in corporate and operating personnel costs were caused mostly by additional hires. The increase in occupancy costs was associated with a full year of lease expense for the year ended December 31, 2009 for both our Irvine, California and Memphis, Tennessee offices as compared to only occupying these offices a portion of the year during 2008. Increases in general and administrative expenses were partially offset by an approximate $360,000 reduction in professional fees during the year ended December 31, 2009 related to the timing of patent filings.

Interest expense, net. Net interest expense was approximately $46,000 for the year ended December 31, 2009 compared to net interest expense of approximately $201,000 for the year ended December 31, 2008, a decrease of approximately 77%. Interest expense decreased for the year ended December 31, 2009 as compared to the year ended December 31, 2008 as a result of the amortization of a debt discount related to a convertible note converted in June 2008 of approximately $395,000 as compared to amortization of debt discount of approximately $98,000 since inception of the related party convertible note payable in October 2009 through December 31, 2009. Interest income in 2009 decreased from 2008 by approximately $50,000 due to lower average cash balances.

Comparison of the Year Ended December 31, 2008 to the Year Ended December 31, 2007

	December 31,		Percentage Change
	2008	2007	
Revenues	$1,950,000	$ —	—
Research and development costs	4,258,000	2,099,000	103%
General and administrative expenses	2,920,000	1,413,000	107
Interest expense, net	$ (201,000)	$ (185,000)	9

Revenues. Revenues for the year ended December 31, 2008 were approximately $1,950,000, compared to zero for the year ended December 31, 2007. The increase in revenues resulted primarily from the recognition of revenues from the licensing fees received under one of our agreements with Boston Scientific.

Research and development costs. Research and development expense for the year ended December 31, 2008 was approximately $4,258,000, compared to $2,099,000 for the year ended December 31, 2007, an increase of approximately 103%. This increase was due primarily to: (i) an increase of approximately $474,000 related to the employment of additional research and development personnel; (ii) an increase of approximately $959,000 related to engineering, design and documentation, materials, third party contract research associated with the development of our ClearPoint system; (iii) an increase of approximately $263,000 related to sponsored research programs; (iv) an increase of $313,000 in payments related to the acquisition of licenses; and (v) an increase of approximately $119,000 related to the use of consultants.

General and administrative expenses. General and administrative expense for the year ended December 31, 2008 was approximately $2,920,000 compared to $1,413,000 for the year ended December 31, 2007, an increase of 107%. This increase was due primarily to: (i) an increase of approximately $540,000 in corporate personnel expense relating to the employment of additional administrative personnel; (ii) an increase of approximately $110,000 in occupancy expense primarily related to rent expense and leasehold improvements at our facility in Irvine, California; (iii) an increase of approximately $690,000 in professional fees, primarily legal fees, incurred for patent costs; (iv) an increase of approximately $94,000 in travel related costs; and (v) an increase of approximately $58,000 related to depreciation expense on property additions.

Interest expense, net. Net interest expense for the year ended December 31, 2008 was approximately $201,000 compared to $185,000 for the year ended December 31, 2007, an increase of approximately 9%. The difference in net interest expense is a result of the change in the amount of interest income we earned. Although our average cash balances in 2008 were higher than that of 2007, the decline in rate of interest that we earned on our cash balances decreased significantly as we focused on preservation and safeguarding of cash rather than maximizing interest income, resulting in approximately $16,000 less in interest income in 2008 as compared to 2007. The interest expense for both 2007 and 2008 were the same amount, approximately $395,000, representing the charge to interest expense for the amortization of the value of warrants granted in connection with a note to Boston Scientific. The value assigned to the warrants was recorded as a discount to the note at the time of issuance and was amortized over the period of time that the note was outstanding.

Determination of Fair Market Value of Our Common Stock

The exercise prices of options granted were set by our board of directors. Our board of directors sets the exercise prices of options based on its determination of the fair market value of our common stock at the time of the grants, which determination is made in accordance with federal tax rules, which require reasonable application of a reasonable valuation method.

We performed valuations of our common stock contemporaneously with the granting of stock options. We believe that all of our stock options have been granted with exercise prices that are equal to or greater than the fair market value of our common stock on the date of grant. From January 1, 2009 through March 31, 2010, we have granted the following compensatory stock options:

Grant date	Number of Options	Exercise Price	Fair Value of Common Stock[1]	Fair Value of Option Grant[2]	Intrinsic Value[3]
March 17, 2009	10,000	$ 2.41	$ 2.41	$ 0.67	$
August 20, 2009	37,000	2.41	2.41	0.67	
December 10, 2009	60,000	2.41	2.41	0.81	
December 22, 2009	266,608	2.41	2.41	0.69	

(1) All fair market valuations were determined by our board of directors in consultation with management at the date of each stock option grant.
(2) As determined using the Black-Scholes valuation model at the date of each stock option grant.
(3) Intrinsic value reflects the amount by which $, which is the mid-point of the range listed on the cover of this prospectus, exceeds the exercise price of the outstanding stock options.

At March 31, 2010, we had 2,669,108 compensatory stock options outstanding with an intrinsic value of $. Intrinsic value reflects the amount by which $, which is the mid-point of the range listed on the cover of this prospectus, exceeds the exercise price of the outstanding stock options.

Significant factors, assumptions and methodologies used in determining fair value of our common stock on the grant dates of stock option awards made subsequent to January 1, 2009

We granted compensatory stock options on four dates between January 1, 2009 and March 31, 2010. In the absence of a public trading market for our common stock, we determined a reasonable estimate of the then current fair value of our common stock based upon multiple valuation criteria and contemporaneous analyses. Our board of directors exercised judgment in evaluating and assessing the fair value of our common stock on each grant date. Set forth below are significant factors considered, assumptions made and methodologies used in determining fair value on each grant date.

Valuation Methodologies for March 17, 2009 and August 20, 2009 Grants

General. The fair values for the March 17, 2009 and August 20, 2009 grants each utilized, in part, two alternative valuation approaches. The first approach, referred to as the income approach, is a valuation technique that provides an estimation of the fair value of a business based upon the cash flows that it can be expected to generate over time. The second approach, referred to as the market approach, is a valuation technique that provides an estimation of fair value based on recent transactions that have occurred in our stock, our industry or in related industries.

Income Approach. The income approach we utilized begins with an estimation of the annual cash flows that a business is expected to generate over a discrete projection period. The estimated cash flows for each of the years in the period are then converted to their present value equivalent using a discount rate considered appropriate given the risk of achieving the projected cash flows. We selected a discount rate of 35%. In selecting the discount rate, we looked at what we believe are current rates of return expected by investors in various investments with different risk characteristics and we established the discount rate based on what we believed to be the most comparable rate of return range. The present value of the estimated cash flows are then added to the present value equivalent of the residual value of the business at the end of the projection period to arrive at an estimate of fair value. Such an approach necessarily relies on estimations of future cash flows that are inherently uncertain, as well as a determination of an appropriate discount rate in order to derive present value equivalents of both the projected cash flows and the residual value of the business at the end of the period. The use of different estimations of future cash flows or a different rate of return could result in a different indication of fair value.

Market Approach. The market approach utilized recent sales of our common stock in privately negotiated transactions between our stockholders.

Determination of Value. In determining a value, we considered the indications of value from both the income approach and the market approach.

- *Weighting*. Application of the market approach resulted in a higher indication of value than the income approach. We applied a 20% weighting to the income approach and an 80% weighting to the market approach in deriving a final indication of value. We chose to apply only a 20% weighting to the income approach because the assumptions underlying the income approach are subject to significant volatility. We chose to apply an 80% weighting to the market approach because of the isolated and limited nature of the private transactions in our stock.
- *Discount for Lack of Control*. The discount for lack of control, otherwise known as a discount for minority interest, reflects a reduction in value due to the absence of elements of control that do not accrue to a minority stockholder. We selected a lack of control discount of 30%, based on a review of premiums paid in transactions to acquire control of public companies that ranged from 20% to 50%. The lack of control discount took into account the rights, privileges and preferences held by our preferred stockholders.
- *Discount for Lack of Marketability*. A discount for lack of marketability is applied to a minority interest in the equity of a privately-held company due to the fact that a stockholder in a privately-held company has no ready market for his or her interest other than by a private sale to another stockholder or willing buyer. We selected a lack of marketability discount of 35% based on restricted stock studies, studies of private placements of stock in public companies and studies of initial public offerings that primarily observed discounts ranging from 30% to 40%. We chose the mid-point of that range in valuing our common stock due to the historical lack of dividends being paid, restrictions on transferability, and the high volatility of our peer group.

Fair Value at March 17, 2009. To determine the fair value of our common stock on March 17, 2009 of $2.41 per share, our primary considerations included:

- an August 21, 2008 valuation prepared by an unrelated valuation specialist utilizing the valuation methods described above;
- our historical operating and financial results, current cash position and estimated time that our current cash position would fund our operations;
- the liquidation preference and other rights, privileges and preferences associated with our preferred stock;
- our stage of development and business strategy, including the status and estimated timing of clearance of our 510(k) submissions with the FDA for the ClearPoint system and the likelihood and timing of product launch; and
- prevailing economic conditions and outlook at the time.

Fair Value at August 20, 2009. To determine the fair value of our common stock on August 20, 2009 of $2.41 per share, our primary considerations included:

- the August 21, 2008 valuation and the other factors considered in the March 17, 2009 fair value determination noted above;
- the declining cash balances of the company;
- continued uncertainty regarding FDA clearance of the pending 510(k) submissions for our ClearPoint system;
- the determination by our Board of Directors that no event had occurred which, in their judgment, resulted in neither a higher nor lower value of our common stock than the March 17, 2009 grants; and

- the lack of free accessibility as of such date to the equity capital markets, creating difficulties in marketability and liquidity.

Valuation Methodology for December 10, 2009 and December 22, 2009 Grants

General. Because we began the process of preparing for our initial public offering in the fourth quarter of 2009, we amended our process to estimate the value of our common stock to utilize a probability-weighted expected return method, or "PWER method", as detailed in a practice aid issued by the American Institute of Certified Public Accountants entitled "Valuation of Privately Held Company Equity Securities Issued as Compensation". A PWER method analysis consists of the following five steps:

- Identifying the most likely liquidity events for the company, including when they are expected to occur, the probability of each occurring, and the equity values of the company for each. Scenarios considered can be broken down into four general categories: a strategic sale or merger; an initial public offering; the dissolution of the company; and the company's private enterprise value (with no liquidity event);
- Determining the value of the common stock for, and as of, each of the liquidity events considered;
- Determining the present value of the common stock for each liquidity scenario;
- Applying the probabilities assigned to each scenario to the present value of the common stock for each scenario to determine the probability-weighted value as of the valuation date; and
- Performing a check-to-value analysis to determine the reasonableness of the value of the common stock and the assumptions relied on.

Using this valuation methodology, we estimated the value of our common stock based upon an analysis of future values of the company assuming various liquidity events as described below.

Identifying Most Likely Liquidity Events. We determined that there were four likely liquidity events:

- a sale of our intellectual property in a liquidation scenario;
- completing an initial public offering of our common stock with FDA clearance for our ClearPoint system;
- completing an initial public offering of our common stock without FDA clearance for our ClearPoint system; and
- a sale of the company as a going concern.

Determining the Value of Common Stock Under Each Liquidity Scenario. The value resulting from a sale of our intellectual property was based upon management's expectations as of the valuation date. The value resulting from both initial public offering liquidity events was based upon preliminary discussions of value with the underwriter. The value resulting from a sale of the company was based on conversations with investment bankers, potential buyers and management's expectations as of the valuation date.

Determining Present Value. We selected a discount rate of 35%. In selecting the discount rate, we looked at what we believe are current rates of return expected by investors in various investments with different risk characteristics and we established the discount rate based on what we believe to be the most comparable rate of return range.

Weighting of Each Scenario. The significant drivers and weightings for our December 10, 2009 and December 22, 2009 valuations were:

- sale of intellectual property in a liquidation scenario, 5%;
- initial public offering with FDA clearance for our ClearPoint system, 75%;

- initial public offering without FDA clearance for our ClearPoint system, 0%; and
- sale of the company as a going concern, 20%.

We assigned only a 5% weighting to a sale of intellectual property in a liquidation scenario because we viewed a liquidation sale as unlikely to occur. We assigned a 75% weighting to the initial public offering with FDA clearance for our ClearPoint system because we deemed that scenario to be the most likely liquidity event. We assigned a 0% weighting to an initial public offering without FDA clearance for our ClearPoint system because we believed we would have FDA clearance of our ClearPoint system prior to completing the initial public offering. We assigned a 20% weighting to a sale of the company, as we believed it was the second most likely liquidity event.

Discount for Lack of Control. The discount for lack of control, otherwise known as a discount for minority interest, reflects a reduction in value due to the absence of elements of control that do not accrue to minority stockholder. We selected a lack of control discount of 20%, based on a review of premiums paid in transactions to acquire control of public companies that ranged from 20% to 50%.

Discount for Lack of Marketability. A discount for lack of marketability is applied to a minority interest in the equity of a privately-held company due to the fact that a stockholder in a privately-held company has no ready market for his or her interest other than by a private sale to another stockholder or willing buyer. Restricted stock studies, studies of private placements of stock in public companies and studies of initial public offerings primarily observed discounts ranging from 30% to 40%. However, we selected a lack of marketability discount of 20% because we had commenced the initial public offering process.

Fair Value at December 10, 2009. To determine the fair value of our common stock on December 10, 2009 of $2.41 per share, our primary considerations included:

- a November 17, 2009 valuation prepared by an unrelated valuation specialist utilizing the PWER method described above;
- the determination by our Board of Directors that no event had occurred which, in their judgment, resulted in either a higher or lower value of our common stock than the March 17, 2009 grants in 2009;
- our historical operating and financial results, current cash position and estimated time that our current cash position would fund our operations; and
- uncertainty regarding FDA clearance of the final 510(k) submission for our ClearPoint system.

Fair Value at December 22, 2009. To determine the fair value of our common stock on December 22, 2009 of $2.41 per share, our primary considerations included:

- a December 21, 2009 valuation prepared by an unrelated valuation specialist utilizing the PWER method described above;
- the determination by our Board of Directors that no event had occurred which, in their judgment, resulted in either a higher or lower value of our common stock than the March 17, 2009 grants in 2009;
- our historical operating and financial results, current cash position and estimated time that our current cash position would fund our operations; and
- uncertainty regarding FDA clearance of the final 510(k) submission for our ClearPoint system.

Liquidity and Capital Resources

We received $13,000,000 in licensing fees in 2008 under one of our agreements with Boston Scientific. We recognize revenue from these licensing fees over the estimated time period to complete our development work under the agreement. In addition, we are entitled to receive up to $21,600,000 in future

milestone-based payments, subject to our achievement of the milestones stipulated in the agreements and the issuance of certain patents licensed to Boston Scientific, of which there can be no assurance. In addition to payments received from Boston Scientific, we have financed our operations and internal growth almost exclusively through private placements of preferred stock and borrowings. We have incurred significant losses since our inception in 1998. As of March 31, 2010, we had an accumulated deficit of approximately $44,199,000. Our accumulated deficit resulted principally from research and development activities and the costs to support such efforts as recorded in general and administrative costs.

During 2009, Boston Scientific loaned us $3,500,000 pursuant to the terms of three convertible promissory notes. Interest on the loans accrues at 10% per annum and compounds annually. The Boston Scientific loans are secured by a first priority security interest in all of our assets. Each loan matures on the second anniversary of the date on which the funds were advanced. In addition, we will be required to prepay all or a portion of loans upon the consummation of any qualified financing, which is any equity financing in which shares of our preferred stock are issued in exchange for cash proceeds. Upon consummation of a qualified financing from Medtronic, Inc., St. Jude Medical, Inc., or Johnson & Johnson, or any of their respective subsidiaries or affiliates, up to 100% of the cash proceeds from such qualified financing must be used to prepay the outstanding principal of the loans and accrued interest thereon. Upon consummation of a qualified financing from any other investor, up to 25% of the cash proceeds from such qualified financing shall be applied by us to prepay the outstanding principal of the loans and accrued interest thereon. We can prepay each loan at any time prior to its respective maturity date. At the option of Boston Scientific, these loans are convertible into one share of our common stock for every $2.00 of principal and interest outstanding at the time of conversion. To the extent that Boston Scientific has not exercised its conversion right prior to the completion of this offering, Boston Scientific will no longer have the right to convert the notes into shares of stock.

In March 2010, we issued 10% senior unsecured convertible notes, or the bridge notes, in the aggregate principal amount of $4,071,000 in a private placement, or the bridge financing. Upon consummation of this offering, the bridge notes will automatically convert into shares of our common stock at the lesser of $2.00 per share or 80% of the public offering price, but the conversion price cannot be lower than $1.00 per share. The bridge notes mature two years from the date of issuance, unless earlier converted, and accrue interest at the rate of 10% per annum. All accrued interest will be paid in cash and will not be converted into shares of our common stock. We incurred approximately $293,000 of expenses related to the bridge financing, including legal fees and placement agent fees. In addition, we issued warrants to the placement agent exercisable for 101,775 shares of our common stock at a price equal to the lesser of $2.00 per share or 80% of the public offering price of our common stock in this offering. We intend to use the proceeds of the bridge financing for working capital and general corporate purposes.

Net Cash Flows from Operating Activities. Net cash flows from operating activities for the three months ended March 31, 2010 and 2009 and the years ended December 31, 2009, 2008, and 2007 was approximately $(2,632,000), $(2,419,000), $(9,479,000), $7,256,000, and $(2,994,000), respectively. The use of cash in the three months ended March 31, 2010 and 2009 and the years ended December 31, 2009 and 2007 resulted primarily from funding research and development activities and from incurring supporting general and administrative expenses. The positive net cash for the year ended December 31, 2008 resulted from the $13,000,000 in licensing fees under one of our agreements with Boston Scientific.

Net Cash Flows from Investing Activities. Net cash flows from investing activities for the three months ended March 31, 2010 and 2009 and the years ended December 31, 2009, 2008, and 2007 was approximately $(33,000), $(154,000), $(282,000), $(947,000), and $(62,000) respectively. Net cash used in investing activities for each of the periods was primarily related to the purchase of property and equipment and the acquisition of intellectual property licenses.

Net Cash Flows from Financing Activities. Net cash flows from financing activities for the three months ended March 31, 2010 and 2009 and the years ended December 31, 2009, 2008, and 2007 was approximately $3,645,000, $(1,000,000), $2,409,000, zero, and $600,000, respectively. Net cash flows from financing activities

for the year ended December 31, 2007 was attributable to borrowings under related party notes and the issuance of preferred stock. Net cash flows from financing activities for the year ended December 31, 2009 related primarily to the proceeds from our issuance of related party convertible notes payable, less the issuance of notes receivable and the purchase of treasury stock. Cash flows from financing activities for the three months ended March 31, 2010 related primarily to proceeds from our issuance of the bridge notes.

Operating Capital and Capital Expenditure Requirements. To date, we have not commercialized any of our current product candidates and we have not achieved profitability. We anticipate that we may continue to incur substantial net losses as we prepare for the potential commercial launch of our ClearPoint system, expand our corporate infrastructure to market and sell our ClearPoint system and operate as a publicly traded company, develop the ClearTrace system components and pursue additional applications for our technology platforms.

As of March 31, 2010, we had approximately $3,549,000 in cash and cash equivalents. Our cash balances are held in a variety of interest bearing instruments, including interest bearing demand accounts and certificates of deposit. Cash in excess of immediate requirements is invested primarily with a view to liquidity and capital preservation. Even if we receive regulatory clearance for our ClearPoint system for a general neurological intervention claim, we do not expect to generate product revenue until the second half of 2010. We do not anticipate generating any product revenue in the United States unless and until we successfully obtain FDA clearance for our ClearPoint system. We believe the net proceeds from this offering, together with our cash and cash equivalents and interest income we earn on these balances will be sufficient to meet our anticipated cash requirements through the end of 2011. If our available cash and cash equivalents and net proceeds from this offering are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity or debt securities or enter into a credit facility. The sale of additional equity and debt securities may result in dilution to our stockholders. If we raise additional funds through the issuance of debt securities, these securities could have rights senior to those of our common stock and could contain covenants that would restrict our operations. We may require additional capital beyond our currently forecasted amounts. Any such required additional capital may not be available on reasonable terms, if at all. If we are unable to obtain additional financing, we may be required to reduce the scope of, delay, or eliminate some or all of, our planned research, development and commercialization activities, which could materially harm our business.

Our forecast of the period of time through which our financial resources will be adequate to support our operations, the costs to complete development of our product candidates and the cost to commercialize our products are forward-looking statements and involve risks and uncertainties, and actual results could vary materially and negatively as a result of a number of factors, including the factors discussed in the “Risk Factors” section of this prospectus. We have based these estimates on assumptions that may prove to be wrong, and we could deplete our available capital resources sooner than we currently expect.

Because of the numerous risks and uncertainties associated with the development of medical devices, such as our ClearPoint system and the ClearTrace system, we are unable to estimate the exact amounts of capital outlays and operating expenditures necessary to complete the development of our product candidates and successfully deliver commercial products to the market. Our future capital requirements will depend on many factors, including but not limited to the following:

- the scope, rate of progress and cost of our research and development activities;
- the achievement of milestone events under, and other matters related to, our agreements with Boston Scientific and Siemens;
- the terms and timing of any future collaborative, licensing or other arrangements that we may establish;
- the cost and timing of clinical trials;
- the cost and timing of regulatory filings, clearances and approvals;
- the cost and timing of establishing sales, marketing and distribution capabilities and other corporate infrastructure;

- the cost of establishing product inventories;
- the effect of competing technological and market developments; and
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

The following table summarizes our outstanding future contractual obligations as of December 31, 2009 and the effect those obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Operating Lease Obligations	$ 579,000	$ 168,000	$ 290,000	$121,000	$ —
Long-Term Debt Obligations	3,500,000	—	3,500,000	—	—
Shared Research Obligations	1,094,000	907,000	187,000	—	—
Co-Development Obligations	2,326,000	1,257,000	1,069,000	—	—
Software License Obligations	1,575,000	525,000	1,050,000	—	—
Minimum Royalty Payment Obligations	1,575,000	45,000	140,000	190,000	1,020,000
Total	$10,649,000	$2,902,000	$6,236,000	$311,000	$1,020,000

Our long term commitments under operating leases shown above consist of payments relating to our facilities under leases that as of December 31, 2009 expire in 2011, 2012 and 2014. Our long-term debt obligations consist of the principal amounts owed under our convertible promissory notes issued to Boston Scientific. Shared research obligations consist of amounts payable under research agreements with certain universities. Co-development obligations consist of the payment obligations to Siemens in connection with the ClearTrace system software development. Software license obligations represent minimum purchase commitments under a master service and license agreement for the license of software code that is used in our ClearPoint system. Minimum royalty payment obligations consist of the minimum royalty payments due to a licensor.

Quantitative and Qualitative Disclosures about Market Risk

Our exposure to market risk for changes in interest rates relates to our cash equivalents on deposit in demand deposit accounts and certificates of deposit. The primary objective of our cash investment activities is to preserve principal while at the same time maximizing the income we receive from our invested cash without significantly increasing risk of loss. We do not currently use derivative financial instruments. Our cash and investments policy emphasizes liquidity and preservation of principal over other portfolio considerations. We have operated solely in the United States. Accordingly, we do not have any material exposure to foreign currency rate fluctuations.

Off-Balance Sheet Arrangements

Since our inception, we have not engaged in any off-balance sheet arrangements, including the use of structured finance, special purpose entities or variable interest entities.

Recent Accounting Pronouncements

In August 2009, the FASB issued ASU No. 2009-04, *Accounting for Redeemable Equity Instruments—Amendment to Section 480-10-S99*, or ASU No. 2009-04. This ASU represents an update to Section 480-10-S99, *Distinguishing Liabilities from Equity* , per Emerging Issues Task Force Topic D-98, "Classification and Measurement of Redeemable Securities." The adoption of ASU 2009-04 did not have a material impact on our financial statements.

In August 2009, the FASB issued ASU No. 2009-05, *Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value*, or ASU No. 2009-05. This ASU amends Subtopic 820-10, Fair Value Measurements and Disclosures —Overall, to provide guidance on the fair value measurement of liabilities. The adoption of ASU 2009-05 did not have a material impact on our financial statements.

In October 2009, the FASB issued Accounting Standards Update No. 2009-13, or ASU 2009-13, which addresses the accounting for multiple-deliverable arrangements to enable vendors to account for products or services (deliverables) separately rather than as a combined unit. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified beginning in fiscal years on or after June 15, 2010. Early adoption is permitted. We are currently evaluating the impact that the adoption of this standard will have on our financial statements, if any.

In February 2010, the FASB issued authoritative guidance that amends the disclosure requirements related to subsequent events. This guidance includes the definition of a Securities and Exchange Commission filer, removes the definition of a public entity, redefines the reissuance disclosure requirements and allows companies to omit the disclosure of the date through which subsequent events have been evaluated. This guidance is effective for financial statements issued for interim and annual periods ending after February 2010. This guidance did not materially impact our results of operations or financial position, but did require changes to the disclosures in our financial statements.

In April 2010, the FASB issued Accounting Standards Update No. 2010-17, or ASU 2010-17, which provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development arrangements that contain payment provisions contingent upon achieving specified events. ASU 2010-17 is effective for milestones achieved in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. We are currently evaluating the impact that the adoption of this standard will have on our financial statements, if any.

BUSINESS

Overview

We are a medical device company focused on the development and commercialization of technology that enables physicians to see inside the brain and heart using direct, intra-procedural MRI guidance while performing minimally invasive surgical procedures. Since our inception in 1998, we have focused on research and product development in the field of interventional MRI. From 1998 to 2002, we deployed significant resources to fund our efforts to develop the foundational capabilities for enabling MRI-guided interventions and to build an intellectual property position. In 2003, our focus shifted to identifying and building out commercial applications for the technologies we developed in prior years. We are developing two core product platforms, which we call the ClearPoint system and the ClearTrace system, for which there will be various potential interventional applications. We are also focused on developing our MRI-safety technologies through the SafeLead Development Program.

We believe that our product candidates will deliver better patient outcomes, enhance revenue potential for both physicians and hospitals, and reduce costs to the healthcare system as described in more detail below:

- *Better Patient Outcomes.* We believe that if a physician can see the surgical field, the surgical instruments and the patient's anatomy at the same time and in the same "imaging space," the physician can more efficiently perform a surgical intervention in the brain or heart. Subject to appropriate regulatory clearance or approval, our product candidates are being designed to enable physicians to identify the target site, guide the surgical instrument to the site, deliver the therapy, monitor for adverse events and complications and confirm the desired results of the procedure, all under continuous, intra-procedural, high resolution MR imaging. We believe that these capabilities will translate directly into better clinical outcomes for the patients undergoing the procedures due to improved efficiency, the potential for the reduction of adverse events and side effects as well as the potential for faster recovery times.
- *Enhance Revenue Potential.* We believe that use of our product candidates will reduce the amount of time needed to perform the procedures for which they are designed. As a result, we believe that our product candidates will improve the overall economics of the procedures for both the performing physician and the hospital. With respect to the physician, we anticipate that the physician will receive the same fee payment for performing a procedure using our product candidates as for performing the procedure using conventional means. However, as we believe the procedure will take less time to perform with the use of our product candidates, the physician's fee should be higher, when measured on a per hour basis. Likewise, if procedure times are shorter, the physician could perform more procedures. With respect to the hospital, we believe that shorter procedure times could lead to more efficient use of hospital resources and could increase the hospital's capacity for more procedures. Our ClearPoint system is designed to enable certain procedures to be performed in the MRI suite, which we believe would make the operating room available for other procedures to be performed. The additional procedures would result in additional revenue for the hospital.
- *Reduce Costs to the Healthcare System.* As discussed above, we believe that use of our product candidates could result in better patient outcomes along with more efficient utilization of physician and hospital time and resources. If patient outcomes and procedure efficiencies are improved by use of our product candidates, we believe that the result will be a reduction in overall healthcare costs. In addition, if higher success rates are achieved by use of our product candidates, we believe this would mitigate the need for follow-up procedures to be performed on the same patient simply to achieve the original desired clinical result. As a result, the costs associated with follow-up procedures, such as in-patient hospital stays and physician fees, would not be incurred. Similarly, if the risk for complications during the procedure is reduced, the expected costs associated with the procedure also should be reduced.

Millions of people suffer from brain and heart diseases and disorders. While some patients can be treated with medication, others require surgery. Current surgical interventions include both open and minimally invasive procedures. Given the option, patients, physicians and hospitals alike prefer minimally invasive procedures over open procedures. Despite the many benefits of minimally invasive procedures, they can still present significant limitations, most notably restricted vision of the patient's anatomy, surgical field and instruments. Because of this restricted visibility, some minimally invasive procedures in the brain and heart are lengthy, difficult on patients, and require substantial physician and hospital resources. As a result, there is a need for a new and improved platform for those procedures in the brain and heart.

Utilizing the superior imaging capabilities of MRI, subject to appropriate FDA clearance or approval, our product candidates are designed to enable physicians to:

- *Guide* a surgical instrument within the patient as it is advanced towards the therapeutic target;
- *Deliver* a planned therapy with precise visualization of a patient's anatomy, the surgical field and instruments;
- *Monitor* for adverse events during and immediately after the administration of the therapy; and
- *Confirm* the desired results of a procedure.

Our first product candidate is our ClearPoint system, which is designed to allow minimally invasive procedures in the brain to be performed in an MRI suite. The initial application for our ClearPoint system will be general neurological interventional procedures, such as biopsies and catheter and electrode insertion. Our ClearPoint system is currently pending FDA pre-market notification, or 510(k) clearance. If 510(k) clearance is obtained, we may seek additional regulatory clearance or approval for the use of our ClearPoint system for more specific indications, which will allow us to market and promote our ClearPoint system for those specific uses. Such additional regulatory clearances or approvals may require us to perform clinical studies.

We believe that one of the more valuable future applications for our ClearPoint system, subject to appropriate FDA clearance or approval, will be use in MRI-guided deep brain stimulation lead placement. A deep brain stimulation lead is a thin, insulated wire with exposed electrodes that is implanted in a specific area of the brain and connected to an electronic device that is implanted in the chest. Deep brain stimulation is an approved therapy for treating the symptoms of movement disorders like Parkinson's disease and psychological disorders like treatment resistant obsessive compulsive disorder. Despite its approval for the treatment of these disorders, we believe that patient and physician adoption of deep brain stimulation therapy has been slowed significantly due to the arduous and time-consuming nature of the standard procedure by which deep brain stimulation leads are implanted in the patient's brain. Using our ClearPoint system, a physician sees and selects a neurological target, aims our targeting device and watches as the surgical instrument is advanced to the target, significantly reducing the time and complexity of the implantation procedure.

Our second product candidate is the ClearTrace system, which is designed to allow catheter-based minimally invasive procedures in the heart to be performed using continuous, intra-procedural MRI guidance. Some catheter-based cardiac interventions, such as stent placement, do not require detailed visualization of the cardiac tissue. However, we believe that other procedures, such as cardiac ablation to treat arrhythmias, would significantly benefit from continuous high resolution imaging of cardiac tissue and the surgical instruments. During cardiac ablation, a physician attempts to restore a normal heart rhythm by destroying small areas of heart tissue to block irregular electrical impulses that cause an irregular heart beat, or arrhythmia. We expect that the ClearTrace system's initial application will be for catheter-based cardiac ablation to treat atrial fibrillation. Atrial fibrillation is the most common cardiac arrhythmia affecting over three million people in the United States alone. In May 2009, we entered into an exclusive co-development agreement with Siemens, the global market leader in MRI scanners, for the development and commercialization of the hardware and MRI software necessary for the ClearTrace system. Because of Siemens' market-leading position, we believe that our exclusive relationship secures a strategic market position for the ClearTrace system. Our development activities on the ClearTrace system are ongoing. We have not

made any filings seeking regulatory clearance or approval for the ClearTrace system. We believe most components of the ClearTrace system will be subject to the FDA's 510(k) regulatory process. However, the ablation catheter component will require FDA approval of a PMA. We will be required to conduct a clinical trial to support the PMA for the ablation catheter, which we anticipate commencing in the second half of 2011.

Our third area of activity is referred to as the SafeLead Development Program. Over the last ten years, we have pioneered several technologies that improve the MRI-safety profile of implantable medical leads. These leads are thin, insulated wires that are connected to implantable generators, such as a pacemaker or neurostimulator, and deliver electrical pulses or stimulation to a specific area of the body, such as the heart or the brain. During an MRI scan, these leads are susceptible to heating, which could burn and destroy adjacent tissue. Our technologies address this issue by maintaining lead temperatures well within safe levels during an MRI scan. In March 2008, we entered into an exclusive licensing and development agreement with Boston Scientific for the incorporation of our MRI-safety technologies into Boston Scientific's implantable cardiac leads. We previously entered into a similar arrangement with Boston Scientific with respect to its products for neurological applications. Under our agreements with Boston Scientific, we received licensing fees of $13,000,000 in 2008 and we are entitled to receive up to approximately $21,600,000 in future milestone-based payments, subject to our achievement of the milestones stipulated in the agreements and the issuance of certain patents licensed to Boston Scientific. Boston Scientific has also agreed to pay us royalties on net sales of products that incorporate our licensed intellectual property. We believe that our MRI-safety technologies, when integrated into Boston Scientific's implantable leads, could represent a meaningful market differentiator over existing implantable lead designs.

Our ClearPoint system and the ClearTrace system are integrated systems of reusable hardware components, disposable components and intuitive, menu-driven software. Our business model for both the ClearPoint and ClearTrace systems is focused on producing high margin revenue from recurring sales of the disposable components. We intend to make our reusable components available to hospitals at lower margins. We do not expect that the cost of the reusable components of our ClearPoint system and the ClearTrace system will negatively impact the adoption rate of our systems among hospitals.

We have a significant intellectual property portfolio in the field of MRI-guided interventions. In addition, we have meaningful collaborations with major industry participants and renowned academic institutions. Our technologies have been the subject of numerous peer-reviewed articles in medical and scientific journals. As a result of our intellectual property and collaborative relationships, we believe that we are well positioned to remain on the forefront of the emerging market of MRI-guided minimally invasive surgical procedures.

Industry Background

Development of Minimally Invasive Surgical Procedures

Over the past few decades, one of the most significant medical trends has been the development of minimally invasive surgical methods and techniques. As its name implies, a minimally invasive procedure is a less invasive approach than open surgery. Minimally invasive procedures typically have involved use of laparoscopic devices, catheter-based devices or remote-control manipulation of instruments once inside the body.

Compared to open surgical techniques, minimally invasive techniques offer potentially superior benefits for patients, physicians and hospitals:

- For the patient, these techniques result in reduced procedure-related pain, minimal scarring and reduced pain at the incision site, shorter post-operative hospital stays and faster recovery times;
- For the physician, these techniques reduce procedure-related complications and have the potential to reduce risks associated with more invasive procedures; and
- For the hospital, these procedures result in reduced hospital stays with faster recovery times, lower rates of complications, and reduced costs.

Procedures commonly performed using minimally invasive techniques include knee surgery, gastric surgery, cardiovascular balloon angioplasty, stent placement and tumor biopsy. In the United States alone, approximately 4.9 million minimally invasive surgical procedures are performed annually.

One of the ongoing challenges of minimally invasive procedures is the physician's ability to "see" what the physician is doing inside a patient's body. Technological advances in imaging modalities that permit a physician to see inside a human body have enabled the development and growth of minimally invasive surgical procedures. One such imaging modality is endoscopy, which involves examining the inside of a person's body using a long, thin, flexible tube with a light and a video camera that displays images of the inside of the patient's body on a screen. The development of endoscopic visualization techniques reinvented the manner in which knee surgery was performed. Another imaging modality is fluoroscopy, which uses a continuous X-ray beam to create a sequence of images that are projected onto a television-like monitor. Fluoroscopic imaging enabled revolutionary improvements in the treatment of cardiovascular disease by guiding balloon angioplasty procedures and the placement of cardiac stents. The development of endoscopic and fluoroscopic techniques have dramatically increased the number of procedures performed when compared to the number of open procedures previously performed. While endoscopic and fluoroscopic imaging techniques are optimal for some minimally invasive procedures, we believe that many procedures in the brain and heart would benefit from a different imaging method.

Magnetic Resonance Imaging

MRI is a widely practiced imaging technique that uses spatially varying magnetic fields to produce images of the human anatomy. Hydrogen nuclei, present in molecules throughout the body, are slightly magnetic. When placed in large external magnetic fields, they can be induced to emit or resonate radio frequency signals. These radio frequency signals are used to construct images of human anatomy, including high resolution images of soft tissue.

MRI has important and advantageous properties that differentiate it from other imaging methods. MRI scans can provide images of any part of the body, in any plane of view, and offer more detailed information than other modalities, including fluoroscopy and computed tomography. Some of the unique advantages of MRI include:

- no harmful ionizing radiation exposure for either the patient or the physician;
- soft tissue imaging that enables superior tissue visualization and enhanced differentiation between healthy and diseased tissues;
- unlimited orientation and positioning of the imaging plane;
- ability to directly acquire volumetric (three dimensional) data sets; and
- ability to evaluate both the structure and certain functions of internal organs.

MRI scanners are available in a number of different configurations and field strengths, which refers to the strength of the magnet used to create the magnetic field. Magnetic field strength is measured in Tesla, or T. The most common field strength for MRI scanners is 1.5T. Most MRI scans are performed using 1.5T MRI scanners. Higher field strength scanners such as 3T MRI scanners, have been introduced in clinical practice and are in the early stages of commercial market adoption. These 3T MRI scanners provide faster scanner speeds and even higher resolution images than 1.5T MRI scanners.

The SurgiVision Solution

The last 20 years have witnessed significant advances in minimally invasive surgical techniques. However, we believe that some minimally invasive procedures within the brain and heart have been slow to develop and gain wide acceptance largely because of the inherent limitations of traditional imaging methods such as endoscopy or fluoroscopy. Neither of these imaging methods provides the physician with sufficient visualization of the brain or heart tissue to perform the next generation of minimally invasive neurological and cardiac

procedures. Utilizing the power of MRI, our product candidates provide that capability. Our product candidates are designed, subject to appropriate FDA clearance or approval, to enable physicians to:

- *Guide* the surgical instrument within the patient as it is advanced towards the therapeutic target. For example, a physician will be able to watch a probe as it moves through the brain towards its target point or visualize and steer a catheter into a chamber of the heart.
- *Deliver* the planned therapy with continuous high resolution visualization of a patient's anatomy, the surgical field and instruments. For example, a physician will be able to visualize ablation lesions in the heart as the physician creates them.
- *Monitor* for adverse events during and immediately after the administration of the therapy. For example, if a blood vessel in the brain is ruptured, hemorrhage will be visible within seconds and remedial action can be undertaken immediately.
- *Confirm* the desired results of a procedure. For example, a physician will be able to confirm, with specificity, correct anatomical placement of a device or delivery of a therapy in the brain or heart.

We believe the combination of MRI's continuous high resolution imaging capabilities with minimally invasive surgical techniques will create an innovative platform for performing the next generation of procedures in the brain and heart.

Our Product Candidates

The following table summarizes key information about our product candidates:

Product Candidates	Regulatory Status	Target Market	Development Partner
ClearPoint Neuro Intervention System	510(k) Clearance Pending	Initial target market is general neurological interventions, such as biopsies and catheter and electrode insertion. Subsequent target markets may include deep brain stimulation lead placement and precision delivery of drugs and biologics.	Developed Internally
ClearTrace Cardiac Intervention System	Development Stage	Initial target market is catheter-based cardiac ablation to treat atrial fibrillation. Subsequent target markets may include precision delivery of drugs and biologics.	Siemens
SafeLead Development Program[1]	Development Stage[2]	Target market is implantable leads for cardiac and neurological applications.	Boston Scientific

(1) The SafeLead Development Program is a collaborative effort with Boston Scientific to incorporate our MRI-safety technologies into Boston Scientific's implantable lead designs.
(2) Boston Scientific is responsible for any regulatory filings with respect to its implantable leads.

ClearPoint Neuro Intervention System

General

Our first product candidate is our ClearPoint system, which is designed to allow minimally invasive procedures in the brain to be performed in an MRI suite. Our research efforts for our ClearPoint system began in 2003. Our ClearPoint system's initial application will be for general neurological interventions, such as biopsies and catheter and electrode insertion. Specifically, we are seeking FDA 510(k) clearance of our ClearPoint system to provide guidance for the placement and operation of instruments or devices during the planning and operation

of neurological procedures within the MRI environment and in conjunction with MR imaging. If we obtain 510(k) clearance for the general neurological intervention claim, we may seek additional regulatory clearance or approval for use of our ClearPoint system for more specific indications to allow us to market and promote our ClearPoint system for those specific uses. Such additional regulatory clearances or approvals may require us to perform clinical studies.

We believe that one of the more valuable future applications for our ClearPoint system will be use in MRI-guided deep brain stimulation lead placement, assuming we can obtain any necessary FDA clearance or approval. Deep brain stimulation is an approved therapy for treating the symptoms of movement disorders such as Parkinson's disease and psychological disorders like treatment resistant obsessive compulsive disorder. Despite its approval for the treatment of such disorders, we believe that patient and physician adoption of deep brain stimulation therapy has been slowed significantly due to the arduous and time-consuming nature of the standard procedure by which deep brain stimulation leads are implanted in the patient's brain. Using our ClearPoint system, a physician sees and selects a neurological target, aims our targeting device and watches as the surgical instrument is advanced to the target, significantly reducing the time and complexity of the interventional procedure.

Another future ClearPoint system application for which we may seek specific FDA clearance or approval is the delivery of drugs and biologic agents to precision targets in the brain to treat a variety of neurological diseases and conditions, including brain tumors. We believe that many therapies are currently not available because the drugs and biologic agents cannot be delivered effectively to their neurological targets. Delivery challenges include penetration of the blood-brain barrier, which is a protective barrier between brain tissues and circulating blood preventing some substances from entering the brain, and the risk of serious side effects which can occur if the drugs or biologics are unintentionally delivered to the tissue that surrounds the intended target site. We believe that our ClearPoint system can address these significant issues.

Components

Our ClearPoint system is an integrated system of reusable hardware components, disposable hardware components and intuitive, menu-driven software. Pictures of our ClearPoint system and its components are included on the inside front cover of this prospectus.

Reusable Hardware Components. Our reusable hardware components consist primarily of an imaging head coil, head fixation frame, computer workstation and in-room monitor. The architecture of our imaging head coil allows for surgical access to the patient while maintaining high quality imaging capability. The head fixation frame is integrated with the head coil and is designed to optimize the placement of the head coil in proximity to the patient's head. Our ClearPoint system software is installed on a computer workstation networked with an MRI scanner, for which we use a commercially available laptop computer. The in-room monitor allows the physician to view the display of our ClearPoint system workstation from the scanner room while performing the procedure.

Disposable Hardware Components. Our disposable hardware components consist primarily of our SmartFrame device, a hand controller and a surgical kit. Our SmartFrame device is an adjustable trajectory frame that attaches to the patient's skull and that holds the targeting cannula. The hand controller attaches to our SmartFrame device, and it is used by the physician to adjust the roll, pitch and X and Y orientation of the targeting cannula. The surgical kit includes all other accessory components necessary for the MRI-guided neurological procedure, such as our SmartGrid patch, which is an MRI-visible marking grid, and customized surgical draping.

Software. Our ClearPoint system software guides the physician in surgical planning, device alignment, navigation to the target and procedure monitoring. The software receives standard images from the MRI scanner via a network connection to the scanner. The software leads the physician through a series of predefined steps, including MR image acquisition, establishment of image orientation landmarks, target identification and

selection, trajectory planning, entry point planning and marking, targeting cannula orientation and refinement, and confirmation that the desired anatomical target(s) have been reached. The software uses image segmentation algorithms to help locate and identify our SmartFrame device and its targeting cannula, the probe and the anatomical structures of the brain. The software also performs geometric computations to provide the physician with information regarding the positioning of instruments inserted into the patient's brain relative to the target anatomical structures. At the completion of the procedure, the software generates an automated report that includes the key metrics from the procedure. Our ClearPoint system software will be included with the initial installation of our ClearPoint system pursuant to an end-user license agreement at no additional charge.

Current Neurological Interventions

Performing minimally invasive interventions in the brain presents special challenges, including a need to reach small therapeutic targets often located deep within the brain. To reach these targets, the physician must act with precision to avoid damaging adjacent areas that can be responsible for important neurological functions, such as memory or speech, or penetrating blood vessels which can lead to a life-threatening hemorrhage. To overcome these obstacles, the medical community has developed complicated surgical techniques, commonly referred to as stereotaxy, under which a physician merges pre-operative images and data with specialized surgical instruments to help guide the surgical intervention. Despite years of development and clinical experience, conventional stereotactic procedures remain complicated and time-consuming for many neurological interventions and can be extremely difficult on the patient.

In spite of their shortcomings, current stereotaxy-based approaches are commonly used to perform neurological interventions. These procedures include pre-operative biopsy and the insertion of catheters or electrodes in the brain. In 2007, industry analysts estimated that over 130,000 minimally invasive neurological interventions would be performed in the United States in 2008, including approximately 17,000 biopsies, 75,000 catheter insertions, and 8,000 electrode insertions. We believe our ClearPoint system is an innovative new approach to perform a subset of these neurological procedures.

Our ClearPoint System Solution

The design of our ClearPoint system significantly simplifies how neurological interventions are performed. Our solution, unlike some conventional approaches, begins with the patient in an MRI suite under general anesthesia and without interruption to the patient's prescription drug regimen. Once placed in the MRI, the patient's head is immobilized in our imaging head coil and integrated head fixation frame with the patient's head accessible to the surgeon. The physician then places our MRI-visible SmartGrid patch onto the patient's head where the physician expects to enter the skull.

The patient is then moved to the center of the scanner and images are taken of the patient's brain that include the target area and our SmartGrid patch. Once the imaging is complete, the images are transferred to our ClearPoint system workstation so that the physician can determine the specific target site within the brain and the optimal trajectory path for the placement of the interventional device. With the trajectory path established, our ClearPoint system software will identify the specific location on our SmartGrid patch that corresponds with where the planned trajectory intersects the skull. The physician will then mark the skull using our custom marking tool. At the site of the mark, the physician will create a small 14 millimeter hole, which is called a burr hole, in the patient's skull.

The SmartFrame device is centered and attached over the burr hole. The target and planned trajectory is reconfirmed by the physician using our ClearPoint system workstation. Using the hand controller, the physician positions the MRI-visible SmartFrame device to align the instrument with the planned trajectory. During this process, the software estimates a number of turns and direction of turn on each of the hand controller's color coded thumbwheels to align the instrument to the planned trajectory.

Once our SmartFrame device has been aligned to the proper trajectory, the depth dimension is calculated by the software. Immediately before insertion and partway through insertion, scans are taken to ensure that the stylet is correctly tracking along the planned trajectory. The surgeon continues advancing the stylet towards the target site until it "snaps" into place on the SmartFrame device indicating that the stylet has reached the proper depth. At this time, images are taken at the target site to insure the peel away sheath and stylet are in the proper location relative to the desired target. Once proper location is confirmed, the stylet is removed, leaving behind a channel to the target site created by the peel away sheath. Now the interventional device can be inserted and the peel away sheath is removed.

Potential Future Applications for our ClearPoint System

Deep Brain Stimulation

Deep brain stimulation is a therapy that uses mild electrical pulses from an implanted device to stimulate the brain. A deep brain stimulation system looks and operates much like a cardiac pacemaker, except that instead of sending pulses to the heart, it delivers electrical stimulation to a precisely targeted area in the brain. Deep brain stimulation is currently approved by the FDA for the treatment of Parkinson's disease, essential tremor, dystonia and obsessive compulsive disorder. United States regulatory approval is being sought for the use of deep brain stimulation to treat epilepsy, and deep brain stimulation is also being investigated for treatment-resistant major depression along with other neurological and psychiatric disorders. Several types of medications are available as the first line of treatment for these conditions. However, over time, these medications often become less effective at controlling symptoms and may begin to cause side effects. For those patients who fail to respond to, or have developed side effects from, standard drug therapies, deep brain stimulation can be an appropriate therapy.

To date, more than 60,000 people worldwide have undergone a deep brain stimulation procedure. The FDA has approved the use of deep brain stimulation for the treatment of Parkinson's disease and essential tremor. The FDA has also approved the use of deep brain stimulation for the treatment of dystonia and obsessive compulsive disorder pursuant to humanitarian device exemptions. We believe that the market for deep brain stimulation therapy is sizable because of the number of people suffering from these diseases or disorders for whom deep brain stimulation may be an appropriate treatment. FDA approval is currently being sought for the use of deep brain stimulation to treat epilepsy. Deep brain stimulation is also being investigated as a therapy for treatment-resistant major depression. We believe that the market for deep brain stimulation is growing because FDA approval is being sought and investigations are being conducted for these additional uses of deep brain stimulation therapy. The diseases and disorders, patient populations, potential deep brain stimulation candidates and status of FDA approval are described in the following table:

United States Deep Brain Stimulation Market

Indication	Patient Population	Potential DBS Candidates[1]	FDA Approval
Parkinson's Disease	1,500,000	150,000	Approved
Essential Tremor	4,000,000	75,000	Approved
Dystonia	250,000	25,000	Approved[2]
Obsessive Compulsive Disorder	3,300,000	330,000	Approved[2]
Epilepsy	2,300,000	460,000	Pending
Treatment-Resistant Major Depression	6,000,000	1,200,000	Unknown[3]
Subtotal	17,350,000	2,240,000	

(1) The number of potential deep brain stimulation candidates are based on publicly available industry research reports and third-party corporate presentations.
(2) Pursuant to a Humanitarian Device Exemption—Efficacy has not been established.
(3) Although this indication is being actively investigated for deep brain stimulation therapy, no submissions have been filed with the FDA seeking approval and there can be no assurance that approval will ever be sought or received.

Conventional Deep Brain Stimulation Lead Placement Procedure

Despite the large potential market for deep brain stimulation and many years of research experience with deep brain stimulation technology, we believe that the conventional deep brain stimulation lead placement procedure has led to an under-developed market. The current approach for implantation of deep brain stimulation leads is a complex and lengthy procedure that is performed in an operating room. We believe that many patients identified by their physicians as candidates for deep brain stimulation therapy elect not to proceed with the treatment because of the arduous aspects of the procedure, namely:

- The patient is awake for his own brain surgery;
- The patient's head is affixed to a large, metal frame by skull pins;
- A Parkinson's patient must stop taking medication prior to the procedure, which can result in uncontrolled body tremors during the procedure; and
- The procedure can last more than six hours.

The standard lead implantation approach is based on a technique called frame-based stereotaxy. In this method, a large, metal stereotactic frame is fixed to the patient's skull, using skull pins, to provide a fixed and common coordinate system. After the frame is attached to the patient's skull, the patient is then imaged pre-operatively in order to obtain images showing both the stereotactic frame axes and the anatomical structures of the patient's brain. These pre-operative images are then loaded into a surgical planning workstation. Surgical planning software is used to identify the neurological target for the deep brain stimulation therapy, as well as to define a trajectory path for the deep brain stimulation lead from the skull through the brain tissue to the target. The planned trajectory and target location is then calculated in relation to the frame axes and then used to guide the surgery.

Successful deep brain stimulation therapy requires a high degree of accuracy in the placement of deep brain stimulation leads within specific deep brain structures. Because frame-based stereotaxy relies on pre-operative images, and not intra-procedural images, errors in the alignment of the pre-operative images with the patient's brain anatomy can, and often do, occur as a consequence of brain shift, variation in patient hydration, registration errors or misalignment of the frame. As a result, the physician often must undertake additional steps to further refine the process of locating the patient's neurological targets. These steps include physiological "mapping" of the brain and require an additional procedural step called microelectrode recording, which is a tedious and time-consuming process during which small probes containing microelectrodes are inserted into the deep brain structures multiple times. As these microelectrode recording probes are passed through brain tissue, they pick up electrical activity. The microelectrode recording system then converts the electrical activity into audible tones. In hearing these various audible tones, a trained neurologist or neurophysiologist can distinguish different regions of the brain. Based on these tones, locations are mapped against the pre-operative images and used to refine and adjust the neurological target as depicted on those pre-operative images. New coordinates are then calculated and a new trajectory is planned. To further confirm locations in the brain, various physiologic responses are induced or monitored with the microelectrodes. These physiological mapping steps require the patient to be awake and off medications.

Our ClearPoint System Solution

We believe that deep brain stimulation therapy would benefit from simplified lead implantation methodologies and that our ClearPoint system represents a dramatic improvement over the current approach. We anticipate that a deep brain stimulation lead implantation procedure utilizing our ClearPoint system will have the following attributes:

- the procedure will be performed in a standard 1.5T MRI scanner;
- the patient can be under general anesthesia and remain on his or her medication;

- intra-procedural MRI-guidance will be used to:
  - see and select the target site;
  - plan the path to the target site;
  - guide an instrument to the target site;
  - monitor for any adverse events or complications that might occur during the procedure; and
  - confirm that the target site has been reached; and
- the procedure is designed to be completed in approximately two to three hours.

The process of a deep brain stimulation lead implantation procedure utilizing our ClearPoint system would be substantially similar to the process described above in "—Our ClearPoint System Solution" on page 62.

Precision Delivery of Drugs and Biologics

Another potential ClearPoint system application for which we may seek specific FDA clearance or approval is the delivery of drugs and biologic agents to precision targets in the brain. Recently, drug companies and researchers have identified various compounds that may treat a number of neurological diseases, including movement and psychiatric disorders and brain tumors. Based on peer reviewed articles in medical and scientific journals, we believe that some of these therapies are currently not available because the drugs and biologic agents cannot be delivered effectively to their neurological targets. Delivery challenges include penetration of the blood-brain barrier and the risk of serious side effects which can occur if the drugs and biologics are unintentionally delivered to the tissue that surrounds the intended target site. We believe our ClearPoint system addresses these significant issues.

We are presently conducting animal studies in close collaboration with renowned researchers in the field. These preliminary studies are demonstrating our ClearPoint system's capability to allow the physician to identify a precise neurological target area, guide an injection catheter into the target area, and watch the dispersion of the material within the target area as it is injected. We believe these capabilities for precision delivery are unique and remove a major barrier that has been preventing promising therapies from reaching the market.

Regulatory Status

We are seeking marketing clearance of our ClearPoint system through the FDA's 510(k) premarket notification process. We originally filed five 510(k) submissions seeking marketing clearances for the individual devices comprising our ClearPoint system. However, based on discussions with the FDA, we consolidated two of these devices into one 510(k) to obtain clearance of these devices as a system. A description of our 510(k) filings and the current status of those filings are indicated below:

510(k) Submission	Original Submission Date	Current Status
Head coil	February 10, 2009	Received marketing clearance on March 16, 2009
Head fixation frame and base table mount	May 19, 2009	Received marketing clearance on August 25, 2009
ClearPoint surgical draping	May 6, 2009	Received marketing clearance on September 22, 2009
SmartFrame device & ClearPoint workstation (including software)	May 6, 2009[1]	Pending marketing clearance

(1) We filed our original 510(k) submission with the FDA on May 6, 2009. Based on discussions with the FDA, we withdrew the original submission and filed a new 510(k) submission on March 24, 2010.

In the pending 510(k) submission, we are seeking a 510(k) clearance to market our ClearPoint system for use in general neurological interventions, such as biopsies and catheter and electrode insertion. We believe that

seeking 510(k) clearance for this indication is the least burdensome path to initial regulatory clearance. The indication we are seeking is the same indication for use that applies to other devices that have traditionally been used in the performance of stereotactic neurological procedures. If we obtain clearance for our pending 510(k) submission, we may seek additional regulatory clearance or approval for use of our ClearPoint system for specific neurological indications, such as deep brain stimulation lead placement or precision delivery of drugs or biologics, to allow us to market and promote our ClearPoint system for those specific uses. We believe that all components of our ClearPoint system are Class II medical devices and subject to the 510(k) clearance process.

Unless and until we receive regulatory clearance or approval for use of our ClearPoint system for specific indications, uses in procedures other than general neurological interventions, such as biopsies and catheter and electrode insertion, may be considered off-label uses of our ClearPoint system, in which case we would be prohibited from promoting our system, or training physicians, for those specific uses. However, in their practice of medicine, physicians may lawfully choose to use medical devices for off-label uses. Therefore, if the FDA grants 510(k) clearance for our ClearPoint system for use in general neurological interventions, a physician may use our ClearPoint system for uses not covered by the cleared labeling. We expect that physicians will use our ClearPoint system for a variety of specific neurological procedures, including deep brain stimulation lead placement.

To market our ClearPoint system in the European Union, we must be entitled to affix a CE mark, an international symbol of adherence to quality assurance standards and compliance with applicable European medical device directives. We intend to apply for CE marking approval for sale of our ClearPoint system during 2010. We have engaged KEMA as the Notified Body for our CE marking approval process. A Notified Body is a private commercial entity that is designated by the national government of a European Union member state as being competent to make independent judgments about whether a device complies with applicable regulatory requirements. The exact regulatory pathway for CE marking approval will be the subject of discussions we have with KEMA. At this time, we are unable to accurately predict when, if ever, CE marking will be obtained, whether clinical trials will be required as part of the CE marking approval process or the regulatory requirements to which we would be subject after approval.

The ClearTrace Cardiac Intervention System

General

Our second product candidate is the ClearTrace system, which is designed to allow catheter-based minimally invasive procedures in the heart to be performed using continuous, intra-procedural MRI guidance. Catheter-based cardiac interventions performed in a fluoroscopy suite, generally referred to as a Cath Lab, have been the standard of care for the treatment of many cardiac disorders, such as cardiovascular disease. Some of these procedures, such as stent placement, are well suited for fluoroscopic imaging because they do not require continuous, detailed visualization of the cardiac tissue. However, other procedures are not well suited for fluoroscopy because of the clinical need for continuous high resolution imaging of the cardiac anatomy along with the interventional instruments. One example of such a procedure is cardiac ablation to treat atrial fibrillation, which is typically performed in a specialized suite referred to as an EP Lab. Another example is the precision delivery of biologics, including stem cells and gene therapies, directly into the wall of the heart, which represents a promising therapy being researched for the treatment of heart failure.

The ClearTrace system will be similar to the conventional Cath Lab or EP Lab, but with two critical distinctions. First, unlike the Cath Lab or EP Lab, the ClearTrace system will provide a continuous, four dimensional imaging environment (the fourth dimension being time), that will include detailed visualization of cardiac tissue, along with the cardiac catheters used to deliver the therapy. We believe this capability is required for the next generation of interventional cardiac therapies. Second, the ClearTrace system will eliminate all radiation exposure for both the patient and physician from the X-ray utilized in current procedures. Under current catheter-based treatments utilizing fluoroscopy, radiation exposure can exceed 45 minutes. We believe that the

attributes of the ClearTrace system position it to be the therapy of choice for cardiac ablation procedures to treat atrial fibrillation and future biologic therapies for heart failure and other similar cardiac disorders.

Like our ClearPoint system, the ClearTrace system will be an integrated system of hardware components, disposable components and intuitive software. The disposable components will consist of an ablation catheter, a mapping catheter, a coronary sinus catheter and a septal puncture kit, all of which will be MRI-compatible. The reusable components will include a tightly integrated software system and device interfaces to the MRI scanner. The ClearTrace system is designed for procedures that initially will be performed using a 3T MRI scanner.

We began preliminary research for an MRI-guided cardiac ablation procedure shortly following our inception in 1998. As a culmination of our research efforts, in May 2009, we entered into an exclusive co-development agreement with Siemens, the global market leader in MRI scanners, for the development and commercialization of the hardware and MRI software necessary for the ClearTrace system. Under the terms of this agreement, we are working together with Siemens on the development of the ClearTrace software and the integration of system components. Once product development is completed, we will work together with Siemens on the commercial launch and field support of the ClearTrace system. Because of Siemens' market-leading position, we believe that our exclusive relationship secures a strategic market position for the ClearTrace system.

Components

The ClearTrace system is an integrated system of reusable hardware components, disposable hardware components and intuitive, menu-driven software.

Reusable Hardware Components. Our primary reusable hardware component is our ClearConnect system, which is an MRI-compatible hardware and cable management system to safely enable MRI-guided cardiac ablation procedures in a Siemens 3T MRI scanner.

Disposable Hardware Components. Our disposable hardware components consist primarily of a septal puncture kit, mapping catheter, a coronary sinus catheter and ablation catheter. Our septal puncture kit consists of a septal puncture needle, a dialator and sheath and will be used to perform an MRI-guided puncture of the septum of the heart to allow movement between the right atrium and left atrium. Our mapping catheter will be used for MRI-guided collection of intracardiac electrocardiogram signals and will include analog/digital filtering to enable electrocardiogram collection during scanning. Our coronary sinus catheter will be used to collect additional electrocardiogram signals and to provide cardiac pacing and defibrillation, as needed during the procedure. Our ablation catheter will be used to perform MRI-guided delivery of ablative energy to create cardiac lesions. All catheters and components will be MRI-compatible and tightly integrated with the MRI scanner.

Software. The ClearTrace system includes intuitive, menu-driven software to assist the physician in: surgical planning; creating three dimensional volumes of cardiac chambers; navigating our ClearTrace catheters within the cardiac chambers; visualizing lesions as they are formed; tracking of prior lesion locations; evaluating ablated cardiac tissue; and monitoring for possible adverse events. Under our co-development agreement, Siemens is responsible for developing the ClearTrace system software to our specifications. The ClearTrace system software will be integrated with our disposable hardware components.

Current Atrial Fibrillation Treatments

Cardiac arrhythmia is an abnormal beating of the heart that can result in insufficient blood flow, which may cause dizziness, inadequate function of important organs in the body, stroke and even death. Atrial fibrillation affects over three million people in the United States alone, making it the most common form of cardiac arrhythmia. Atrial fibrillation is characterized by the irregular fluttering and/or very rapid beating of the atria resulting from the malfunctioning of the electrical conduction system in the walls of the atria. Atrial fibrillation is a leading cause of stroke among persons 65 years or older and it is associated with increased risk of morbidity and mortality as well as a reduced quality of life.

Most atrial fibrillation treatments are palliative and do not cure atrial fibrillation. The most common are anti-arrhythmic and anticoagulant drugs. However, anti-arrhythmic drug therapy often becomes less effective over time, with approximately half of the patients developing resistance to the drugs. In addition, anti-arrhythmic drugs have potentially severe side effects including pulmonary fibrosis, impaired liver function, thyroid problems and the development of worse and even life-threatening ventricular arrhythmias.

One highly effective, curative therapy for atrial fibrillation used today is an open-heart operation, commonly known as the surgical "Cox-Maze" procedure, which has reported success rates as high as 96%. During this open heart procedure, the physician makes a series of cuts in a specific "maze-like" formation along the inside walls of the left atrium with a scalpel, and then sutures these cuts back together. The scars create an uninterrupted conduction block containing the chaotic electrical impulses that cause atrial fibrillation, thereby returning the heart to a normal rhythm. The open heart Cox-Maze procedure is usually done in tandem with another open heart procedure, such as a valve replacement or coronary artery bypass, because this operation is traumatic to the patient, very expensive, and typically associated with long hospital stays and a three to six month recovery time.

Because of the effectiveness of the Cox-Maze method, the medical community has been working for years to develop a less invasive approach that generates comparable clinical outcomes. The current minimally invasive approach is performed in the EP Lab with the physician relying upon flouroscopic imaging to guide a catheter through a blood vessel into the right atrium, puncturing the septum and advancing the catheter into the left atrium of the heart. The physician then delivers energy through the catheter to create lesions and scar the target tissue. During the procedure, the physician is assisted in guiding and positioning the catheter primarily by fluoroscopic imaging. However, fluoroscopic imaging has significant limitations, namely it does not permit the physician to see the cardiac anatomy and tissue, the location of the catheter in relation to the cardiac tissue, or the intra-procedural creation of the lesions necessary to create the conduction block. Furthermore, the use of fluoroscopy exposes both patient and physician to dangerous radiation for an extended period of time.

The open Cox-Maze procedure has been considered the gold standard for surgical treatment of atrial fibrillation with reported success rates as high as 96%. However, because the Cox-Maze procedure is highly invasive, it is infrequently used as a stand alone therapy to treat atrial fibrillation. The current catheter-based approach is promising due to its less invasive nature, but the approach has been hampered by disappointing success rates, some as low as 50% to 75%. We believe that the success rate of the current catheter-based approach is dramatically lower because the physician cannot see the cardiac tissue.

The ClearTrace System Solution

The ClearTrace system represents a new paradigm in performing cardiac interventions by using MRI to allow the physician to see the cardiac tissue, as if performing an open heart Cox-Maze procedure, but with a minimally invasive approach. The ClearTrace system offers a novel, comprehensive solution for the planning, delivering and intra-procedural assessment of catheter-based cardiac interventions. The following discussion outlines the key steps in performing a ClearTrace system procedure to treat atrial fibrillation.

At the start of a ClearTrace procedure, a MRI scan is performed of the patient's heart and surrounding vasculature. Using the images from the scan, the ClearTrace system software generates a three dimensional volumetric model of the patient's cardiac chambers that the physician will use as a guide while performing the procedure. Additional MRI images and patient data can be mapped onto the surface of the three dimensional model as needed by the physician. Referencing the three dimensional model and surface mapped image data and using real time MRI scans of the patient's heart, the physician plans the cardiac ablation procedure.

The ClearTrace coronary sinus catheter is then advanced through a blood vessel under MRI guidance and placed in the coronary sinus to collect electrocardiogram signals and to provide cardiac pacing and defibrillation, as may be needed during the procedure. The remaining ClearTrace catheters are then advanced through a blood vessel under MRI guidance into the right atrium of the heart. In accordance with the ClearTrace system plan, the physician will advance the catheters through the targeted site on the septum and into the left atrium. Referencing

the ablation plan, and with continuous intra-procedural visualization of the catheters and patient anatomy, the physician will advance the catheters to the site of the first planned ablation. With the ClearTrace ablation catheter in the correct location, the physician will begin applying energy to the tip of the catheter to create a lesion.

During ablation, the ClearTrace system will present intra-procedural MR images that will allow the physician to see the changes in the tissue caused by the ablative energy, giving the physician the visualization capabilities similar to what he has in the open heart Cox-Maze procedure. The physician will then repeat the process of creating and visualizing lesions within the left atrium until the ablation plan has been completed. The physician will complete the procedure by taking a final scan to confirm the proper placement of all lesions.

By allowing the physician to see the lesions during the procedure, we believe the physician can make better decisions about where to ablate, what amount of energy to apply and how long to apply the energy. We believe this improved decision making capability will result in improved outcomes and reduced adverse events. In addition to the ability to visualize the changes in the cardiac tissue, the physician will also be able to use a loop catheter to measure electrical signals from the inside surface of the left atrium to further guide and confirm the effectiveness of the ablation process.

Other Potential Applications

We believe the ClearTrace system's unique ability to provide continuous, high resolution imaging of the cardiac anatomy, including the walls of the heart, during an interventional procedure will be valuable in treating other cardiac disorders. For example, we believe the ClearTrace system could serve as an ideal platform for delivering drugs and biologics directly into the heart wall. The medical community is developing novel compounds that have the potential to address significant cardiac disorders, such as heart failure. However, some of these compounds must be injected directly into the heart wall, with precision placement at the boundary of healthy and diseased tissue. Using the ClearTrace system, a physician will be able to navigate within the heart to the boundary between healthy and diseased tissue, place the catheter tip on the boundary, inject the compound and watch the dispersion of the compound into the heart wall.

Regulatory Status

Development activities for the ClearTrace system are ongoing, and we have made no filings seeking appropriate regulatory approval or clearance for the ClearTrace system. We believe that most components of the ClearTrace system will be Class II medical devices and fall under the FDA's 510(k) regulatory process. However, the ablation catheter component will be a Class III medical device and require FDA approval of a PMA. Therefore, we will be required to conduct a clinical trial to support the PMA for the ablation catheter, which we anticipate commencing in the second half of 2011.

SafeLead Development Program

Our third area of activity is referred to as the SafeLead Development Program. Over the last ten years, we have pioneered several technologies that improve the MRI-safety profile of implantable medical leads. These leads are thin, insulated wires that are connected to implantable generators, such as a pacemaker or neurostimulator, and deliver electrical pulses or stimulation to a specific area of the body, such as the heart or the brain. The current market for active implantable cardiac and neurological devices exceeds $11 billion in annual revenues with more than 500,000 devices implanted per year.

It is estimated that between 50% and 75% of patients with an implantable device are expected to need an MRI scan during the lifetime of their devices. However, implantable medical leads are susceptible to heating in the MRI environment. An MRI scanner transmits radio frequency energy during the scanning process. Because the implantable lead contains metallic wire, which acts like an antenna, some of the radio frequency energy transmitted by the MRI scanner is absorbed by the lead. This could cause the lead to heat. The extent to which an implantable lead may heat can depend on many factors, such as the lead itself, the position of the patient in the

MRI scanner, the clinical scanning sequence used and the location and trajectory of the lead in the patient. Scientific studies have shown that implantable leads may heat during an MRI scan to temperatures that can burn or destroy tissue. If that happens in the heart or brain, the patient could suffer a stroke, paralysis or even death. As a result, people with active implantable devices are prohibited from undergoing an MRI scan.

Our technologies address this issue by maintaining lead temperatures well within safe levels during an MRI scan. Current safety standards for active implantable medical devices require that MRI-related heating may not exceed one degree Celsius in the brain and two degrees Celsius in the heart. Our testing has shown that our technologies limit lead heating to less than one degree Celsius. Therefore, we believe our MRI-safety technologies will permit a patient with an implantable medical device to undergo an MRI scan. Manufacturers' studies have shown that cardiologists identify "MRI compatibility" as one of the main features that would drive a change in brand preference.

While we have been developing our MRI-safety technologies underlying the SafeLead Development Program for the last ten years, the SafeLead Development Program commenced in December 2005 when we signed our first agreements with Boston Scientific for the incorporation of our MRI-safety technologies into Boston Scientific's implantable leads for neurological applications. In March 2008, we entered into similar agreements with Boston Scientific for the incorporation of our MRI-safety technologies into Boston Scientific's implantable cardiac leads. In connection with the cardiac agreements, we received licensing fees of $13,000,000 in 2008. In addition, we are entitled to receive up to $21,600,000 in future milestone-payments under both the cardiac and neuro agreements, subject to our achievement of the milestones stipulated in the agreements and the issuance of certain patents licensed to Boston Scientific. Boston Scientific has also agreed to pay us royalties on net sales of products that are covered by a licensed patent. We believe our safety technologies, if integrated into Boston Scientific's implantable leads, could represent a meaningful market differentiator over existing implantable lead designs.

The SafeLead Development Program is still in its developmental stages and no regulatory filings have been made with the FDA with respect thereto. Boston Scientific is responsible for making any regulatory filings with the FDA with respect to its products that incorporate our MRI-safety technologies. Boston Scientific will control the timing and manner of any regulatory filing, and will be responsible for the costs associated with any regulatory filing. We do not anticipate that we will be able to influence the process or timing in any meaningful way. We believe that any Boston Scientific product incorporating our MRI-safety technologies will be a Class III medical device and require a PMA submission.

Our Strategy

Our key objective is to develop and commercialize medical systems to enable minimally invasive surgical procedures to be performed under direct, intra-procedural MRI guidance. Key elements of our strategy to achieve this objective are to:

- ***Obtain regulatory clearance of our ClearPoint system***. We are seeking marketing clearance of our ClearPoint system through the FDA's 510(k) premarket notification process. We are focused on obtaining regulatory clearance and preparing for the potential commercial launch of our ClearPoint system for a general neurological intervention claim. If our initial 510(k) clearance is obtained, we may seek additional regulatory clearances or approvals for use of our ClearPoint system for a variety of specific neurological indications, including deep brain stimulation lead placement, to allow us to market and promote our ClearPoint system for those specific uses.
- ***Maximize installation and adoption of our ClearPoint system***. If regulatory clearance is obtained, we plan to focus our initial marketing efforts on key physicians and hospitals to adopt use of our ClearPoint system for general neurological interventional procedures. Our strategy is to convince those physicians that our ClearPoint system offers a better procedural solution to their patients. With the physicians serving as our internal champions, we will work with the physicians to encourage hospitals

to install and adopt our ClearPoint system. In hospitals where our ClearPoint system has been installed, we will focus on selling our disposable components to generate recurring revenue.

- ***Continue development of the ClearTrace system with Siemens***. We will continue to co-develop the ClearTrace system with Siemens. Together we will work to generate awareness among leading physicians of the benefits of an MRI-guided approach to cardiac ablation for the treatment of atrial fibrillation. Upon regulatory approval, we will work with Siemens to promote installation of the MRI software and our reusable components for the ClearTrace system within Siemens' MRI customer base. In hospitals where the ClearTrace system has been installed, we will focus on selling our disposable components to generate recurring revenue.
- ***Pursue SafeLead Development Program with Boston Scientific***. We will continue collaboration with Boston Scientific with respect to the incorporation of our MRI-safety technologies into Boston Scientific's implantable leads for cardiac and neurological applications.
- ***Build upon our core technologies to continue to develop MRI-based products***. Our research and development efforts to date have focused on developing novel MRI-related technologies. We have significant intellectual property protection in this particular area. As the field of MRI-guided interventions grows, we intend to develop future enhancements to our ClearPoint system and the ClearTrace system, as well as researching opportunities for new products.

Licenses and Collaborative Relationships

In addition to our internally-developed technologies and devices, we have established and intend to continue to pursue licenses and collaborative relationships with medical device companies and academic institutions to further the development and commercialization of our core technologies and product platforms.

Siemens

In May 2009, we entered into a cooperation and development agreement with Siemens to develop the hardware and MRI software systems for MRI-guided, catheter-based ablation to treat atrial fibrillation and other cardiac arrhythmias. Under this agreement, Siemens is responsible for developing the software in accordance with our specifications, and we are responsible for developing the catheters and other hardware, other than the MRI scanner and workstation, necessary for the MRI-guided cardiac ablation procedures and for the integration work necessary to combine the software, catheters and other hardware to create the ClearTrace system. We are obligated to pay Siemens up to approximately $2,500,000 in milestone-based payments associated with Siemens' successful development of the software. These payments started in the second quarter of 2009 and will continue through the third quarter of 2011. Once the software is commercially available, Siemens will pay to us a fixed amount for each software license sold by Siemens until we recoup our investment. The term of the agreement will expire once (i) all software, catheter and other hardware development and integration work has been successfully completed, (ii) requisite regulatory clearances or approvals have been obtained in at least the United States, Canada and Europe, and (iii) the product has been clinically released in at least the United States, Canada and Europe. The agreement provides for exclusivity for a period of five years following the date of regulatory clearance and/or approval, determined on a country-by-country basis. During the exclusivity period, Siemens may not market or offer software that is intended to work with a third party's catheters to conduct an MRI-guided cardiac ablation procedure, and we may not sell or offer any catheters that are intended to be used with an MRI scanner manufactured by a third party to conduct an MRI-guided cardiac ablation procedure. For two years after the exclusivity period ends, neither we nor Siemens may enter into an agreement or relationship with a third party that excludes or prevents the use of our devices with Siemens' MRI systems, and vice versa, in the field of MRI-guided cardiac ablation procedures. Prior to or upon expiration of the term of the cooperation and development agreement, we anticipate entering into a separate sales and marketing agreement with Siemens.

Boston Scientific

We have entered into development and license agreements with affiliates of Boston Scientific. We are working together with Boston Scientific in the application of our technologies for potential use in Boston Scientific's active implantable devices.

Neuro. In December 2005, we entered into a development agreement and license agreement with Boston Scientific in the neurological field:

- *System and Lead Development and Transfer Agreement*. We are working jointly with Boston Scientific to design and develop MRI-compatible and MRI-safe implantable leads for neurological applications, such as implantable deep brain stimulation leads. Under the development agreement, we could receive up to $1,600,000 in future milestone-based payments associated with successful development and regulatory approval of the leads. In addition, we could receive over $500,000 in incentive payments for incremental development work Boston Scientific may request. However, if our development milestones are not completed by December 31, 2012, the development agreement requires us to repay Boston Scientific certain amounts, including any milestone payments previously paid to us by Boston Scientific under this agreement and any patent prosecution costs incurred by Boston Scientific with respect to the intellectual property licensed to Boston Scientific pursuant to the technology license agreement described below. We cannot calculate the possible repayment amount at this time, but it could be significant.
- *Technology License Agreement*. Under the license agreement, we granted Boston Scientific an exclusive worldwide license with respect to certain of our owned or licensed intellectual property in the neurological field to make, use, import, lease and sell neuro-related leads, neuro-related lead extensions, and neuro-related lead-type devices, such as implantable pulse generators. The license included a sublicense of applicable intellectual property that we licensed from Johns Hopkins. Boston Scientific has agreed to pay us royalties on net sales of products that are covered by a licensed patent; however, Boston Scientific has no obligation to include the licensed intellectual property in its products or product candidates. Pursuant to the system and lead development and transfer agreement described above, Boston Scientific is responsible for patent prosecution of the licensed intellectual property and the payment of costs associated with patent prosecution.

Cardiac. In March 2008, we entered into a development agreement and license agreement with Boston Scientific in the field of implantable medical leads for cardiac applications.

- *Development Agreement*. Under the development agreement, we are working jointly with Boston Scientific to assess the feasibility of and, upon successful completion of feasibility studies, to design and develop three different MRI-compatible, MRI-safe implantable leads, a lead intended for bradycardia, a lead intended for tachycardia and a lead intended for heart failure. We could receive up to $20,000,000 in future milestone-based payments associated with the successful development and regulatory approval of those implantable lead types. No earned milestone payments will be made unless and until the applicable lead is covered by an issued patent licensed to Boston Scientific pursuant to the technology license agreement described below. The development agreement is scheduled to expire upon FDA approval of a design for each of the three different lead types. However, Boston Scientific has the one-time option, within 60 days after successful completion of the first lead feasibility study, to cease further development and to terminate the development agreement.
- *Technology License Agreement*. Under the license agreement, we granted Boston Scientific an exclusive worldwide license with respect to certain of our owned or licensed intellectual property in the field of implantable medical leads for cardiac applications to make, have made, use, promote, market, import, distribute, lease, sell, offer for sale and commercialize products in that particular field of use. The license included a sublicense of applicable intellectual property that we licensed from Johns Hopkins. We received licensing fees of $13,000,000 in 2008. Boston Scientific has also agreed to pay us royalties on net sales of products that are covered by a licensed patent; however, Boston Scientific has no obligation to include our licensed intellectual property in its products or product candidates.

Boston Scientific is responsible for patent prosecution of the licensed intellectual property and the payment of costs associated with patent prosecution. If Boston Scientific elects to exercise its termination option under the development agreement described above, the license we granted Boston Scientific will automatically become non-exclusive with respect to some intellectual property, other intellectual property will be removed the scope of the license and revert to us, and Boston Scientific will not be obligated to pay us future royalties or sublicense revenues based on sales of products covered by any issued patent that remains subject to the non-exclusive license.

University of California, San Francisco

In August 2007, we entered into a research agreement with the University of California, San Francisco, or UCSF, which has been amended from time to time since that date. Under our agreement, UCSF personnel are conducting research activities to assess the safety and clinical efficacy of interventional MRI guidance for the performance of certain minimally invasive neurological procedures. We agreed to make periodic payments to UCSF to fund its research. In addition, to further support UCSF's research activities, we agreed to make an in-kind contribution to UCSF of some of the reusable components of our ClearPoint system and other MRI-related equipment. In return for supporting UCSF's research, we received the first option to license, exclusively or non-exclusively, any intellectual property conceived or created by UCSF personnel under the research project. Our agreement with UCSF will terminate November 1, 2011, unless UCSF and we agree to extend the term.

The University of Utah

In July 2007, we entered into a research agreement with The University of Utah, or Utah, which has been amended from time to time since that date. Under the agreement, Utah personnel are conducting research activities and experiments to develop knowledge, techniques, methods and technologies related to MRI-guided cardiac ablation, including a specific focus on MRI-guided cardiac ablation to treat atrial fibrillation. We agreed to make periodic payments to Utah to fund its research activities. In return, Utah granted us a non-exclusive, worldwide license to any intellectual property created or conceived by Utah personnel in the performance of the research. In addition, we also received the first option to license exclusively any such intellectual property. Our agreement with Utah will terminate December 31, 2010, unless Utah and we agree to extend the term.

The Johns Hopkins University

We have in place five exclusive license agreements with Johns Hopkins. For additional information regarding these licenses, see "Business – Intellectual Property."

Sales and Marketing

Commercializing our ClearPoint system will involve marketing to:

- physicians who care for patients suffering from neurological disorders, including neurosurgeons, who perform the neurological procedures, and neurologists, who interact with patients prior to and following the therapy and who refer patients to therapy;
- hospitals involved in the treatment of neurological disorders and the opinion leaders at these hospitals; and
- patients who suffer from neurological disorders.

There are approximately 3,500 neurosurgeons in the United States. Similar to many fields of medicine, some neurosurgeons elect to focus on a particular specialty within the neurological field. For example, some neurosurgeons focus their practice on spine surgeries, others more on open craniotomy surgeries and others more on minimally invasive approaches, such as functional neurosurgery. We believe our ClearPoint system is most

applicable to those functional neurosurgeons, of which there are approximately 300 in the United States. Part of our business objective is to encourage adoption of our ClearPoint system by functional neurosurgeons by securing placement of our system within their hospitals. We believe our ClearPoint system represents an attractive platform for the functional neurosurgery team within a hospital to perform various general neurological interventions.

Once our ClearPoint system is commercially available in the United States, we will add to our existing sales and marketing capabilities to build a small, highly focused sales force to market our ClearPoint system in the United States. Given the number of functional neurosurgeons in the United States, we believe a small, direct sales force will be sufficient and effective for us to reach our target market. If we obtain regulatory clearance, our initial, controlled commercial launch of our ClearPoint system will be coordinated primarily by our Vice President, Product Management and our two Clinical Engineering Managers, one of whom is located on the east coast of the United States and the other of whom is located on the west coast of the United States. We have not finalized a sales and marketing plan to commercialize our ClearPoint system outside the United States; however, any such plan could involve the establishment of collaborations with third-parties.

Given the stage of development of the ClearTrace system, we have not developed a sales and marketing plan to commercialize ClearTrace either inside or outside the United States. We will not develop a sales and marketing plan to commercialize any of our SafeLead Development Program technologies as Boston Scientific is in control of the commercialization of those technologies for its implantable medical leads.

Research and Development

Continued innovation through research and development is critical to our future success. As of April 30, 2010, our research and development team, which is based primarily in our Irvine, California facility, consisted of 11 employees. We have assembled an experienced team with recognized expertise in both the development of medical devices and advanced MRI technologies, including interventional MRI microcoils and catheters. We believe that our current research and development team is sufficient for our current needs; however, we may increase the size of our team depending on the progress of our ongoing research and development efforts.

Our principal research and development goals are:

- to complete development of the ClearTrace system in cooperation with Siemens;
- to continue to enhance our ClearPoint system; and
- to provide technical support and expertise in the area of MRI safety to Boston Scientific under our SafeLead Development Program.

We have historically spent a significant portion of our capital resources on research and development. Our research and development expenses were approximately $2,099,000, $4,258,000 and $6,068,000 for the years ended December 31, 2007, 2008 and 2009, respectively. Our research and development expenses were approximately $1,408,000 for three months ended March 31, 2010.

Manufacturing and Assembly

Our ClearPoint system includes off-the-shelf components, custom-made components produced to our proprietary specifications by various third-parties, and components that we assemble in our Irvine, California facility. We use third parties to manufacture these components to utilize their individual expertise, minimize our capital investment and help control costs. We purchase most custom-made components of our ClearPoint system from a single source due to quality considerations, lower costs and constraints resulting from regulatory requirements; however, we believe alternative sources are available, if needed. Generally, we purchase our components through purchase orders and do not have long-term contracts with most of our suppliers.

Our Irvine, California facility is structured to complete component processing, final assembly, packaging and distribution activities for our ClearPoint system. The assembly process is performed in a controlled environment as required for medical device assembly by applicable regulation. Our operations are subject to extensive regulation by the FDA under its QSR, which requires that manufacturers have a quality management system for the design and production of medical devices. In addition, in the event we expand our business outside the United States, we will also become subject to international regulatory requirements.

Our Irvine, California facility is FDA-registered, and we believe it is compliant with the FDA's QSR. We have instituted a quality management system, under which we have established policies and procedures that control and direct our operations with respect to design, procurement, manufacture, inspection, testing, installation, data analysis, training and marketing. We review and internally audit our compliance with these policies and procedures, which provides a means for continued evaluation and improvement. As required by our quality management system, we undertake an assessment and qualification process for each third party manufacturer or supplier that we use. Typically, our third-party manufacturers and suppliers are certified to ISO standard 9001 and/or 13485. We also periodically perform audit procedures on our third-party manufacturers and suppliers to monitor their activities for compliance with our quality management system. Our facility and the facilities of the third-party manufacturers and suppliers we use are subject to periodic inspections by regulatory authorities, including the FDA and other governmental agencies.

Intellectual Property

We believe that in order to maintain a competitive advantage in the marketplace, we must develop and maintain the proprietary aspects of our technologies. We rely on a combination of patent, trademark, trade secret, copyright and other intellectual property rights and measures to protect our intellectual property.

Our patent portfolio includes rights to patents and patent applications that we own, whether wholly-owned or co-owned, or license from others. We seek patent protection in the United States and internationally for our products and technologies where and when we believe it is appropriate. United States patents are granted generally for a term of 20 years from the earliest effective priority date of the patent application. The actual protection afforded by a foreign patent, which can vary from country to country, depends on the type of patent, the scope of its claims and the availability of legal remedies in the country.

We also rely on other forms of intellectual property rights and measures, including trade secrets and nondisclosure agreements, to maintain and protect proprietary aspects of our products and technologies. We require our employees and consultants to execute confidentiality agreements in connection with their employment or consulting relationships with us. We also require our employees and consultants to disclose and assign to us all inventions conceived during the term of their employment or engagement while using our property or which relate to our business.

Owned Patents and Patent Applications

As of April 30, 2010, we wholly owned eight issued United States patents (including one design patent), 25 pending United States patent applications (including five provisional applications), one issued foreign patent and 38 pending foreign patent applications (including seven Patent Cooperation Treaty applications). In addition, as of April 30, 2010, we co-owned with third-parties a total of four issued United States patents, nine pending United States patent applications, one issued foreign patent and 22 pending foreign patent applications (including one Patent Cooperation Treaty application).

Of those co-owned patents and patent applications, as of April 30, 2010, three issued United States patents, one pending United States patent application, one issued foreign patent and four pending foreign patent applications were co-owned by us and Johns Hopkins, one issued United States patent, seven pending United States patent applications and 17 pending foreign patent applications (including one Patent Cooperation Treaty

application) were co-owned by us and Boston Scientific, and one pending United States patent application and one pending foreign patent application were co-owned by us and other third parties.

We have licensing and cross-licensing arrangements in place with Boston Scientific with respect to the patent and patent applications we co-own with them. As a result of those arrangements, we have exclusive rights to all fields outside neuromodulation and implantable medical leads for cardiac applications, and we have licensed the fields of neuromodulation and implantable medical leads for cardiac applications to Boston Scientific. Our owned, issued patents expire at various dates beginning in 2020.

Patents and Patent Applications Licensed from Third-Parties

As of April 30, 2010, we had licensed rights to 11 United States and 15 foreign third-party issued patents, and we had licensed rights to nine United States and 12 foreign third-party pending patent applications. Our licensed, issued patents expire at various dates beginning in 2015.

License Arrangements

License Arrangements with The Johns Hopkins University

Our principal licensing arrangement is with Johns Hopkins. Shortly following our formation in 1998, we entered into a license agreement with Johns Hopkins pursuant to which we obtained an exclusive, worldwide license to a number of technologies owned by Johns Hopkins relating to devices, systems and methods for performing MRI-guided interventions, such as MRI-guided cardiac EP procedures. The field of use for this exclusive license covers diagnostic or therapeutic methods, processes or devices using an intravascular, intralumen or intratissue miniature magnetic resonance coil detection probe. We are obligated to pay Johns Hopkins an annual maintenance fee, and we are also obligated to pay a royalty to Johns Hopkins based on the sale of products or provision of services covered by licensed patent. To the extent we sublicense any licensed intellectual property to a third-party, we agreed to pay Johns Hopkins a percentage of revenue we receive as a result of the sublicense. Under our license agreements with Boston Scientific, we sublicensed intellectual property that is licensed from Johns Hopkins. Therefore, we are obligated to pay Johns Hopkins a percentage of any revenue we receive from sales by Boston Scientific of products covered by a sublicensed patent. This license agreement with Johns Hopkins will terminate upon the expiration of the last to expire of the licensed patents.

In December 2006, we entered into a second license agreement with Johns Hopkins under which we obtained an exclusive, worldwide license to certain MRI-safety technologies owned by Johns Hopkins. Under the agreement, we are obligated to pay a royalty to Johns Hopkins based on the sale of products or provision of services covered by a licensed patent, subject to a minimum annual payment. Likewise, to the extent we sublicense any intellectual property to a third party, we agreed to pay Johns Hopkins a percentage of revenue we receive as a result of the sublicense. Under our license agreements with Boston Scientific, we sublicensed intellectual property that is licensed from Johns Hopkins. Therefore, we are obligated to pay Johns Hopkins a percentage of any revenue we receive from sales by Boston Scientific of products covered by a sublicensed patent. This license agreement with Johns Hopkins will terminate upon the expiration of the last to expire of the licensed patents.

We entered into three additional exclusive license agreements with Johns Hopkins in June 2008 as described below. Our development efforts with respect to the technologies we licensed under those agreements are at a very early stage.

- Under the first agreement, we obtained an exclusive, worldwide license to certain catheter technology owned by Johns Hopkins. Under this agreement, we are obligated to pay a royalty to Johns Hopkins based on the sale of products or provision of services incorporating the licensed technology and a license fee. Likewise, to the extent we sublicense any licensed technology to a third party, we agreed to pay Johns Hopkins a percentage of revenue we receive as a result of a sublicense of the licensed

technology. This license agreement with Johns Hopkins will terminate upon the expiration of the last licensed patent or, if no patent issues, on June 30, 2028.

- Under the second agreement, we obtained an exclusive, worldwide license to certain technology owned by Johns Hopkins relating to catheter-based MRI probes. Under this agreement, we are obligated to pay a royalty to Johns Hopkins based on the sale of products or provision of services incorporating the licensed technology and a contingent license fee in the event a United States patent issues for the licensed technology. Likewise, to the extent we sublicense any licensed technology to a third party, we agreed to pay Johns Hopkins a percentage of revenue we receive as a result of a sublicense of the licensed technology. This license agreement with Johns Hopkins will terminate upon the expiration of the last licensed patent or, if no patent issues, on June 30, 2028. In addition, Johns Hopkins has the option to terminate the license in the event that a commercial sale of a licensed product or a licensed service does not occur by June 30, 2012.

- Under the third agreement, we obtained an exclusive, worldwide license to certain technology owned by Johns Hopkins to measure the amount of radio frequency absorption in the human body during an MRI scan. Under this agreement, we are obligated to pay a royalty to Johns Hopkins based on the sale of products or provision of services incorporating the licensed technology. Likewise, to the extent we sublicense any licensed technology to a third party, we agreed to pay Johns Hopkins a percentage of revenue we receive as a result of a sublicense of the licensed technology. This license agreement with Johns Hopkins will terminate upon the expiration of the last licensed patent or, if no patent issues, on June 30, 2028.

License Arrangements with Cedara Software Corp.

In July 2007, we entered into a master service and license agreement with Cedara Software Corp. (d/b/a Merge OEM), or Cedara, for Cedara to develop on our behalf, based on our detailed specifications, a customized software solution for our ClearPoint system. Cedara is in the business of providing software development and engineering services on a contract basis to a number of companies. In developing our ClearPoint system software, Cedara utilized certain of its own pre-existing software code. Under our agreement with Cedara, we received a non-exclusive, worldwide license to that code as an integrated component of our ClearPoint system software. In return, we agreed to pay Cedara a license fee for each copy of our ClearPoint system software that we distribute. Except for Cedara's pre-existing software code, the work performed by Cedara was a "work-made-for-hire" and we exclusively own our ClearPoint system software. The agreement provides for annual minimum licensing fees. Our license from Cedara continues through July 2015, absent a mutual extension of the license term. If necessary, we could replace the licensed Cedara code.

License Arrangements with the National Institutes of Health

In April 2009, we entered into a patent license agreement with the National Institutes of Health, or NIH, that covers techniques for three dimensional renderings of the patient's anatomy from MRI data in real time. The techniques underlying this patent may be used in the development of the ClearTrace system. Under the terms of this agreement, we have a non-exclusive license to a pending United States patent application within the field of devices and systems for MRI-guided medical procedures. Our licensed territory includes Australia, Canada, China, Europe, Israel, Japan and the United States, although there is no patent or patent application pending for the licensed intellectual property outside the United States. Pursuant to this agreement, we are obligated to make royalty payments to NIH based on the sale of products and the practice of processes covered by the licensed intellectual property, whether by us or any sublicensee. In addition, NIH is entitled to receive a single milestone payment in the event we receive a regulatory clearance or approval of a product or process covered by the licensed intellectual property.

Competition

General

The length of time required for products to be developed and to receive regulatory and, in some cases, reimbursement clearance or approval is an important competitive factor. However, even if we are successful in obtaining regulatory clearances or approvals, the medical device industry is characterized by rapid and significant technological change. Thus, the development by others of new treatment methods, including novel drugs, medical devices or surgical techniques could render our product candidates non-competitive or obsolete. As a result, product development involves a high degree of risk and there can be no assurance that our current or new product development efforts will result in any commercially successful products.

ClearPoint System

Our success depends on convincing hospitals, neurosurgeons, neurologists and patients to utilize our ClearPoint system. Currently, we are not aware of any other company that offers a direct MRI-guided stereotactic system for neurological interventions, although two companies, Monteris Medical Inc. and Visualase, Inc., do offer devices for laser ablation under direct MRI guidance. However, we do face competition from companies, such as BrainLAB AG, Elekta AB, FHC Inc. and Medtronic, Inc., which offer instruments and systems for use in conventional stereotactic neurological procedures, such as surgical navigation workstations and frame-based and frameless stereotactic systems. Additionally, we could also face competition from other medical device and pharmaceutical companies that have the technology, experience and capital resources to develop alternative therapy methods, including MRI-guided technologies. Many of our competitors have substantially greater financial, manufacturing, marketing and technical resources than we have.

ClearTrace System

Our success depends on convincing hospitals, cardiologists and patients to utilize the ClearTrace system for performing cardiac ablation procedures. While we are not aware of any companies that currently offer a direct MRI-guided cardiac ablation system, companies such as GE Healthcare, Imricor Medical Systems, Inc. and Philips Healthcare may be in the process of developing such a system. We are not aware of any potential competitive advantages or disadvantages relative to any such system that may be under development; however, if any of these companies develops, obtains regulatory clearance or approval and achieves commercial success for a direct MRI-guided cardiac ablation system, the ClearTrace system could be rendered non-competitive or obsolete.

We also will face competition from companies who are engaged in the development and marketing of conventional catheter-based cardiac ablation systems and devices. These products include mapping systems using contact mapping, single-point spatial mapping and non-contact, multi-site electrical mapping technologies and ablation systems using radio frequency, ultrasound, laser and cryoablation technologies. These products evolve rapidly, and their manufacturers are constantly attempting to make them easier to use or more efficacious in performing procedures. Today, the vast majority of minimally invasive catheter-based cardiac ablation procedures are performed with these products. Because these products are currently in use while the ClearTrace system remains under development, physician preferences will have to shift for the ClearTrace system to gain market acceptance. We believe that the primary factors which will drive physician preference will be the relative success rates and ease of the procedure for physicians with respect to the ClearTrace system compared to the alternative technologies available.

We are aware of two companies, Hansen Medical, Inc. and Stereotaxis, Inc., that market systems to remotely control the catheters during interventional cardiac ablation and other procedures either using robotics or magnets. The nature of these systems potentially could provide better control over the catheter compared to manual manipulation by the physician; however, these systems do not provide the physician with detailed intra-procedural visualization of the cardiac tissue. Also, other manufacturers are attempting to market devices that access the exterior of the heart wall through an endoscopic surgical technique called thoracoscopy to treat atrial fibrillation. Because this procedure was developed recently, the clinical advantages and disadvantages of this

approach compared to a catheter-based approach inside the heart have not been established. Therefore, we are not aware of any competitive advantages or disadvantages of this procedure relative to the anticipated ClearTrace system procedure.

Additionally, we will face competition from large companies who are engaged in the development and marketing of products for other treatments of atrial fibrillation. Their products include drugs, implantable devices, such as implantable defibrillators and pacemakers, and the devices used in open-heart surgery. While both current drug therapy and implantable cardiac devices can be effective in treating the symptoms of atrial fibrillation, they do not provide a cure for the underlying disease. Open-heart surgery, such as the Cox-Maze procedure, can provide a cure for atrial fibrillation and reported success rates have been very high; however, it is an invasive surgical procedure that is traumatic to the patient, very expensive and typically associated with long hospital stays and recovery times.

Many of our potential competitors have an established presence in the field of cardiac electrophysiology, including cardiac ablation, such as Biosense Webster Inc., a division of Johnson & Johnson, Boston Scientific, Medtronic, Inc. and St. Jude Medical, Inc. These potential competitors have substantially greater financial and other resources than we do, including larger research and development staffs and more experience and greater capabilities in conducting research and development activities, testing products in clinical trials, obtaining regulatory clearances or approvals, and manufacturing, marketing and distributing products.

SafeLead Development Program

Because manufacturers studies have indicated that cardiologists identify “MRI-compatibility” of implantable medical leads as one of the main features that would drive a change in brand preference, we believe that other medical device companies are developing proprietary MRI-safe lead designs. For example, in some European countries, Medtronic is currently marketing a device called an “MR-conditional” pacemaker system, including a pacemaker and implantable leads, which is designed for use with MRI under certain conditions specified in product labeling. This product is relatively new to the market and therefore we are not able to determine the degree to which it has achieved market acceptance. We are working together with Boston Scientific to incorporate our MRI-safety technologies into Boston Scientific’s implantable leads for cardiac and neurological applications. These development efforts for the SafeLead Development Program are ongoing and therefore we are unable to describe the way in which the Boston Scientific implantable leads will differ from the Medtronic leads. We believe that any Boston Scientific device developed from the SafeLead Development Program will compete with similar devices that may be commercialized by other manufacturers.

Regulatory Requirements of the United States Food and Drug Administration

Our research, development and clinical programs, as well as our manufacturing and marketing operations, are subject to extensive regulation in the United States and other countries. Most notably, all of our products sold in the United States are subject to regulation as medical devices under the federal Food Drug and Cosmetic Act, as implemented and enforced by the FDA. The FDA governs the following activities that we perform or that are performed on our behalf, to ensure that the medical products we manufacture, promote and distribute domestically or exported internationally are safe and effective for their intended uses:

- product design, preclinical and clinical development and manufacture;
- product premarket clearance and approval;
- product safety, testing, labeling and storage;
- record keeping procedures;
- product marketing, sales and distribution; and
- post-marketing surveillance, complaint handling, medical device reporting, reporting of deaths, serious injuries or device malfunctions and repair or recall of products.

FDA Premarket Clearance and Approval Requirements

Unless an exemption applies, each medical device we wish to commercially distribute in the United States will require either premarket notification, or 510(k) clearance or approval of a premarket approval application, or PMA, from the FDA. The FDA classifies medical devices into one of three classes. Class I devices, considered to have the lowest risk, are those for which safety and effectiveness can be assured by adherence to the FDA's general regulatory controls for medical devices, which include compliance with the applicable portions of the FDA's QSR, facility registration and product listing, reporting of adverse medical events, and appropriate, truthful and non-misleading labeling, advertising, and promotional materials (General Controls). Class II devices are subject to the FDA's General Controls, and any other special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device (Special Controls). Manufacturers of most Class II and some Class I devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. This process is generally known as 510(k) clearance. Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA.

510(k) Clearance Pathway

When a 510(k) clearance is required, we will be required to submit a 510(k) application demonstrating that our proposed device is substantially equivalent to a previously cleared 510(k) device or a device that was in commercial distribution before May 28, 1976 for which the FDA has not yet called for the submission of PMAs. By regulation, the FDA is required to clear or deny a 510(k) premarket notification within 90 days of submission of the application. As a practical matter, clearance may take longer. The FDA may require further information, including clinical data, to make a determination regarding substantial equivalence.

Once filed, the FDA has 90 days in which to review the 510(k) application and respond. Typically, the FDA's response after reviewing a 510(k) application is a request for additional data or clarification. Depending on the complexity of the application and the amount of data required, the process may be lengthened by several months or more. If additional data, including clinical data, are needed to support our claims, the 510(k) application process may be significantly lengthened.

If the FDA issues an order declaring the device to be Not Substantially Equivalent, or NSE, the device is placed into a Class III or PMA category. At that time, a company can request a de novo classification of the product. De novo generally applies where there is no predicate device and the FDA believes the device is sufficiently safe so that no PMA should be required. The request must be in writing and sent within 30 days from the receipt of the NSE determination. The request should include a description of the device, labeling for the device, reasons for the recommended classification and information to support the recommendation. The de novo process has a 60 day review period. If the FDA classifies the device into Class II, a company will then receive an approval order to market the device. This device type can then be used as a predicate device for future 510(k) submissions. However, if the FDA subsequently determines that the device will remain in the Class III category, the device cannot be marketed until the company has obtained an approved PMA. If we are required to follow a de novo process, an additional 60 to 90 days or more will be added on to the original 90 days required for the initial 510(k) review.

Any modification to a 510(k)-cleared device that would constitute a major change in its intended use, or any change that could significantly affect the safety or effectiveness of the device, requires a new 510(k) clearance and may even, in some circumstances, require a PMA, if the change raises complex or novel scientific issues or the product has a new intended use. The FDA requires every manufacturer to make the determination regarding the need for a new 510(k) submission in the first instance, but the FDA may review any manufacturer's decision. If the FDA were to disagree with any of our determinations that changes did not require a new 510(k) submission, it could require us to cease marketing and distribution and/or recall the modified device until 510(k)

clearance or PMA approval is obtained. If the FDA requires us to seek 510(k) clearance or PMA approval for any modifications, we may be required to cease marketing and/or recall the modified device, if already in distribution, until 510(k) clearance or PMA approval is obtained and we could be subject to significant regulatory fines or penalties.

There is no guarantee that the FDA will grant 510(k) clearance of our ClearPoint system for a general neurological intervention claim. Likewise, there is no guarantee that the FDA will grant 510(k) clearance or PMA approval of any future uses of our ClearPoint system or future products. Failure to obtain such clearances or approvals could adversely affect our ability to grow our business. Delays in receipt or failure to receive clearances or approvals, the loss of previously received clearances or approvals, or the failure to comply with existing or future regulatory requirements could have a material adverse effect on our business.

PMA Approval Pathway

A PMA must be submitted to the FDA if the device cannot be cleared through the 510(k) process, or is not otherwise exempt from the FDA's premarket clearance and approval requirements. A PMA must generally be supported by extensive data, including, but not limited to, technical, preclinical, clinical trials, manufacturing and labeling, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device for its intended use. During the review period, the FDA will typically request additional information or clarification of the information already provided. Also, an advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel's recommendation. In addition, the FDA will generally conduct a pre-approval inspection of our or our third-party manufacturers' or suppliers' manufacturing facility or facilities to ensure compliance with the QSR. Once a PMA is approved, the FDA may require that certain conditions of approval, such as conducting a post market clinical trial, be met.

New PMAs or PMA supplements are required for modifications that affect the safety or effectiveness of the device, including, for example, certain types of modifications to the device's indication for use, manufacturing process, labeling and design. PMA supplements often require submission of the same type of information as a PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA and may not require as extensive clinical data or the convening of an advisory panel. We have not submitted any of our product candidates for a PMA approval. However, we may in the future develop devices which will require the approval of a PMA, or seek to add new indications for use of existing products that require the approval of a PMA. There is no guarantee that the FDA will grant PMA approval of these specific indications for use or for our future products and failure to obtain necessary approvals for our future products would adversely affect our ability to grow our business.

Clinical Trials

Clinical trials are generally required to support a PMA application and are sometimes required for 510(k) clearance. Such trials generally require an investigational device exemption application, or IDE, approved in advance by the FDA for a specified number of patients and study sites, unless the product is deemed a non-significant risk device eligible for more abbreviated IDE requirements. A significant risk device is one that presents a potential for serious risk to the health, safety, or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating, or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. Clinical trials are subject to extensive monitoring, recordkeeping and reporting requirements. Clinical trials must be conducted under the oversight of an institutional review board, or IRB, for the relevant clinical trial sites and must comply with FDA regulations, including but not limited to those relating to good clinical practices. To conduct a clinical trial, we also are required to obtain the patient's informed consent in a form and substance that complies with both FDA requirements and state and federal privacy and human subject protection regulations. We, the FDA or the IRB could suspend a clinical trial at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits. Even if a trial is completed, the results of

clinical testing may not adequately demonstrate the safety and efficacy of the device or may otherwise not be sufficient to obtain FDA clearance or approval to market the product in the United States. Similarly, in Europe the clinical study must be approved by a local ethics committee and in some cases, including studies with high-risk devices, by the ministry of health in the applicable country.

Pervasive and Continuing Regulation

After a device is placed on the market, numerous regulatory requirements continue to apply. In addition to the requirements below, the MDR regulations require that we report to the FDA any incident in which our products may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. Additional regulatory requirements include:

- product listing and establishment registration, which helps facilitate FDA inspections and other regulatory action;
- QSR, which requires manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for uncleared, unapproved or off-label use or indication;
- clearance of product modifications that could significantly affect safety or efficacy or that would constitute a major change in intended use of one of our cleared devices;
- approval of product modifications that affect the safety or effectiveness of one of our approved devices;
- post-approval restrictions or conditions, including post-approval study commitments;
- post-market surveillance regulations, which apply, when necessary, to protect the public health or to provide additional safety and effectiveness data for the device;
- the FDA's recall authority, whereby it can ask, or under certain conditions order, device manufacturers to recall from the market a product that is in violation of governing laws and regulations;
- regulations pertaining to voluntary recalls; and
- notices of corrections or removals.

As a manufacturer, we are subject to announced and unannounced inspections by the FDA to determine our compliance with FDA's QSR and other regulations. We have not yet been inspected by the FDA. We believe that we are in compliance with QSR and other regulations.

Advertising and promotion of medical devices, in addition to being regulated by the FDA, are also regulated by the United States Federal Trade Commission, or FTC, and by state regulatory and enforcement authorities. Recently, promotional activities for FDA-regulated products of other companies have been the subject of enforcement action brought under healthcare reimbursement laws and consumer protection statutes. In addition, under the federal Lanham Act and similar state laws, competitors and others can initiate litigation relating to advertising claims. In addition, we are required to meet regulatory requirements in countries outside the United States, which can change rapidly with relatively short notice. If the FDA determines that our promotional materials or training constitutes promotion of an unapproved or uncleared use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under

other statutory authorities, such as laws prohibiting false claims for reimbursement. In that event, our reputation could be damaged and adoption of the products would be impaired.

Failure by us or by our third-party manufacturers and suppliers to comply with applicable regulatory requirements can result in enforcement action by the FDA or other regulatory authorities, which may result in sanctions including, but not limited to:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- customer notifications or repair, replacement, refunds, recall, detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) clearance or PMA approvals of new products or modified products;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- refusal to grant export approval for our products; or
- criminal prosecution.

International Marketing Approvals

International sales of medical devices are subject to foreign government regulations, which vary substantially from country to country. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA clearance or approval, and the requirements may differ.

The European Union has adopted numerous directives and standards regulating the design, manufacture, clinical trials, labeling, and adverse event reporting for medical devices. Each European Union member state has implemented legislation applying these directives and standards at a national level. Other countries, such as Switzerland, have voluntarily adopted laws and regulations that mirror those of the European Union with respect to medical devices. Devices that comply with the requirements of the laws of the relevant member state applying the applicable European Union directive are entitled to bear CE conformity marking and, accordingly, can be distributed throughout the member states of the European Union and other countries that comply with or mirror those directives.

The method of assessing conformity with applicable regulatory requirements varies depending on the classification of the medical device, which may be Class I, Class IIa, Class IIb or Class III. Normally, the method involves a combination of self-assessment by the manufacturer of the safety and performance of the device, and a third-party assessment by a Notified Body, usually of the design of the device and of the manufacturer's quality system. A Notified Body is a private commercial entity that is designated by the national government of a member state as being competent to make independent judgments about whether a device complies with applicable regulatory requirements. An assessment by a Notified Body in one country with the European Union is required in order for a manufacturer to commercially distribute the device throughout the European Union. In addition, compliance with ISO 13485 issued by the International Organization for Standardization, among other standards, establishes the presumption of conformity with the essential requirements for CE marking. Certification to the ISO 13485 standard demonstrates the presence of a quality management system that can be used by a manufacturer for design and development, production, installation and servicing of medical devices and the design, development and provision of related services.

We intend to apply for CE marking approval for sale of our ClearPoint system during 2010, and we believe the components of our ClearPoint system will fall into different device classifications, including Class III. We have engaged KEMA as the Notified Body for our CE marking approval process. The exact regulatory pathway will be the subject of discussions with KEMA. At this time, we are unable to accurately predict when, if ever, CE marking will be obtained, whether clinical trials will be required as part of the CE marking approval process or the regulatory requirements to which we would be subject after approval.

Healthcare Laws and Regulations

Third-Party Reimbursement

In the United States and elsewhere, healthcare providers that perform surgical procedures using medical devices such as ours generally rely on third-party payors, including governmental payors such as Medicare and Medicaid and private payors, to cover and reimburse all or part of the cost of the products. Consequently, sales of medical devices are dependent in part on the availability of reimbursement to the customer from third-party payors. The manner in which reimbursement is sought and obtained varies based upon the type of payor involved and the setting in which the product is furnished and utilized. In general, third-party payors will provide coverage and reimbursement for medically reasonable and necessary procedures and tests that utilize medical devices and may provide separate payments for the implanted or disposable devices themselves. Most payors, however, will not pay separately for capital equipment, such as our ClearPoint system. Instead, payment for the cost of using the capital equipment is considered to be covered as part of payments received for performing the procedure. In determining payment rates, third-party payors are increasingly scrutinizing the prices charged for medical products and services in comparison to other therapies. Our products, and the procedures in which our products will be used, may not be reimbursed by these third-party payors at rates sufficient to allow us to sell our products on a competitive and profitable basis.

In addition, in many foreign markets, including the countries in the European Union, pricing of medical devices is subject to governmental control. In the United States, there have been, and we expect that there will continue to be, a number of federal and state proposals to limit payments by governmental payors for medical devices, and the procedures in which medical devices are used. While we cannot predict whether such legislative or regulatory proposals will be adopted, the adoption of such proposals could have a material adverse effect on our business, financial condition and profitability.

Medicare and Medicaid

The Medicare program is a federal health benefit program administered by CMS that covers and pays for certain medical care items and services for eligible elderly and certain disabled individuals, and individuals with end stage renal disease. The Medicaid program is a federal-state partnership under which states receive matching federal payments to fund healthcare services for the poor. Because some private commercial health insurers and some state Medicaid programs may follow the coverage and payment policies for Medicare, Medicare's coverage and payment policies are significant to our business. On July 30, 2008, CMS released a list of potential topics for national coverage determinations. This list included ablation for atrial fibrillation and specifically asked whether the evidence was adequate to demonstrate health benefits in patients who receive the procedure. On October 21, 2009, the Medicare Evidence Development and Coverage Advisory Committee, or MedCAC, held a meeting on the adequacy of the available evidence for catheter ablation for the treatment of atrial fibrillation. Although CMS has not formally opened a national coverage analysis on this topic, the agency clearly is interested in the clinical evidence of atrial fibrillation treatments and any national coverage decisions it makes could have a material effect on our potential business in this area.

Medicare coverage for the procedures in which our products would be used currently exists in the hospital inpatient setting, which falls under Part A of the Medicare program. Under Medicare Part A, Medicare reimburses acute care hospitals a prospectively determined payment amount for beneficiaries receiving covered inpatient services in an acute care hospital. This method of payment is known as the prospective payment system, or PPS. Under PPS, the prospective payment for a patient's stay in an acute care hospital is determined by the patient's condition and other patient data and procedures performed during the inpatient stay using a classification system known as DRGs. Payments also are adjusted to reflect regional variations in labor costs, indirect medical education expenses, payments for hospitals that treat a disproportionate share of poor patients, and other factors. As of October 1, 2007, CMS implemented a revised version of the DRG system that uses 745 Medicare Severity DRGs, or MS-DRGs, instead of the approximately 540 DRGs Medicare previously used. The MS-DRGs are intended to account more accurately for the patient's severity of illness when assigning each patient's stay to a payment classification. Medicare pays a fixed amount to the hospital based on the MS-DRG into which the patient's stay is

classified, regardless of the actual cost to the hospital of furnishing the procedures, items and services that the patient's condition requires. Accordingly, acute care hospitals generally do not receive direct Medicare reimbursement under PPS for the specific costs incurred in purchasing medical devices. Rather, reimbursement for these costs is deemed to be included within the MS-DRG-based payments made to hospitals for the services furnished to Medicare-eligible inpatients in which the devices are utilized. For cases involving unusually high costs, a hospital may receive additional "outlier" payments above the pre-determined amount. In addition, there is a mechanism by which new technology services can apply to Medicare for additional payments above the pre-determined amount, although such requests have not been granted frequently.

Because PPS payments are based on predetermined rates and may be less than a hospital's actual costs in furnishing care, acute care hospitals have incentives to lower their inpatient operating costs by utilizing products, devices and supplies that will reduce the length of inpatient stays, decrease labor or otherwise lower their costs. For each MS-DRG, a relative weight is calculated representing the average resources required to care for cases grouped in that particular MS-DRG relative to the average resources used to treat cases in all MS-DRGs. MS-DRG relative weights are recalculated every year to reflect changes in technology and medical practice in a budget neutral manner. Under the MS-DRG payment system, there can be significant delays in obtaining adequate reimbursement amounts for hospitals for new technologies such that reimbursement may be insufficient to permit broad acceptance by hospitals.

In addition to payments to hospitals for procedures using our technology, Medicare makes separate payments to physicians for their professional services. The American Medical Association, or AMA, has developed a coding system known as the Current Procedural Terminology, or CPT, codes, which have been adopted by the Medicare program to describe and develop payment amounts for certain physician services.

The Medicare physician fee schedule uses CPT codes (and other codes) as part of the determination of allowable payment amounts to physicians. In determining appropriate payment amounts for surgeons, CMS receives guidance from the AMA regarding the relative technical skill level, level of resources used, and complexity of a new surgical procedure. Generally, the designation of a new procedure code for a new procedure using a new product does not occur until after FDA clearance or approval of the product used in the procedure. Codes are assigned by either the AMA (for CPT codes) or CMS (for Medicare-specific codes) and new codes usually become effective on January 1st of each year.

One result of the current Medicare payment system, which is also utilized by most non-governmental third-party payors, is that a patient's treating physician orders a particular service and the hospital (or other facility in which the procedure is performed) bears the cost of delivery of the service. Hospitals have limited ability to align their financial interests with that of the treating physician because Medicare law generally prohibits hospitals from paying physicians to assist in controlling the costs of hospital services, including paying physicians to limit or reduce services to Medicare beneficiaries even if such services are medically unnecessary. As a result, hospitals have traditionally stocked supplies and products requested by physicians and have had limited ability to restrict physician choice of products and services.

The Patient Protection and Affordable Care Act enacted on March 23, 2010, as amended by the Health Care and Education Reconciliation Act of 2010, which was enacted on March 30, 2010 (collectively, the "Health Care Reform Law"), includes a number of provisions that will likely result in more coordination between hospitals and physicians resulting in the alignment of financial incentives between hospitals and physicians to control hospital costs. Most significantly, the Health Care Reform Law provides for the establishment of a Medicare shared savings program whereby Medicare will share certain savings realized in the delivery of services to Medicare beneficiaries with accountable care organizations, which may be organized through various different legal structures between hospitals and physicians. We expect that the overall result of such increased coordination will be voluntary reductions in the array of choices currently available to physicians with respect to diagnostic services, medical supplies and equipment. Such a reduction in physician choices may also result in hospitals reducing their overall number of vendors from which they purchase supplies, equipment and products. The Health Care Reform Law may make it more difficult for us to become and remain an approved vendor, which could have an adverse effect on our financial results and business.

Among other things, the Health Care Reform Law will ultimately increase the overall pool of persons with access to health insurance in the United States. Although such an increase in covered lives should ultimately benefit hospitals, the Health Care Reform Law, also includes a number of cuts in Medicare reimbursement to hospitals that may take effect prior to hospitals' realizing the financial benefit of a larger pool of insured persons. Such cuts in Medicare reimbursement could adversely impact the operations and finances of hospitals reducing their ability to purchase medical devices such as our products. Further, the fact that the Health Care Reform Law did not address pending reductions of Medicare payments to physicians under the sustainable growth rate formula could result in an overall reduction of physicians willing to participate in Medicare.

Commercial Insurers

In addition to the Medicare program, many private payors look to CMS policies as a guideline in setting their coverage policies and payment amounts. The current coverage policies of these private payors may differ from the Medicare program, and the payment rates they make may be higher, lower, or the same as the Medicare program. If CMS or other agencies decrease or limit reimbursement payments for doctors and hospitals, this may affect coverage and reimbursement determinations by many private payors. Additionally, some private payors do not follow the Medicare guidelines, and those payors may reimburse only a portion of the costs associated with the use of our products, or none at all.

Fraud and Abuse Laws

Because of the significant federal funding involved in Medicare and Medicaid, Congress and the states have enacted, and actively enforce, a number of laws whose purpose is to eliminate fraud and abuse in federal healthcare programs. Our business is subject to compliance with these laws.

Anti-Kickback Laws

In the United States, there are federal and state anti-kickback laws that generally prohibit the payment or receipt of kickbacks, bribes or other remuneration in exchange for the referral of patients or other health-related business. The United States federal healthcare programs' Anti-Kickback Statute makes it unlawful for individuals or entities knowingly and willfully to solicit, offer, receive or pay any kickback, bribe or other remuneration, directly or indirectly, in exchange for or to induce the purchase, lease or order, or arranging for or recommending purchasing, leasing, or ordering, any good, facility, service, or item for which payment may be made in whole or in part under a federal healthcare program such as Medicare or Medicaid. The Anti-Kickback Statute covers "any remuneration," which has been broadly interpreted to include anything of value, including for example gifts, certain discounts, the furnishing of free supplies, equipment or services, credit arrangements, payments of cash and waivers of payments. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the arrangement can be found to violate the statute. Penalties for violations include criminal penalties and civil sanctions such as fines, imprisonment and possible exclusion from Medicare, Medicaid and other federal healthcare programs. In addition, several courts have permitted kickback cases brought under the Federal False Claims Act to proceed, as discussed in more detail below.

Because the Anti-Kickback Statute is broadly written and encompasses many harmless or efficient arrangements, Congress authorized the Office of Inspector General of the United States Department of Health and Human Services, or OIG, to issue a series of regulations, known as "safe harbors." For example, there are regulatory safe harbors for payments to bona fide employees, properly reported discounts, and payments for certain investment interests. Although an arrangement that fits into one or more of these exceptions or safe harbors is immune from prosecution, arrangements that do not fit squarely within an exception or safe harbor do not necessarily violate the statute. The failure of a transaction or arrangement to fit precisely within one or more of the exceptions or safe harbors does not necessarily mean that it is illegal or that prosecution will be pursued. However, conduct and business arrangements that arguably implicate the Anti-Kickback Statute but do not fully satisfy all the elements of an exception or safe harbor may be subject to increased scrutiny by government enforcement authorities such as the OIG. The Health Care Reform Law increases the investigatory authority of

the OIG, clarifies that Anti-Kickback Statute claims can be brought under the federal civil False Claims Act, and provides for enhanced civil monetary penalties and expanded permissible exclusion authority.

Many states have laws that implicate anti-kickback restrictions similar to the Anti-Kickback Statute. Some of these state prohibitions apply regardless of whether federal healthcare program business is involved such as for self-pay or private pay patients.

Government officials have focused their enforcement efforts on marketing of healthcare services and products, among other activities, and recently have brought cases against companies, and certain sales, marketing and executive personnel, for allegedly offering unlawful inducements to potential or existing customers in an attempt to procure their business.

Federal Civil False Claims Act and State False Claims Laws

The federal civil False Claims Act imposes liability on any person or entity who, among other things, knowingly and willfully presents, or causes to be presented, a false or fraudulent claim for payment by a federal healthcare program, including Medicare and Medicaid. The "qui tam," or "whistleblower," provisions of the False Claims Act allow a private individual to bring actions on behalf of the federal government alleging that the defendant has submitted a false claim to the federal government, and to share in any monetary recovery. In recent years, the number of suits brought against healthcare providers by private individuals has increased dramatically. Medical device companies, like us, can be held liable under false claims laws, even if they do not submit claims to the government where they are deemed to have caused submission of false claims by, among other things, providing incorrect coding or billing advice about their products to customers that file claims, or by engaging in kickback arrangements with customers that file claims.

The False Claims Act also has been used to assert liability on the basis of misrepresentations with respect to the services rendered and in connection with alleged off-label promotion of products. Our future activities relating to the manner in which we sell our products and document our prices such as the reporting of discount and rebate information and other information affecting federal, state and third-party reimbursement of our products, and the sale and marketing of our products, may be subject to scrutiny under these laws.

The Health Care Reform Law is likely to increase the number of cases asserting civil False Claims Act violations since it removes a significant defense to such claims and clarifies that a violation of the Anti-Kickback Statute or retention of a federal healthcare program overpayment are actionable under the civil False Claims Act.

When an entity is determined to have violated the False Claims Act, it may be required to pay up to three times the actual damages sustained by the government, plus civil penalties of between $5,500 to $11,000 for each separate false claim. There are many potential bases for liability under the False Claims Act. A number of states have enacted false claim laws analogous to the federal civil False Claims Act and many of these state laws apply where a claim is submitted to any state or private third-party payor. In this environment, our engagement of physician consultants in product development and product training and education could subject us to similar scrutiny. We are unable to predict whether we would be subject to actions under the False Claims Act or a similar state law, or the impact of such actions. However, the costs of defending such claims, as well as any sanctions imposed, could significantly affect our financial performance.

HIPAA Fraud and Other Regulations

The Health Insurance Portability and Accountability Act of 1996, or HIPAA, created a class of federal crimes known as the "federal health care offenses," including healthcare fraud and false statements relating to healthcare matters. The HIPAA healthcare fraud statute prohibits, among other things, knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any healthcare benefit program, or to obtain by means of false of fraudulent pretenses, any money under the control of any healthcare benefit program, including private payors. A violation of this statute is a felony and may result in fines, imprisonment and/or

exclusion from government-sponsored programs. The Health Care Reform Law also provides for civil monetary penalties for knowingly participating in certain federal healthcare offenses and enhances sentences under the Federal Sentencing Guidelines for such offenses. The HIPAA false statements statute prohibits, among other things, knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation in connection with the delivery of or payment for healthcare benefits, items or services. A violation of this statute is a felony and may result in fines and/or imprisonment. Entities that are found to have aided or abetted in a violation of the HIPAA federal health care offenses are deemed by statute to have committed the offense and are punishable as a principal.

We are also subject to the United States Foreign Corrupt Practices Act and similar anti-bribery laws applicable in non-United States jurisdictions that generally prohibit companies and their intermediaries from making improper payments to non-United States government officials for the purpose of obtaining or retaining business. Because of the predominance of government sponsored healthcare systems around the world, most of our customer relationships outside of the United States will be with governmental entities and therefore subject to such anti-bribery laws.

HIPAA and Other Privacy Regulations

The regulations that implement HIPAA also establish uniform standards governing the conduct of certain electronic healthcare transactions and protecting the security and privacy of individually identifiable health information maintained or transmitted by healthcare providers, health plans and healthcare clearinghouses, which are referred to as "covered entities." Several regulations have been promulgated under HIPAA's regulations including: the Standards for Privacy of Individually Identifiable Health Information, or the Privacy Rule, which restricts the use and disclosure of certain individually identifiable health information, the Standards for Electronic Transactions, which establishes standards for common healthcare transactions, such as claims information, plan eligibility, payment information and the use of electronic signatures, and the Security Standards for the Protection of Electronic Protected Health Information, or the Security Rule, which requires covered entities to implement and maintain certain security measures to safeguard certain electronic health information. Although we do not believe we are a covered entity and therefore are not currently directly subject to these standards, we expect that our customers generally will be covered entities and may ask us to contractually comply with certain aspects of these standards by entering into requisite business associate agreements. While the government intended this legislation to reduce administrative expenses and burdens for the healthcare industry, our compliance with certain provisions of these standards entails significant costs for us.

The Health Information Technology for Economic and Clinical Health Act, or the HITECH Act, which was enacted in February 2009, strengthens and expands the HIPAA Privacy and Security Rules and the restrictions on use and disclosure of patient identifiable health information. HITECH also fundamentally changed a business associate's obligations by imposing a number of Privacy Rule requirements and a majority of Security Rule provisions directly on business associates that were previously only directly applicable to covered entities. HITECH includes, but is not limited to, prohibitions on exchanging patient identifiable health information for remuneration, restrictions on marketing to individuals and obligations to agree to provide individuals an accounting of virtually all disclosures of their health information. Moreover, HITECH requires covered entities to report any unauthorized use or disclosure of patient identifiable health information, known as a breach, to the affected individuals, the United States Department of Health and Human Services, or HHS, and depending on the size of any such breach, the media for the affected market. Business associates are similarly required to notify covered entities of a breach. Most of the HITECH provisions became effective in February 2010 and it is expected that the HHS will issue regulations to clarify many of the new provisions. HHS has already issued regulations governing breach notification which were effective in September 2009.

HITECH has increased civil penalty amounts for violations of HIPAA by either covered entities or business associates up to an annual maximum of $1.5 million for uncorrected violations based on willful neglect. Imposition of these penalties is more likely now because HITECH significantly strengthens enforcement. It requires HHS to conduct periodic audits to confirm compliance beginning in February 2010 and to investigate any violation that involves willful neglect which carries mandatory penalties beginning in February 2011.

Additionally, state attorneys general are authorized to bring civil actions seeking either injunctions or damages in response to violations of HIPAA Privacy and Security Rules that threaten the privacy of state residents.

In addition to federal regulations issued under HIPAA, some states have enacted privacy and security statutes or regulations that, in some cases, are more stringent than those issued under HIPAA. In those cases, it may be necessary to modify our planned operations and procedures to comply with the more stringent state laws. If we fail to comply with applicable state laws and regulations, we could be subject to additional sanctions.

Federal and state consumer protection laws are being applied increasingly by the FTC and state attorneys general to regulate the collection, use, storage and disclosure of personal or patient information, through websites or otherwise, and to regulate the presentation of web site content. Courts may also adopt the standards for fair information practices promulgated by the FTC, which concern consumer notice, choice, security and access. Numerous other countries have or are developing laws governing the collection, use, disclosure and transmission of personal or patient information.

HIPAA as well as other federal and state laws apply to our receipt of patient identifiable health information in connection with research and clinical trials. We collaborate with other individuals and entities in conducting research and all involved parties must comply with applicable laws. Therefore, the compliance of the surgeons, hospitals or other providers or entities with whom we collaborate also impacts our business.

Employees

As of April 30, 2010, we had 23 full time employees, 11 of whom were engaged in research and development, six in manufacturing and clinical sales, and six in general administrative and finance functions. None of our employees is covered by a collective bargaining agreement, and we consider our relationship with our employees to be good.

Facilities

We lease approximately 7,400 square feet of space in Irvine, California under a lease that expires in July 2012, which we use as our principal research and development facility and for the assembly of certain of our products. We have the right to extend our Irvine lease for three additional years upon prior written notice and the fulfillment of certain conditions.

We lease approximately 3,300 square feet of office space in Memphis, Tennessee, which we use as our executive offices. Our Memphis lease expires in November 2014. We also have a license to use approximately 1,400 square feet of space in Baltimore, Maryland, which we use as our advanced research and development facility. Our license agreement with respect to our Baltimore facility expires in February 2011.

We believe that our current facilities are sufficient to meet our needs for the foreseeable future.

Litigation

From time to time we may be involved in litigation relating to claims arising out of our operations.

On April 22, 2010, SurgiVision Consultants, Inc. and Guy M. Kezirian filed a lawsuit against us in the United States District Court, Central District of California, alleging trademark infringement, unfair competition, trademark dilution, and violation of the Anti-Cybersquatting Protection Act, all relating to our use of our SURGI-VISION and SURGIVISION trademarks and our www.surgivision.com domain name. The plaintiffs are seeking unspecified monetary damages and injunctive relief. This action is at a very preliminary stage. We believe we have strong defenses to the allegations, and we intend to vigorously defend ourselves in the lawsuit to protect our own trademark rights.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information about our directors, executive officers and other key employees as of April 30, 2010.

Name	Age	Position(s)
Directors and Executive Officers		
Kimble L. Jenkins[4]	48	President, Chief Executive Officer and Chairman of Board of Directors
Lenox D. Baker[3]	68	Director
Paul A. Bottomley	57	Director
Charles E. Koob[2][3][4]	65	Director
James K. Malernee, Jr.[1][3]	62	Director
Wendelin C. Maners	47	Director
Michael A. Pietrangelo[1][2][4]	67	Director
John N. Spencer, Jr.[1][2][4]	69	Director
John C. Thomas, Jr.	56	Director
Peter G. Piferi	50	Chief Operating Officer
David W. Carlson	46	Chief Financial Officer
Carol J. Barbre	49	Vice President, Product Management
John T. Keane	44	Vice President, Sales
Michael M. Moore	37	Vice President, Operations
Oscar L. Thomas	39	Vice President, Business Affairs and Secretary

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance and Nominating Committee
(4) Member of the Executive Committee

Kimble L. Jenkins joined our Board of Directors in September 2002 and presently serves as our Chairman. Mr. Jenkins has served as our President since January 2003, and he has also served as our Chief Executive Officer since September 2004. Mr. Jenkins served in those offices on a part-time basis until May 2008, at which time Mr. Jenkins began serving as our President and Chief Executive Officer on a full-time basis. Prior to May 2008, Mr. Jenkins was also a Managing Director with the investment bank Morgan Keegan & Company, Inc., where he founded that firm's Private Equity Group in 1998. Mr. Jenkins has over 20 years of experience building and working with growth stage companies. Mr. Jenkins holds a Bachelor of Arts from Brown University and a Juris Doctorate from Georgetown University Law Center. As our Chief Executive Officer, Mr. Jenkins offers unique insight and vision into our operations, our competition and the medical device industry.

Lenox D. Baker joined our Board of Directors in December 1998. Pursuant to the terms of our First Amended and Restated Stockholders' Agreement, as amended, or the Stockholders' Agreement, which will terminate in connection with this offering, Dr. Baker is the designated nominee of Johns Hopkins to serve on our Board of Directors. He is Past-Chairman of the board of trustees for Johns Hopkins Medicine and Past Vice- Chairman of the board of trustees for Johns Hopkins. He currently serves on the executive committee and board of trustees of Johns Hopkins Medicine, as well as serving on the board of trustees of Johns Hopkins. Since 1979, Dr. Baker has practiced cardiothoracic surgery with Mid-Atlantic Cardiothoracic Surgeons and has served as its President since 2002. Since 1982, Dr. Baker has served as Chief of the Division of Cardiac and Thoracic Surgery at Sentara Norfolk General Hospital. In 1975, Dr. Baker founded Impra Inc., a manufacturer of prosthetic arterial grafts, and he served as its Chairman of the Board until Bard Cardiology acquired the company in 1996. Dr. Baker has served as the principal investigator in numerous studies and has written and published multiple articles in the field of cardiothoracic surgery. Dr. Baker also serves as a member of the board of directors of WellPoint, Inc., a publicly traded health benefits company. Dr. Baker offers a practicing physician's perspective on the design, development and commercialization of our product candidates.

Paul A. Bottomley is a SurgiVision founder and has been a member of our Board of Directors since December 1998. Pursuant to the terms of the Stockholders' Agreement, Dr. Bottomley is the designated nominee of the Scientific Founders, as such term is defined in the Stockholders' Agreement, to serve on our Board of Directors. Dr. Bottomley joined Johns Hopkins in 1994. Since 1997, Dr. Bottomley has served as the Director of the Division of MR Research in the Department of Radiology at Johns Hopkins. Previously, Dr. Bottomley worked at General Electric Company's Research and Development Center from 1980-1994 where he played a key role in the development of their MRI clinical product and was awarded the Center's highest honor, its Coolidge Medal and Fellowship, for these developments in 1990. He was awarded the Society of Magnetic Resonance in Medicine's Gold Medal for his contributions to MRI in 1989. He holds 34 U.S. patents and has written more than 150 scientific journal publications. Dr. Bottomley also serves as a consultant to us. As a pioneer in MR research, Dr. Bottomley offers expertise in the practical application of our technologies and the commercial opportunities for our product candidates.

Charles E. Koob joined our Board of Directors in August 2008. From 1970 to 2008, Mr. Koob practiced competition, trade regulation and antitrust law at the law firm of Simpson Thacher & Bartlett and served as the co-head of the firm's litigation department for a portion of his tenure. For much of his career, Mr. Koob served as a strategic advisor for the boards of directors of many public companies. Mr. Koob also serves on the board of directors of MiMedx Group, Inc., a publicly traded biomedical products company. As a byproduct of Mr. Koob's sophisticated former legal practice, Mr. Koob offers expertise in the areas of corporate governance, contract negotiation and organizational and strategic leadership.

James K. Malernee, Jr. joined our Board of Directors in March 2010. Dr. Malernee is a cofounder of Cornerstone Research, Inc., or Cornerstone Research, a consulting firm specializing in analytical support to attorneys in all phases of commercial litigation and regulatory proceedings, and he currently serves as Chairman and Managing Director of that firm. Over the last twenty years with Cornerstone Research, he has directed research on complex business issues related to a wide variety of cases. In recent years, Dr. Malernee has specialized in securities matters, supervising hundreds of cases dealing with material disclosure, loss causation, insider trading, mergers and acquisitions, targeted repurchases, minority buyouts, stock trading behavior, valuation and class certification. Dr. Malernee has served as a board member and consultant to major corporations, and he has taught finance at the University of Texas at Austin and business strategy at the Stanford Graduate School of Business. Through his academic and professional pursuits, Dr. Malernee offers expertise in finance and business strategy as well as an in-depth understanding of corporate disclosure and governance.

Wendelin C. Maners joined our Board of Directors in August 2008. Pursuant to the terms of the Stockholders' Agreement, Ms. Maners is the designated nominee of Boston Scientific Neuromodulaton Corporation to serve on our Board of Directors. Ms. Maners has been employed by Boston Scientific since 1997 and currently is the Vice President, Strategy and Business Development. She is responsible for transaction and licensing activities for Boston Scientific's neuromodulation, electrophysiology and undeveloped markets. Prior to joining Boston Scientific, Ms. Maners was Head of Healthcare Investment Banking at Barrington Associates, a merger & acquisition advisory firm in Los Angeles. With her background, Ms. Maners offers insight into the medical device industry, particularly as it relates to neurological applications and catheter-based cardiac ablation.

Michael A. Pietrangelo joined our Board of Directors in March 2010. From 1972 through 1989, Mr. Pietrangelo was employed by Schering-Plough Corporation in various capacities including President of the Personal Care Products Group. From 1989 to 1990, he served as President and Chief Operating Officer of Western Publishing Company. From 1990 to 1994, Mr. Pietrangelo was the President and Chief Executive Officer of CLEO, Inc., a subsidiary of Gibson Greetings, Inc. From 1994 until 1998, he served as President of Johnson Products Company, a subsidiary of IVAX Corporation. Since 1998, Mr. Pietrangelo has practiced law at Pietrangelo Cook PLC. Mr. Pietrangelo is also a director of Medicis Pharmaceutical Corporation, a publicly traded pharmaceutical company, serving on the executive committee (Chair), compliance committee (Chair), and nominating and governance committee. Mr. Pietrangelo also serves on the board of directors of the American Parkinson Disease Association, a not-for-profit organization focused on serving the Parkinson's community, and Universal Insurance Holdings, Inc., a publicly traded insurance holding company. Mr. Pietrangelo currently

serves as the managing partner of Theraplex Company LLC, a privately held company. As a result of his diverse professional background, Mr. Pietrangelo offers a unique combination of legal expertise and operational acumen.

John N. Spencer, Jr. joined our Board of Directors in March 2010. Mr. Spencer is a certified public accountant and was a partner of Ernst & Young LLP where he spent more than 38 years until his retirement in 2000. Mr. Spencer serves on the board of directors of GeoVax Labs, Inc., a publicly traded biotechnology company, and until April 2009, served on the board of directors of Firstwave Technologies, Inc., formerly a publicly traded customer relationship management software company. In addition, he serves as a consultant to various companies, primarily relating to financial accounting and reporting matters. By virtue of his experience at Ernst & Young, where he was the partner in charge of its life sciences practice for the southeastern United States, which included a large number of publicly owned and privately held medical technology companies, together with his continuing expertise as a director of, and a consultant to, other publicly traded and privately held companies, Mr. Spencer offers expertise in accounting, finance and the medical device industry.

John C. Thomas, Jr. joined our Board of Directors in April 2004. From 1998 through April 23, 2010, Mr. Thomas served as our Chief Financial Officer on a part-time basis. Mr. Thomas also serves as a part-time chief financial officer and secretary for CorMatrix Cardiovascular, Inc. (2001 to present), a privately held medical device company, and Motion Reality, Inc. (2001 to present), a privately held motion capture and simulation company. Previously, Mr. Thomas served as a chief financial officer and secretary for the following companies: MiMedx Group, Inc. (2006 to 2009), a publicly traded biomedical products company; iVideotunes, Inc. (2005 to 2008) a privately held music company; and DARA Pharmaceuticals, Inc., or DARA (2002 to 2008). Mr. Thomas is a certified public accountant, and was formerly an auditor with Arthur Andersen & Company. There is no familial relationship between Mr. John C. Thomas, Jr. and Mr. Oscar L. Thomas. Mr. Thomas offers expertise in accounting, financial statement analysis, medical device company operations and the requirements of a growth stage company.

Peter G. Piferi joined us in December 2006 as our Chief Operating Officer. Mr. Piferi has 23 years of experience in the areas of product development, operations, engineering and production in the medical device industry. From March 2003 to December 2006, Mr. Piferi served as Vice President for Endovascular Technologies, Inc., a privately held medical device company. In addition, Mr. Piferi has served as Vice President at Edwards Lifesciences Corporation, Kriton Medical Inc. and Orbus Medical Technologies, Inc. and as Director of Advanced Engineering at Cordis Corporation.

David W. Carlson joined us in February 2010 as Vice President, Finance and was promoted to Chief Financial Officer on April 23, 2010. Mr. Carlson has 17 years of experience in financial leadership roles in the medical device industry. From 1999 to 2009, he served in various financial management positions as a Vice President of Finance and Senior Finance Director at Medtronic, Inc., a global leader in medical technologies. He was serving as the Corporate Controller of Sofamor Danek, Inc., a then publicly traded medical device company, when it was acquired by Medtronic, Inc. in 1999. Mr. Carlson is a certified public accountant, and was formerly an auditor for PricewaterhouseCoopers LLP.

Carol J. Barbre joined us in May 2008 as Vice President, Product Management. Ms. Barbre has 20 years of experience in the medical device industry in the areas of marketing and business development, with a focus on new medical therapies. From May 2007 to May 2008, Ms. Barbre served as Senior Director of Marketing for Edwards Lifesciences Corporation, a publicly traded medical device company. From 2002 to May 2007, Ms. Barbre served as Global Marketing Director for Bolton Medical, Inc., a privately held medical device company.

John T. Keane joined us in April 2010 as Vice President, Sales. Mr. Keane has 20 years of sales experience in the medical device industry. From October 2006 until April 2010, Mr. Keane served as the Worldwide Director of Sales for Stereotactic Surgery, Radiosurgery, Image Guided Surgery, Brain Mapping and Service Agreements for Integra Radionics, Inc., a subsidiary of Integra Lifesciences Corporation, a publicly traded medical device

manufacturer. From 2004 to 2006, Mr. Keane served as an Academic Center Representative for I-Flow Corporation, formerly a publicly traded medical device company that merged with a subsidiary of Kimberly- Clark Corporation, a publicly traded corporation, in 2009. From 1996 to 2004, Mr. Keane was the National Leader of Academic Sales Representatives at Baxter International Inc., a publicly traded global, diversified health care company.

Michael M. Moore joined us in October 2008 as Senior Director, and he was promoted to Vice President, Operations in June 2009. Mr. Moore has 18 years of experience in medical device development and product realization. From January 2003 to March 2008, he was the Chief Technical Officer for Bolton Medical, Inc. In addition, Mr. Moore previously served as Director of R&D and Operations for AVE-Peripheral Vascular, a division of Medtronic, Inc., and in different operations and product development roles at Cordis Corporation and DePuy Orthopedics, Inc.

Oscar L. Thomas joined us in April 2008 as Vice President, Business Affairs. In addition, Mr. Thomas serves as our Secretary. From January 2003 to April 2008, Mr. Thomas was a partner in the Corporate and Securities Practice Group of the law firm Bass, Berry & Sims PLC. There is no familial relationship between Mr. John C. Thomas, Jr. and Mr. Oscar L. Thomas.

Board Composition

Upon the completion of this offering, we will have an authorized Board of Directors consisting of nine members. In accordance with the terms of our certificate of incorporation and our bylaws, which will become effective upon completion of this offering, the Board of Directors will be divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms. Upon the completion of this offering, the members of the classes will be divided as follows:

- the Class I directors will be Mr. Jenkins, Mr. Pietrangelo and Ms. Maners, and their term will expire at the annual meeting of stockholders to be held in 2011;
- the Class II directors will be Mr. Thomas, Dr. Malernee and Dr. Baker, and their term will expire at the annual meeting of stockholders to be held in 2012; and
- the Class III directors will be Mr. Spencer, Mr. Koob and Dr. Bottomley, and their term will expire at the annual meeting of stockholders to be held in 2013.

Our certificate of incorporation that will become effective upon the completion of this offering provides that the authorized number of directors may be changed only by resolution of the Board of Directors. Any additional directorships resulting from an increase in the number of directors will be distributed between the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in our control or management.

Our directors may be removed only for cause by the affirmative vote of the holders of a majority of our voting stock.

Board Committees and Independence

Rule 5605 of the Nasdaq Marketplace Rules requires a majority of a listed company's board of directors to be comprised of independent directors within one year of listing. In addition, Nasdaq Marketplace Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act. Under Rule 5605(a)(2), a director will only qualify as an "independent director" if, in the opinion of our Board of Directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the Board of Directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our Board of Directors undertook a review of the composition of our Board of Directors and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our Board of Directors has determined that none of Drs. Baker, Bottomley or Malernee, Messrs. Koob, Spencer or Pietrangelo or Ms. Maners, representing seven of our nine directors, has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under Rule 5605(a)(2) of the Nasdaq Marketplace Rules. In making such determination, our Board of Directors considered the relationships that each such director has with us and all other facts and circumstances the Board of Directors deemed relevant in determining independence, including the beneficial ownership of our capital stock by each director.

Board Committees

Our Board of Directors has an audit committee, a compensation committee, a corporate governance and nominating committee and an executive committee.

Audit Committee

Our audit committee consists of Messrs. Spencer (Chair) and Pietrangelo and Dr. Malernee. The functions of the audit committee include:

- appointing, determining the compensation of, and overseeing the work of the independent registered public accounting firm;
- pre-approving all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed by the independent registered public accounting firm;
- reviewing and discussing with management and the independent registered public accounting firm the annual audited and quarterly unaudited financial statements and our disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 10-Qs and 10-Ks;
- reviewing and discussing the adequacy and effectiveness of our systems of internal accounting and financial controls;
- overseeing our risk assessment and risk management relative to our financial risk exposure;
- establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- issuing the audit committee report for inclusion in our proxy statement for our annual meeting.

Our Board of Directors has determined that at this time, Mr. Spencer is an audit committee financial expert within the meaning of SEC regulations and the Nasdaq listing standards. Our Board of Directors has determined that each member of the audit committee satisfies the independence requirements for service on the audit committee. Both our independent registered public accounting firm and management will periodically meet privately with our audit committee.

Upon the effectiveness of the registration statement of which this prospectus forms a part, a copy of the charter for our audit committee will be posted on our website at www.surgivision.com. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Compensation Committee

Our compensation committee consists of Messrs. Pietrangelo (Chair), Koob and Spencer. The functions of the compensation committee include:

- determining the compensation of our executive officers and reviewing and approving the compensation goals and objectives relevant to such compensation;

- reviewing and approving the compensation programs, plans and awards for our executive officers;
- overseeing our risk assessment and risk management relative to our compensation structure and benefits plan administration;
- administering and implementing our incentive compensation plans and equity-based plans;
- reviewing and discussing with management the information contained in the Compensation Discussion and Analysis section of our proxy statement; and
- issuing the compensation committee report on executive compensation for inclusion in our proxy statement for our annual meeting.

Each member of our compensation committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Code. Furthermore, our Board of Directors has determined that each member of our compensation committee satisfies the independence standards for compensation committees established by the Nasdaq Marketplace Rules.

Upon the effectiveness of the registration statement of which this prospectus forms a part, a copy of the charter for our compensation committee will be posted on our website at www.surgivision.com. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Corporate Governance and Nominating Committee

Our corporate governance and nominating committee consists of Mr. Koob (Chair), Drs. Baker and Malernee. The functions of the corporate governance and nominating committee include:

- evaluating director performance on the Board of Directors and applicable committees of the Board of Directors;
- interviewing, evaluating, nominating and recommending individuals for membership on our Board of Directors;
- evaluating nominations by stockholders of candidates for election to our Board of Directors;
- reviewing and recommending to our Board of Directors any amendments to our corporate governance documents; and
- making recommendations to the Board of Directors regarding management succession planning.

Our Board of Directors has determined that each member of the corporate governance and nominating committee satisfies the independence standards for the corporate governance and nominating committees established by the Nasdaq Marketplace Rules.

Upon the effectiveness of the registration statement of which this prospectus forms a part, a copy of the charter for our corporate governance and nominating committee will be posted on our website at www.surgivision.com. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Executive Committee

Our executive committee consists of Messrs. Jenkins (Chair), Koob, Pietrangelo and Spencer. The executive committee, which acts on behalf of the Board of Directors between regular meetings of the Board of Directors or at such times as our business so requires, has and may exercise all of the Board of Director's powers and authority in the management of our business and affairs, but the executive committee does not have the power or authority with respect to the following matters: (1) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval; or (2) adopting, amending or repealing our bylaws.

Upon the effectiveness of the registration statement of which this prospectus forms a part, a copy of the charter for our executive committee will be posted on our website at www.surgivision.com. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Code of Business Conduct and Ethics

Our Board of Directors intends to adopt a Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics will apply to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), agents and representatives, including directors and consultants. Upon the effectiveness of the registration statement of which this prospectus forms a part, the full text of our Code of Business Conduct and Ethics will be posted on our website at www.surgivision.com. We intend to disclose future amendments to certain provisions of our Code of Business Conduct and Ethics, or waivers of such provisions, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions or our directors on our website identified above. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee has ever been an executive officer or employee of ours. None of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serving as a member of our Board of Directors or compensation committee.

Compensation Risks

We have assessed our compensation programs and have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company. Our compensation program is relatively simple and has only three material elements: base salary; annual bonus; and long-term equity compensation. Base salary represents a fixed amount of payment and therefore does not encourage any excessive risk taking. The compensation committee has determined annual bonus amounts by subjectively analyzing company and individual performance for the prior year and only rewarding individual and company performance that, in the opinion of the compensation committee, had a positive effect on stockholder value. The subjective nature of the compensation committee's determinations regarding both the award and the amount of annual bonuses and equity grants provides a significant control over the incentive of an employee to take undue risk in order to receive a larger annual bonus or equity grant. Finally, our long-term equity compensation program involves only the issuance of options to our employees. We believe that the equity component of our compensation program serves to align the interest of management with the interests of stockholders and does not encourage excessive risk taking. Based on the foregoing, we believe that our compensation policies and practices do not create inappropriate or unintended significant risk to the company as a whole. We also believe that our compensation arrangements provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage significant risks; are compatible with effective internal controls and the risk management practices of the company; and are supported by the oversight and administration of the compensation committee with regard to executive compensation programs.

Director Compensation

Non-Employee Director Compensation Practices

In June 2010, we adopted the following compensation practices for our non-employee directors, which will become effective upon completion of this offering.

Retainers, Fees and Expenses

The following table sets forth the cash compensation to be paid to our non-employee directors:

Board of Directors:	
Annual retainer per director	$35,000
Fee per meeting for a full board meeting	$ 0
Audit Committee:	
Annual retainer for chairperson	$12,000
Annual retainer for other members	$ 5,000
Fee per meeting	$ 0
Compensation Committee:	
Annual retainer for chairperson	$ 8,000
Annual retainer for other members	$ 5,000
Fee per meeting	$ 0
Corporate Governance and Nominating Committee:	
Annual retainer for chairperson	$ 8,000
Annual retainer for other members	$ 5,000
Fee per meeting	$ 0

The above retainers will be paid in quarterly installments. We also reimburse each non-employee director for reasonable travel and other expenses in connection with attending meetings of the Board of Directors.

Stock Options—Initial Grant

Upon an individual first becoming a non-employee director, the new director will receive a stock option grant equaling approximately $100,000 in value (based on our use of the Black-Scholes valuation model), rounded up to the nearest whole share; provided, however, that the number of shares underlying the grant will not exceed 75,000 shares, subject to adjustment to reflect and take into account any unusual or non-recurring transaction that affects our common stock, including a recapitalization, stock split, reverse stock split, split-up, combination or other similar corporate transaction or event. Such options will vest in equal annual installments over three years. The exercise price of these options will equal the closing price of our common stock on the date of grant.

Stock Options—Annual Grants

Any individual who serves as a non-employee director on the day following an annual meeting of our stockholders will receive a stock option grant. The number of shares underlying these annual grants will equal approximately $50,000 in value (based on our use of the Black-Scholes valuation model), rounded up to the nearest whole share; provided, however, that the number of shares underlying the grant will not exceed 30,000 shares, subject to adjustment to reflect and take into account any unusual or non-recurring transaction that affects our common stock, including a recapitalization, stock split, reverse stock split, split-up, combination or other similar corporate transaction or event. Such options will vest on the earlier of the first anniversary of the grant date or the day immediately preceding the next annual meeting of stockholders. The exercise price of these options will equal the closing price of our common stock on the date of grant.

Term of Stock Options

Each non-employee director stock option will terminate upon the earlier to occur of: (i) ten years from the date of grant; (ii) 12 months after the director dies; (iii) 12 months after the director ceases to be a director due to disability; or (iv) three months after the director ceases to be a director for any reason other than death or disability.

Stock Options—2010 Grants

In connection with this offering, we are granting stock options to each of our non-employee directors, the exercise price of which will be the initial public offering price. Each non-employee director will receive two awards:

- a stock option equaling approximately $100,000 in value (based on our use of the Black-Scholes valuation model), but not to exceed 75,000 shares, which option will vest in equal annual installments over three years; and
- a stock option equaling approximately $50,000 in value (based on our use of the Black-Scholes valuation model), but not to exceed 30,000 shares, which option will vest on the earlier of the first anniversary of the grant date or the day immediately preceding our 2011 annual meeting of stockholders.

2010 Incentive Compensation Plan

All of our directors are eligible to participate in our 2010 Incentive Compensation Plan and awards will be granted pursuant to the terms of that plan, as more fully described in the section entitled "Benefit Plans—2010 Incentive Compensation Plan."

2009 Non-Employee Director Compensation

The following table sets forth information with respect to the compensation of all our non-employee directors in 2009, which was paid prior to the adoption of the revised compensation practices described above.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	All Other Compensation ($)	Total ($)
Lenox D. Baker	$ 10,750	$8,100	—	$18,850
Paul A. Bottomley	10,500	8,100	$ 60,000(2)	78,600
Charles E. Koob	14,250	8,100	—	22,350
Wendelin Maners(3)	10,000	8,100	—	18,100
Parker H. Petit(4)	14,750	—	—	14,750

(1) Amounts represent the aggregate grant date fair value of such options as computed in accordance with ASC Topic 718 "*Compensation—Stock Compensation*," or ASC Topic 718. For a discussion of the assumptions made in the valuation of these awards, see note 3 to the financial statements included elsewhere in this prospectus and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgements and Estimates—Share-based compensation".

(2) This amount was compensation paid under Dr. Bottomley's consulting agreement.

(3) Ms. Maners remits all fees received in connection with her service as a director to Boston Scientific, who designated her as a nominee to serve on our Board of Directors pursuant to the Stockholders' Agreement. In addition, Ms. Maners holds her options for the benefit of Boston Scientific.

(4) On December 22, 2009, Mr. Petit resigned from our Board of Directors. Like the other directors, Mr. Petit received an option to purchase 10,000 shares of our common stock on December 10, 2009; however, no award agreement was issued to Mr. Petit and the shares were forfeited upon Mr. Petit's resignation on December 22, 2009. Mr. Petit's resignation was not the result of any disagreement with us on any matter relating to our operations, policies or practices. Mr. Petit recently became the Chairman of the Board, Chief Executive Officer and President of MiMedx Group, Inc., a publicly traded biomedical products company. Mr. Petit advised us that, given the scope of his responsibilities at MiMedx, he did not believe that he would be able to devote sufficient time to serve on our Board of Directors.

Compensation Discussion and Analysis

Introduction

Our compensation discussion and analysis discusses the total compensation for our named executive officers, and it describes our overall compensation philosophy, objectives and practices. Our compensation philosophy and objectives generally apply to all of our employees and all of our employees are eligible to participate in the main components of our compensation program: salary; annual bonus; and equity compensation. The relative value of each of these components for individual employees varies based on job role and responsibility, as well as our financial performance.

Compensation Philosophy and Objectives

Our compensation approach is necessarily tied to our stage of development. Our compensation philosophy is to offer our executive officers, including our named executive officers, compensation and benefits that meet our goals of attracting, retaining and motivating highly skilled management which is necessary to achieve our financial and strategic objectives and create long-term value for our stockholders. Accordingly, our executive officer compensation program is designed to link compensation to corporate and individual performance and to align executive officers' interests with stockholder value creation by subjectively analyzing both corporate and individual performance in determining appropriate base salary, bonus and equity compensation awards.

We believe compensation should be determined within a framework that is intended to reward individual contribution and the achievement of company objectives. Within this overall philosophy, our objectives are to:

- attract, retain and motivate our executives by providing a total compensation program that takes into consideration our strategic business needs;
- align the financial interests of the executive officers with those of our stockholders, both in the short and long term;
- provide incentives for achieving and exceeding performance expectations; and
- appropriately reward executive officers for creating long-term stockholder value.

Currently, each of our named executive officers is an "at-will" employee; however, some of our named executive officers have employment letters that set forth the basic terms of their employment. In connection with this offering, the compensation committee is considering the advisability of entering into formal employment agreements with each of our named executive officers.

On an annual basis, our compensation committee has utilized its business judgment to establish:

- base salaries for our named executive officers based on the recommendations of our Chief Executive Officer and the compensation committee's exercise of its subjective judgment;
- annual cash bonuses based on the recommendations of our Chief Executive Officer and a subjective analysis by the compensation committee of both our performance and each named executive officer's performance for the most recently completed fiscal year; and
- any long term equity compensation awards to the named executive officers based on the recommendations of the Chief Executive Officer and the compensation committee's exercise of its subjective judgment.

Role of Directors and Executive Officers in Setting Compensation

Prior to September 2008, we did not have a compensation committee and compensation decisions for our named executive officers were approved by our Board of Directors upon the recommendation of our Chief Executive Officer. The compensation recommendations of our Chief Executive Officer have been largely discretionary, based on our Chief Executive Officer's subjective assessment of the particular executive officer, publicly available data relating to compensation of executive officers at other medical device companies and input from our other executive officers. There is no particular mathematical formula for deriving executive compensation from these sources. As we gain experience as a public company, we expect that the specific direction, emphasis and components of our executive compensation program will continue to evolve. For example, over time, we expect to reduce our reliance upon subjective determinations made by our Chief Executive Officer in favor of a more empirically-based approach, that could involve benchmarking the compensation paid to our named executive officers against peer companies that we identify and the use of clearly defined, objective targets to determine incentive compensation awards.

The compensation committee typically considers, but is not required to accept, the recommendations of our Chief Executive Officer regarding the performance and proposed base salary and bonus and equity awards for the other named executive officers, as well as himself. The compensation committee may also request the assistance of our Chief Financial Officer in evaluating the financial, accounting and tax implications of various compensation awards paid to the named executive officers. However, our Chief Financial Officer does not recommend or determine the amounts or types of compensation paid to the named executive officers. Our Chief Executive Officer and certain of our other named executive officers may attend compensation committee meetings, as requested by the compensation committee. None of our named executive officers, including our Chief Executive Officer, attend any portion of the compensation committee meetings during which his or her compensation is established and approved.

We believe that the levels of compensation we provide should be appropriate for our business needs and circumstances. To date, the compensation committee has not engaged a compensation consultant. Rather, the compensation committee and our Chief Executive Officer applied subjective discretion to make compensation decisions and they have not used a specific formula or matrix to set compensation in relation to compensation paid by other medical device companies. Our compensation committee designed our executive compensation program based on the compensation committee's general knowledge of compensation practices and the application of such knowledge to successfully attract and retain the named executive officers. Our compensation committee has not established any percentile targets for the levels of compensation provided to our named executive officers. To date, the compensation committee has not performed reviews of our compensation programs with those of similarly-situated companies, nor have we engaged in benchmarking of compensation paid to our named executive officers. Our historical approach has been to consider compensation practices and relevant factors rather than establishing compensation at specific benchmark percentiles. This enabled us to respond to dynamics in the labor market and provided us with flexibility in maintaining and enhancing our named executive officers' engagement, focus, motivation and enthusiasm for our future. However, as mentioned above, we expect to build some of these objective practices into our compensation approach over time.

The amount of past compensation, including annual discretionary bonus awards, and amounts realizable from prior stock option awards, is generally not a significant factor in the compensation committee's considerations, because these awards would have been earned based on prior years' performances or granted in connection with a named executive officer's initial hire.

Our named executive officers are not subject to mandated stock ownership or stock retention guidelines. It is the belief of the compensation committee that the equity component of our executive compensation program ensures that our named executive officers are also owners and those components to work align the named executive officers' goals with the best interests of stockholders.

Elements of Our Executive Compensation Program

The principal elements of our executive compensation program have been base salary, a discretionary cash bonus and long-term equity compensation in the form of stock options. Each of these compensation elements satisfies one or more of our compensation objectives.

We have not adopted any policies with respect to long-term versus currently-paid compensation, but feel that both elements are necessary for achieving our compensation objectives. Currently-paid compensation provides financial stability for each of our named executive officers and immediate reward for short-term company and individual performance, while long-term compensation rewards achievement of strategic long-term objectives and contributes toward overall stockholder value. Similarly, while we have not adopted any policies with respect to cash versus equity compensation, we feel that it is important to encourage or provide for a meaningful amount of equity ownership by our named executive officers as to help align their interests with those of stockholders, one of our compensation objectives. We combine the compensation elements for each named executive officer in a manner that the compensation committee believes, in its discretion and judgment, is consistent with the executive's contributions to our company and our overall goals with respect to executive compensation.

Base Salary

We believe that base salary is an important component of compensation as it provides a degree of financial stability for our named executive officers and is critical to recruiting and retaining our executives. Base salary is also designed to recognize the scope of responsibilities placed on each named executive officer and reward each executive for his or her unique leadership skills, management experience and contributions. We make a subjective determination of base salary after considering such factors collectively.

Annual Cash Bonuses

Our cash bonus compensation is designed to motivate executives to achieve superior performance in their areas of responsibility. To date, we have awarded only discretionary annual cash bonuses based upon a subjective evaluation of corporate and individual performance by the compensation committee or, prior to its creation, our Board of Directors.

Long-Term Equity Compensation

We grant stock options to our named executive officers, as we believe that such grants further our compensation objectives of aligning the interests of our named executive officers with those of our stockholders, encouraging long-term performance, and providing a simple and easy-to-understand form of equity compensation that promotes executive retention. We view such grants both as incentives for future performance and as compensation for past accomplishments.

We generally have used stock options, rather than other forms of long-term incentives, because they create value for the executive only if stockholder value is increased through an increased share price. Prior to this offering, all stock option grants were made pursuant to either our 1998 Stock Option Plan or our 2007 Stock Incentive Plan. Our Board of Directors determined the exercise price based on internal or third-party valuation reports. Following this offering, all option grants will be made pursuant to our 2010 Incentive Compensation Plan. The exercise price of stock options will be based on the fair market value of our common stock on the grant date.

In lieu of receiving an initial stock option grant upon initial hire, our Chief Executive Officer purchased 2,000,000 shares of our common stock in September 2004. Our Chief Financial Officer did not receive an equity grant upon initial hire in 1998. Our other named executive officers received equity grants in connection with their initial hire. The number of stock options granted to our named executive officers in connection with their initial hire was determined based upon negotiations with each executive, represented the number necessary to recruit each executive from their then-existing positions and reflected our Board of Directors' subjective evaluation of the executive's experience and potential for future performance. We have made discretionary grants of equity compensation, from time to time, as determined by the Board of Directors or after its creation, the compensation committee, taking into consideration such factors as individual performance and market conditions. The timing of any such equity grants was determined by the Board of Directors' determination of achievement by the named executive officer, and not any effort to time the grants in coordination with changes in our stock price.

Stock Ownership Guidelines

We currently do not have stock ownership guidelines.

Perquisites and Other Benefits

As a general matter, we do not intend to offer perquisites or other benefits to any executive officer, including the named executive officers, with an aggregate value in excess of $10,000, because we believe we can provide better incentives for desired performance with compensation in the forms described above. We recognize that, from time to time, it may be appropriate to provide some perquisites or other benefits in order to attract, motivate and retain our executives, with any such decision to be reviewed and approved by the compensation committee as needed.

Our executive officers are eligible to participate in standard employee benefit plans, including medical, dental, vision, life and any other employee benefit or insurance plan made available to employees. We maintain a 401(k) plan, which is intended to be a tax-qualified defined contribution plan under Section 401(k) of the Internal Revenue Code, or the Code. In general, all of our U.S. employees are eligible to participate in this plan. The 401(k) plan includes a salary deferral arrangement pursuant to which participants may elect to reduce their current compensation by up to 90% or the statutory limit, $16,500 in 2009, whichever is less, and have the amount of the reduction contributed to the 401(k) plan. We made no matching contributions during 2009; however, we may add this benefit in the future for all employees.

Analysis of 2009 Compensation for Named Executive Officers

Base Salary

The base salary of Mr. Kimble L. Jenkins, our President and Chief Executive Officer, remained unchanged at $325,000 per year.

The base salary of Mr. John C. Thomas, Jr., our Chief Financial Officer in 2009, was increased from $60,000 per year to $100,000 per year to reflect Mr. Thomas' agreement to devote additional time to our affairs. Mr. Thomas was a part-time employee, and he ceased serving as our Chief Financial Officer in April 2010.

The base salary of Mr. Peter G. Piferi, our Chief Operating Officer, remained unchanged in 2009 at $250,000 per year.

The base salary of Mr. Oscar L. Thomas, our Vice President, Business Affairs, remained unchanged in 2009 at $175,000 per year. Mr. Thomas is also entitled to receive guaranteed bonus payments equal to $12,500 per calendar quarter in accordance with the initial terms of his hiring.

The base salary of Mr. Michael M. Moore, our Vice President, Operations, was increased from $165,000 per year to $175,000 per year in 2009 to reflect the additional roles and responsibilities of Mr. Moore resulting from his promotion from a Senior Director to Vice President, Operations.

Annual Cash Bonuses

In January 2010, our compensation committee authorized the payment of a discretionary annual bonus as follows:

Named Executive Officer	Discretionary Bonus
Kimble L. Jenkins	$ 110,000
John C. Thomas, Jr.	$ 40,000
Peter G. Piferi	$ 100,000
Oscar L. Thomas	$ 80,000
Michael M. Moore	$ 35,000

The bonuses were based upon recommendations made to the compensation committee by Mr. Jenkins. Mr. Jenkins described the performance of Messrs. John Thomas, Piferi, Oscar Thomas and Moore to the compensation committee and made a recommendation with respect to their annual bonus amounts, as well as his own. The bonus recommendations for Messrs. Jenkins, John Thomas and Oscar Thomas took into account the consummation of the co-development agreement with Siemens, the closing of the convertible note financing with Boston Scientific, and the filing of a registration statement for our initial public offering of common stock. In addition, Mr. Jenkins' bonus recommendation took into account the progress in obtaining 510(k) marketing clearance from the FDA for our ClearPoint system. The bonus recommendations for Messrs. Piferi and Moore took into account completion of development of our ClearPoint system, the successful design and implementation of our quality management system, and the progress in obtaining 510(k) marketing clearance from the FDA for our ClearPoint system.

The compensation committee then discussed in executive session Mr. Jenkins' recommendations for the named executive officers, including an annual bonus for Mr. Jenkins. After subjectively evaluating both the performance of the company and the individuals under consideration, the compensation committee awarded to our named executive officers the annual cash bonuses indicated above.

Long-Term Equity Compensation

None of the named executive officers received long term equity compensation in 2009 for their service as employees. Messrs. Jenkins and John Thomas received an option grant relating to their service as members of the Board of Directors that was identical to grants awarded to the non-employee directors. In addition, Mr. Jenkins received an option grant in connection with a stock purchase transaction with us in December 2009.

Effect of Accounting and Tax Treatment on Compensation Decisions

In the review and establishment of our compensation programs, we consider the anticipated accounting and tax implications to us and our executives. While we consider the applicable accounting and tax treatment, these factors alone are not dispositive, and we also consider the cash and non-cash impact of the programs and whether a program is consistent with our overall compensation philosophy and objectives.

Section 162(m) of the Code imposes a limit on the amount of compensation that we may deduct in any one year with respect to covered employees, unless specific and detailed criteria are satisfied. Performance-based compensation, as defined in the Code, is fully deductible if the programs are approved by stockholders and meet other requirements. In general, we have determined that we will not seek to limit executive compensation so that all of such compensation is deductible under Section 162(m). However, from time to time, we monitor whether it might be in our interests to structure our compensation programs to satisfy the requirements of Section 162(m). We seek to maintain flexibility in compensating our executives in a manner designed to promote our corporate goals and, as a result, our compensation committee has not adopted a policy requiring all compensation to be deductible. Our compensation committee will continue to assess the impact of Section 162(m) on our compensation practices and determine what further action, if any, is appropriate.

Conclusion

The compensation committee believes that our executive leadership is a key element to our success and that the compensation package offered to our named executive officers is a key element in attracting and retaining the appropriate personnel.

The Board of Directors and, since its creation, the compensation committee each believes it has maintained compensation for our named executive officers at levels that are reflective of the talent and success of the individuals being compensated, and with the inclusion of additional compensation directly tied to performance, the compensation committee believes executive compensation will be sufficiently comparable to its industry peers to allow us to retain our key personnel at costs which are appropriate for us.

The compensation committee will continue to develop, analyze and review its methods for aligning executive officers' long-term compensation with the benefits generated for stockholders. The compensation committee believes the idea of creating ownership helps align management's interests with the interests of stockholders. The compensation committee has no pre-determined timeline for implementing new or ongoing long-term incentive plans. New plans are reviewed, discussed and implemented as the compensation committee feels it is necessary or appropriate as a measure to incent, retain and reward our named executive officers.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table shows the compensation awarded or paid to, or earned by, our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers for the fiscal year ended December 31, 2009. We refer to these executive officers in this prospectus as our "named executive officers".

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)[1]	All Other Compensation ($)[2]	Total ($)
Kimble L. Jenkins	2009	$325,000	$110,000	$192,060[3][4]	$ 5,355	$657,415[4]
Chief Executive Officer and President	2008	291,667	75,000	12,900	3,005	387,572
John C. Thomas, Jr.	2009	91,667	40,000	8,100[5]	—	139,767
Chief Financial Officer	2008	40,000	18,000	12,900	—	70,900
Peter G. Piferi	2009	250,000	100,000	—	2,860	352,860
Chief Operating Officer	2008	250,000	75,000	—	2,609	327,609
Oscar L. Thomas	2009	175,000	130,000[6]	—	5,355	310,355
Vice President, Business Affairs	2008	122,051	59,750	120,000	3,005	304,812
Michael M. Moore	2009	173,750	48,500[7]	—	260	222,510
Vice President, Operations	2008	37,548	23,500	21,300	12	82,354

(1) Amounts represent grant date fair value of the option awards computed in accordance with ASC Topic 718. For a discussion of the assumptions made in the valuation of the awards, see note 2 to the financial statements included elsewhere in this prospectus and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgements and Estimates—Share-based compensation".

(2) These amounts consist of the group medical, life and disability premiums paid by us.

(3) Represents the grant date fair value in accordance with ASC Topic 718 for: (a) an option to purchase 10,000 shares of our common stock issued to Mr. Jenkins on December 10, 2009 ($8,100); and (b) an option to purchase 266,608 shares of our common stock issued to Mr. Jenkins on December 22, 2009 ($183,960).

(4) In September 2004, Mr. Jenkins purchased 2,000,000 shares of our common stock, which he paid for by delivering to us a non-recourse promissory note. Section 402(a) of the Sarbanes-Oxley Act required that the note be repaid prior to the filing of our registration statement for the initial public offering of our common stock. Our Board of Directors formed a special committee of independent directors to review and evaluate any potential transaction with Mr. Jenkins with respect to his loan. The special committee approved, and our Board of Directors ratified, a transaction pursuant to which, on December 22, 2009, Mr. Jenkins sold us 266,608 shares of common stock valued at $2.41 per share and we issued to Mr. Jenkins an option to purchase 266,608 shares of common stock with an exercise price of $2.41 per share. Our Board of Directors determined that the fair market value of our common stock as of December 22, 2009 was $2.41 per share. We paid most of the stock purchase price for Mr. Jenkins' shares by cancelling Mr. Jenkins' promissory note and we paid the remaining portion of approximately $47,833 in cash. See "Certain Relationships and Related Party Transactions – Related Person Transactions." The purpose of the transaction was to satisfy Mr. Jenkins' promissory note to enable us to file our registration statement for the initial public offering of our common stock while maintaining as closely as possible the original economics of Mr. Jenkins' loan transaction. The December 22, 2009 stock option we issued to Mr. Jenkins, when computed in accordance with ASC Topic 718, resulted in $183,960 of non-cash compensation to Mr. Jenkins.

(5) Represents the grant date fair value of the option award computed in accordance with ASC Topic 718 for an option to purchase 10,000 shares of our common stock issued to Mr. Thomas on December 10, 2009.

(6) This bonus amount includes non-discretionary quarterly bonuses totaling $50,000, which was paid pursuant to Mr. Thomas' employment letter.

(7) This bonus amount includes a non-discretionary one-time bonus of $13,500, which was paid pursuant to Mr. Moore's employment letter.

Grants of Plan-Based Awards

The table below sets forth information concerning grants of plan based awards in 2009 to our named executive officers.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options	Exercise Price Of Option Awards[1]	Grant Date Fair Value of Option Awards
Kimble L. Jenkins	December 10, 2009	10,000[2]	$ 2.41	$ 8,100
	December 22, 2009	266,608[3]	2.41	183,960
John C. Thomas, Jr.	December 10, 2009	10,000[2]	2.41	8,100

(1) The exercise price of each stock option granted to our named executive officers is equal to the fair market value of one share of the underlying common stock on the grant date.
(2) This option was awarded following our 2009 annual meeting of our stockholders in connection with the recipient's service as a director. These options vest on the earlier to occur of: (a) the one year anniversary of the grant date; or (b) the day immediately preceding the 2010 annual meeting of stockholders.
(3) The shares subject to this option will vest ratably on the first, second and third anniversaries of the grant date, December 22, 2010, December 22, 2011 and December 22, 2012.

All the stock options granted to the named executive officers were granted under our 2007 Stock Incentive Plan. The compensation committee, which administers our 2007 Stock Incentive Plan, has general authority to accelerate, extend, or otherwise modify the benefits under the stock options in certain circumstances within overall plan and other limitations. The compensation committee has no present intention to exercise that authority with respect to these stock options.

Outstanding Equity Awards at December 31, 2009

The table below sets forth information regarding the outstanding equity awards held by our named executive officers at December 31, 2009.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Kimble L. Jenkins	386,500[1]	—[1]	$ 0.80	December 1, 2011
	20,000[2]	—[2]	0.80	March 28, 2017
	10,000[3]	—[3]	2.41	September 16, 2018
	10,000[4]	—[4]	2.41	November 8, 2018
	—[5]	10,000[5]	2.41	December 10, 2019
	—[6]	266,608[6]	2.41	September 1, 2013
John C. Thomas, Jr.	400,000[7]	—[7]	0.22	April 12, 2014
	20,000[2]	—[2]	0.80	March 28, 2017
	10,000[3]	—[3]	2.41	September 16, 2018
	10,000[4]	—[4]	2.41	November 8, 2018
	—[5]	10,000[5]	2.41	December 10, 2019
Peter G. Piferi	300,000[8]	—[8]	0.80	December 1, 2017
Oscar L. Thomas	83,334[9]	166,666[9]	1.51	April 30, 2018
Michael M. Moore	10,000[10]	20,000[10]	2.41	November 7, 2018

(1) This warrant was immediately exercisable on the date of grant, December 1, 2006.
(2) The vesting of shares subject to this option occurred on the date of grant, March 28, 2007.

(3) The vesting of shares subject to this option occurred on the date of grant, September 16, 2008.
(4) The vesting of shares subject to this option occurred on the first anniversary of the date of grant, November 8, 2009.
(5) The vesting of shares subject to this option will occur on the earlier of: (a) the first anniversary of the grant date, December 10, 2010; or (b) the day immediately preceding the 2010 annual meeting of our stockholders.
(6) The shares subject to this option will vest ratably on the first, second and third anniversaries of the grant date, December 22, 2010, December 22, 2011 and December 22, 2012.
(7) The vesting of shares subject to this option occurred on the date of grant, April 12, 2004.
(8) One-third of the shares subject to this option vested upon the first anniversary of Mr. Piferi's hire date, December 1, 2007, one-third vested on the second anniversary, December 1, 2008, and the remaining one-third vested on December 1, 2009.
(9) One-third of the shares subject to this option vested on the first anniversary of Mr. Thomas' hire date, April 18, 2009. The remaining shares subject to this option will vest ratably on the second and third anniversaries of Mr. Thomas' hire date, April 18, 2010 and April 18, 2011.
(10) One-third of the shares subject to this option vested on the first anniversary of Mr. Moore's hire date, October 9, 2009. The remaining shares subject to this option will vest ratably on the second and third anniversaries of Mr. Moore's hire date, October 9, 2010 and October 9, 2011.

Option Exercises

None of our named executive officers exercised stock options in 2009.

Employment Agreements and Potential Payments Upon Termination or Change of Control.

In June 2010, we entered into employment agreements with our named executive officers, which will become effective upon completion of this offering. The material terms of each named executive officer's employment agreement are set forth in the following table and the discussion below:

Executive	Initial Term[1]	Salary[2]	Bonus
Kimble L. Jenkins	5 years	$325,000	(3)
Peter G. Piferi	3 years	$250,000	(3)
David W. Carlson	2 years	$225,000	(3)
Oscar L. Thomas	2 years	$225,000	(3)
Michael M. Moore	1 years	$175,000	(3)

(1) The term of each named executive officer's employment agreement is subject to one year renewals at the end of the initial term.
(2) Each named executive officer's salary is subject to adjustment at the discretion of our Compensation Committee, subject to certain limitations.
(3) Each named executive officer is eligible for a cash bonus in an amount and upon terms and conditions determined by our Compensation Committee.

In addition, under each employment agreement, each named executive officer is: (i) eligible for equity compensation in an amount and based upon goals and criteria determined by our Compensation Committee; (ii) entitled to participate in any benefit plan from time to time in effect for our executives and/or employees generally, subject to the eligibility provisions of that plan; and (iii) entitled to reimbursement for all reasonable and necessary business expenses incurred or paid in the performance of the executive's duties. Additionally, each named executive officer is subject to a confidentiality agreement and a non-compete agreement.

If the named executive officer's employment is terminated due to his death or permanent disability, then he will be entitled to receive: (i) any base salary and bonus compensation earned but unpaid as of the termination date; (ii) reimbursement of business expenses he incurred as of the termination date; and (iii) if properly elected and to the extent eligible, health care continuation coverage for himself, if applicable under the circumstances, and his spouse and dependents for up to 12 months. In addition, the named executive officer will be entitled to receive any vested benefits under our award plans and benefit plans in accordance with the terms of those plans.

If we terminate the employment of any of Messrs. Jenkins, Piferi, Carlson or Thomas without cause or if any of Messrs. Jenkins, Piferi, Carlson or Thomas terminates his employment for good reason, as those terms are defined in his respective employment agreement, then such named executive officer will receive: (i) any base salary and bonus compensation earned but unpaid as of the termination date; (ii) one and one-half times his base salary in effect on the termination date;

(iii) one and one-half times his average bonus for the previous two years, if any; (iv) if properly elected and to the extent eligible, health care continuation coverage for himself, his spouse and his dependents for up to 18 months; and (v) reimbursement of business expenses he incurred as of the termination date. If we terminate Mr. Moore's employment without cause or if Mr. Moore terminates his employment for good reason, as those terms are defined in his employment agreement, then Mr. Moore will receive: (i) any base salary and bonus compensation earned but unpaid as of the termination date; (ii) one times his base salary in effect on the termination date; (iii) one times his average bonus for the previous two years, if any; (iv) if properly elected and to the extent eligible, health care continuation coverage for himself, his spouse and his dependents for up to 12 months; and (v) reimbursement of business expenses he incurred as of the termination date. In addition, if we terminate the employment of any named executive officer without cause or a named executive officer terminates his employment for good reason, any unvested stock options and restricted stock previously granted to the named executive officer will become fully vested on the termination date.

Upon a change of control, any unvested stock options and restricted stock previously granted to the named executive officers will become fully vested. In addition, if we terminate the employment of any of Messrs. Jenkins, Piferi, Carlson or Thomas without cause, or if any of Messrs. Jenkins, Piferi, Carlson or Thomas terminates his employment for good reason, in either case within four months prior to or within 12 months following a change of control, then he will be entitled to receive a lump sum payment equal to: (i) any base salary and bonus compensation earned but unpaid as of the termination date; (ii) two times his base salary in effect on the termination date; (iii) two times the greater of his average bonus for the previous two years or his current year target bonus, if any; (iv) an amount equal to the premium for 24 months of health care continuation coverage for himself, his spouse and his dependents, to the extent eligible for such coverage; and (v) reimbursement of business expenses he incurred as of the termination date. If we terminate Mr. Moore's employment without cause, or if Mr. Moore terminates his employment for good reason, in either case within four months prior to or within 12 months following a change of control, then Mr. Moore will be entitled to receive a lump sum payment equal to: (i) any base salary and bonus compensation earned but unpaid as of the termination date; (ii) one times his base salary in effect on the termination date; (iii) the greater of his average bonus for the previous two years or his current year target bonus, to the extent eligible for such coverage; (iv) an amount equal to the premium for 12 months of health care continuation coverage for himself, his spouse and his dependents, if any; and (v) reimbursement of business expenses he incurred as of the termination date.

The following table includes estimates of the potential payments that we would be required to make and the value resulting from the acceleration of stock options in each of the circumstances described above. Our estimates are based are the following general assumptions:

- The named executive officer entered into his employment agreement as described above prior to December 31, 2009;
- The date of termination is December 31, 2009;
- The named executive officer's base salary as of the date of termination is the initial base salary set forth in his employment agreement;
- There is no accrued and unpaid salary or bonus compensation as of the date of termination; and
- There is no unpaid reimbursement for business expenses incurred as of the date of termination.

Executive	Benefit	Death and Disability Termination	Termination Without Cause and Termination for Good Reason	Change of Control[1]	Change of Control Termination[2]
Kimble L. Jenkins	Salary	—	$ 487,500	—	$ 650,000
	Bonus	—	$ 56,250	—	$ 75,000
	Benefits continuation	$ 6,480	$ 9,720	—	$ 12,960
	Stock option acceleration[3]	—			
	Total	$ 6,480			
Peter G. Piferi	Salary	—	$ 375,000	—	$ 500,000
	Bonus	—	$ 93,750	—	$ 125,000
	Benefits continuation	$ 2,556	$ 3,834	—	$ 5,112
	Stock option acceleration[3]	—	—	—	—
	Total	$ 2,556	$ 472,854		$ 630,112
David W. Carlson	Salary	—	$ 337,500	—	$ 450,000
	Bonus	—	—	—	—
	Benefits continuation	$ 6,480	$ 9,720	—	$ 12,960
	Stock option acceleration[3]	—	—	—	—
	Total	$ 6,480	$ 347,220		$ 462,960
Oscar L. Thomas	Salary	—	$ 337,500	—	$ 450,000
	Bonus	—	$ 44,813	—	$ 59,750
	Benefits continuation	$ 6,480	$ 9,720	—	$ 12,960
	Stock option acceleration[3]	—			
	Total	$ 6,480			
Michael M. Moore	Salary	—	$ 175,000	—	$ 175,000
	Bonus	—	$ 11,750	—	$ 11,750
	Benefits continuation	—	—	—	
	Stock option acceleration[3]	—			
	Total	—			

(1) In the event of a change of control, the named executive officer's unvested restricted stock and stock options will become immediately vested and exercisable regardless of whether the named executive officer is terminated in connection with the change of control.

(2) With respect to a change of control termination, the value of the stock option acceleration is included for clarity of presentation; however, the options vest upon the change of control regardless of whether the named executive officer is terminated. See the footnote above.

(3) Assumes triggering event effective as of December 31, 2009 and excludes vested options and stock held as of such date. There was no public market for our common stock in 2009. We have estimated the market value of the accelerated stock options based on the difference between our assumed initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus, and the exercise price of such accelerated options.

For purposes of these benefits, a change of control is deemed to occur, in general, if there is: (1) a change in our ownership; (2) a change in our effective control; or (3) a change in the ownership of a substantial portion of our assets. For purposes of this definition, a change in our ownership will occur on the date on which any one person, or more than one person acting as a group, acquires ownership of our stock that, together with stock already held by such person or group, constitutes more than 50% of the total fair market value or total voting power of our stock. A change in our effective control will occur on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of our stock possessing 30% or more of the total voting power of our stock, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of our Board of Directors is replaced during any

12-month period by directors whose appointment or election is not endorsed by a majority of the members of our Board of Directors prior to the date of the appointment or election. A change in the ownership of a substantial portion of our assets will occur on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to us, acquires assets from us that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of our assets immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

Benefit Plans

1998 Stock Option Plan

We adopted the 1998 Stock Option Plan on June 24, 1998 to enable us to attract, retain and motivate our officers, directors, employees and consultants. Of the 1,500,000 shares of common stock that were eligible for issuance pursuant to awards made under this plan, 1,170,000 shares of common stock were subject to options outstanding as of March 31, 2010. As of such date, the outstanding options had a weighted average exercise price of $0.30 per share and had expiration dates ranging from January 1, 2010 to October 21, 2014. We terminated this plan, effective June 24, 2008, with respect to future grants such that no new options may be awarded under this plan.

2007 Stock Incentive Plan

We adopted the 2007 Stock Incentive Plan on March 28, 2007 to enable us to attract, retain and motivate our officers, directors, employees and consultants. Of the 2,500,000 shares of common stock that were eligible for issuance pursuant to awards made under this plan, 1,232,500 shares of common stock were subject to options outstanding as of March 31, 2010. As of such date, the outstanding options had a weighted average exercise price of $1.45 per share and had expiration dates ranging from March 28, 2017 to December 10, 2019. Although this plan remains in effect and options under the plan remain outstanding, we ceased making awards under the plan upon the adoption of our 2010 Incentive Compensation Plan.

2010 Incentive Compensation Plan

We adopted the 2010 Incentive Compensation Plan, or the 2010 Plan, on April 23, 2010. The principal purpose of the 2010 Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The 2010 Plan is also designed to permit us to make cash-based awards and equity-based awards intended to qualify as "performance-based compensation" under Section 162(m) of the Code.

This following summary is qualified in its entirety by reference to the text of the 2010 Plan, which is filed as an exhibit to the registration statement of which this prospectus is a part.

Eligibility. Awards may be granted under the 2010 Plan to officers, directors (including non-employee directors) and other employees of our company or any of our subsidiaries or other affiliates, to any individual who is an advisor, consultant or other provider of services to us or any of our subsidiaries or other affiliates and to any other individuals who are approved by our Board of Directors as eligible to participate in the plan. Only our employees or those of any of our subsidiaries are eligible to receive incentive stock options.

Administration, Amendment and Termination. Our compensation committee will have the power and authority to administer the 2010 Plan. The compensation committee will have the authority to interpret the terms and intent of the 2010 Plan, determine eligibility for and terms of awards for participants and make all other determinations necessary or advisable for the administration of the 2010 Plan. To the extent permitted by law, our compensation committee may delegate authority under the 2010 Plan to our Chief Executive Officer or to our other executive officers under conditions and limitations the compensation committee may establish.

The compensation committee may amend, suspend or terminate the 2010 Plan at any time with respect to any shares of common stock as to which awards have not been made. No such action may amend the 2010 Plan without the approval of stockholders if the amendment is required to be submitted for stockholder approval by applicable law, rule or regulation.

Awards. Awards under the 2010 Plan may be made in the form of: options, SARs, stock awards, restricted share units, cash bonuses or other incentive award granted under the 2010 Plan, whether singly, in combination, or in tandem. Any of the foregoing awards may be made subject to attainment of performance goals over any applicable performance period.

Shares Subject to the Plan. The aggregate number of shares of our common stock that may be issued initially pursuant to stock awards under the 2010 Plan is 5,000,000 shares. In connection with this offering, we intend to (i) grant options under the 2010 Plan to purchase shares of common stock with exercise prices equal to the initial public offering price and (ii) issue shares of common stock under the 2010 Plan, assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover page of this prospectus. The maximum number of shares that may be issued pursuant to the exercise of incentive stock options under the 2010 Plan is 2,500,000. Shares issued under the 2010 Plan may be authorized but unissued shares or treasury shares. Any shares covered by an award, or portion of an award, granted under the 2010 Plan that is forfeited or canceled, expires or is settled in cash will be deemed not to have been issued for purposes of determining the maximum number of shares available for issuance under the 2010 Plan.

Adjustment of Shares Subject to 2010 Plan. In the event of certain changes in our capitalization, the compensation committee will adjust, among other award terms, the number and kind of shares or property that may be delivered in connection with awards and the exercise price, grant price or purchase price relating to any award in such manner as the compensation committee determines to be necessary to prevent dilution or enlargement of the rights of participants.

Effect of a Change of Control. Upon the occurrence of a change of control, the compensation committee may:

- accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an award under the 2010 Plan;
- cancel such awards for fair value (as determined by the compensation committee);
- provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards previously granted under the 2010 Plan, as determined by the compensation committee; or
- provide that for a period of at least 10 days prior to the change of control, option awards will be exercisable as to all shares of common stock subject thereto and that upon the occurrence of the change of control, such awards will terminate and be of no further force or effect.

Corporate Performance Objectives. Section 162(m) of the Code limits public companies to an annual deduction for federal income tax purposes of $1,000,000 for compensation paid to their Chief Executive Officer and, based on recent IRS interpretation, the three most highly compensated executive officers determined at the end of each year. Performance-based compensation is excluded from this limitation. The 2010 Plan is designed to permit the compensation committee to grant awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m) at such time as the 2010 Plan becomes subject to Section 162(m).

Key Personnel Incentive Program

We have adopted the Key Personnel Incentive Program, or the program, to provide specified key employees and consultants with the opportunity to receive incentive bonus payments upon providing a number of years of

service or upon a consummation of a sale transaction, as defined in the program. The compensation committee of our Board of Directors is responsible for administering the program, and the only participants in the program are Paul A. Bottomley and Parag Karmarkar. The program will terminate on the earlier of December 31, 2015 or the occurrence of a sale transaction.

Service Bonuses

Until the occurrence of a sale transaction, each participant will be entitled to receive semi-annual service bonuses beginning on June 30, 2012 and continuing through December 31, 2015 if the participant continues to provide services to us as our consultant or employee as of the respective payment dates. Pursuant to their awards, Dr. Bottomley and Mr. Karmarkar would receive service bonuses totaling up to $1,700,000 and $1,000,000, respectively, payable in eight equal semi-annual installments. If the participant's consultancy or employment is (i) terminated due to the participant's death or disability, or (ii) involuntarily terminated by us other than for cause, as defined in the program, then the participant will be deemed vested, as of the termination date, in all future service bonus payments, and we will pay that aggregate amount no later than March 15 of the year following the year in which the termination occurred.

Bonus Upon a Sale Transaction

In the event of a sale transaction, each of the participants will be entitled to receive a bonus payment under the program if the participant continues to provide services to us as our consultant or employee as of the date of the transaction. Mr. Karmarkar would receive a bonus equal to $1,000,000, less any service bonus payments made to Mr. Karmarkar as described above. Dr. Bottomley would receive a bonus equal to (i) $1,000,000, plus (ii) 1.4% of the amount by which the "net proceeds" from the sale transaction exceed $50,000,000, but not to exceed $700,000, less (iii) any service bonus payments made to Dr. Bottomley as described above. Following a sale transaction, neither participant will be entitled to receive any further service bonuses.

For purposes of the program, the "net proceeds" from a sale transaction will be the portion of the aggregate cash and non-cash consideration paid or payable in connection with the consummation of the sale transaction that is distributed, or otherwise available for distribution, to holders of our common stock.

Cardiac EP Business Participation Plan

We have adopted the Cardiac EP Business Participation Plan, or the plan, to enable us to provide a key product development advisor and consultant with financial rewards in the event that we sell the segment of our business operations relating to catheter-based MRI-guided cardiac ablation to treat cardiac arrhythmias, which we refer to as our cardiac EP business unit. The cardiac EP business unit includes our operations relating to the ClearTrace system for MRI-guided cardiac ablation to treat cardiac arrhythmias, but it does not include our operations relating to our ClearPoint system, our SafeLead Development Program or any other product or product candidate. The sole participant in the plan is Dr. Nassir F. Marrouche.

In the event that we sell our cardiac EP business unit, whether on a stand-alone basis or as part of the sale of our entire company, the participant will receive a payment under the plan equal to (i) the transaction value paid for or allocated to the cardiac EP business unit in the sale, multiplied by (ii) the participant's "participation interest" at the time of the sale. The participant was initially awarded a participation interest of 6.6%. However, that percentage interest will be equitably reduced from time to time to take into account any equity financing transactions, including this offering, in which we issue shares of our common stock or securities convertible into shares of our common stock in exchange for cash proceeds. The plan will terminate on June 2, 2025.

401(k) Plan

We offer a 401(k) Plan pursuant to Section 401(k) of the Code. All full time United States employees are eligible to participate in the plan. The plan permits pretax contributions by participants not to exceed annual amounts allowable under the Code. Participants are fully vested in their contributions.

Limitations on Directors' Liability and Indemnification Agreements

As permitted by Delaware law, we have adopted provisions in our certificate of incorporation and bylaws, both of which will become effective upon the completion of this offering, that limit or eliminate the personal liability of directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, a director exercise an informed business judgment based on all material information reasonably available to him or her. Consequently, a director will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payments of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as injunctive relief or rescission. These provisions will not alter a director's liability under federal securities laws. Our certificate of incorporation that will become effective upon the completion of this offering also authorizes us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Delaware law, our bylaws also provide that:

- we will indemnify our directors, officers, employees and other agents to the fullest extent permitted by law;
- we may advance expenses to our directors, officers, employees and other agents in connection with a legal proceeding to the fullest extent permitted by law; and
- the rights provided in our bylaws are not exclusive.

We believe that indemnification under our bylaws covers at least negligence and gross negligence on the part of indemnified parties. Our bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit such indemnification. We have obtained such insurance.

In addition to the indemnification provided for in our certificate of incorporation and bylaws, we intend to enter into separate indemnification agreements with each of our directors and executive officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified individuals to serve as directors and officers. There is no pending litigation or proceeding involving any of our directors or officers to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Policies and Procedures for Related Person Transactions

Prior to the completion of this offering, we will adopt a related person transactions policy to be effective upon completion of this offering pursuant to which our executive officers, directors and principal stockholders, including their immediate family members, are not permitted to enter into a related person transaction with us without the consent of our audit committee, other independent committee of our Board of Directors or the full Board of Directors. Any request for us to enter into a transaction with an executive officer, director, principal stockholder or any of such persons' immediate family members, in which the amount involved exceeds $120,000 must be presented to our audit committee for review, consideration and approval. All of our directors, executive officers and employees are required to report to our audit committee any such related person transaction. In approving or rejecting the proposed agreement, our audit committee will take into account, among other factors it deems appropriate, whether the proposed related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the person's interest in the transaction and, if applicable, the impact on a director's independence. After consideration of these and other factors, the audit committee may approve or reject the transaction. Under the policy, if we should discover related person transactions that have not been approved, the audit committee will be notified and will determine the appropriate action, including ratification, rescission or amendment of the transaction.

Related Person Transactions

The following is a description of transactions since January 1, 2009 to which we have been a party, in which the amount involved in the transaction exceeds $120,000, and in which any of our executive officers, directors and principal stockholders, including their immediate family members had or will have a direct or indirect material interest.

In September 2004, Mr. Jenkins, our Chief Executive Officer, purchased 2,000,000 shares of our common stock for an aggregate purchase price of $480,000. Mr. Jenkins paid the purchase price by delivering to us a non-recourse promissory note in the principal amount of $480,000, and Mr. Jenkins pledged the purchased shares as security for the note. The note was amended and restated on September 30, 2008 to extend the maturity date. As of December 22, 2009, the outstanding balance on the note was $594,687 (including $114,687 of accrued interest). Section 402(a) of the Sarbanes-Oxley Act required that the note be repaid prior to the filing of our registration statement for the initial public offering of our common stock. Our Board of Directors formed a special committee of independent directors to review and evaluate any potential transaction with Mr. Jenkins with respect to his loan. The special committee approved, and our Board of Directors ratified, a transaction pursuant to which, on December 22, 2009, Mr. Jenkins sold us 266,608 shares of common stock valued at $2.41 per share and we issued to Mr. Jenkins an option to purchase 266,608 shares of common stock with an exercise price of $2.41 per share. Our Board of Directors determined that the fair market value of our common stock as of December 22, 2009 was $2.41 per share. We paid a portion of the stock purchase price, approximately $594,687, by cancelling Mr. Jenkins' promissory note and the remainder, approximately $47,833, was paid in cash. The purpose of the transaction was to satisfy Mr. Jenkins' promissory note to enable us to file of our registration statement for the initial public offering of our common stock while maintaining as closely as possible the original economics of Mr. Jenkins' loan transaction.

Between January 2006 and August 2007, Boston Scientific, one of our 5% common stockholders and the employer of one of our directors, loaned us $1,500,000 in six equal quarterly installments pursuant to a convertible promissory note. This note matured on June 30, 2008, at which time Boston Scientific converted the note into 1,671,838 shares of our common stock and a warrant to purchase 1,671,838 shares of our common stock, which warrant has since expired. As such, we have no remaining obligations under the note.

On January 30, 2009, we repurchased 500,000 shares of our common stock from DARA, one of our 5% common stockholders, for $500,000. In connection with this repurchase, we also loaned $500,000 to DARA pursuant to a secured promissory note, which bears interest at 8% annually and becomes due and payable on July 31, 2010. The secured promissory note was collateralized by 500,000 shares of our common stock held by DARA. On December 31, 2009, DARA repaid the $500,000 loan plus accrued interest of $36,712 by tendering to us an additional 536,712 shares of our common stock in full satisfaction of the note.

During 2009, Boston Scientific loaned us $3,500,000 pursuant to the terms of three convertible promissory notes. Interest on the loans accrues at 10% per annum and compounds annually. The Boston Scientific loans are secured by a first priority security interest in all of our assets. Each loan matures on the second anniversary of the date on which the funds were advanced. In addition, we will be required to prepay all or a portion of loans upon the consummation of any qualified financing, which is any equity financing in which shares of our preferred stock are issued in exchange for cash proceeds. Upon consummation of a qualified financing from Medtronic, Inc., St. Jude Medical, Inc., or Johnson & Johnson, or any of their respective subsidiaries or affiliates, up to 100% of the cash proceeds from such qualified financing must be used to prepay the outstanding principal of the loans and accrued interest thereon. Upon consummation of a qualified financing from any other investor, up to 25% of the cash proceeds from such qualified financing shall be applied by us to prepay the outstanding principal of the loans and accrued interest thereon. We can repay each loan at anytime prior to its respective maturity date. At the option of Boston Scientific, these loans are convertible into one share of our common stock for every $2.00 of principal and interest outstanding at the time of conversion. To the extent that Boston Scientific has not exercised its conversion right prior to the completion of this offering, Boston Scientific will no longer have the right to convert the notes into shares of stock.

In addition to the disclosure above, the terms of the Key Personnel Incentive Plan, which is more fully described in the section entitled “Benefit Plans—Key Personnel Incentive Plan,” is incorporated and restated herein.

Third Amended and Restated Investors Rights’ Agreement

Pursuant to our Third Amended and Restated Investors Rights’ Agreement, or Rights Agreement, certain of our stockholders and their affiliates and transferees have registration rights. Pursuant to the Rights Agreement, holders of registrable shares may require us, on not more than two occasions at any time beginning six months from the date of the closing of this offering, to file a registration statement under the Securities Act to register for resale their shares of common stock. As of April 30, 2010, the holders of approximately 23,600,000 shares of our common stock or convertible preferred stock have registration rights pursuant to the Rights Agreement. For more information concerning the Rights Agreement, please see “Description of Capital Stock—Registration Rights.”

Indemnification Agreements

Prior to this offering, we expect to enter into separate indemnification agreements with each of our directors and executive officers, in addition to the indemnification provided for in our certificate of incorporation and bylaws. See “Management—Limitations on Directors’ Liability and Indemnification Agreements.”

PRINCIPAL STOCKHOLDERS

The following table sets forth information as of April 30, 2010 regarding the beneficial ownership of our common stock by:

- each person, or group of affiliated persons, who is known by us to own beneficially five percent or more of our common stock;
- each of our directors;
- each of our named executive officers; and
- all our directors and executive officers as a group.

The number of shares owned and percentage ownership in the following table is based on 20,517,120 shares of common stock outstanding on April 30, 2010, the effectuation of an assumed 1-for- reverse stock split, the conversion of all outstanding shares of our preferred stock into 7,965,000 shares of common stock, the conversion of our bridge notes into shares of common stock and the issuance of shares in this offering. The information assumes no exercise of the underwriters' over-allotment option.

Each individual or entity shown on the table has furnished information with respect to beneficial ownership. Except as otherwise indicated below, the address of each officer, director and five percent stockholder listed below is c/o SurgiVision, Inc., One Commerce Square, Suite 2550, Memphis, TN 38103.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options and warrants that are either immediately exercisable or exercisable within 60 days of April 30, 2010. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Beneficial Owner (Name and Address)	Number of Shares Owned	Percentage of Shares Outstanding	
		Before Offering	After Offering
5% Stockholders			
Entities affiliated with Boston Scientific Neuromodulation Corporation[1] One Boston Scientific Plaza Natick, MA 01760	3,541,358	%	%
Bruce Conway[2] 5514 Wenonah Dr Dallas, TX 75209	2,108,741		
DARA Pharmaceuticals, Inc.[3] 8601 Six Forks Road, Suite 160 Raleigh, NC 27615	2,018,258		
Directors and Named Executive Officers			
Kimble L. Jenkins[4]	2,174,892		
John C. Thomas, Jr.[5]	770,923		
Lenox D. Baker[6]	70,000	*	*
Paul A. Bottomley[7]	478,665		
Charles E. Koob[8]	125,000	*	*
Wendelin C. Maners[9]	35,000	*	*
James K. Malernee, Jr.	—	*	*
Michael A. Pietrangelo	—	*	*
John N. Spencer, Jr.	—	*	*
Peter G. Piferi[10]	300,000		*
Oscar L. Thomas[11]	166,667	*	*
Michael M. Moore[12]	10,000	*	*
All executive officers and directors as a group (15 persons)[13]	4,091,147		

* Represents beneficial ownership of less than 1% of our outstanding common stock.

(1) Includes 1,834,520 shares issuable upon the conversion of convertible promissory notes, the outstanding balance of which, including principal and accrued interest, was approximately $3,669,040 as of April 30, 2010. Also includes 35,000 shares that Ms. Maners has the right to acquire through the exercise of options, which she holds for the benefit of Boston Scientific Neuromodulation Corporation. Pursuant to the terms of the Stockholders' Agreement, which terminates upon closing of this offering, Boston Scientific Neuromodulaton Corporation designated Ms. Maners as their nominee to serve on our Board of Directors. Boston Scientific is a reporting company under the Exchange Act, the shares of which are traded on the New York Stock Exchange and are widely held.

(2) Includes 25,000 shares jointly held with his spouse, 100,000 shares held solely by his spouse, 25,000 shares issuable upon the optional conversion of a bridge note in the principal amount of $50,000 and 82,644 shares of common stock in the aggregate owned by the Alden M. Conway Trust, the Chase T. Conway Trust, the Merritt Elizabeth Conway Trust, the Edna N. Conway Irrevocable Trust FBO Alden M. Conway, the Edna N. Conway Irrevocable Trust FBO Chase T. Conway and the Edna N. Conway Irrevocable Trust FBO Merritt Elizabeth Conway. Mr. Conway is the trustee of each of the aforementioned trusts and has voting and investment power of each trust's shares, which are held in trust for the benefit of his children.

(3) Includes 405,000 shares that DARA Pharmaceuticals, Inc. has the right to acquire through the exercise of warrants. DARA Pharmaceuticals, Inc. is a reporting company under the Exchange Act, the shares of which are traded on the Nasdaq Capital Market and are widely held.

(4) Includes 386,500 shares that Mr. Jenkins has the right to acquire through the exercise of warrants and 50,000 shares that Mr. Jenkins has the right to acquire through the exercise of options.

(5) Includes 72,740 shares held by a family limited partnership of which Mr. Thomas is the general partner, 364 shares owned by Mr. Thomas' daughter, and 450,000 shares that Mr. Thomas has the right to acquire through the exercise of stock options. Does not include 727 shares beneficially owned by Mr. Thomas' spouse of which Mr. Thomas disclaims beneficial ownership.

(6) Includes 70,000 shares that Dr. Baker has the right to acquire through the exercise of options.

(7) Includes 290,000 shares that Dr. Bottomley has the right to acquire through the exercise of options.

(8) Includes 80,000 shares jointly held with his spouse and 35,000 shares that Mr. Koob has the right to acquire through the exercise of options.

(9) Includes 35,000 shares that Ms. Maners has the right to acquire through the exercise of options. Ms. Maners holds her options for the benefit of Boston Scientific Neuromodulation Corporation. Pursuant to the terms of the Stockholders' Agreement, which terminates upon closing of this offering, Boston Scientific Neuromodulaton Corporation designated Ms. Maners as its nominee to serve on our Board of Directors.

(10) Includes 300,000 shares that Mr. Piferi has the right to acquire through the exercise of options.

(11) Includes 166,667 shares that Mr. Thomas has the right to acquire through the exercise of options.

(12) Includes 10,000 shares that Mr. Moore has the right to acquire through the exercise of options.

(13) Includes 1,813,167 shares exercisable through the exercise of options or warrants and 72,740 shares held by an entity controlled by a director.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock gives effect to the amendment and restatement of our certificate of incorporation and bylaws, which will occur before the closing of this offering, an assumed 1-for- reverse stock split, which will occur before the closing of this offering, and the conversion of our preferred stock and bridge notes into shares of common stock, which will occur upon the closing of this offering, as if such conversion had occurred on April 30, 2010.

Upon completion of this offering, our authorized capital stock will consist of shares of common stock, $0.01 par value per share, and shares of preferred stock, $0.01 par value per share.

Common Stock

Outstanding Shares

As of April 30, 2010, we had 20,517,120 shares of common stock outstanding and 7,965,000 shares of preferred stock issued and outstanding that are convertible into 7,965,000 shares of common stock and $4,071,000 of bridge notes that are convertible into shares of common stock. As of April 30, 2010, we had approximately 500 stockholders, assuming the conversion of all outstanding shares of our preferred stock and bridge notes into shares of our common stock. In addition, as of April 30, 2010, options and warrants to purchase 4,413,050 shares of common stock were issued and outstanding and we had outstanding convertible promissory notes that were convertible into 1,834,520 shares of common stock. Based on our outstanding capital stock as of April 30, 2010, upon the completion of this offering, there will be shares of common stock outstanding assuming an initial public offering price of $ per share, which is the mid-point of the range listed on the cover of this prospectus, conversion of all preferred stock into 7,965,000 shares of common stock, conversion of the bridge notes into shares of common stock, no exercise of the underwriters' over-allotment option, no exercise of outstanding stock options or warrants and no conversion of outstanding convertible promissory notes (other than the bridge notes).

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Under our certificate of incorporation and bylaws, our stockholders will not have cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the Board of Directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Rights and Preferences

Holders of common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued pursuant to this offering will be, fully paid and nonassessable.

Preferred Stock

Upon the closing of this offering, the Board of Directors will have the authority, without further action by the stockholders, to issue up to 30,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding. The Board of Directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of SurgiVision and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. Upon completion of this offering, no shares of preferred stock will be issued or outstanding.

Registration Rights

In 1998 shortly following our formation, some of our initial investors entered into an investor rights agreement with us, which, among other things, provided demand and piggyback registration rights. As our operations to date have been funded primarily through the sale of our equity securities, we have amended the investor rights agreement with each offering of equity securities to extend the respective rights thereunder to the new investors. The investor rights agreement was most recently amended in 2006 in connection with a preferred stock offering, and it remains in place as the Rights Agreement.

Demand and Form S-3 Registration Rights

Pursuant to the Rights Agreement, at any time beginning six months after the consummation of this offering, the holders of approximately 23,600,000 shares of our common stock or preferred stock convertible into common stock, or registrable shares, will have the right to require us to register the registrable shares under the Securities Act under specified circumstances. We will not be required to effect a demand registration for 120 days following the effectiveness of a registration statement relating to an underwritten public offering of our securities. Under specified circumstances, we also have the right to defer filing of a requested registration statement for a period of not more than 120 days, which right may not be exercised more than twice during any period of 12 consecutive months. These registration rights are subject to additional conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration under certain circumstances.

If we are eligible to file a registration statement on Form S-3, each holder of registrable shares of our common stock has the right to demand that we file additional registration statements, including a shelf registration statement, for such holders on Form S-3. We will not be required to effect more than four demand registrations in total, of which no more than two may be required to be effected by us at any time after the second anniversary of this offering and then only on Form S-3.

Piggyback Registration Rights

Pursuant to the Rights Agreement, at any time beginning six months after the consummation of this offering, whenever we propose to file a registration statement under the Securities Act, other than with respect to a registration related to employee benefit plans, debt securities, or corporate reorganizations, the holders of

registrable shares are entitled to notice of the registration and have the right to include their registrable shares in such a registration. In addition, two of our warrant holders, pursuant to the terms of their respective warrants, have similar piggyback registration rights. As of April 30, 2010, the holders of approximately 24,216,000 shares of our common stock, common stock issuable on the exercise of warrants and preferred stock convertible into common stock will be entitled to notice of the registration and will be entitled to include their shares of common stock in the registration statement. The underwriters of any underwritten offering will have the right to limit the number of shares having registration rights to be included in the registration statement.

Expenses of Registration

We are required to pay all expenses relating to any demand or piggyback registration, other than underwriting discounts and commissions.

Delaware Anti-Takeover Law and Certain Provisions of our Certificate of Incorporation and Bylaws

Delaware Law

We are governed by Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years, did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing a change in our control.

Certificate of Incorporation and Bylaw Provisions

Our certificate of incorporation that will become effective upon the completion of this offering:

- provides for a staggered Board of Directors;
- permits our Board of Directors to issue shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change in our control;
- provides that the authorized number of directors may be changed only by resolution of the Board of Directors;
- provides that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- requires that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provides that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice;
- does not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provides that special meetings of our stockholders may be called only by the chairman of the Board of Directors, our Chief Executive Officer or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and

- provides that stockholders will be permitted to amend our amended and restated bylaws only upon receiving at least 66 2/3% of the votes entitled to be cast by holders of all outstanding shares then entitled to vote generally in the election of directors, voting together as a single class.

These and other provisions contained in our certificate of incorporation and bylaws could delay or discourage some types of transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares over then current prices, and may limit the ability of stockholders to remove current management or approve transactions that stockholders may deem to be in their best interests and, therefore, could adversely affect the price of our common stock.

Nasdaq Capital Market Listing

We have applied to the Nasdaq Capital Market to quote our common stock under the proposed trading symbol “SRGV”.

Transfer Agent and Registrar

The Transfer Agent and Registrar for our common stock is Continental Stock Transfer and Trust Company. The transfer agent’s address is 17 Battery Place, New York, New York 10004 and its telephone number is (212) 845-3212.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Market sales of shares or the availability of shares for sale may decrease the market price of our common stock prevailing from time to time. As described below, only a portion of our outstanding shares of common stock will be available for sale shortly after this offering due to contractual and legal restrictions to resale. Nevertheless, sales of substantial amounts of common stock in the public market after these restrictions lapse, or the perception that such sales could occur, adversely affect the market price of the common stock and impair our future ability to raise capital through the sale of our equity securities.

Upon completion of this offering, shares of common stock will be outstanding, assuming an initial public offering price of $ per share, which is the mid-point of the range located on the cover of this prospectus. All of the shares sold in this offering will be freely tradable. Except as set forth below, the remaining shares of common stock outstanding after this offering will be restricted as a result of securities laws or lock-up agreements. These remaining shares will be available for sale in the public market roughly as follows:

Date of Availability of Sales	Approximate Number of Shares
As of the date of this prospectus	
90 days after the date of this prospectus	
180 days after the date of this prospectus, not subject to volume limitations pursuant to Rule 144	
180 days after the date of this prospectus, subject to volume limitations pursuant to Rule 144	

Rule 144

Under Rule 144, any non-affiliate, who has not been an affiliate of ours during the preceding three months and has held their securities for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available. In addition, Rule 144 provides that once we have been subject to the reporting requirements of the Exchange Act for a period of at least 90 days, non-affiliates that have held restricted securities of a reporting company for at least six months and have not had an affiliate relationship with us during the preceding three months may sell their securities without restriction or limitation, other than that Rule 144's public information requirements must be satisfied. Rule 144 does not permit affiliates to sell restricted securities until we have been subject to the reporting requirements of the Exchange Act for a period of 90 days. After such 90 day period, Rule 144 permits affiliates that have held restricted securities for at least six months to sell such restricted securities in accordance with the traditional conditions of Rule 144, including the current public information requirement, the volume limitations, manner of sale provisions and notice requirements. In particular, an affiliate who has beneficially owned shares of our common stock for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our common stock on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Rule 701

In general, under Rule 701 of the Securities Act, any of our employees, directors, officers, consultants or advisors who purchased shares from us in connection with a compensatory stock or option plan or other written agreement is eligible to resell those shares in reliance on Rule 144, but without compliance with certain

restrictions, including the holding period contained in Rule 144. However, a substantial portion of the shares issued under Rule 701 will be subject to lock-up agreements and will only become eligible for sale at the expiration of such agreements.

Lock-Up Agreements

Upon completion of this offering, each of our officers and directors and certain of our stockholders will have agreed, subject to specified exceptions, that, without the prior written consent of the underwriters, they will not, directly or indirectly, sell, offer, contract to sell, transfer the economic risk of ownership in, make any short sale, pledge or otherwise dispose of any shares of our capital stock or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire our capital stock for a period of 180 days from the date of this prospectus. The underwriters may, acting jointly and in their discretion, permit early release of shares subject to the lock-up agreements. See "Underwriting—Lock-ups" for a more detailed discussion of the lock-up agreements.

Registration Rights

Upon completion of this offering, the holders of the registrable shares, or their transferees, will be entitled to registration rights with respect to the registrable shares under the Securities Act. Registration of the registrable shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates, immediately upon the effectiveness of this registration. See "Description of Capital Stock—Registration Rights."

Stock Options

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock reserved for issuance under our stock option plans. The registration statement is expected to be filed and become effective in connection with this offering. Accordingly, shares registered under the registration statement will, subject to Rule 144 volume limitations applicable to affiliates and the lock-up agreements described above, be available for sale in the open market.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-UNITED STATES HOLDERS OF COMMON STOCK

The following is a summary of some United States federal income and estate tax consequences of the acquisition, ownership and disposition of shares of our common stock purchased pursuant to this offering by a holder that, for United States federal income tax purposes, is not a "United States person," as we define that term below. A beneficial owner of our common stock who is not a United States person is referred to below as a "non-United States holder." This summary is based upon current provisions of the Internal Revenue Code of 1986, as amended, Treasury regulations promulgated thereunder, judicial opinions, administrative pronouncements and published rulings of the United States Internal Revenue Service, or IRS, all as in effect as of the date hereof. These authorities may be changed, possibly retroactively, resulting in United States federal tax consequences different from those set forth below. We have not sought, and will not seek, any ruling from the IRS or opinion of counsel with respect to the statements made in the following summary, and there can be no complete assurance that the IRS will not take a position contrary to such statements or that any such contrary position taken by the IRS would not be sustained.

This summary is limited to non-United States holders who purchase shares of our common stock issued pursuant to this offering and who hold our common stock as a capital asset for United States federal income tax purposes. This summary also does not address the tax considerations arising under the laws of any state, local or non-United States jurisdiction, or under United States federal estate or gift tax laws, except as specifically described below. In addition, this summary does not address tax considerations that may be applicable to an investor's particular circumstances nor does it address the special tax rules applicable to special classes of non-United States holders, including, without limitation:

- banks, insurance companies or other financial institutions;
- partnerships or other entities treated as partnerships for United States federal income tax purposes;
- United States expatriates;
- tax-exempt organizations;
- tax-qualified retirement plans;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; or
- persons that will hold common stock as a position in a hedging transaction, "straddle," "conversion," or other integrated transaction for tax purposes.

If a partnership, including any entity treated as a partnership for United States federal income tax purposes, is a holder, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnership, should consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of shares of our common stock.

For purposes of this discussion, a United States person means a person who is for United States federal income tax purposes:

- a citizen or resident of the United States;
- a corporation, including any entity treated as a corporation for United States federal income tax purposes created or organized under the laws of the United States, any state within the United States, or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or

- a trust, if its administration is subject to the primary supervision of a United States court and one or more United States persons have the authority to control all of its substantial decisions, or other trusts considered United States persons for United States federal income tax purposes.

YOU ARE URGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-UNITED STATES OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Dividends

If distributions are paid on shares of our common stock, the distributions will constitute dividends for United States federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent a distribution exceeds our current and accumulated earnings and profits, it will constitute a return of capital that is applied against and reduces, but not below zero, the adjusted tax basis of your shares in our common stock. Any remainder will constitute gain on the common stock. Dividends paid to a non-United States holder generally will be subject to withholding of United States federal income tax at the rate of 30% or such lower rate as may be specified by an applicable income tax treaty, the benefits of which a non-United States holder is eligible. If the dividend is effectively connected with the non-United States holder's conduct of a trade or business in the United States or, if a tax treaty requires, attributable to a United States permanent establishment maintained by such non-United States holder, the dividend will not be subject to any withholding tax, provided certification requirements are met, as described below, but will be subject to United States federal income tax imposed on net income on the same basis that applies to United States persons generally. A corporate holder under certain circumstances also may be subject to a branch profits tax equal to 30%, or such lower rate as may be specified by an applicable income tax treaty, the benefits of which a non-United States holder is eligible, on a portion of its effectively connected earnings and profits for the taxable year. Non-United States holders should consult their own tax advisors regarding the potential applicability of any income tax treaty.

To claim the benefit of a tax treaty or to claim exemption from withholding because the income is effectively connected with the conduct of a trade or business in the United States, a non-United States holder must provide a properly executed IRS Form W-8BEN for treaty benefits or W-8ECI for effectively connected income, or such successor forms as the IRS designates, prior to the payment of dividends. These forms must be periodically updated. Non-United States holders may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund.

Gain on Disposition

A non-United States holder generally will not be subject to United States federal income tax, including by way of withholding, on gain recognized on a sale or other disposition of shares of our common stock unless any one of the following is true:

- the gain is effectively connected with the non-United States holder's conduct of a trade or business in the United States or, if a tax treaty applies, attributable to a United States permanent establishment or a fixed base maintained by such non-United States holder;
- the non-United States holder is a nonresident alien individual present in the United States for 183 days or more in the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a United States real property interest by reason of our status as a "United States real property holding corporation," or USRPHC, for United States federal income tax purposes at any time during the shorter of (1) the period during which you hold our common stock or (2) the five-year period ending on the date you dispose of our common stock.

We believe that we are not currently, and will not become, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our United States real property interests relative to the fair market value of our other business assets, we cannot assure you that we will not become a USRPHC in the future. As a general matter, as long as our common stock is regularly traded on an established securities market, however, it will not be treated as a United States real property interest with respect to any non-United States holder that holds no more than 5% of such regularly traded common stock. If we are determined to be a USRPHC and the foregoing exception does not apply, among other things, a purchaser may be required to withhold 10% of the proceeds payable to a non-United States holder from a disposition of our common stock, and the non-United States holder generally will be taxed on its net gain derived from the disposition at the graduated United States federal income tax rates applicable to United States persons.

Unless an applicable treaty provides otherwise, gain described in the first bullet point above will be subject to the United States federal income tax imposed on net income on the same basis that applies to United States persons generally but will generally not be subject to withholding. Corporate holders also may be subject to a branch profits tax on such gain. Gain described in the second bullet point above will be subject to a flat 30% United States federal income tax, which may be offset by certain United States source capital losses. Non-United States holders should consult any potentially applicable income tax treaties that may provide for different rules.

United States Federal Estate Taxes

Shares of our common stock owned or treated as owned by an individual who at the time of death is a non-United States holder are considered United States situs assets and will be included in the individual's estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

Information reporting and backup withholding (currently at a 28% rate of tax) may apply to dividends paid with respect to our common stock and to proceeds from the sale or other disposition of our common stock. If we cannot determine whether a distribution will qualify as a dividend, in whole or in part, at the time the distribution is made, then the distribution will be subject to backup withholding. In certain circumstances, non-United States holders may avoid information reporting and backup withholding if they certify under penalties of perjury as to their status as non-United States holders or otherwise establish an exemption and certain other requirements are met. Non-United States holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules from a payment to a non-United States holder can be refunded or credited against the non-United States holder's United States federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

UNDERWRITING

Canaccord Genuity Inc., or Canaccord Genuity, and Rodman & Renshaw, LLC, or Rodman, or collectively, the underwriters, are acting as the joint book running underwriters of this offering. Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters have agreed to purchase, and we have agreed to sell to them, all shares of common stock offered by this prospectus as set forth below:

Underwriter	Shares
Canaccord Genuity Inc.	
Rodman & Renshaw, LLC	

Nature of Underwriting Commitment

The underwriters are offering the shares of common stock subject to its acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the over-allotment option described below, unless and until the option is exercised. The underwriters initially propose to offer part of the shares of common stock directly to the public at the initial public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions, and part to certain dealers at a price that represents a concession not in excess of $ a share under the initial public offering price. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial offering, the public offering price or any other term of the offering may be changed.

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional shares of common stock at the initial public offering price, less underwriting discounts and commissions. The underwriters may exercise this option, in whole or in part, solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. If the over-allotment option is exercised in full, the total price to the public would be $, the total underwriter discounts and commissions would be $ and the total proceeds to us would be $.

Discounts and Commissions

The following table shows the per share and total underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the over-allotment option.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discount	$	$	$
Non-accountable expense allowance	$	$	$
Proceeds, before expenses, to us	$	$	$

In addition, we estimate that the expenses of this offering other than underwriting discounts and commissions payable by us will be approximately $ million.

We have agreed to pay the underwriters a non-accountable expense allowance equal to 1% of the initial public offering price or $. We have also agreed to issue to the underwriters common stock purchase warrants to purchase up to shares of our common stock. The warrants will have an exercise price equal to $ per share. The warrants are exercisable commencing one (1) year after the effective date of the registration statement of which the prospectus forms a part, and will be exercisable for four (4) years thereafter. The warrants also provides for unlimited "piggyback" registration rights at our expense with respect to the underlying shares of common stock. Pursuant to the rules of the Financial Industry Regulatory, Inc., or FINRA, and in particular Rule 5110, the warrants (and underlying shares) issued to the underwriters may not be sold, transferred, assigned, pledged, or hypothecated, or the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective disposition of the securities by any person for a period of 180 days immediately following the date of delivery and payment for the shares offered; provided, however, that the warrants (and underlying shares) may be transferred to officers or partners of the underwriters as long as the warrants (and underlying shares) remain subject to the lockup.

Lock-ups

Upon completion of this offering, each of our officers and directors and certain stockholders will have agreed that, subject to specified exceptions, without the prior written consent of the underwriters acting jointly through their representative Canaccord Genuity, they will not, during the period beginning on the date of this prospectus and ending 180 days thereafter:

- offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of common stock; or
- make any demand for or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

The restrictions described in the preceding paragraphs do not apply to:

- the sale by us of shares to the underwriter in connection with the offering;
- options issued pursuant to employee benefit plans;
- transactions by any person other than us relating to shares of common stock or other securities convertible or exchangeable into common stock acquired in open market transactions after the completion of the offering of the shares; or
- the transfer of shares of common stock or any security convertible or exchangeable into shares of common stock as a bona fide gift, as a distribution to general or limited partners, stockholders, members or affiliates of our stockholders, or by will or intestate succession to a member of the immediate family of our stockholders, or to a trust for the benefit of such immediate family member.

With respect to the last bullet, it shall be a condition to the transfer or distribution that the transferee provide prior written notice of such transfer or distribution to Canaccord Genuity, execute a copy of the lock-up agreement, that no filing by any donee or transferee with the SEC shall be required or shall be made voluntarily in connection with such transfer or distribution, other than a filing on Form 5, and no such transfer or distribution may include a disposition for value.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news or a material event relating to us occurs; or

- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Stabilization

In order to facilitate this offering of common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over- allotment option or by purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. In addition, to stabilize the price of the common stock, the underwriters may bid for and purchase shares of common stock in the open market. Finally, the underwriters may reclaim selling concessions allowed for distributing the common stock in the offering if the syndicate repurchases previously distributed common stock to cover syndicate short positions or to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

Other Terms

We have applied to have our common stock approved for quotation on the Nasdaq Capital Market under the symbol “SRGV.”

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

Prior to this offering, there has been no public market for the shares of common stock. The initial public offering price will be determined by negotiations between us and the underwriters. Among the factors to be considered in determining the initial public offering price will be our future prospects and those of our industry in general; sales, earnings and other financial operating information in recent periods; and the price-earnings ratios, price-sales ratios and market prices of securities and certain financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors. An active trading market for the shares may not develop, and it is possible that after the offering the shares will not trade in the market above their initial offering price. A prospectus in electronic format may be made available on a web site maintained by the underwriters, and the underwriters may distribute prospectuses electronically.

Foreign Regulatory Restrictions on Purchase of Our Common Stock

We have not taken any action to permit a public offering of our common stock outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions

relating to this offering and the distribution of the prospectus outside the United States. In addition to the public offering of our common stock in the United States, the underwriters may, subject to applicable foreign laws, also offer our common stock to certain institutions or accredited persons in other countries.

Italy

The offering of shares of common stock pursuant to this prospectus has not been cleared by Consob, the Italian Stock Exchange's regulatory agency of public companies, pursuant to Italian securities legislation and, accordingly, no shares may be offered, sold or delivered, nor may copies of this prospectus or of any other document relating to our common stock be distributed in Italy, except (1) to professional investors (*operatori qualificati*); or (2) in circumstances which are exempted from the rules on solicitation of investments pursuant to Decree No. 58 and Article 33, first paragraph, of Consob Regulation No. 11971 of May 14, 1999, as amended. Any offer, sale or delivery of our common stock or distribution of copies of this prospectus or any other document relating to our common stock in Italy under (1) or (2) above must be (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Decree No. 58 and Legislative Decree No. 385 of September 1, 1993, or the Banking Act; and (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the issue or the offer of securities in Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, inter alia, on the aggregate value of the securities issued or offered in Italy and their characteristics; and (iii) in compliance with any other applicable laws and regulations.

Germany

The offering of our common stock is not a public offering in the Federal Republic of Germany. The shares may only be acquired in accordance with the provisions of the Securities Sales Prospectus Act (Wertpapier-Verkaudfspropsektgestz), as amended, and any other applicable German law. No application has been made under German law to publicly market our common stock in or out of the Federal Republic of Germany. Our common stock is not registered or authorized for distribution under the Securities Sales Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. This prospectus is strictly for private use and the offering is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. Our common stock will only be available to persons who, by profession, trade or business, buy or sell securities for their own or a third party's account.

France

Our common stock offered by this prospectus may not be offered or sold, directly or indirectly, to the public in France. This prospectus has not been, and will not be, submitted to the clearance procedure of the Autorité des Marchés Financiers, or the AMF, and may not be released or distributed to the public in France. Investors in France may only purchase the common stock offered by this prospectus for their own account and in accordance with articles L. 411-1, L. 441-2 and L. 412-1 of the Code Monétaire et Financier and decree no. 98-880 dated October 1, 1998, provided they are "qualified investors" within the meaning of said decree. Each French investor must represent in writing that it is a qualified investor within the meaning of the aforesaid decree. Any resale, directly or indirectly, to the public of the common stock offered by this prospectus may be effected only in compliance with the above mentioned regulations. "Les actions offertes par ce document d'information ne peuvent pas être, directement ou indirectement, offertes ou vendues au public en France. Ce document d'information n'a pas été ou ne sera pas soumis au visa de l'Autorité des Marchés Financiers et ne peut être diffusé ou distribué au public en France. Les investisseurs en France ne peuvent acheter les actions offertes par ce document d'information que pour leur compte propre et conformément aux articles L. 411-1, L. 441-2 et L. 412-1 du Code Monétaire et Financier et du décret no. 98-880 du 1 octobre 1998, sous réserve qu'ils soient des investisseurs qualifiés au sens du décret susvisé. Chaque investisseur doit déclarer par écrit qu'il est un investisseur qualifié au sens du décret susvisé. Toute revente, directe ou indirecte, des actions offertes par ce document d'information au public ne peut être effectuée que conformément à la réglementation susmentionnée."

Greece

This prospectus has been submitted for approval by the SEC and not the Greek Capital Market Committee. All information contained in this prospectus is true and accurate. The offering of our common stock does not constitute an initial public offering in Greece according to CL. 2190/1920 and L. 3401/2005 as amended and in force. This prospectus is strictly for the use of the person or entity to which it has been addressed to by us and not to be circulated in Greece or any other jurisdiction.

This information and documentation is true and accurate and in conformity with the information contained in the prospectus for the offer of common stock, which is being reviewed for approval only by the SEC, and does not constitute provision of the investment service of investment advice according to L. 3606/2007. Any recipient of this material has stated to be a qualified and experienced investor and will evaluate the contents and decide on his/her own discretion whether to participate or not in the offering pursuant to this prospectus.

United Kingdom

In the United Kingdom, the shares of common stock offered by this prospectus are directed to and will only be available for purchase to a person who is an exempt person in accordance with clause (c) below and who warrants, represents and agrees that: (a) it has not offered or sold, will not offer or sell, any shares offered by this prospectus to any person in the United Kingdom except in circumstances that do not constitute an offer to the public in the United Kingdom for the purposes of the section 85 of the Financial Services and Markets Act 2000 (as amended), or the FSMA; and (b) it has complied and will comply with all applicable provisions of FSMA and the regulations made thereunder in respect of anything done by it in relation to the common stock offered by this prospectus in, from or otherwise involving the United Kingdom; and (c) it is a person who falls within the exemptions to Section 21 of the FSMA as set out in The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, being either an investment professional as described under Article 19 or any body corporate (which itself has or a group undertaking has a called up share capital or net assets of not less than £500,000 (if more than 20 members) or otherwise £5 million) or an unincorporated association or partnership (with net assets of not less than £5 million) or is a trustee of a high value trust or any person acting in the capacity of director, officer or employee of such entities as defined under Article 49(2)(a) to (d) of the Order, or a person to whom the invitation or inducement may otherwise lawfully be communicated or cause to be communicated. The investment activity to which this document relates will only be available to and engaged in only with exempt persons referred to above. Persons who are not investment professionals and do not have professional experience in matters relating to investments or are not an exempt person as described above, should not review nor rely or act upon this document and should return this document immediately. It should be noted that this document is not a prospectus in the United Kingdom as defined in the Prospectus Regulations 2005 and has not been approved by the Financial Services Authority or any competent authority in the United Kingdom.

Sweden

Neither this prospectus nor the common stock offered hereunder has been registered with or approved by the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act (1991:980) (as amended), nor will such registration or approval be sought. Accordingly, this prospectus may not be made available nor may the shares of common stock offered hereunder be marketed or offered for sale in Sweden other than in circumstances that are deemed not to be an offer to the public in Sweden under the Financial Instruments Trading Act. This prospectus may not be distributed to the public in Sweden and a Swedish recipient of this prospectus may not in any way forward this prospectus to the public in Sweden.

Norway

This prospectus has not been produced in accordance with the prospectus requirements laid down in the Norwegian Securities Trading Act 1997, as amended. This prospectus has not been approved or disapproved by, or registered with, either the Oslo Stock Exchange or the Norwegian Registry of Business Enterprises. This prospectus may not, either directly or indirectly, be distributed to Norwegian potential investors.

Denmark

This prospectus has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act No. 171 of 17 March 2005, as amended from time to time, or any Executive Orders issued on the basis thereof and has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other public authority in Denmark. The offering of the shares of common stock pursuant to this prospectus will only be made to persons pursuant to one or more of the exemptions set out in Executive Order No. 306 of 28 April 2005 on Prospectuses for Securities Admitted for Listing or Trade on a Regulated Market and on the First Public Offer of Securities exceeding EUR 2,500,000 or Executive Order No. 307 of 28 April 2005 on Prospectuses for the First Public Offer of Certain Securities between EUR 100,000 and EUR 2,500,000, as applicable.

The Netherlands

The underwriters may not offer, distribute, sell, transfer or deliver any of our securities, directly or indirectly, in The Netherlands, as a part of their initial distribution or at any time thereafter, to any person other than our employees or employees of our subsidiary, individuals who or legal entities which trade or invest in securities in the conduct of their profession or business within the meaning of article 2 of the Exemption Regulation issued under the Securities Transactions Supervision Act 1995 (*Vrijstellingsregeling Wet toezich teffectenverkeer1995*), which includes banks, brokers, pension funds, insurance companies, securities institutions, investment institutions, and other institutional investors, including, among others, treasuries of large enterprises who or which regularly trade or invest in securities in a professional capacity.

Cyprus

The underwriters have represented, warranted and agreed that: (i) they will not be providing from or within Cyprus any "Investment Services," "Investment Activities" and "Non-Core Services" (as such terms are defined in the Investment Firms Law 144(I) of 2007, or the IFL) in relation to the shares of common stock, or will be otherwise providing Investment Services, Investment Activities and Non-Core Services to residents or persons domiciled in Cyprus. The underwriters have represented, warranted and agreed that it will not be concluding in Cyprus any transaction relating to such Investment Services, Investment Activities and Non-Core Services in contravention of the IFL and/or applicable regulations adopted pursuant thereto or in relation thereto; and (ii) they have not and will not offer any of the common stock other than in compliance with the provisions of the Public Offer and Prospectus Law, Law 114(I)/2005.

Switzerland

This prospectus may only be used by those persons to whom it has been directly handed out by the offeror or its designated distributors in connection with the offer described therein. The common stock is only offered to those persons and/or entities directly solicited by the offeror or its designated distributors, and are not offered to the public in Switzerland. This prospectus constitutes neither a public offer in Switzerland nor an issue prospectus in accordance with the respective Swiss legislation, in particular but not limited to Article 652A Swiss Code Obligations. Accordingly, this prospectus may not be used in connection with any other offer, whether private or public and shall in particular not be distributed to the public in Switzerland.

Israel

The common stock offered by this prospectus has not been approved or disapproved by the Israeli Securities Authority, or ISA. The shares may not be offered or sold, directly or indirectly, to the public in Israel. The ISA has not issued permits, approvals or licenses in connection with the offering or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the common stock being offered. Any resale, directly or indirectly, to the public of the common stock offered by this prospectus is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

Oman

For the attention of the residents of Oman:

The information contained in this prospectus neither constitutes a public offer of securities in the Sultanate of Oman, or Oman, as contemplated by the Commercial Companies Law of Oman (Sultani Decree 4/74) or the Capital Market Law of Oman (Sultani Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 6 of the Executive Regulations to the Capital Market Law of Oman (issued vide Ministerial Decision No 4/2001), and nor does it constitute a distribution of non-Omani securities in Oman as contemplated under the Rules for Distribution of Non-Omani Securities in Oman issued by the Capital Market Authority of Oman, or CMA. Additionally, this prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of Oman.

This prospectus has been sent at the request of the investor in Oman, and by receiving this prospectus, the person or entity to whom it has been issued and sent understands, acknowledges and agrees that this prospectus has not been approved by the CMA or any other regulatory body or authority in Oman, nor has any authorization, license or approval been received from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the shares within Oman.

No marketing, offering, selling or distribution of any financial or investment products or services has been or will be made from within Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Neither of the underwriters are a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither of the underwriters advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in this prospectus is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This prospectus is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

United Arab Emirates

This document has not been reviewed, approved or licensed by the Central Bank of the United Arab Emirates, or the UAE, Emirates Securities and Commodities Authority or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai International Financial Services Authority, or the DFSA, a regulatory authority of the Dubai International Financial Centre, or the DIFC. The sale of the shares does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), DFSA Offered Securities Rules and the Dubai International Financial Exchange Listing Rules, accordingly, or otherwise.

The shares may not be offered to the public in the UAE and/or any of the free zones including, in particular, the DIFC. The shares may be offered and this document may be issued, only to a limited number of investors in the UAE or any of its free zones (including, in particular, the DIFC) who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned. Our management and the underwriters represent and warrant that the shares will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones including, in particular, the DIFC.

People's Republic of China

This prospectus may not be circulated or distributed in the People's Republic of China, or PRC, and our common stock may not be offered or sold to any person for re-offering or resale, directly or indirectly, to any

resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Botswana

We hereby represent and warrant that we have not offered for sale or sold, and will not offer or sell, directly or indirectly our common stock to the public in the Republic of Botswana, and confirms that the offering will not be subject to any registration requirements as a prospectus pursuant to the requirements and/or provisions of the Companies Act, 2003 or the Listing Requirements of the Botswana Stock Exchange.

Hong Kong

The shares of common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance. No advertisement, invitation or document, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to the shares of common stock that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that ordinance.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of common stock may not be circulated or distributed, nor may the shares of common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Canada

NOTICE TO CANADIAN INVESTORS

Resale Restrictions

The distribution of our common stock in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the applicable securities regulatory authorities. We are not a reporting issuer (or equivalent) in any province or territory in Canada and our common stock is not listed on any stock exchange in Canada and there is currently no public market for our common stock in Canada. We currently have no intention of becoming a reporting issuer in Canada, filing a prospectus with any common stock regulatory authority in Canada to qualify the resale of the common stock to the public, or listing our common stock on any stock exchange in Canada. Accordingly, to be made in accordance with securities laws, any resale of the common stock in Canada must be made under available statutory exemptions from registration and prospectus requirements or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Canadian purchasers are advised to seek legal and tax advice prior to any purchase or resale of our common stock.

European Economic Area

NOTICE TO PROSPECTIVE INVESTORS IN THE EEA

In relation to each member state of the European Economic Area, or EEA, which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of shares shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriters which constitute the final offering of shares contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression of an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares of our common stock contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and the underwriters that:

(A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

VALIDITY OF THE COMMON STOCK

The validity of the shares of common stock offered hereby and certain other legal matters will be passed upon for us by Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Memphis, Tennessee. Certain legal matters will be passed upon for the underwriters by Andrews Kurth LLP, Austin, Texas.

EXPERTS

The financial statements of SurgiVision, Inc. as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009 appearing in this prospectus and registration statement, have been audited by Cherry, Bekaert & Holland, L.L.P., independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report, given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act of 1933, as amended, with respect to the shares of common stock being offered by this prospectus. This prospectus does not contain all of the information in the registration statement and its exhibits. For further information with respect to SurgiVision, Inc. and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street NE, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Upon completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We also maintain a website at http://www.surgivision.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

SURGIVISION, INC.

INDEX TO FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm—Cherry, Bekaert & Holland, L.L.P.	F-2
Balance Sheets as of March 31, 2010 (unaudited) and December 31, 2009 and 2008	F-3
Statements of Operations for the three months ended March 31, 2010 and 2009 (unaudited) and for the years ended December 31, 2009, 2008 and 2007	F-4
Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2009, 2008 and 2007 and three months ended March 31, 2010 (unaudited)	F-5
Statements of Cash Flows for the three months ended March 31, 2010 and 2009 (unaudited) and for the years ended December 31, 2009, 2008 and 2007	F-6
Notes to Financial Statements	F-8

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
SurgiVision, Inc.

We have audited the accompanying balance sheets of SurgiVision, Inc., a Delaware corporation (the "Company"), as of December 31, 2009 and 2008, and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2009, 2008, and 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SurgiVision, Inc. as of December 31, 2009 and 2008 and the results of its operations and its cash flows for the years ended December 31, 2009, 2008, and 2007 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company incurred net losses during the three years ended December 31, 2009 of approximately $16,287,000 and will require additional financing to fund the continued development of the Company's products. The availability of such financing cannot be assured. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with regard to these matters are described in Note 3. The financial statements do not include any adjustments with respect to the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

/s/ Cherry, Bekaert & Holland, L.L.P.

Tampa, Florida
June 4, 2010

SURGIVISION, INC.

Balance Sheets

	March 31, 2010 (unaudited)	December 31, 2009	December 31, 2008
ASSETS			
Current assets			
Cash and cash equivalents	$ 3,548,719	$ 2,569,129	$ 9,920,801
Due from related parties	—	204	8,317
Inventory	646,431	569,350	—
Prepaid expenses and other current assets	135,626	54,823	21,440
Total current assets	4,330,776	3,193,506	9,950,558
Furniture, software and equipment, net	982,776	992,158	860,506
Deferred offering costs	736,590	366,503	—
Deferred financing costs	407,013	—	—
Licenses, net	58,500	63,000	81,000
Deposits	58,521	58,521	63,296
Total assets	$ 6,574,176	$ 4,673,688	$ 10,955,360
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current liabilities			
Accounts payable	$ 766,362	$ 473,484	$ 742,498
Accrued compensation	142,535	539,865	180,852
Other accrued liabilities	1,043,559	704,000	111,272
Income taxes payable	—	49,250	—
Derivative liability	1,436,850	1,227,500	—
Related party deferred revenue	2,600,000	2,600,000	2,600,000
Total current liabilities	5,989,306	5,594,099	3,634,622
Related party deferred revenue	5,946,374	6,596,374	9,085,099
Related party convertible notes payable, net of unamortized discount of $1,063,270 and $1,129,000 at March 31, 2010 and December 31, 2009, respectively	2,436,730	2,371,000	—
Senior unsecured convertible notes, net of unamortized discount of $814,174	3,256,826	—	—
Total liabilities	17,629,236	14,561,473	12,719,721
Commitments and contingencies (Notes 2, 5 and 9)	—	—	—
Stockholders' deficit			
Series A convertible preferred stock; $.01 par value; 8,000,000 shares authorized and 7,965,000 shares issued and outstanding	7,965,000	7,965,000	7,965,000
Common stock, $.01 par value; 70,000,000 shares authorized; 21,820,440 (2010 and 2009) and 21,807,107 (2008) issued; 20,517,120 (2010 and 2009) and 21,807,107 (2008) outstanding	218,205	218,205	218,071
Additional paid-in capital	26,639,801	25,631,208	25,490,092
Treasury stock, at cost, 1,303,320 shares	(1,679,234)	(1,679,234)	—
Notes receivable, stockholder	—	—	(573,620)
Accumulated deficit	(44,198,832)	(42,022,964)	(34,863,904)
Total stockholders' deficit	(11,055,060)	(9,887,785)	(1,764,361)
Total liabilities and stockholders' deficit	$ 6,574,176	$ 4,673,688	$ 10,955,360

See notes to financial statements.

SURGIVISION, INC.

Statements of Operations

	Three Months Ended March 31,		Years Ended December 31,		
	2010	2009	2009	2008	2007
	(unaudited)				
Related party license revenue	$ 650,000	$ 650,000	$ 2,600,000	$ 1,950,000	$ —
Operating costs and expenses:					
Research and development costs	1,407,551	1,501,555	6,067,617	4,258,492	2,098,672
General and administrative expenses	1,011,747	605,683	3,595,917	2,920,311	1,413,369
Total operating costs and expenses	2,419,298	2,107,238	9,663,534	7,178,803	3,512,041
Loss from operations	(1,769,298)	(1,457,238)	(7,063,534)	(5,228,803)	(3,512,041)
Other income (expense):					
Loss on change in fair value of derivative liability	(209,350)	—	—	—	—
Interest income	3,822	32,325	106,197	193,756	209,641
Related party interest expense	(153,424)	—	(152,473)	(394,738)	(394,737)
Other interest expense	(47,618)	—	—	—	—
Loss before income taxes	(2,175,868)	(1,424,913)	(7,109,810)	(5,429,785)	(3,697,137)
Income taxes	—	—	49,250	—	—
Net loss	$ (2,175,868)	$ (1,424,913)	$ (7,159,060)	$ (5,429,785)	$ (3,697,137)
Net loss per share attributable to common stockholders:					
Basic and diluted	$ (0.11)	$ (0.07)	$ (0.34)	$ (0.26)	$ (0.18)
Weighted average shares outstanding:					
Basic	20,517,120	21,473,774	21,346,533	20,980,324	20,098,058

See notes to financial statements.

SURGIVISION, INC.

Statements of Stockholders' Equity (Deficit)
for the Years Ended December 31, 2007, 2008, and 2009 and the Three Months Ended March 31, 2010 (unaudited)

	Convertible Preferred Stock Series A		Common Stock		Additional Paid-in	Treasury	Stock Subscription	Notes Receivable	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Stock	Receivable	Stockholders	Deficit	Total
Balances, January 1, 2007	7,965,000	$7,965,000	19,877,885	$198,780	$23,023,823	$ —	$ (100,000)	$ (530,361)	$ (25,736,982)	$ 4,820,260
Collection of stock subscription receivable	—	—	—	—	—	—	100,000	—	—	100,000
Accrued interest on note receivable	—	—	—	—	—	—	—	(21,600)	—	(21,600)
Common stock issued in connection with research and consulting agreement	—	—	255,384	2,553	53,631	—	—	—	—	56,184
Common stock issued in connection with consulting agreement	—	—	2,000	20	1,580	—	—	—	—	1,600
Warrants issued in connection with convertible note payable amendment	—	—	—	—	789,475	—	—	—	—	789,475
Employee share-based compensation	—	—	—	—	20,401	—	—	—	—	20,401
Net loss for the year	—	—	—	—	—	—	—	—	(3,697,137)	(3,697,137)
Balances, December 31, 2007	7,965,000	7,965,000	20,135,269	201,353	23,888,910	—	—	(551,961)	(29,434,119)	2,069,183
Employee share-based compensation	—	—	—	—	117,900	—	—	—	—	117,900
Accrued interest on note receivable	—	—	—	—	—	—	—	(21,659)	—	(21,659)
Conversion of convertible note payable	—	—	1,671,838	16,718	1,483,282	—	—	—	—	1,500,000
Net loss for the year	—	—	—	—	—	—	—	—	(5,429,785)	(5,429,785)
Balances, December 31, 2008	7,965,000	7,965,000	21,807,107	218,071	25,490,092	—	—	(573,620)	(34,863,904)	(1,764,361)
Employee share-based compensation	—	—	—	—	130,587	—	—	—	—	130,587
Accrued interest on notes receivable	—	—	—	—	—	—	—	(57,779)	—	(57,779)
Purchase of treasury stock for cash	—	—	—	—	—	(547,835)	—	—	—	(547,835)
Issuance of note receivable, stockholder	—	—	—	—	—	—	—	(500,000)	—	(500,000)
Options exercised for cash	—	—	13,333	134	10,529	—	—	—	—	10,663
Purchases of 519,849 shares of treasury stock through cancellation of note receivable and accrued interest	—	—	—	—	—	(1,131,399)	—	1,131,399	—	—
Net loss for the year	—	—	—	—	—	—	—	—	(7,159,060)	(7,159,060)
Balances, December 31, 2009	7,965,000	$7,965,000	21,820,440	$218,205	$25,631,208	$(1,679,234)	$ —	$ —	$ (42,022,964)	$ (9,887,785)
Employee share-based compensation	—	—	—	—	53,820	—	—	—	—	53,820
Fair value of conversion feature of notes payable	—	—	—	—	834,555	—	—	—	—	834,555
Warrants issued in connection with senior unsecured convertible notes	—	—	—	—	120,218	—	—	—	—	120,218
Net loss for the three months	—	—	—	—	—	—	—	—	(2,175,868)	(2,175,868)
Balances, March 31, 2010	7,965,000	$7,965,000	21,820,440	$218,205	$26,639,801	$(1,679,234)	$ —	$ —	$ (44,198,832)	$(11,055,060)

See notes to financial statements.

Table of Contents

Index to Financial Statements

SURGIVISION, INC.

Statements of Cash Flows

	Three Months Ended March 31,		Years Ended December 31,		
	2010	2009	2009	2008	2007
	(unaudited)				
Cash flows from operating activities:					
Net loss	$(2,175,868)	$(1,424,913)	$(7,159,060)	$ (5,429,785)	$(3,697,137)
Adjustments to reconcile net loss to net cash flows from operating activities:					
Depreciation and license amortization	47,035	39,064	168,710	84,484	16,728
Expenses paid through the issuance of common stock	—	—	—	—	57,784
Share-based compensation	53,820	38,089	130,587	117,900	20,401
Change in fair value of derivative liability	209,350	—	—	—	—
Amortization of debt issuance costs and original issue discount	93,173	—	98,500	394,738	394,737
Accrued interest on notes receivable, stockholder	—	(12,067)	(57,779)	(21,659)	(21,600)
Increase (decrease) in cash resulting from changes in:					
Due from related parties	204	—	8,113	(8,317)	1,864
Inventory	(77,081)	(175,000)	(569,350)	—	—
Prepaid expenses and other current assets	(80,803)	19,634	(33,383)	(21,440)	4,682
Deposits	—	1,926	4,775	(24,226)	(38,033)
Accounts payable and accrued expenses	(51,910)	(256,203)	418,970	603,975	141,154
Related party deferred revenue	(650,000)	(650,000)	(2,488,725)	11,560,099	125,000
Net cash flows from operating activities	(2,632,080)	(2,419,470)	(9,478,642)	7,255,769	(2,994,420)
Cash flows from investing activities:					
Purchases of furniture, software and equipment	(33,153)	(153,922)	(282,362)	(856,782)	(62,179)
Purchase of licenses	—	—	—	(90,000)	—
Net cash flows from investing activities	(33,153)	(153,922)	(282,362)	(946,782)	(62,179)
Cash flows from financing activities:					
Proceeds from senior unsecured convertible notes, net of issuance costs	3,777,142	—	—	—	—
Purchase of treasury stock for cash	—	(500,000)	(547,835)	—	—
Issuance of note receivable, stockholder	—	(500,000)	(500,000)	—	—
Deferred offering costs paid	(132,319)	—	(53,496)	—	—
Proceeds from related party convertible note	—	—	3,500,000	—	500,000
Proceeds from option exercises	—	—	10,663	—	—
Proceeds from Series A preferred stock offering	—	—	—	—	100,000
Net cash flows from financing activities	3,644,823	(1,000,000)	2,409,332	—	600,000
Net change in cash	979,590	(3,573,392)	(7,351,672)	6,308,987	(2,456,599)
Cash, beginning of period	2,569,129	9,920,801	9,920,801	3,611,814	6,068,413
Cash, end of period	$ 3,548,719	$ 6,347,409	$ 2,569,129	$ 9,920,801	$ 3,611,814
SUPPLEMENTAL CASH FLOW INFORMATION					
Cash paid for:					
Income taxes	$ 49,250	—	—	—	—
Interest	—	—	—	—	—

See notes to financial statements.

SURGIVISION, INC.

Statements of Cash Flows (Continued)

NON-CASH TRANSACTIONS:

- In 2007, warrants were issued with a fair value of $789,475 as part of the amendment to the convertible note payable
- In 2008, convertible notes payable of $1,500,000 were converted into 1,671,838 shares of common stock
- In December of 2009, related party notes receivable and accrued interest in the amount of $1,131,399 were cancelled in exchange for 783,471 shares of treasury stock
- At March 31, 2010 and December 31, 2009, deferred offering costs in the amount of $550,575 and $313,007, respectively, were included in accrued expenses.
- In March 2010, warrants (recorded as deferred financing costs and additional paid-in capital) were issued with a fair value of $120,218 to the placement agent in connection with the senior unsecured convertible notes

See notes to financial statements.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 1 – Formation and Nature of Business

SurgiVision, Inc. (the "Company"), a Delaware corporation, was formed on March 12, 1998. The Company operates in the medical device industry and is focused on the development and commercialization of technology that enables physicians to see inside the brain and heart using direct, intra-procedural magnetic resonance imaging, or MRI, guidance while performing minimally invasive surgical procedures. Prior to 2008, the Company was a development stage entity.

The Company's first product candidate is the ClearPoint system, which is designed to allow minimally invasive procedures in the brain to be performed in an MRI suite. The Company's second product candidate is the ClearTrace system, which is designed to allow catheter-based minimally invasive procedures in the heart to be performed in an MRI suite. The Company is also pursuing what it refers to as its SafeLead Development Program, the purpose of which is to incorporate the Company's MRI-safety technologies into a third party's implantable leads for cardiac and neurological applications.

Note 2 – Significant Accounting Policies

Principles of Consolidation—The financial statements include SurgiVision, Inc. and its approximate 93% owned subsidiary, Cardiac EP Sub, Inc., a Delaware corporation, which was formed on December 19, 2008. The minority interest associated with the investment in Cardiac EP Sub, Inc. is of nominal value as of March 31, 2010 and December 31, 2009 and 2008, and consequently, has not been recognized in the financial statements. All significant intercompany balances and transactions are eliminated from the financial statements.

Unaudited Interim Financial Information—The accompanying balance sheet as of March 31, 2010, the statements of operations and cash flows for the three months ended March 31, 2010 and 2009, and the statement of stockholders' equity for the three months ended March 31, 2010 are unaudited. These unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States. In the opinion of the Company's management, these unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments necessary for the fair presentation of the Company's financial position, and the related statements of operations, stockholders' equity and cash flows for the interim periods presented. The results for the three months ended March 31, 2010 are not necessarily indicative of the results to be expected for the year ended December 31, 2010.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk—The Company places its cash on deposit with financial institutions in the United States. In October and November 2008 the Federal Deposit Insurance Corporation ("FDIC") temporarily increased coverage to $250,000 for substantially all depository accounts and temporarily provides unlimited coverage for certain qualifying and participating non-interest bearing transaction accounts. The increased coverage is scheduled to expire on December 31, 2013, at which time it is anticipated amounts insured by the FDIC will return to $100,000. From time to time, the Company may have amounts on deposit in excess of the insured limits. As of March 31, 2010, the Company had approximately $98,000 of cash and cash equivalents which exceeded these insured amounts.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 2 – Significant Accounting Policies – (continued)

Cash and Cash Equivalents—Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

Inventory—Inventory is carried at the lower of cost (first-in, first-out ("FIFO") method) or net realizable value. All items included in inventory relate to the Company's ClearPoint system. As of March 31, 2010, the ClearPoint system has not received regulatory clearance from the Food and Drug Administration (the "FDA") for commercial sale in the United States. If the Company is unable to obtain clearance, these amounts will be charged to expense to the extent that the inventory cannot be returned to the vendors for cash or sold for scrap. At each reporting period in which the balance sheet reflects inventory related to products that do not have regulatory clearance or approval, the Company evaluates the likelihood of receiving regulatory clearance or approval for these products based on input from the Company's external regulatory advisers. The Company also considers its anticipated selling prices based on analysis of product pricing of competitors and review of market information prepared by third party research analysts to determine net realizable value.

Inventory consists of the following amounts related to the Company's ClearPoint system as of March 31, 2010 and December 31, 2009:

	March 31, 2010	December 31, 2009
Software licenses (Note 9)	$175,000	$ 175,000
Hardware	321,047	268,447
Disposable components—work in process	150,384	125,903
	$646,431	$ 569,350

Furniture, Software and Equipment—Furniture, software and equipment are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives, principally five to seven years. Leasehold improvements are depreciated on a straight line basis over the lesser of the estimated useful lives or the life of the related lease.

Licenses—Licenses are recorded at cost and are amortized using the straight-line method over their estimated useful life. The carrying value of licenses at March 31, 2010, and December 31, 2009 and 2008 was $58,500, $63,000 and $81,000, respectively, net of accumulated amortization of $31,500, $27,000 and $9,000, for the same periods, respectively. Future amortization under licenses is expected to be approximately $18,000 annually through June 2013. One of the licenses contains a requirement to pay the licensor an additional $40,000 upon the issuance of a certain patent, and a second license contains a requirement to pay the licensor an additional $20,000 upon the issuance of another patent. The license arrangements require certain minimum royalty payments to the licensor. As of December 31, 2010, future minimum royalty payments are as follows:

Years ending December 31,	
2010	$ 45,000
2011	70,000
2012	70,000
2013	95,000
2014	95,000
Thereafter	1,200,000
	$1,575,000

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 2 – Significant Accounting Policies – (continued)

Royalty payment amounts may be greater than the above amounts based on the negotiated royalty rates. If the Company sublicenses the intellectual property that is licensed from the licensor and the Company receives any payment under or with respect to such sublicense, the Company is obligated to pay the licensor an agreed upon percentage of any such payment(s). Under the terms of these license agreements, the Company is required to reimburse the licensor for all costs associated with patent filing, prosecution and maintenance as well as expenses related to enforcing the related patent rights.

The Company may terminate these license agreements for any reason, upon giving the licensor either 60 or 90 days' written notice, depending on the agreement. One of the licenses is cancelable by the licensor if, by the fourth anniversary of the effective date (June 30, 2012), there have been no commercial sales of a product subject to the license.

Impairment of Long-Lived Assets—The Company evaluates the recoverability of its long-lived assets (finite-lived intangible assets and furniture, software and equipment) whenever events or changes in circumstances indicate that the carrying amount of long-lived assets may not be fully recoverable. When this occurs, the expected undiscounted future cash flows are compared to the net book value of the related assets. If the net book value of the related assets exceeds the undiscounted expected future cash flows of the assets, the carrying amount would be reduced to the present value of the expected future cash flows and an impairment loss would be recognized. There have been no impairment losses in the periods presented.

Revenue Recognition—The Company analyzes revenue recognition on an agreement by agreement basis as discussed herein.

- *Related Party Revenue Recognition under Boston Scientific Corporation "BSC" Neuro Agreement (Note 5)*—The Company analyzed whether the components of the arrangement represent separate units of accounting as defined by Accounting Principles Generally Accepted in the United States ("GAAP"). Application of these standards requires subjective determinations and requires management to make judgments about the value of the individual elements and whether delivered elements are separable from the other aspects of the contractual relationship. The Company determined it did not have clear and objective evidence of fair value of the various elements of the agreement and therefore, under GAAP regarding Multiple-Element Arrangements, has determined that the deliverables will be accounted for as one unit of accounting.

  This agreement requires specified milestones in the development of an MRI-safe implantable lead to be achieved by December 31, 2012. If the milestones are not achieved by that date and this failure is not the result of BSC Neuro's failure to reasonably cooperate with the Company in pursuing the milestones, the Company will be required to repay BSC Neuro certain amounts, including any development expenses and milestone payments previously made to the Company under this agreement and any patent prosecution costs incurred by BSC Neuro with respect to the intellectual property licensed under this agreement. The existence of this provision indicates the sales price is not fixed or determinable and all monies which have been or will be received prior to December 31, 2012 have and will be deferred until such time. If the repayment obligations are not triggered as of December 31, 2012, the related party deferred revenue related to this contract will be recognized over the estimated period of continuing involvement. If the repayment obligations are triggered as of December 31, 2012, the related party deferred revenue related to this contract will be repaid to BSC Neuro.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 2 – Significant Accounting Policies – (continued)

The agreement includes research and development services requirements. The Company has recognized deferred research and development services revenue along with the related costs (charged to expense) on a gross basis since the Company is obligated and bears all credit risk with respect to the cost of providing the services.

Future product royalty payments related to the agreement will be recognized as the related products are sold and payments are due to the Company.

- *Related Party Revenue Recognition under BSC Cardiac Agreement (Note 5)*—The Company analyzed whether the components of the arrangement represent separate units of accounting as defined by GAAP. Application of these standards requires management to make subjective judgments about the value of the individual elements and whether delivered elements are separable from the other aspects of the contractual relationship.

  The Company defers recognition of non-refundable upfront license fees if there are continuing performance obligations without which the technology, know-how, rights, products or services conveyed in conjunction with the non-refundable fees have no utility to the licensee that could be considered separate and independent of the Company's performance under other elements of the arrangement. Since the Company has continuing involvement through research and development services that is required because the Company's know-how and expertise related to the technology are proprietary to the Company, or can only be performed by the Company, such upfront fees are deferred and recognized over the estimated period of continuing involvement on a straight line basis.

  Payments to be received related to substantive, performance-based milestones in research and development arrangements are deferred upon receipt and achievement of the milestones as specified in the underlying agreement and recognized over the period of continuing involvement.

  Future product royalty payments related to the agreement will be recognized as the related products are sold and payments are due to the Company.

Research and Development Costs—Costs related to research, design and development of products are charged to research and development expense as incurred. These costs include direct salary costs for research and development personnel, costs for materials used in research and development activities and costs for outside services.

Income Taxes—Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that included the enactment date.

Valuation allowances are recorded for deferred tax assets when the recoverability of such assets is not deemed more likely than not.

Management has evaluated the effect of the guidance provided by GAAP regarding accounting for uncertainty in income taxes that became effective in 2009. In that regard, management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Company has no

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 2 – Significant Accounting Policies – (continued)

uncertain tax positions at March 31, 2010 or December 31, 2009. The Company's tax returns after 2005 remain open for examination.

Net Loss Per Share—Basic net loss per common share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. For all periods presented, diluted net loss per share is the same as basic net loss per share, as the inclusion of equivalent shares from outstanding common stock options, warrants, convertible debt and preferred stock would be anti-dilutive. The following table sets forth potential shares of common stock that are not included in the calculation of diluted net loss per share because to do so would be anti-dilutive as of the end of each period presented:

	Three months ended March 31,		Years ended December 31,		
	2010	2009	2009	2008	2007
Stock options	2,669,108	2,409,500	2,679,108	2,399,500	1,805,000
Warrants	1,743,942	3,314,005	1,642,167	3,314,005	3,314,005
Convertible preferred shares	7,965,000	7,965,000	7,965,000	7,965,000	7,965,000
Shares under convertible note agreements	3,856,333	—	1,776,986	—	1,671,838
	16,234,383	13,688,505	14,063,261	13,678,505	14,755,843

Share-Based Compensation—The Company accounts for compensation for all arrangements under which employees and others receive shares of stock or equity instruments (including options and warrants) in accordance with FASB ASC Topic 718 "*Compensation – Stock Compensation*", or ASC Topic 718. Under ASC Topic 718, the fair value of each award is estimated and amortized as compensation expense over the requisite service period. The fair value of the Company's share-based options and warrants is estimated on the grant date using the Black-Scholes valuation model. This valuation model requires the input of highly subjective assumptions, including the expected price volatility and estimated option term. As the Company has been operating as a private company, it was unable to use actual price volatility and option life data as input assumptions within its Black-Scholes valuation model. Prior to October 2009, the Company used expected volatilities based on the historical volatility of the industry sector in which the Company operates, in accordance with the guidance set forth in ASC Topic 718.

Beginning in October 2009, the Company based its estimate of expected volatility on the average of historical volatilities of publicly traded companies it deemed similar because the Company lacks its own relevant historical volatility data. The Company will consistently apply this methodology until a sufficient amount of historical information regarding the volatility of the Company's own share price becomes available.

To estimate the expected term, the Company utilizes the "simplified" method for "plain vanilla" options as discussed within the Securities and Exchange Commission's Staff Accounting Bulletin 107, or SAB 107. The Company believes that all factors listed within SAB 107 as pre-requisites for utilizing the simplified method are true for the Company and for the Company's share-based compensation arrangements. The Company intends to utilize the simplified method for the foreseeable future until more detailed information about exercise behavior becomes available.

The Company's risk-free interest rates are based on a zero-coupon U.S. treasury instrument, the term of which is consistent with the expected term of the stock options. The Company has not paid and does not anticipate paying cash dividends on its shares of common stock; therefore, the expected dividend yield is assumed to be zero.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 2 – Significant Accounting Policies – (continued)

Fair Value Determination of Privately-Held Equity Securities—The fair values of the common stock as well as the common stock underlying options and warrants granted as compensation, or issued in connection with the settlement of liabilities, were estimated by management, with input from a third-party valuation specialist.

Determining the fair value of stock requires making complex and subjective judgments. The Company has used the income approach, the market approach, and the probability weighted expected return method to estimate the value of the enterprise for the dates on which securities are issued/granted and outstanding. The income approach was based on estimated future cash flows that utilized the Company's forecasts of revenue and costs. The assumptions underlying the revenue and cost estimates are consistent with the Company's business plan. The market approach was based on recent sales of the Company's common stock in privately negotiated transactions between stockholders. Once the Company began the process of preparing for its initial public offering of common stock, the Company began to utilize the probability weighted expected return method, which is based on identifying the most likely liquidity events for the Company, the probability of each occurring, and the equity values for each after applying different percentages to the likelihood of the different values assigned to each anticipated outcome of those events. The assumptions used in each of the different valuation methods take into account certain discounts such as selecting the appropriate discount rate and control and lack of marketability discounts. The discount rates used in these valuations ranged from 22% to 35%. The discounts for lack of marketability ranged from 15% to 35% and the discount for lack of control ranged from 20% to 30%. If different discount rates or lack of marketability and control discounts had been used, the valuations would have been different. The enterprise value under each valuation method was allocated to preferred and common shares taking into account the enterprise value available to all stockholders and allocating that value among the various classes of stock based on the rights, privileges, and preferences of the respective classes in order to provide an estimate of the fair value of a share of the Company's common stock. There is inherent uncertainty in these estimates.

Fair Value Measurements—Effective January 1, 2008, the Company adopted the provisions of a required new accounting standard related to fair value accounting for financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis. As required, the Company adopted this standard for all non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, as of January 1, 2009. The adoption did not materially impact the Company's consolidated financial position and results of operations.

Fair value in this standard is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 2 – Significant Accounting Policies – (continued)

The following table summarizes liabilities measured at fair value on a recurring basis:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative liability, Note 6 (December 31, 2009)	$ —	$ —	$1,227,500	$1,227,500
Derivative liability, Note 6 (March 31, 2010)	$ —	$ —	$1,436,850	$1,436,850

The following table summarizes changes in Level 3 Liabilities measured at fair value on a recurring basis:

	Level 3 Liabilities
Balance as of December 31, 2008	$ —
Issuance of derivative liability, Note 6	1,227,500
Balance as of December 31, 2009	1,227,500
Loss on change in fair value	209,350
Balance as of March 31, 2010	$1,436,850

The financial instruments recorded in the balance sheets include cash and cash equivalents, accounts payable, related party convertible notes, and senior unsecured convertible notes. Due to their short-term maturity, the carrying amounts of cash and cash equivalents and accounts payable approximate their fair value. At March 31, 2010, the fair value of the related party convertible notes payable is $3,500,000 and the fair value of senior unsecured convertible notes is $4,071,000.

Derivative Financial Instruments. The Company accounts for derivative instruments in accordance with FASB ASC Topic 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value. Changes in the fair value of derivatives are recorded each period as a gain or loss in the statement of operations unless the derivative qualifies for hedge accounting. At March 31, 2010, and December 31, 2009 and 2008, the Company did not have any derivative instruments that were designated as hedges. (See Note 6)

New Accounting Pronouncements. In August 2009, the FASB issued ASU No. 2009-04, Accounting for Redeemable Equity Instruments—Amendment to Section 480-10-S99, or ASU No. 2009-04. This ASU represents an update to Section 480-10-S99, Distinguishing Liabilities from Equity , per Emerging Issues Task Force Topic D-98, “Classification and Measurement of Redeemable Securities.” The adoption of ASU 2009-04 did not have a material impact on the Company’s financial statements.

In August 2009, the FASB issued ASU No. 2009-05, Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value , or ASU No. 2009-05. This ASU amends Subtopic 820-10, Fair Value Measurements and Disclosures —Overall, to provide guidance on the fair value measurement of liabilities. The adoption of ASU 2009-05 did not have a material impact on the Company’s financial statements.

In October 2009, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2009-13 (“ASU 2009-13”), which addresses the accounting for multiple-deliverable arrangements to enable

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 2 – Significant Accounting Policies – (continued)

vendors to account for products or services (deliverables) separately rather than as a combined unit. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified beginning in fiscal years on or after June 15, 2010. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its financial statements, if any.

In February 2010, the FASB issued authoritative guidance that amends the disclosure requirements related to subsequent events. This guidance includes the definition of a Securities and Exchange Commission filer, removes the definition of a public entity, redefines the reissuance disclosure requirements and allows companies to omit the disclosure of the date through which subsequent events have been evaluated. This guidance is effective for financial statements issued for interim and annual periods ending after February 2010. This guidance did not materially impact the Company's results of operations or financial position, but did require changes to the Company's disclosures in its financial statements.

In April 2010, the FASB issued Accounting Standards Update No. 2010-17 ("ASU 2010-17") which provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development arrangements that contain payment provisions contingent upon achieving specified events. ASU 2010-17 is effective for milestones achieved in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its financial statements, if any.

Note 3 – Liquidity and Management's Plans

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. For the three months ended March 31, 2010 and the years ended December 31, 2009, 2008 and 2007, the Company incurred net losses of $2,225,868, $7,159,060, $5,429,785, and $3,697,137, respectively, and the cumulative net loss since the Company's inception through March 31, 2010 is approximately $44,000,000. In view of these matters, the ability of the Company to continue as a going concern is dependent upon the Company's ability to generate additional financing sufficient to support its research and development activities, clearance or approval of developed products for sale by applicable regulatory authorities, including the FDA, and ultimately to generate revenue sufficient to cover all costs. Since inception, the Company has financed its activities principally from the sale of equity securities, borrowings, and license arrangements. The Company intends on financing its future development activities and its working capital needs largely from the sale of equity securities until such time that funds provided by operations are sufficient to fund working capital requirements. There can be no assurance that the Company will be successful at achieving its financing goals on reasonable commercial terms, if at all, or if it will generate revenues sufficient to cover its costs.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 4 – Furniture, Software and Equipment

Furniture, software and equipment consist of the following:

	March 31, 2010	December 31, 2009	December 31, 2008
Furniture and equipment	$1,112,193	$1,079,030	$ 807,012
Software	19,222	19,232	8,888
Leasehold Improvements	157,236	157,236	157,236
	1,288,651	1,255,498	973,136
Less accumulated depreciation	(305,875)	(263,340)	(112,630)
	$ 982,776	$ 992,158	$ 860,506

Depreciation expense was as follows:

Three Months Ended March 31,		Years Ended December 31,		
2010	2009	2009	2008	2007
$42,535	$ 34,564	$150,710	$71,928	$16,728

Note 5 – Related Party License Agreements

License and development agreements have been entered into with affiliates of Boston Scientific Corporation ("BSC"). Because BSC's affiliate is a stockholder and has a representative on the Company's board of directors, management has deemed all transactions with BSC and its affiliates to be of a related party nature.

BSC Neuro Agreement—On December 30, 2005, the Company entered into definitive license and development agreements (collectively, as amended, the "BSC Neuro Agreement") with Advanced Bionics Corporation, an affiliate of BSC. Advanced Bionics Corporation subsequently changed its name to Boston Scientific Neuromodulation Corporation ("BSC Neuro"). Under the BSC Neuro Agreement, the Company granted BSC Neuro an exclusive commercial license with respect to certain of the Company's owned and licensed intellectual property, in the neuromodulation field, to make, use, import, lease and sell neuro-related leads, neuro-related lead extensions, and neuro-related lead-type devices, such as implantable pulse generators. The Company has continuing research and development obligations pursuant to the BSC Neuro Agreement with respect to the development of MRI-compatible and MRI-safe implantable neuromodulation leads.

Under the BSC Neuro Agreement, in addition to prospective royalty payments on net sales of licensed products, the Company could receive up to $1,600,000 in future milestone-based payments associated with successful development and regulatory approval of the leads. The Company did not receive any up-front license payments pursuant to this agreement. In addition, the Company could receive over $500,000 in incentive payments for incremental development work BSC Neuro may request. This agreement requires specified milestones in the development of an MRI-safe implantable lead to be achieved by December 31, 2012. If the milestones are not achieved by that date and this failure is not the result of BSC Neuro's failure to reasonably cooperate with the Company in pursuing the milestones, the Company will be required to repay BSC Neuro certain amounts, including any development expenses and milestone payments previously made to the Company under this agreement and any patent prosecution costs incurred by BSC Neuro with respect to the intellectual

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 5 – Related Party License Agreements – (continued)

property licensed under this agreement. As of March 31, 2010, the Company had received approximately $750,000 of payments from BSC Neuro which would be subject to the repayment obligation described above. In addition, the Company would be responsible to reimburse BSC Neuro for out of pocket costs incurred by BSC Neuro in prosecuting patent applications and maintaining issued patents for the licensed technologies. As discussed in Note 2, Revenue Recognition, all amounts received have been recorded as deferred revenues.

BSC Cardiac Pacemakers Agreement—Effective March 19, 2008, the Company entered into definitive license and development agreements (collectively the "BSC Cardiac Agreement") with Cardiac Pacemakers, Inc. ("BSC Cardiac"), an affiliate of Boston Scientific Corporation. Under the BSC Cardiac Agreement, the Company granted BSC Cardiac an exclusive commercial license with respect to certain of the Company's owned and licensed intellectual property rights, in the field of implantable medical leads for cardiac applications, to make, have made, use, promote, market, import, distribute, lease, sell, offer for sale and commercialize products in the licensed field of use. The Company is required to continue to investigate the feasibility of its technology and, upon successful completion of feasibility studies, to work with BSC Cardiac to develop this technology for different types of MRI-compatible and MRI-safe implantable cardiac leads.

Pursuant to the BSC Cardiac Agreement, in addition to prospective royalty payments on net sales of licensed products, the Company received non-refundable licensing fees totaling $13,000,000 in 2008, and the Company could receive up to $20,000,000 in future milestone-based payments associated with the successful development and regulatory approval of the implantable cardiac leads, subject to certain patents being issued on patent applications licensed to BSC Cardiac. The Company initially recorded the payment as deferred revenue and is subsequently recognizing revenue over the five year estimated period of continuing involvement (see Note 2, Revenue Recognition). The Company determined the five year estimated period of continuing involvement based upon the Company's internal development plan and projected timeline for the different implantable cardiac leads.

Except as set forth below, the licensing provisions of the BSC Cardiac Agreement will terminate upon the expiration of the last issued patent that is licensed under the agreement, and the development provisions of the BSC Cardiac Agreement will expire upon FDA approval of a design for each of the different lead types described in the agreement. BSC Cardiac has the one-time option, within 60 days after successful completion of the first cardiac lead feasibility study, to cease further development work and to terminate the provisions of the BSC Cardiac Agreement. If BSC Cardiac elects to exercise its option under the BSC Cardiac Agreement to terminate further development efforts, the license the Company granted to BSC Cardiac will automatically become non-exclusive with respect to some intellectual property, other intellectual property will be removed from the scope of the license and revert to the Company, and BSC Cardiac will not be obligated to pay the Company any future royalties on net sales of products containing intellectual property that remains subject to the non-exclusive license. Likewise, any unachieved future milestone-based payments will not be paid or due the Company. However, upon any such termination, the Company will not be required to repay any portion of the upfront licensing fees paid and would recognize any unamortized deferred revenue.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 5 – Related Party License Agreements – (continued)

Remaining related party deferred revenue is expected to be recognized as revenue as follows:

Years ending December 31, (except as noted below)	
2010 (April through December)	$1,950,000
2011	2,600,000
2012	2,600,000
2013	1,396,374
	$8,546,374

Note 6 – Related Party Notes Payable

Related Party Convertible Notes Payable (BSC)—On October 16, 2009, the Company entered into a convertible note payable arrangement with BSC. The arrangement allowed for initial borrowings by the Company of $2,000,000, which was received in October 2009, and additional borrowings at future dates totaling up to $2,250,000. During November and December of 2009, the Company borrowed an additional $1,500,000 from BSC. All borrowings bear interest at 10% per annum and mature on the second anniversary of the date on which the funds were advanced (October through December 2011).

In addition, the Company will be required to prepay all or a portion of the loans upon the consummation of any qualified financing, which is any equity financing in which shares of the Company's preferred stock are issued in exchange for cash proceeds. Upon consummation of a qualified financing from Medtronic, Inc., St. Jude Medical, Inc., or Johnson & Johnson, or any of their respective subsidiaries or affiliates, up to 100% of the cash proceeds from such qualified financing must be used to prepay the outstanding principal and accrued interest of the loans. Upon consummation of a qualified financing from any other investor, up to 25% of the cash proceeds from such qualified financing shall be applied by the Company to prepay the outstanding principal and accrued interest of the loans. The Company can prepay the loans at anytime. The principal and interest outstanding on each note is convertible, at the option of the holder, at any time prior to the earlier of the maturity date or the consummation of a qualified public offering (a bona fide first underwritten public offering of the Company's common stock on a firm commitment basis in which the aggregate gross proceeds received by the Company at the public offering price equals or exceeds $20,000,000) into one share of the Company's preferred stock at a conversion price equal to the lower of $2.00 per share, or the price per share paid by investors in a future preferred stock financing conducted by the Company prior to the qualified public offering. The notes are secured by a first priority security interest in all of the Company's assets.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 6 – Related Party Notes Payable – (continued)

The Company analyzed the terms of the conversion feature of the notes under ASC Topic 815 and determined, based upon the conversion price reset provision, that the conversion feature should be accounted for as a derivative liability (Note 2, Fair Value Measurements). Under this guidance the conversion feature was initially measured at fair value and will be adjusted to the current fair value at each reporting period, changes in fair value will be recorded as other income (expense) in the related statement of operations. The Company calculated the fair value of this derivative liability utilizing the Black-Scholes pricing model. The assumptions used in calculating the fair value of the derivative liability using this model as of the transaction date and March 31, 2010 were as follows:

	March 31, 2010	Transaction Date
Dividend yield	0%	0%
Expected volatility	52.77%	38.28%
Risk free interest rate	1.02%	1.14%
Expected term	1.55 years	2 years

There was no adjustment of the derivative liability at December 31, 2009 because the change in its fair value from the transaction date was insignificant. At March 31, 2010, the fair value of the derivative liability was $1,436,850; the change in fair value from December 31, 2009 in the amount of $209,350 was recorded as other expense in the statement of operations.

The proceeds from the transaction were allocated as follows:

Financial Instrument	
Related party convertible notes payable	$2,272,500
Derivative liability	1,227,500
	$3,500,000

The discount on the related party convertible debt is amortized through charges to interest expense based upon the effective interest method through the date of maturity.

Related Party Convertible Notes Payable (BSC Neuro)—During December 2005, BSC Neuro advanced the Company $1,500,000 in the form of a convertible promissory note. The original maturity date of this note was December 31, 2007 or, if earlier, the expiration of a stipulated period of negotiations between BSC Neuro and the Company that followed the completion of certain product development work by the Company (the "Negotiation Period").

The calculation of BSC Neuro's conversion option under the note depended on whether BSC Neuro and the Company entered into a license agreement with respect to certain Company technology (the "Subsequent License"). If BSC Neuro and the Company did not enter into the Subsequent License, then the note was convertible into 10% of the Company's fully diluted common shares (all outstanding common stock, all outstanding preferred stock convertible into shares of common stock, all warrants and options to acquire shares of common stock (vested and unvested) and all shares of common stock issuable under the Company's equity compensation plans). If BSC Neuro and the Company did enter into the Subsequent License, then the note was convertible into 5% of the Company's fully diluted common shares. There was no beneficial conversion feature associated with this transaction.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 6 – Related Party Notes Payable – (continued)

The note was amended on June 30, 2007, wherein the maturity date was extended to June 30, 2008 or, if earlier, the expiration of the Negotiation Period. The lender's conversion option was then fixed at 5% of the Company's fully diluted common shares. However, if at the time of conversion BSC Neuro and the Company had not entered into the Subsequent License, the Company was also required to issue BSC Neuro a warrant to purchase an additional 5% of the Company's fully diluted common shares at an exercise price of $0.01 per share. Such warrant would only be exercisable if BSC Neuro and the Company did not enter into the Subsequent License by the end of the Negotiation Period. The conversion option under the amended note was substantively the same as the conversion option under the original note.

The June 30, 2007 amendment was evaluated to determine if it qualified as a debt extinguishment accounting. Based on the analysis performed, there was no debt extinguishment recorded as the fair value of the pre-amendment and post-amendment cash flows related to the notes did not differ by more than 10%. The fair value of the aforementioned $0.01 warrant of approximately $790,000 was recorded as a debt discount on the date of amendment and amortized through interest expense through the extended maturity date (June 30, 2008).

On June 30, 2008, BSC Neuro exercised its conversion option and converted the note in full into 1,671,838 shares of common stock. Upon conversion, BSC Neuro and the Company did not enter into the Subsequent License. Therefore, the number of shares subject to the aforementioned warrant was fixed at 1,671,838. The Negotiation Period expired during 2009, and BSC Neuro and the Company did not enter into the Subsequent License. BSC Neuro did not exercise the warrant and the warrant expired during 2009.

Note 7 – Senior Unsecured Convertible Notes

In March 2010, the Company issued 10% senior unsecured convertible notes, or the bridge notes, in the aggregate principal amount of $4,071,000. The bridge notes contain a mandatory conversion feature upon the closing of the initial public offering of the Company's common stock that will automatically convert the bridge notes into shares of the Company's common stock at the lesser of $2.00 per share or 80% of the offering price, subject to a $1.00 per share floor conversion price. In addition, holders of the bridge notes may convert the outstanding principal amount of their bridge notes into shares of the Company's common stock at any time, based on a conversion price of $2.00 per share, subject to certain adjustments. The bridge notes mature two years from the date of issuance, unless earlier converted, and accrue interest at the rate of 10% per annum. All accrued interest will be paid in cash upon the earlier to occur of maturity or conversion and will not be converted into shares of the Company's common stock.

The Company applied the guidance in ASC 815-40, "Derivatives and Hedging Contracts in an Entity's Own Equity," in determining that the conversion features of the bridge notes did not require derivative liability accounting treatment. The Company relied upon guidance in ASC 470-20, "Debt with Conversion and Other Options," in determining that the non-mandatory conversion feature represented a beneficial conversion feature (the "BCF") that should be recorded as equity based on its intrinsic value. The offset was recorded as a discount which was netted against the bridge notes. At the issuance dates of the bridge notes, the intrinsic value of the BCF was $834,555 which represents the difference between the fair value of $2.41 per common share and the conversion price of $2.00 per share multiplied by the number of conversion shares. The discount is being amortized to interest expense using the effective interest method over the term of the bridge notes.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 7 – Senior Unsecured Convertible Notes – (continued)

The Company incurred approximately $293,000 of costs related to the issuance of the bridge notes, comprised of placement agent commissions and legal fees. In addition, warrants with a five year term were issued to the placement agent exercisable for 101,775 shares of the Company's common stock at a price equal to the lesser of $2.00 per share or 80% of the offering price in the Company's initial public offering, subject to a $1.00 per share floor conversion price. The fair value of the placement agent warrants was approximately $120,000 (Note 8). The total costs incurred in connection with the issuance of the bridge notes of approximately $413,000 were capitalized as deferred financing costs and are being amortized using the effective interest method over the term of the bridge notes.

Note 8 – Stockholders' Equity

Series A Preferred Stock—In 2006, the Company issued 7,965,000 shares of Series A Convertible Preferred Stock for net proceeds of $7,335,787 ($7,965,000 net of $629,213 in transaction expenses). Additionally, the placement agent received detachable warrants to acquire up to 566,000 shares of the Company's common stock at $1.00 per share with a fair value of $28,696 on the date of issuance. The warrants expire on December 31, 2011.

The holders of the Series A Convertible Preferred Stock have the following rights and privileges.

Voting. Each holder of Series A Convertible Preferred Stock is entitled to vote on all matters presented to holders of common stock, with each holder entitled to the number of votes equal to the number of shares of common stock into which his or her shares of Series A Convertible Preferred Stock could be converted.

Dividend Rights. There is no dividend rate on the Series A Convertible Preferred Stock; however, the Company will pay holders of Series A Convertible Preferred Stock any dividend it declares with respect to the common stock on an as converted basis.

Conversion. The holders of Series A Convertible Preferred Stock have the right to convert such shares, at any time, into shares of common stock. The initial conversion rate of Series A Convertible Preferred Stock is one-for-one, subject to adjustment for certain corporate events, including stock splits, stock dividends, and recapitalizations. The Series A Convertible Preferred Stock automatically convert into common stock at the then applicable conversion rate upon the closing of an initial public offering or the consent of holders of a majority of the outstanding shares of the Series A Convertible Preferred Stock.

Liquidation. In the event of the liquidation, dissolution or winding-up of the Company, the holders of Series A Convertible Preferred Stock would be entitled to receive $1.00 per share before any liquidation distributions may be paid to the holders of the common stock.

Redemption. Shares of Series A Convertible Preferred Stock are not redeemable by the Company.

Registration Rights Agreement—The Company has an agreement with many of its current stockholders pursuant to which the Company has granted those stockholders certain registration rights. The stockholders who are parties to the agreement generally have two demand registration rights, which rights become effective as of the date that is six months after the Company's initial public offering (as such these registration rights are contingent upon the successful completion of an initial public offering). A requisite percentage of holders is required to exercise a demand registration right, and certain other restrictions apply. Stockholders also have the right to participate on a "piggyback basis" in certain registrations by the Company under the Securities Act of 1933, subject to certain restrictions, including underwriter holdbacks.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 8 – Stockholders' Equity – (continued)

Stock Incentive Plans—At March 31, 2010, the Company has two share-based compensation plans (the "2007 Plan" and the "1998 Plan", and referred to collectively as the "Plans"). The 1998 Plan provides for the granting of qualified incentive and non-qualified stock options to employees, directors, consultants and advisors. The 2007 Plan provides for the granting of qualified incentive and non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, and other stock-based awards to employees, directors, consultants and advisors. Awards may be subject to a vesting schedule as set forth in each individual award agreement. The Company terminated the 1998 Plan, effective June 24, 2008, with respect to future grants such that no new options may be awarded under the 1998 Plan on or after June 24, 2008. The maximum shares of common stock which can be issued under the 2007 Plan is 2,500,000.

Activity with respect to the stock options is summarized as follows (no options were granted during the three months ended March 31, 2010):

	Options Outstanding	Options Exercisable	Range of Exercise Price	Weighted-average Exercise price per share	Intrinsic Value
Balance at January 1, 2007	1,215,000		0.22 - $ 6.00	$ 0.43	$ 320,000
Options exercisable at January 1, 2007		1,215,000	0.22 - 6.00	0.43	320,000
Options granted	590,000		0.80	0.80	
Balance at December 31, 2007	1,805,000		0.22 - 6.00	0.55	331,500
Options exercisable at December 31, 2007		1,445,000	0.22 - 6.00	0.49	331,500
Options granted	619,500		1.51 - 2.41	1.96	
Options cancelled or forfeited	(25,000)		1.50	1.50	
Outstanding at December 31, 2008	2,399,500		0.22 - 6.00	0.91	3,742,700
Options exercisable at December 31, 2008		1,728,333	0.22 - 6.00	0.67	3,133,667
Options granted	373,608		2.41	2.41	
Options exercised	(13,333)		0.80	0.80	
Options cancelled or forfeited	(80,667)		0.41 - 5.00	2.40	
Outstanding at December 31, 2009	2,679,108		0.22 - 6.00	1.07	3,694,400
Options exercisable at December 31, 2009		1,933,455	0.22 - 6.00	0.69	3,424,333
Options cancelled or forfeited	(10,000)		6.00	6.00	
Outstanding at March 31, 2010	2,669,108		0.22 - 6.00	1.05	3,694,400
Options exercisable at March 31, 2010		1,926,788	0.22 - 6.00	0.67	3,424,333

(1) All Options granted during the year ended December 31, 2009 were granted with an exercise price of $2.41 per share, which was deemed to be the fair market value on the date of grant.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 8 – Stockholders' Equity – (continued)

The following table summarizes information about stock options at March 31, 2010:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted - Average Remaining Contractual Life	Weighted - Average Exercise Price	Number Exercisable	Weighted - Average Exercise Price
$ 0.22 - 0.80	1,710,000	5.05	$ 0.41	1,656,667	$ 0.40
1.51 - 2.41	939,108	7.05	2.12	250,121	2.04
6.00	20,000	1.26	6.00	30,000	6.00
	2,669,108	5.73	1.05	1,926,788	0.67

The following table summarizes information about stock options at December 31, 2009:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted - Average Remaining Contractual Life	Weighted - Average Exercise Price	Number Exercisable	Weighted - Average Exercise Price
$ 0.22 - 0.80	1,710,000	5.30	$ 0.41	1,656,667	$ 0.40
1.51 - 2.41	939,108	7.30	2.12	246,788	2.04
6.00	30,000	1.00	6.00	30,000	6.00
	2,679,108	5.95	1.07	1,933,455	0.69

The following table summarizes information about stock options at December 31, 2008:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted - Average Remaining Contractual Life	Weighted - Average Exercise Price	Number Exercisable	Weighted - Average Exercise Price
$ 0.22 - 0.80	1,740,000	6.33	$ 0.42	1,533,333	$ 0.37
1.51 - 2.41	619,500	9.56	1.96	155,000	2.41
5.00 - 6.00	40,000	1.50	5.75	40,000	5.75
	2,399,500	7.09	0.91	1,728,333	0.67

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 8 – Stockholders' Equity – (continued)

The weighted-average grant date fair value of options granted during the years ended December 31, 2009 and 2008 are $0.71 and $0.58, respectively. A summary of the status of the Company's nonvested stock options during the three months ended March 31, 2010 and the years ended December 31, 2009, 2008, and 2007 is presented below:

Nonvested Stock Options	Shares	Weighted - Average Grant Date Fair Value
Nonvested January 1, 2007	—	$ —
Granted	360,000	0.10
Nonvested December 31, 2007	360,000	0.10
Granted	464,500	0.56
Vested	(153,333)	0.10
Nonvested December 31, 2008	671,167	0.42
Granted	373,608	0.71
Forfeited	(29,000)	0.71
Vested	(270,122)	0.28
Nonvested December 31, 2009	745,653	0.60
Vested	(3,333)	0.67
Nonvested March 31, 2010	742,320	0.60

As of March 31, 2010 there was a total of approximately $343,000 of unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Plans. That cost is expected to be recognized over a weighted-average period of approximately 2.75 years.

The assumptions used in calculating the fair value of options using the Black-Scholes option-pricing model are set forth in the following table:

	Year Ended December 31,		
	2009	2008	2007
Dividend yield	0%	0%	0%
Expected Volatility	23.45% to 38.28%	24.45% to 26.44%	27.67% to 29.13%
Risk free Interest rates	1.48% to 2.43%	2.56% to 3.03%	4.50% to 5.06%
Expected lives	3.25 to 5.75 years	5 to 5.75 years	5 to 5.75 years

Warrants—Warrants have been issued for terms of up to five years.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 8 – Stockholders' Equity – (continued)

Common Stock warrants issued, expired, and outstanding during the three months ended March 31, 2010 and the years ended December 31, 2009, 2008 and 2007 are as follows:

	Number	Weighted Average Exercise Price per Share
Warrants outstanding at January 1, 2007	1,642,167	$ 0.88
Warrants issued during the year ended December 31, 2007	1,671,838	0.01
Warrants outstanding at December 31, 2008 and 2007	3,314,005	0.44
Warrants expired during the year ended December 31, 2009	(1,671,838)	0.01
Warrants outstanding at December 31, 2009	1,642,167	0.88
Warrants issued during the three months ended March 31, 2010	101,775	2.00
Warrants outstanding at March 31, 2010	1,743,942	$ 0.95

The assumptions used in calculating the fair value of warrants utilizing the Black-Scholes pricing model are as follows:

	Warrants issued during	
	2010	2007
Dividend yield	0%	0%
Expected volatility	45.98%	20%
Risk free rates	2.6%	4.91%
Expected term	5 years	1 year

Stock Transactions with Related Parties –

- During January 2009, the Company loaned $500,000 under an 8% note receivable to a stockholder with an original maturity date in July 2010. The note was collateralized by 500,000 shares of the Company's common stock owned by the stockholder. In addition, during January 2009, the Company purchased 500,000 shares of the Company's common stock from that same stockholder for $500,000 in cash (accounted for as a treasury stock purchase). During December 2009, the Company purchased 536,712 additional shares of the Company's common stock from this stockholder in exchange for cancellation of the aforementioned $500,000 note receivable plus $36,712 of accrued interest thereon.
- The Company had a note receivable from its Chief Executive Officer ("CEO") related to the sale of common stock. The note bears interest at 4.5%. Interest income related to this note was approximately $21,100 for the year ended December 31, 2009 and approximately $21,700 for each of the two years ended December 31, 2008 and 2007. On December 22, 2009, the Company purchased 266,608 shares of common stock from the CEO, for an aggregate purchase price of $642,525. The Company paid a portion of the aggregate purchase price ($594,687) by cancelling the aforementioned promissory note plus accrued interest, with the remainder paid in cash. Also, on December 22, 2009, the Company issued to the CEO options to purchase 266,608 shares of its common stock at an exercise price of $2.41 per share.

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 9 – Income Taxes

The Company recorded federal income tax expense of $49,250 for the year ended December 31, 2009 related to alternative minimum tax due which cannot be offset by net operating loss carryforwards. The Company had no income tax expense or benefit for the years ended 2008 and 2007. As the Company has incurred net operating losses, the Company has recognized valuation allowances for all deferred tax assets. The tax effect of temporary differences and net operating losses that give rise to components of deferred tax assets and liabilities consist of the following:

	March 31, 2010	December 31, 2009	2008	2007
Deferred tax assets (liabilities):				
Furniture, software and equipment	$ (200,384)	$ (202,296)	$ (144,776)	$ (4,886)
Other	28,400	60,139	—	—
Deferred revenue	3,244,204	3,207,620	(8,139)	—
Accrued expenses	377,229	439,965	110,891	3,778
Net operating loss carryforward	12,435,688	11,591,052	12,491,917	10,690,528
	15,885,138	15,096,480	12,449,893	10,689,420
Less: valuation allowance	(15,885,138)	(15,096,480)	(12,449,893)	(10,689,420)
	$ —	$ —	$ —	$ —

The Company has a cumulative federal net operating loss of approximately $32,800,000 as of March 31, 2010. Under Section 382 and 383 of the Internal Revenue Code, if an ownership change occurs with respect to a “loss corporation”, as defined, there are annual limitations on the amount of the net operating loss and other deductions which are available to the Company. The Company has not determined whether such ownership change has occurred. However, given the equity transactions in which the Company has engaged, the Company believes that the use of the net operating losses shown as deferred tax assets will be significantly limited.

Note 10 – Commitments

Leases—The Company leases office space in Maryland, California and Tennessee under non-cancellable operating leases. Leases expire in 2011, 2012 and 2014.

Future minimum lease payments under non-cancellable operating leases are as follows:

Years ending December 31,	
2010	$145,331
2011	171,545
2012	124,018
2013	62,272
2014	58,399
Total minimum payments	$561,565

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 10 – Commitments – (continued)

Co-Development Agreement—The Company has entered into a co-development agreement whereby the Company is required to pay up to approximately $2,476,000 in milestone-based payments for software development to be used in conjunction with products being developed by the Company. The software, upon completion, will be owned by the co-developer and sold through licenses. The co-developer will pay the Company a fixed amount per license sold by the co-developer until the Company recoups its investment in the software. The Company's remaining milestone-based payments under the co-development agreement at March 31, 2010 totaled approximately $2,326,000, which is expected to be paid in installments through September 2011.

Shared Research Agreements—The Company has entered into research agreements with certain universities whereby the Company has committed to pay certain research-related expenses. As of March 31, 2010 the Company is committed to pay additional amounts aggregating approximately $920,000, which will be payable at various dates through January 2011. In addition, the Company has agreed to provide in kind equipment and services over a two year period once the equipment is installed.

Software License Agreement—The Company is obligated under a master services and license agreement to purchase a minimum number of licenses for software code that is incorporated in the Company's ClearPoint system software. The minimum future purchase obligation is $525,000 for each of the contract years ending July 2010, 2011 and 2012. The cost of each license will be charged to cost of sales as each ClearPoint system is sold, which sales are subject prior to FDA clearance.

Note 11 – Subsequent Events

Litigation

On April 22, 2010, SurgiVision Consultants, Inc. and Guy M. Kezirian filed a lawsuit against the Company in the United States District Court, Central District of California, alleging trademark infringement, unfair competition, trademark dilution, and violation of the Anti-Cybersquatting Protection Act, all relating to the Company's use of its SURGI-VISION and SURGIVISION trademarks and the Company's www.surgivision.com domain name. The plaintiffs are seeking unspecified monetary damages and injunctive relief. This action is at the very preliminary stage. The Company believes it has strong defenses to the allegations, and intends to vigorously defend itself in the lawsuit to protect its trademark rights. Due to the preliminary stage of the proceedings, management is unable to determine the financial impact, if any, of the ultimate outcome of this matter. No liability, which might result from this matter, if any, has been recorded in the Company's financial statements.

Reverse Stock Split

On April 23, 2010, the Company's stockholders approved an amendment to the Company's certificate of incorporation giving the Company's Board of Directors the discretion to effect a reverse split of the shares of the Company's common stock (the "Reverse Split") in connection with the Company's planned initial public offering. The Reverse Split is designed to enable the Company to establish an appropriate initial public offering price and to satisfy the initial listing standards of the stock market on which the Company will seek to be listed. The amendment provides the Company's Board of Directors with the option to effect a reverse stock split of the Company's issued and outstanding common stock at one of the following ratios: 1 for 2; 1 for 3; or 1 for 4. The

SURGIVISION, INC.

Notes to Financial Statements
Years Ended December 31, 2009, 2008 and 2007 and the
Unaudited Three Month Periods Ended March 31, 2010 and 2009

Note 11 – Subsequent Events – (continued)

Reverse Split, if implemented, will not change the number of authorized shares or the par value of the Company's common stock. If the Reverse Split is implemented, the Company's Series A Convertible Preferred Stock, outstanding options and warrants to purchase common stock, and any other security convertible into the Company's common stock, will be adjusted so that the number of shares of common stock issuable upon their conversion or exercise will be decreased proportionately, and the conversion or exercise price will be increased proportionately.

New Stock Incentive Plan

On March 23, 2010, the Company's Board of Directors approved the 2010 Incentive Compensation Plan (the "2010 Plan") and recommended it to the stockholders. The 2010 Plan was approved by a vote of the stockholders on April 23, 2010. The principal purpose of the 2010 Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance awards. The 2010 Plan is also designed to permit the Company to make cash-based awards and equity-based awards intended to quality as "performance-based compensation" under 162(m) of the Internal Revenue Code. A total of 5,000,000 shares of the Company's common stock have been reserved for issuance under the 2010 Plan, subject to adjustment in the event of a stock split, reverse stock split, stock or other extraordinary dividend, or other similar change in the Company's common stock or capital structure. Upon adoption of the 2010 Plan, the Company ceased making awards under its 2007 Plan.

Shares

SurgiVision, Inc.

Common Stock

Prospectus

Canaccord Genuity **Rodman & Renshaw, LLC**

, 2010

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. *Other Expenses of Issuance and Distribution*

The following table sets forth the costs and expenses to be paid by us in connection with the sale of the shares of common stock being registered hereby. All amounts are estimates except for the SEC registration fee, the FINRA filing fee and the Nasdaq Capital Market listing fee.

	Amount to be Paid
SEC registration fee	$ 2,139
FINRA filing fee	3,500
Nasdaq Capital Market listing fee	55,000
Printing and engraving expenses	200,000
Blue sky qualification fees and expenses	15,000
Accounting fees and expenses	*
Legal fees and expenses	*
Transfer agent and registrar fees	3,500
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment.

Item 14. *Indemnification of Directors and Officers*

Our certificate of incorporation, which will become effective upon the completion of this offering, contains provisions permitted under Delaware law relating to the liability of directors. These provisions eliminate a director's personal liability for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving wrongful acts, such as:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- any act related to unlawful stock repurchases, redemptions or other distribution or payments of dividends; or
- any transaction from which the director derived an improper personal benefit.

These provisions do not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of director's fiduciary duty. These provisions will not alter a director's liability under federal securities laws.

As permitted by Section 145 of the Delaware General Corporation Law, our bylaws, which will become effective upon the closing of this offering, require us to indemnify our directors and executive officers to the fullest extent not prohibited by the Delaware law. We may limit the extent of such indemnification by individual contracts with our directors and executive officers. Further, we may decline to indemnify any director or executive officer in connection with any proceeding initiated by such person or any proceeding by such person against us or our directors, officers, employees or other agents, unless such indemnification is expressly required to be made by law or the proceeding was authorized by our Board of Directors.

We have entered into indemnity agreements with each of our current directors and certain of our executive officers to give such directors and officers additional contractual assurances regarding the scope of the indemnification set forth in our certificate of incorporation and bylaws and to provide additional procedural

protections. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, nor are we aware of any threatened litigation that may result in claims for indemnification.

We have the power to indemnify our other officers, employees and other agents, as permitted by Delaware law, but we are not required to do so.

The Registrant maintains a directors' and officers' insurance and registrant reimbursement policy. The policy insures directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses the registrant for those losses for which the registrant has lawfully indemnified the directors and officers. The policy contains various exclusions, none of which apply to this offering.

Reference is made to the following documents filed as exhibits to this registration statement regarding relevant indemnification provisions described above and elsewhere herein:

Exhibit Document	Number
Form of Underwriting Agreement	1.1
Form of Amended and Restated Certificate of Incorporation	3.3
Form of Amended and Restated Bylaws	3.4
Third Amended and Restated Investor Rights' Agreement dated September 20, 2006	3.5
First Amended and Restated Stockholders' Agreement dated April 30, 2004	3.6
Form of Indemnification Agreement	10.8

Item 15. ***Recent Sales of Unregistered Securities***

The following sets forth information regarding all unregistered securities sold since December 31, 2006:

1. We have granted stock options to purchase an aggregate of 1,326,500 shares of common stock to employees, consultants and directors under our 2007 Stock Incentive Plan, which makes available an aggregate of 2,500,000 shares of common stock. Stock options to purchase 1,284,167 shares of our common stock remain outstanding. The issuance of these options was exempt from registration under Section 4(2) of the Securities Act, as a sale not involving a public offering, or pursuant to Rule 701 under the Securities Act.

2. On December 22, 2009, we issued to Mr. Jenkins an option to purchase 266,608 shares of our common stock at an exercise price of $2.41 per share. The issuance of this option was exempt from registration under 4(2) of the Securities Act, as a sale not involving a public offering.

3. Between January 2006 and August 2007, Boston Scientific, one of our 5% common stockholders and the employer of one of our directors, loaned us $1,500,000 in six equal quarterly installments pursuant to a convertible promissory note. This note became payable on June 30, 2008, at which time Boston Scientific converted the note into 1,671,838 shares of our common stock and a warrant for 1,671,838 shares of our common stock, which has since expired.

4. In November and December of 2006, we issued and sold an aggregate of 7,965,000 shares of our Series A Convertible Preferred Stock to 48 accredited investors at $1.00 per share, for an aggregate offering price of $7,965,000. Upon completion of this offering, these shares of preferred stock will automatically convert into shares of common stock. In connection with this Series A Preferred Stock offering, we engaged Gilford Securities Incorporated to serve as a placement agent. As placement agent, Gilford Securities Incorporated received a cash fee of approximately $475,000 and a warrant exercisable for 566,000 shares of common stock at an exercise price of $1.00 per share.

5. On November 2, 2006, we issued a warrant exercisable for 50,000 shares of common stock at an exercise price of $1.00 per share. This warrant was exempt from registration under Section 4(2) of the Securities Act, as a sale not involving a public offering.

6. During 2009, Boston Scientific loaned us $3,500,000 pursuant to the terms of three convertible promissory notes. Interest on the loans accrues at 10% per annum and compounds annually. The Boston Scientific loans are secured by a first priority security interest in all of our assets. Each loan matures on the second anniversary of the date on which the funds were advanced. In addition, we will be required to prepay all or a portion of loans upon the consummation of any qualified financing, which is any equity financing in which shares of our preferred stock are issued in exchange for cash proceeds. Upon consummation of a qualified financing from Medtronic, Inc., St. Jude Medical, Inc., or Johnson & Johnson, or any of their respective subsidiaries or affiliates, up to 100% of the cash proceeds from such qualified financing must be used to prepay the outstanding principal of the loans and accrued interest thereon. Upon consummation of a qualified financing from any other investor, up to 25% of the cash proceeds from such qualified financing shall be applied by us to prepay the outstanding principal of the loans and accrued interest thereon. We can repay each loan at anytime prior to its respective maturity date. At the option of Boston Scientific, these loans are convertible into one share of our preferred stock for every $2.00 of principal and interest outstanding at the time of conversion. To the extent that Boston Scientific has not exercised its conversion right prior to the completion of this offering, Boston Scientific will no longer have the right to convert the notes into shares of stock.

7. On December 21, 2007, we made a restricted stock award to one of our consultants for 2,000 shares of common stock. This award was made under our 2007 Stock Incentive Plan. This restricted stock award was exempt from registration under Section 4(2) of the Securities Act, as a sale not involving a public offering, or pursuant to Rule 701 under the Securities Act.

8. In March 2010, we issued 10% senior unsecured convertible notes, or the bridge notes, in the aggregate principal amount of approximately $4.1 million to 50 accredited investors in a private placement, or the bridge financing. Upon consummation of this offering, the bridge notes will automatically convert into shares of our common stock upon the closing of this offering at the lesser of $2.00 per share or 80% of the offering price in this offering, subject to a $1.00 per share floor conversion price. In addition, subject to prior maturity, prepayment and/or certain adjustments, holders of the bridge notes may convert the outstanding principal amount of their bridge notes into shares of our common stock at any time, based on a conversion price of $2.00 per share. The bridge notes mature two years from the date of issuance, unless earlier converted, and accrue interest at the rate of 10% per annum. All accrued interest will be paid in cash and will not be converted into shares of our common stock. In connection with the bridge financing, we engaged Gilford Securities Incorporated to serve as a placement agent. As placement agent, Gilford Securities Incorporated received a cash fee of approximately $285,000 and a warrant exercisable for 101,775 shares of our common stock at a price equal to the lesser of $2.00 per share or 80% of the offering price in our initial public offering subject to a $1.00 per share floor conversion price.

We claimed exemption from registration under the Securities Act for the sales and issuances of securities in the transactions described in paragraphs (3) through (8) by virtue of Section 4(2) of the Securities Act and/or Rule 506 of Regulation D. Such sales and issuances did not involve any public offering, were made without general solicitation or advertising and each purchaser was a sophisticated investor with access to all relevant information necessary to evaluate the investment and represented to us that the shares were being acquired for investment.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) Exhibits

Number	Description
1.1	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation of SurgiVision, Inc., as amended(1)
3.2**	Bylaws of SurgiVision, Inc., as amended(1)
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3.7**	Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock of Surgi-Vision, Inc. filed with the State of Delaware on September 20, 2006(3)
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4
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23.1	Consent of Cherry, Bekaert & Holland, L.L.P.
23.2	Consent of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC (included in Exhibit 5.1)
24.1**	Power of attorney. Reference is made to the signature page.(1)
24.2	Power of Attorney

* To be filed by amendment.

** Previously filed.

† Confidential treatment requested under 17 C.F.R. §§200.80(b)(4) and 230.406. The confidential portions of this exhibit have been omitted and are marked accordingly. The confidential portions have been filed separately with the Securities and Exchange Commission pursuant to the confidential treatment request.

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(6) Previously filed with the Securities and Exchange Commission on May 13, 2010 on the Registrant's Registration Statement on Form S-1/A (SEC File No. 333-163957).

Item 17. ***Undertakings***

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the Registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the Registration Statement as of the date it is first used after effectiveness. Provided, however , that no statement made in a registration statement or prospectus that is part of the Registration Statement or made in a document incorporated or deemed incorporated by referenced into the Registration Statement or prospectus that is part of the Registration Statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the Registration Statement or prospectus that was part of the Registration Statement or made in any such document immediately prior to such date of first use.

That, for the purpose of determining liability of the Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this Registration Statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

Table of Contents

Index to Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SurgiVision, Inc. has duly caused this Amendment No. 6 to the Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Memphis, State of Tennessee, on the 4th day of June, 2010.

SurgiVision, Inc.

By: /s/ KIMBLE L. JENKINS
Kimble L. Jenkins
Chief Executive Officer

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 6 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KIMBLE L. JENKINS **Kimble L. Jenkins**	*Chief Executive Officer and Director*	June 4, 2010
/s/ DAVID W. CARLSON **David W. Carlson**	*Chief Financial Officer*	June 4, 2010
* **John C. Thomas, Jr.**	*Director*	June 4, 2010
* **Paul A. Bottomley**	*Director*	June 4, 2010
* **Lenox D. Baker**	*Director*	June 4, 2010
* **Charles E. Koob**	*Director*	June 4, 2010
* **Wendelin C. Maners**	*Director*	June 4, 2010
/s/ JOHN N. SPENCER, JR. **John N. Spencer, Jr.**	*Director*	June 4, 2010
/s/ JAMES K. MALERNEE, JR. **James K. Malernee, Jr.**	*Director*	June 4, 2010
/s/ MICHAEL A. PIETRANGELO **Michael A. Pietrangelo**	*Director*	June 4, 2010
*By /s/ KIMBLE L. JENKINS **Kimble L. Jenkins**	*Attorney-in-Fact*	June 4, 2010

Table of Contents

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(4) Previously filed with the Securities and Exchange Commission on April 6, 2010 on the Registrant's Registration Statement on Form S-1/A (SEC File No. 333-163957).

(5) Previously filed with the Securities and Exchange Commission on May 7, 2010 on the Registrant's Registration Statement on Form S-1/A (SEC File No. 333-163957).

(6) Previously filed with the Securities and Exchange Commission on May 13, 2010 on the Registrant's Registration Statement on Form S-1/A (SEC File No. 333-163957).

Exhibit 1.1

UNDERWRITING AGREEMENT

between

SURGIVISION, INC.

and

CANACCORD GENUITY INC.

as Representative

SURGIVISION, INC.

UNDERWRITING AGREEMENT

New York, New York
June , 2010

Canaccord Genuity Inc.
99 High Street
Boston, MA 02110

Ladies and Gentlemen:

The undersigned, SurgiVision, Inc., a company formed under the laws of Delaware (the "**Company**"), hereby confirms its agreement with Canaccord Genuity Inc. (hereinafter referred to as "you" (including its correlatives) or the "**Representative**") and the other underwriters named on Schedule 1 hereto for which the Representative is acting as representative (the Representative and such other underwriters being collectively called the "**Underwriters**" or, individually, an "**Underwriter**") as follows:

1. Purchase and Sale of Securities.

1.1 Firm Shares.

1.1.1. Nature and Purchase of Firm Shares.

(i) On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell, severally and not jointly, to the several Underwriters, an aggregate of [ ] shares ("**Firm Shares**") of common stock, par value $0.01 per share (the "**Shares**").

(ii) The Underwriters agree to purchase from the Company the number of Firm Shares set forth opposite their respective names on Schedule 1 attached hereto and made a part hereof at a purchase price (net of discounts and commissions) of [ ] per Share (93% of the per Share offering price). The Firm Shares are to be offered initially to the public (the "**Offering**") at the offering price set forth on the cover page of the Prospectus (as defined in Section 2.1.1 hereof).

1.1.2. Firm Shares Payment and Delivery.

(i) Delivery and payment for the Firm Shares shall be made at 10:00 a.m., Eastern time, on the third (3rd) Business Day following the effective date (the "**Effective Date**") of the Registration Statement (as defined in Section 2.1.2 below) (or the fourth (4th) Business Day following the Effective Date, if the Registration Statement is declared effective after 4:30 p.m.) or at such earlier time as shall be agreed upon by the Representative and the Company at the offices of Andrews Kurth LLP, counsel to the Underwriters ("**Andrews Kurth**"), or at such other place (or remotely by facsimile or other electronic transmission) as shall be agreed upon by the Representative and the Company. The hour and date of delivery and payment for the Firm Shares is called the "**Closing Date**."

(ii) Payment for the Firm Shares shall be made on the Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery of the certificates (in form and substance satisfactory to the Representative) representing the Firm Shares (or upon delivery of the Firm Shares through the facilities of the Depository Trust Company ("**DTC**")) for the account of the Underwriters. The Firm Shares shall be registered in such name or names and in such authorized denominations as the Representative may request in writing at least two (2) full Business Days prior to the Closing Date. The Company shall not be obligated to sell or deliver the Firm Shares except upon tender of payment by the Representative for all the Firm Shares. The term "**Business Day**" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions are authorized or obligated by law to close in New York City.

1.2 Over-allotment Option.

1.2.1. Option Shares. For the purposes of covering any over-allotments in connection with the distribution and sale of the Firm Shares, the Underwriters are hereby granted an option to purchase up to [ ] Shares representing fifteen percent (15%) of the Firm Shares sold in the offering from the Company (the "**Over-allotment Option**"). Such additional [ ] Shares are hereinafter referred to as "**Option Shares**." The purchase price to be paid for the Option Shares will be the same price per Option Share as the price per Firm Shares set forth in Section 1.1.1 hereof. The Firm Shares and the Option Shares are hereinafter referred to collectively as the "**Public Securities**."

1.2.2. Exercise of Option. The Over-allotment Option granted pursuant to Section 1.2.1 hereof may be exercised by the Representative as to all (at any time) or any part (from time to time) of the Option Shares within 30 days after the Effective Date. The Underwriters will not be under any obligation to purchase any Option Shares prior to the exercise of the Over-allotment Option. The Over-allotment Option granted hereby may be exercised by the giving of oral notice to the Company from the Representative, which must be confirmed in writing by overnight mail or facsimile or other electronic transmission setting forth the number of Option Shares to be purchased and the date and time for delivery of and payment for the Option Shares (the "**Option Closing Date**"), which will not be later than five (5) full Business Days after the date of the notice or such other time as shall be agreed upon by the Company and the Representative, at the offices of Andrews Kurth or at such other place (including remotely by facsimile or other electronic transmission) as shall be agreed upon by the Company and the Representative. If such delivery and payment for the Option Shares does not occur on the Closing Date, the Option Closing Date will be as set forth in the notice. Upon exercise of the Over-allotment Option, the Company will become obligated to convey to the Underwriters, and, subject to the terms and conditions set forth herein, the Underwriters will become obligated to purchase, the number of Option Shares specified in such notice.

1.2.3. Payment and Delivery. Payment for the Option Shares will be made on the Option Closing Date by wire transfer in Federal (same day) funds as follows: $[ ] per Option Share, [93% of the per Share offering price], payable to the order of the Company upon

delivery to you of certificates (in form and substance satisfactory to the Underwriters) representing the Option Shares (or upon delivery of the Option Shares through the facilities of DTC) for the account of the Underwriters. The Option Shares shall be registered in such name or names and in such authorized denominations as the Representative may request in writing at least two (2) full Business Days prior to the Option Closing Date. The Company shall not be obligated to sell or deliver the Option Shares except upon tender of payment by the Representative for applicable Option Shares.

1.3 Underwriter's Warrant.

1.3.1. Purchase Warrant. The Company hereby agrees to issue to the Underwriters (and/or their designees) on the Closing Date a warrant ("**Underwriter's Warrant**") for the purchase of an aggregate of [ ] Shares [5% of the Firm Shares] in the form attached hereto as Exhibit A (the "**Underwriter's Warrant Agreement**"), which shall be exercisable, in whole or in part, commencing on a date which is one year from the Effective Date and expiring on the five-year anniversary of the Effective Date at an initial exercise price per Share of $[ ], which is equal to 125% of the initial public offering price of the Firm Shares. The Underwriter's Warrant Agreement and the Shares issuable upon exercise thereof are sometimes hereinafter referred to collectively as the "**Underwriter's Securities**." The Underwriters understand and agree that there are significant restrictions pursuant to FINRA Rule 5110 against transferring the Underwriter's Warrant Agreement and the underlying Shares during the first year after the Effective Date and by its acceptance thereof shall agree that it will not sell, transfer, assign, pledge or hypothecate the Underwriter's Warrant Agreement, the underlying Shares, or any portion thereof, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities for a period of one year following the Effective Date to anyone other than (i) an Underwriter or a selected dealer in connection with the Offering, or (ii) a *bona fide* officer or partner of such Underwriter or of any such Underwriter or selected dealer; and only if any such transferee agrees to the foregoing lock-up restrictions.

1.3.2. Delivery. Delivery of the Underwriter's Warrant Agreement shall be made on the Closing Date and shall be issued in the name or names and in such authorized denominations as the Representative may request.

2. Representations and Warranties of the Company. The Company represents and warrants to the Underwriters as of the Applicable Time (as defined below), as of the Closing Date and as of the Option Closing Date, if any, as follows:

2.1 Pursuant to the Act. The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement and an amendment or amendments thereto, on Form S-1 (File No. 333-163957), including any related prospectus or prospectuses, for the registration of the Public Securities under the Securities Act of 1933, as amended (the "**Act**") and the rules and regulations of the Commission under the Act (the "**Regulations**"). Except as the context may otherwise require, such registration statement on file with the Commission at the time the registration statement becomes effective (including the prospectus, financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein and all information deemed to be a part thereof as of the Effective Date

pursuant to paragraph (b) of Rule 430A of the Regulations), is referred to herein as the "**Registration Statement**." The final prospectus in the form first furnished to the Underwriters for use in the Offering, is hereinafter called the "**Prospectus**." The Registration Statement has been declared effective by the Commission on the date hereof. "**Applicable Time**" means [A.M./P.M. on , 2010], on the Effective Date or such other time as agreed to by the Company and the Representative.

2.2 Pursuant to the Exchange Act. The Company has filed with the Commission a Form 8-A (File Number 000-) providing for the registration under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), of the Shares. The registration of the Shares under the Exchange Act has been declared effective by the Commission on the date hereof.

2.3 No Stop Orders, etc. Neither the Commission nor, to the best of the Company's knowledge, any state regulatory authority has issued any order preventing or suspending the use of the Prospectus or the Registration Statement or has instituted or, to the best of the Company's knowledge, threatened to institute any proceedings with respect to such an order.

2.4 Disclosures in Registration Statement.

2.4.1. 10b-5 Representation. At the respective times the Registration Statement, the Prospectus and any post-effective amendments thereto become effective (and at the Closing Date and the Option Closing Date, if any): (i) the Registration Statement, the Prospectus and any post-effective amendments thereto did and will in all material respects comply with the requirements of the Act and the Regulations; and (ii) neither the Registration Statement nor the Prospectus, nor any amendment or supplement thereto, on such dates, do or will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The representation and warranty made in this Section 2.4.1(ii) does not apply to statements made or statements omitted in reliance upon and in conformity with written information furnished to the Company by the Underwriters expressly for use in the Registration Statement or Prospectus or any amendment thereof or supplement thereto. The parties acknowledge and agree that such information provided by or on behalf of the Underwriter consists solely of the disclosure contained in the "Underwriting" section of the Prospectus (the "**Underwriter's Information**").

2.4.2. Disclosure of Agreements. The agreements and documents described in the Prospectus and the Registration Statement conform to the descriptions thereof contained therein and there are no agreements or other documents required by the Act and the Regulations to be described in the Prospectus, the Registration Statement or to be filed with the Commission as exhibits to the Registration Statement, that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (i) that is referred to in the Prospectus; or (ii) is material to the Company's business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (y) as enforceability of any

indemnification or contribution provision may be limited under the federal and state securities laws; and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought. None of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the best of the Company's knowledge, any other party is in default thereunder, except to the extent that any such default would not, when taken together with any other circumstances, facts, events, conditions, changes, developments or effects, reasonably be expected to have a Material Adverse Effect (as defined below). For purposes of this Agreement, Material Adverse Effect shall mean a material adverse effect on the assets, business, operations, results of operations, condition (financial or otherwise) or liabilities of the Company, taken as a whole. To the best of the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder, except to the extent any default would not reasonably be expected to have a Material Adverse Effect. To the best of the Company's knowledge, performance by the Company of the material provisions of such agreements or instruments will not result in a violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses, including, without limitation, those relating to environmental laws and regulations.

2.4.3. Regulations. The disclosures in the Registration Statement concerning the effects of Federal, State, local and all foreign regulation on the Company's business as currently contemplated are correct in all material respects.

2.5 Changes After Dates in Registration Statement.

2.5.1. No Material Adverse Effect. Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise specifically stated therein: (i) there has been no Material Adverse Effect; (ii) there have been no material transactions entered into by the Company, other than as contemplated pursuant to this Agreement or in the ordinary course of business; and (iii) no executive officer or director of the Company has resigned from any position with the Company.

2.5.2. Recent Securities Transactions, etc. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, and except as may otherwise be indicated or contemplated herein or disclosed in the Registration Statement and the Prospectus, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

2.6 Independent Accountants. To the knowledge of the Company, Cherry, Bekaert & Holland, L.L.P. ("**Cherry**"), whose report is filed with the Commission as part of the Registration Statement, are independent registered public accountants as required by the Act and the Regulations. Cherry has not, during the periods covered by the financial statements included in the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

2.7 Financial Statements, etc. The financial statements, including the notes thereto and supporting schedules included in the Registration Statement and Prospectus fairly present the financial position and the results of operations of the Company at the dates and for the periods to which they apply; and such financial statements have been prepared in conformity with generally accepted accounting principles ("**GAAP**"), consistently applied throughout the periods involved, other than, in the case of interim financial statements, the absence of notes and normal year-end adjustments. The Registration Statement discloses all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses. Except as disclosed in the Registration Statement and the Prospectus, (i) the Company has not incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business; (ii) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock; (iii) there has not been any change in the capital stock of the Company or any grants under any stock compensation plan; and (iv) there has not been any material adverse change in the Company's long-term or short-term debt.

2.8 Authorized Capital; Options, etc. The Company had, at the date or dates indicated in the Prospectus, the duly authorized, issued and outstanding capitalization as set forth in the Registration Statement and the Prospectus. Based on the assumptions stated in the Registration Statement and the Prospectus, the Company will have on the Closing Date the adjusted stock capitalization set forth therein. Except as described in, or contemplated by, the Registration Statement and the Prospectus, on the Effective Date and on the Closing Date, there will be no options, warrants, or other rights to purchase or otherwise acquire any authorized, but unissued Shares of the Company or any security convertible into Shares of the Company, or any contracts or commitments to issue or sell Shares or any such options, warrants, rights or convertible securities.

2.9 Valid Issuance of Securities, etc.

2.9.1. Outstanding Securities. All issued and outstanding securities of the Company issued prior to the transactions contemplated by this Agreement have been duly authorized and validly issued and are fully paid and non-assessable; the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. The authorized Shares conform in all material respects to all statements relating thereto contained in the Registration Statement and the Prospectus. The offers and sales of the outstanding Shares were at all relevant times either registered under the Act and the applicable state securities or Blue Sky laws or, based in part on the representations and warranties of the purchasers of such Shares, exempt from such registration requirements.

2.9.2. Securities Sold Pursuant to this Agreement. The Public Securities and Underwriter's Securities have been duly authorized for issuance and sale and, when issued and paid for, will be validly issued, fully paid and non-assessable; the Public Securities and

Underwriter's Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company; and all corporate action required to be taken for the authorization, issuance and sale of the Public Securities and the Underwriter's Securities has been duly and validly taken. The Public Securities and Underwriter's Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement. When paid for and issued in accordance with the Underwriter's Warrant Agreement, the underlying Shares will be validly issued, fully paid and non-assessable; the underlying Shares are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company; and all corporate action required to be taken for the authorization, issuance and sale of the Shares underlying the Underwriter's Warrant Agreement has been duly and validly taken.

2.10 Registration Rights of Third Parties. Except as set forth in the Registration Statement and the Prospectus, no holders of any securities of the Company or any rights exercisable for or convertible or exchangeable into securities of the Company have the right to require the Company to register any such securities of the Company under the Act or to include any such securities in a registration statement to be filed by the Company.

2.11 Validity and Binding Effect of Agreements. This Agreement and the Underwriter's Warrant Agreement have been duly and validly authorized by the Company, and, when executed and delivered, will constitute, the valid and binding agreements of the Company, enforceable against the Company in accordance with their respective terms, except: (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws; and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

2.12 No Conflicts, etc. The execution, delivery, and performance by the Company of this Agreement, the Underwriter's Warrant Agreement and all ancillary documents, the consummation by the Company of the transactions herein and therein contemplated and the compliance by the Company with the terms hereof and thereof do not and will not, with or without the giving of notice or the lapse of time or both: (i) result in a breach of, or conflict with any of the terms and provisions of, or constitute a material default under, or result in the creation, modification, termination or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any agreement or instrument to which the Company is a party; (ii) result in any violation of the provisions of the Company's amended and restated certificate of incorporation (as the same may be amended from time to time, the "**Certificate of Incorporation**"); or (iii) violate any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its properties or business constituted as of the date hereof except in the case of (i), as would not reasonably be expected to have a Material Adverse Effect; provided, however, that the Company makes no representation regarding compliance with any Financial Industry Regulatory Authority, Inc. ("FINRA") rules or FINRA compliance matters.

2.13 No Defaults; Violations. No default exists in the due performance and observance of any term, covenant or condition of any material license, contract, indenture, mortgage, deed of trust, note, loan or credit agreement, or any other agreement or instrument evidencing an obligation for borrowed money, or any other material agreement or instrument to which the Company is a party or by which the Company may be bound or to which any of the properties or assets of the Company is subject, that would reasonably be expected to have a Material Adverse Effect. The Company is not in violation of any term or provision of its Certificate of Incorporation. The Company is not in violation of any franchise, license, permit, applicable law, rule, regulation, judgment or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its properties or businesses, that would reasonably be expected to have a Material Adverse Effect.

2.14 Corporate Power; Licenses; Consents.

2.14.1. Conduct of Business. Except as described in the Registration Statement and the Prospectus, the Company has all requisite corporate power and authority, and has all necessary authorizations, approvals, orders, licenses, certificates and permits of and from all governmental regulatory officials and bodies that it needs as of the date hereof to conduct its business purpose as described in the Prospectus except where any failure to possess the same, singularly or in the aggregate, would have a Material Adverse Effect.

2.14.2. Transactions Contemplated Herein. The Company has all corporate power and authority to enter into this Agreement and to carry out the provisions and conditions hereof, and all consents, authorizations, approvals and orders required in connection therewith have been obtained. No consent, authorization or order of, and no filing with, any court, government agency or other body is required for the valid issuance, sale and delivery of the Public Securities and the Underwriter's Securities, and the consummation of the transactions and agreements contemplated by this Agreement and the Underwriter's Warrant Agreement and as contemplated by the Prospectus, except with respect to applicable federal and state securities laws and the rules and regulations of FINRA.

2.15 D&O Questionnaires. To the Company's knowledge, all information contained in the questionnaires (the "**Questionnaires**") completed by each of the Company's directors and officers immediately prior to the Offering (the "**Insiders**") as well as in the Lock-Up Agreement provided to the Underwriter is true and correct in all respects and the Company has not become aware of any information which would cause the information disclosed in the questionnaires completed by each Insider to become inaccurate and incorrect.

2.16 Litigation; Governmental Proceedings. There is no action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental proceeding pending or, to the Company's knowledge, threatened against, or involving the Company or which has not been disclosed in the Registration Statement and the Prospectus.

2.17 Good Standing. The Company has been duly organized and is validly existing as a corporation and is in good standing under the laws of the state of Delaware as of the date hereof, and is duly qualified to do business and is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify would not reasonably be expected to have a Material Adverse Effect.

2.18 Transactions Affecting Disclosure to FINRA.

2.18.1. Finder's Fees. Except as described in the Registration Statement and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee by the Company with respect to the sale of the Securities hereunder or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its shareholders that may affect the Underwriter's compensation, as determined by FINRA.

2.18.2. Use of Proceeds. None of the net proceeds of the Offering will be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein or disclosed in the Registration Statement.

2.18.3. FINRA Affiliation. Except as disclosed in the Questionnaires, to the Company's knowledge, no officer, director or any beneficial owner of the Company's unregistered securities has any direct or indirect affiliation or association with any FINRA member (as determined in accordance with the rules and regulations of FINRA). The Company has not become aware of any information which would cause the information disclosed in the Questionnaires to become inaccurate or incorrect.

2.19 Foreign Corrupt Practices Act. Neither the Company nor, to the Company's knowledge, any of the directors, employees or officers of the Company, nor any other person acting on behalf of the Company has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any governmental agency or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist it in connection with any actual or proposed transaction) that might subject the Company to any damage or penalty in any civil, criminal or governmental litigation or proceeding. The Company has taken reasonable steps to ensure that its accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the Foreign Corrupt Practices Act of 1977, as amended.

2.20 Patriot Act. The operations of the Company are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (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 the Company with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

2.21 OFAC.

2.21.1. Neither the Company nor its controlled affiliates nor, to the Company's knowledge, any director, officer, employee, agent or representative of the Company, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**").

2.21.2. The Company represents, warrants and agrees that it will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person for the purpose of financing the activities or business of any Person that is subject to any sanctions administered by OFAC.

2.22 Environmental Laws. The Company (i) is in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) is in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, be reasonably likely to have a Material Adverse Effect.

2.23 Insurance. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as us commercially reasonable and customary in the businesses in which they are engaged; the Company has not been refused any insurance coverage sought or applied for; and the Company does not have any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not be reasonably likely to have a Material Adverse Effect, except as described in the Registration Statement.

2.24 Employee Matters. No material labor dispute with the employees of the Company exists, except as described in the Registration Statement and Prospectus, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that would be reasonably likely to have a Material Adverse Effect.

2.25 Officers' Certificate. Any certificate signed by any duly authorized officer of the Company and delivered to you or to Andrews Kurth shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

2.26 Lock-Up Period.

2.26.1. Each of the Company's officers and directors holding Shares (or securities convertible into Shares), and each owner of at least 5% of the Company outstanding Shares (or securities convertible into Shares) (collectively, the "**Lock-Up Parties**"), have agreed pursuant to executed Lock-Up Agreements in the forms attached hereto as Exhibits B-1 and B-2 that for a period of 180 days from the Effective Date (the "**Lock-Up Period**"), the Lock-Up Parties shall not offer, pledge, sell, contract to sell, grant, lend or otherwise transfer or dispose of, directly or indirectly, any Shares, or any securities convertible into or exercisable or exchangeable for Shares, without the consent of the Representative. The Representative may consent to an early release from the applicable Lock-Up period if, in its opinion, the market for the Shares would not be adversely impacted by sales and in cases of financial emergency of an officer, director or other stockholder. The Company has caused each of the Lock-Up Parties to deliver to the Representative the agreements of each of the Lock-Up Parties to the foregoing effect prior to the date that the Company requests that the Commission declare the Registration Statement effective under the Act.

2.26.2. The Company, on behalf of itself and any successor entity, has agreed that, without the prior written consent of the Representative, it will not, during the Lock-Up Period, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (ii) file or caused to be filed any registration statement with the Commission relating to the offering of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company (other than on Form S-8); or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise.

The restrictions contained in this Section 2.26.2 shall not apply to (i) the Shares to be sold hereunder; (ii) the issuance by the Company of shares of common stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof; (iii) the issuance by the Company of options or shares of capital stock of the Company under any stock compensation plan of the Company; or (iv) the issuance of up to 10% of the Company's shares of capital stock in connection with any strategic transaction that includes a commercial relationship involving the Company and other entities (including but not limited to joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property license agreements).

2.26.3. Notwithstanding the foregoing, if (i) the Company issues an earnings release or material news during the last 17 days of the Lock-Up Period; or (ii) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by Section 2.26.1 shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release unless the Representative waives such extension.

2.27 Related Party Transactions. There are no related party transactions involving the Company or any other person required to be described in the Prospectus that have not been described as required.

2.28 Board of Directors. The Board of Directors of the Company is comprised of the persons set forth under the heading of the Prospectus captioned "Management." The overall composition of the board complies with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder applicable to the Company and the rules of Nasdaq Capital Market ("**Nasdaq**"). At least one member of the Board of Directors of the Company qualifies as an "audit committee financial expert" as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and the rules of Nasdaq. In addition, at least a majority of the persons serving on the Board of Directors qualify as "independent" as defined under the rules of Nasdaq.

2.29 Sarbanes-Oxley Compliance.

2.29.1. Disclosure Controls. The Company has developed and currently maintains disclosure controls and procedures that will comply with Rule 13a-15 or 15d-15 of the Exchange Act, and such controls and procedures are effective to ensure that all material information concerning the Company will be made known on a timely basis to the individuals responsible for the preparation of the Company's Exchange Act filings and other public disclosure documents.

2.29.2. Compliance. The Company is, or on the Effective Date will be, in material compliance with the provisions of the Sarbanes-Oxley Act of 2002 applicable to it, and has implemented or will implement such programs and has taken or will take reasonable steps to ensure the Company's future compliance (not later than the relevant statutory and regulatory deadlines therefore) with all the material provisions of the Sarbanes-Oxley Act of 2002.

2.30 No Investment Company Status. The Company is not and, after giving effect to the Offering and sale of the Firm Shares and the application of the proceeds thereof as described in the Registration Statement and the Prospectus, will not be, an "investment company" as defined in the Investment Company Act of 1940, as amended.

2.31 Intellectual Property. The Company owns, possesses, licenses or has other rights to use, on reasonable terms, all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, technology, know-how and other intellectual (collectively, the "**Intellectual Property**") necessary for the conduct of the business of the Company as currently carried on and as described in the Registration Statement, except as such failure to own, possess, license or have such rights would not result in a Material Adverse Effect. Except as set forth in the Prospectus, (i) to the Company's knowledge, there is no infringement by third parties of any such Intellectual Property; (ii) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's rights in or to any such Intellectual Property; (iii) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property; (iv) there is no pending or, to the Company's knowledge, threatened action,

suit, proceeding or claim by others that the Company infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others; and (vi) the Company has taken commercially reasonable steps, consistent with industry standards, to maintain and protect all Intellectual Property that is material to the conduct of its business.

2.32 Taxes. The Company has filed all returns (as hereinafter defined) required to be filed with taxing authorities prior to the date hereof or has duly obtained extensions of time for the filing thereof, except where failure to file would not reasonably be expected to result in a Material Adverse Effect. The Company has paid all taxes (as hereinafter defined) shown as due on such returns that were filed. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. Except as disclosed in writing to the Underwriters, (i) no issues have been raised (and are currently pending) by any taxing authority in connection with any of the returns or taxes asserted as due from the Company; and (ii) no waivers of statutes of limitation with respect to the returns or collection of taxes have been given by or requested from the Company. The term "taxes" mean all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto. The term "returns" means all returns, declarations, reports, statements, and other documents required to be filed in respect to taxes.

2.33 Regulatory Matters.

2.33.1. Except as described in the Registration Statement and the Prospectus, the Company: (i) has not received any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other similar correspondence or notice from the U.S. Food and Drug Administration or any other governmental authority alleging or asserting material noncompliance with any applicable material laws or any material licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such applicable laws ("**Authorizations**"); (ii) possess all Authorizations and such Authorizations are valid and in full force and effect and are not in violation of any material term of any such Authorizations; and (iii) has not, either voluntarily or involuntarily, initiated, conducted, or issued or caused to be initiated, conducted or issued, any recall, market withdrawal or replacement, safety alert, post sale warning, "dear doctor" letter, or other notice or action relating to the alleged lack of safety or efficacy of any product or any alleged product defect or violation and, to the Company's knowledge, no third party has initiated, conducted or intends to initiate any such notice or action; and (iv) has not, and the Company's officers, employees, and agents have not, made any untrue statement of a material fact or fraudulent statement to any governmental authority or failed to disclose a material fact required to be disclosed to any governmental entity.

2.33.2. The studies, tests and preclinical and clinical trials conducted by or on behalf of the Company were and, if still pending, are being conducted with reasonable care and in material accordance with experimental protocols, procedures and controls pursuant to accepted professional scientific standards and all applicable laws and Authorizations, including,

without limitation, the Federal Food, Drug and Cosmetic Act and the rules and regulations promulgated thereunder (collectively, "**FFDCA**"); the descriptions of the results of such studies, tests and trials contained in the Registration Statement and the Prospectus, if any, are accurate and complete in all material respects and fairly present the data derived from such studies, tests and trials; except to the extent disclosed in the Registration Statement and the Prospectus, the Company is not aware of any studies, tests or trials, the results of which the Company believes reasonably call into question the study, test, or trial results described or referred to in the Registration Statement and the Prospectus when viewed in the context in which such results are described and the clinical state of development; and the Company has not received any notices or correspondence from any governmental authority requiring the termination, suspension or material modification of any studies, tests or preclinical or clinical trials conducted by or on behalf of the Company. There have been no material adverse episodes or complications resulting from any studies, tests or preclinical or clinical trials conducted by or on behalf of the Company, other than as described in the Registration Statement and the Prospectus.

3. Covenants of the Company. The Company covenants and agrees as follows:

3.1 Amendments to Registration Statement. The Company will deliver to the Representative, prior to filing, any amendment or supplement to the Registration Statement or Prospectus proposed to be filed after the Effective Date and not file any such amendment or supplement to which the Representative shall reasonably object in writing.

3.2 Federal Securities Laws.

3.2.1. Compliance. During the time when a Prospectus is required to be delivered under the Act, the Company will use its best efforts to comply with all requirements imposed upon it by the Act, the Regulations and the Exchange Act and by the regulations under the Exchange Act, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Public Securities in accordance with the provisions hereof and the Prospectus. If at any time when a Prospectus relating to the Public Securities is required to be delivered under the Act, any event shall have occurred as a result of which, in the opinion of counsel for the Company or counsel for the Underwriters, the Prospectus, as then amended or supplemented, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will notify the Representative promptly and prepare and file with the Commission, subject to Section 3.1 hereof, an appropriate amendment or supplement in accordance with Section 10 of the Act.

3.2.2. Filing of Final Prospectus. The Company will file the Prospectus (in form and substance satisfactory to the Representative) with the Commission pursuant to the requirements of Rule 424 of the Regulations.

3.2.3. Free Writing Prospectuses. The Company represents and agrees that it has not made and will not make any offer relating to the Public Securities that would constitute an issuer free writing prospectus, as defined in Rule 433 of the 1933 Act, without the prior consent of the Representative. Any such free writing prospectus consented to by the Representative is

hereinafter referred to as a **"Permitted Free Writing Prospectus**." The Company represents that its will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus" as defined in Rule 433, and has complied and will comply with the applicable requirements of Rule 433 of the 1933 Act, including timely Commission filing where required, legending and record keeping.

3.3 Delivery to the Underwriter of Prospectuses. The Company will deliver to each of the Underwriters, without charge, from time to time during the period when the Prospectus is required to be delivered under the Act or the Exchange Act such number of copies of each Prospectus as the Underwriter may reasonably request.

3.4 Events Requiring Notice to the Representative. The Company will notify the Representative immediately and confirm the notice in writing: (i) of the effectiveness of the Registration Statement and any amendment thereto; (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the mailing and delivery to the Commission for filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period when the Prospectus is required to be delivered under the Act that, in the judgment of the Company, makes any statement of a material fact made in the Registration Statement or the Prospectus untrue or that requires the making of any changes in the Registration Statement or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company will make every reasonable effort to promptly obtain the lifting of such order.

3.5 Transfer Agent. Subject to the Company's registration of the common stock under the provisions of Section 12(b) or (g), as applicable, of the Exchange Act, for a period of three (3) years from the Effective Date, the Company shall retain a transfer and registrar agent reasonably acceptable to the Underwriter (the "**Transfer Agent**"). Continental Stock Transfer & Trust Company is acceptable to the Underwriter to act as Transfer Agent for the Company's Shares.

3.6 Payment of Expenses.

3.6.1. General Expenses Related to the Offering. The Company hereby agrees to pay on each of the Closing Date and the Option Closing Date, if any, to the extent not paid at the Closing Date, all expenses incident to the performance of the obligations of the Company under this Agreement, including, but not limited to: (i) all filing fees and communication expenses relating to the registration of the Public Securities with the Commission; (ii) all COBRADesk filing fees associated with the review of the Offering by FINRA; (iii) all fees and expenses relating to the listing of the Public Securities on the Nasdaq Capital Market and such other stock exchanges as the Company and the Underwriter together determine; (iv) all fees, expenses and disbursements relating to background checks of the Company's officers and directors in an

amount not to exceed $5,000 per individual; (v) all fees, expenses and disbursements relating to the registration or qualification of the Public Securities under the "blue sky" securities laws of such states and other jurisdictions as the Underwriters and the Company may mutually determine (including, without limitation, all filing and registration fees, and the reasonable fees and disbursements of the Underwriter's counsel, it being agreed that (a) if the Offering is commenced on the Nasdaq Global Market, Nasdaq Capital Market or the NYSE Amex, the Company will make a payment of $5,000 to such counsel on the Closing Date, or (b) if the Offering is commenced on the Over the Counter Bulletin Board, the Company will make a payment of $15,000 to such counsel upon the commencement of "blue sky" work by such counsel and an additional $5,000 on the Closing Date); (vi) all fees, expenses and disbursements relating to the registration, qualification or exemption of the Public Securities under the securities laws of such foreign jurisdictions as the Representative may reasonably designate; (vii) the costs of all mailing and printing of the underwriting documents (including, without limitation, the Underwriting Agreement, any Blue Sky Surveys and, if appropriate, any Agreement Among Underwriters, Selected Dealers' Agreement, Underwriters' Questionnaire and Power of Attorney), Registration Statements, Prospectuses and all amendments, supplements and exhibits thereto and as many preliminary and final Prospectuses as the Underwriters may reasonably deem necessary; (viii) the costs of preparing, printing and delivering certificates representing the Shares; (ix) fees and expenses of the transfer agent for the Shares; (x) stock transfer and/or stamp taxes, if any, payable upon the transfer of securities from the Company to the Underwriters; (xi) the costs associated with bound volumes of the public offering materials as well as commemorative mementos and Lucite tombstones, each of which the Company or its designee will provide within a reasonable time after the Closing Date in such quantities as the Underwriters may reasonably request; (xii) the fees and expenses of the Company's accountants; (xiii) the fees and expenses of the Company's legal counsel and other agents and representatives; (xiv) $16,000 for the Underwriter's use of i-Deal's book-building, prospectus tracking and compliance software for the Offering; (xv) up to $10,000 to cover the Underwriters' actual "road show" expenses for the Offering; and (xvi) the costs associated with advertising the Offering in the national editions of *The Wall Street Journal* and *New York Times* after the Closing Date. All relevant expenses incurred by the Underwriters in items (iv), (x), (xi), (xiv) and (xv) of this Section 3.6.1 will be borne by the Company, up to but no more than $50,000; the remaining balance will be borne by the Underwriters. Except as expressly provided in clause (v) of the foregoing sentence or in Section 6 or Section 8.3, in no event will the Company be responsible to pay fees, expenses and disbursements of the Underwriters' counsel. The Underwriter may also deduct from the net proceeds of the Offering payable to the Company on the Closing Date, or the Option Closing Date, if any, the expenses set forth herein to be paid by the Company to the Underwriter.

3.6.2. Non-accountable Expenses. The Company further agrees that, in addition to the expenses payable pursuant to Section 3.6.1, on the Closing Date it will pay to the Underwriters a non-accountable expense allowance (the "**Allowance**") equal to one percent (1%) of the gross proceeds received by the Company from the sale of the Firm Shares. The Underwriters may deduct the Allowance less any advances the Company has paid to the Underwriters from the proceeds of the Offering contemplated herein.

3.7 Application of Net Proceeds. The Company will apply the net proceeds from the Offering received by it in a manner consistent with the application described under the caption "Use Of Proceeds" in the Prospectus.

3.8 Delivery of Earnings Statements to Security Holders. Subject to the Company's registration of the common stock under the provisions of Section 12(b) of the Exchange Act, the Company will make generally available to its security holders as soon as practicable, but not later than the first day of the fifteenth full calendar month following the Effective Date, an earnings statement (which need not be certified by independent public or independent certified public accountants unless required by the Act or the Regulations, but which shall satisfy the provisions of Rule 158(a) under Section 11(a) of the Act) covering a period of at least twelve consecutive months beginning after the Effective Date.

3.9 Stabilization. The Company will not take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

3.10 Internal Controls. Subject to the Company's registration of the common stock under the provisions of Section 12(b) of the Exchange Act, the Company will maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.11 Accountants. Subject to the Company's registration of the common stock under the provisions of Section 12(b) of the Exchange Act and as of the Effective Date, the Company shall retain an independent public accountants reasonably acceptable to the Representative, and the Company shall continue to retain a nationally recognized independent certified public accounting firm for a period of at least three years after the Effective Date. The Representative acknowledges that Cherry is acceptable to the Representative.

3.12 FINRA. Subject to the Company's registration of the common stock under the provisions of Section 12(b) of the Exchange Act, the Company shall advise the Representative (who shall make an appropriate filing with FINRA) if it is aware that any 5% or greater shareholder of the Company becomes an affiliate or associated person of an FINRA member participating in the distribution of the Public Securities.

3.13 No Fiduciary Duties. The Company acknowledges and agrees that the Underwriters' responsibility to the Company is solely contractual in nature and that none of the Underwriters nor their affiliates or any Selling Agent shall be deemed to be acting in a fiduciary capacity, or otherwise owes any fiduciary duty to the Company or any of its affiliates in connection with the Offering and the other transactions contemplated by this Agreement.

4. Covenants of the Underwriters. The Underwriters covenant and agree that:

4.1 Free Writing Prospectuses. The Underwriters will not use, authorize the use of, refer to, or participate in the planning for the use of a "free writing prospectus" as defined in Rule 405 under the 1933 Act, which term includes use of any written information furnished by the Commission to the Company and not incorporated by reference into the Registration Statement, without the prior written consent of the Company. Any such free writing prospectus consented to by the Company is hereinafter referred to as an "**Underwriter Free Writing Prospectus**."

4.2 The Underwriters have not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission.

4.3 The Underwriters are not subject to any pending proceeding under Section 8A of the Act with respect to this offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus delivery period.

5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters to purchase and pay for the Shares, as provided herein, shall be subject to (i) the continuing accuracy of the representations and warranties of the Company as of the date hereof and as of each of the Closing Date and the Option Closing Date, if any; (ii) the accuracy of the statements of officers of the Company made pursuant to the provisions hereof; (iii) the performance by the Company of its obligations hereunder; and (iv) the following conditions:

5.1 Regulatory Matters.

5.1.1. Effectiveness of Registration Statement. The Registration Statement shall have become effective not later than 5:00 P.M., Eastern time, on the date of this Agreement or such later date and time as shall be consented to in writing by you, and, at each of the Closing Date and the Option Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or contemplated by the Commission and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of Andrews Kurth.

5.1.2. FINRA Clearance. By the Effective Date, the Representative shall have received clearance from FINRA as to the amount of compensation allowable or payable to the Underwriters as described in the Registration Statement.

5.1.3. Nasdaq Capital Market Clearance. On the Closing Date, the Company's Shares, including the Public Securities shall have been approved for listing on Nasdaq.

5.2 Company Counsel Matters.

5.2.1. Closing Date Opinion of Counsel. On the Closing Date, the Representative shall have received the favorable opinion of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC ("**Baker, Donelson**"), counsel to the Company, dated the Closing Date, addressed to the Representative covering the following:

(i) The Company has been duly organized and is validly existing as a corporation and is in good standing under the laws of Delaware with the requisite corporate power to own or lease, as the case may be, and operate its respective properties, and to conduct its business, as described in the Registration Statement and the Prospectus. The Company is duly registered or qualified to do business as a foreign corporation in each jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify would not reasonably be expected to have a material adverse effect on the assets, business or operations of the Company, taken as a whole.

(ii) All issued and outstanding securities of the Company have been duly authorized and validly issued and are fully paid and non-assessable and none of such securities were issued in violation of the preemptive rights of any stockholder of the Company arising by operation of law or under the Certificate of Incorporation. The authorized and, to the extent of Baker, Donelson's knowledge, outstanding Shares of the Company is as set forth in the Prospectus.

(iii) The Public Securities have been duly authorized and, when issued and paid for in accordance with the terms of this Agreement, will be validly issued and to Baker, Donelson's knowledge, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability solely by reason of being such holders. The Public Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company arising by operating of law or under the Certificate of Incorporation.

(iv) This Agreement and the Underwriter's Warrant Agreement have been duly and validly authorized and executed by the Company and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) as enforceability of any indemnification or contribution provisions may be limited under the Federal and state securities laws and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

(v) The execution, delivery and performance of this Agreement, the Lock-Up Agreements to which the Company is a party, the Lock-Up Period restrictions on the Company and the Underwriter's Warrant Agreement, and compliance by the Company with the terms and provisions thereof and the consummation of the transactions contemplated thereby, and the issuance and sale of the Public Securities, do not and will not, with or without the giving of notice or the lapse of time, or both, (i) conflict with, or result in a breach of, any of the terms or provisions of, or constitute a default under, or result in the creation or modification of any lien, security interest, charge or encumbrance upon any of the properties or assets of the Company pursuant to the terms of any mortgage, deed of trust, note, indenture, loan, contract, commitment or other agreement or instrument filed as an exhibit to the Registration Statement; (ii) result in any violation of the provisions of the Certificate of Incorporation or any other

governing documents of the Company; or (iii) violate any statute or any judgment, order or decree, rule or regulation applicable to the Company of any court, domestic or foreign, or of any federal, state or other regulatory authority or other governmental body having jurisdiction over the Company, its properties or assets.

(vi) The Registration Statement and the Prospectus and any post-effective amendments or supplements thereto (other than the financial statements included therein, as to which no opinion need be rendered) complied as to form in all material respects with the requirements of the Act and Regulations in each case as of their respective dates. The Shares offered pursuant to the Prospectus conform in all material respects to the description thereof contained in the Registration Statement and the Prospectus.

(vii) The Registration Statement has been declared effective by the Commission. We have been orally advised by the Staff of the Commission that no stop order suspending the effectiveness of the Registration Statement has been issued, and to our knowledge, no proceedings for that purpose have been instituted or overtly threatened by the Commission.

(viii) The Company is not and, after giving effect to the Offering and sale of the Securities and the application of the proceeds thereof as described in the Registration Statement and the Prospectus, will not be, an "investment company" as defined in the Investment Company Act of 1940, as amended.

(ix) No consent, approval, authorization or filing with or order of Nasdaq or any U.S., Federal or State of Delaware court or governmental agency or body having jurisdiction over the Company is required, under the laws, rules and regulations of the United States of America and the State of Delaware for the consummation by the Company of the transactions contemplated by the Agreement, except (i) such as have been made with or obtained by Nasdaq; (ii) such as have been made or obtained under the Act and the Exchange Act; and (iii) such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Shares by you in the manner contemplated in the Agreement and in the Prospectus, as to which we express no opinion.

(x) The Shares have been approved for listing on Nasdaq upon official notice of issuance.

(xi) Except as set forth in the Registration Statement, the Company, to Baker, Donelson's knowledge, is not a party to any written agreement granting any holders of securities of the Company rights to require the registration under the Act of resales of such securities.

5.2.2. Negative Assurances. The opinion of Baker, Donelson shall further include a statement to the effect that such counsel has participated in conferences with officers and other representatives of the Company, the Underwriter and the independent registered public accounting firm of the Company, at which conferences the contents of the Registration Statement and the Prospectus contained therein and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for the accuracy,

completeness or fairness of the statements contained in the Registration Statement and the Prospectus contained therein, solely on the basis of the foregoing without independent check and verification, no facts have come to the attention of such counsel which lead them to believe that: (a) the Registration Statement or any amendment thereto, at the time the Registration Statement or amendment became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (b) the Prospectus or any amendment or supplement thereto, at the time they were filed pursuant to Rule 424(b) or at the date of such counsel's opinion, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statement therein, in light of the circumstances under which they were made, not misleading. Baker, Donelson shall express no view and shall not be deemed to have rendered an opinion with respect to the financial statements, schedules, and related notes thereto or other financial or statistical data or accounting information or matters regarding non-United States laws, rules and regulations included or incorporated by reference in, or omitted from, the Registration Statement and the Prospectus.

5.2.3. Option Closing Date Opinions of Counsel. On the Option Closing Date, if any, the Representative shall have received the favorable opinion of Baker, Donelson, dated the Option Closing Date, addressed to the Representative and in form and substance reasonably satisfactory to the Representative, confirming as of the Option Closing Date, the statements made by Baker, Donelson in the opinion delivered on the Closing Date.

5.2.4. Reliance. In rendering such opinion, Baker, Donelson may rely: (i) as to matters involving the application of laws other than the laws of the United States and jurisdictions in which they are admitted, to the extent Baker, Donelson deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to the Representative) of other counsel reasonably acceptable to the Representative, familiar with the applicable laws; and (ii) as to matters of fact, to the extent they deem proper, on certificates or other written statements of officers of the Company and officers of departments of various jurisdiction having custody of documents respecting the corporate existence or good standing of the Company, provided that copies of any such statements or certificates shall be delivered to Andrews Kurth if requested. The opinion of Baker, Donelson and any opinion relied upon by Baker, Donelson shall include a statement to the effect that it may be relied upon by counsel for the Underwriters in its opinion delivered to the Underwriters.

5.2.5. Opinion of Myers, Bigel, Sibley & Sajovec PA. Myers, Bigel, Sibley & Sajovec PA, intellectual property counsel for the Company, shall have furnished to the Representative, at the request of the Company, its written opinion, dated the Closing Date or the Option Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative.

5.2.6. Opinion of Hogan Lovells. Hogan Lovells, regulatory counsel for the Company, shall have furnished to the Representative, at the request of the Company, its written opinion, dated the Closing Date or the Option Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative.

5.3 Cold Comfort Letter. At the time this Agreement is executed, and at each of the Closing Date and the Option Closing Date, if any, you shall have received a cold comfort letter, addressed to the Representative and in form and substance satisfactory in all respects to you and to Andrews Kurth from Cherry dated, respectively, as of the date of this Agreement and as of the Closing Date and the Option Closing Date, if any.

5.4 Officers' Certificates.

5.4.1. Officers' Certificate. At each of the Closing Date and the Option Closing Date, if any, the Representative shall have received a certificate of the Company signed by the Chief Executive Officer of the Company, dated the Closing Date or the Option Closing Date, as the case may be, respectively, to the effect that the Company has performed all covenants and complied with all conditions required by this Agreement to be performed or complied with by the Company prior to and as of the Closing Date, or the Option Closing Date, as the case may be, and that the conditions set forth in Sections 5.1.3 and 5.5 hereof have been satisfied as of such date and that, as of the Closing Date and the Option Closing Date, as the case may be, the representations and warranties of the Company set forth in Section 2 hereof are true and correct in all material respects as of the Closing Date or the Option Closing Date, as the case may be, respectively. In addition, the Representative will have received such other and further certificates of officers of the Company as the Representative may reasonably request.

5.4.2. Secretary's Certificate. At each of the Closing Date and the Option Closing Date, if any, the Representative shall have received a certificate of the Company signed by the Secretary or Assistant Secretary of the Company, dated the Closing Date or the Option Date, as the case may be, respectively, certifying: (i) the Certificate of Incorporation is in full force and effect; (ii) that the resolutions of the Company's Board of Directors relating to the public offering contemplated by this Agreement are in full force and effect and have not been modified; (iii) as to the accuracy and completeness of all correspondence between the Company or its counsel and the Commission; and (iv) as to the incumbency of the officers of the Company. The documents referred to in such certificate shall be attached to such certificate.

5.5 No Material Changes. Prior to and on each of the Closing Date and the Option Closing Date, if any: (i) there shall have been no material adverse change in the condition or prospects or the business activities, financial or otherwise, of the Company from the latest dates as of which such condition is set forth in the Registration Statement and Prospectus; (ii) no action suit or proceeding, at law or in equity, shall have been pending or threatened against the Company or any Insider before or by any court or federal or state commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may materially adversely affect the business, operations, prospects or financial condition or income of the Company, except as set forth in the Registration Statement and Prospectus; (iii) no stop order shall have been issued under the Act and no proceedings therefore shall have been initiated or threatened by the Commission; and (iv) the Registration Statement and the Prospectus and any amendments or supplements thereto shall contain all material statements which are required to be stated therein in accordance with the Act and the Regulations and shall conform in all material respects to the requirements of the Act and the Regulations, and neither the Registration Statement nor the Prospectus nor any amendment or supplement thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

5.6 Delivery of Agreements.

5.6.1. Effective Date Deliveries. On the Effective Date, the Company shall have delivered to the Representative executed copies of this Agreement and the Lock-Up Agreements.

5.6.2. Closing Date Deliveries. On the Closing Date, the Company shall have delivered to the Representative executed copies of the Underwriter's Warrant Agreements.

6. Indemnification.

6.1 Indemnification of the Underwriter. Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless each of the Underwriters, and each dealer selected by the Representative that participates in the offer and sale of the Securities (each a "**Selected Dealer**") and each of their respective directors, officers and employees and each person, if any, who controls any such Underwriter ("**Controlling Person**") within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between any of the Underwriters and the Company or between any of the Underwriters and any third party or otherwise) to which they or any of them may become subject under the Act, the Exchange Act or any other statute or at common law or otherwise, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in (a) any Preliminary Prospectus, Permitted Free Writing Prospectus, the Registration Statement or the Prospectus (as from time to time each may be amended and supplemented); or (b) any application or other document or written communication (in this Section 6, collectively called "application") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Public Shares under the securities laws thereof or filed with the Commission, any state securities commission or agency, Nasdaq or any securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Underwriter expressly for use in any Preliminary Prospectus, Permitted Free Writing Prospectus, the Registration Statement or Prospectus, or any amendment or supplement thereof, or in any application, as the case may be. With respect to any untrue statement or omission or alleged untrue statement or omission made in the Preliminary Prospectus, the indemnity agreement contained in this Section 6.1.1 shall not inure to the benefit of any Underwriter to the extent that any loss, liability, claim, damage or expense of such Underwriter results from the fact that a copy of the Prospectus was not given or sent to the person asserting any such loss, liability, claim or damage at or prior to the written confirmation of sale of the Securities to such person as required by the Act and the Regulations, and if the untrue statement or omission has been corrected in the Prospectus, unless such failure to deliver the Prospectus was a result of non-compliance by the Company with its obligations under Section 3.3 hereof.

The Company agrees to promptly notify the Representative of the commencement of any litigation or proceedings against the Company or any of its officers, directors or Controlling Persons in connection with the issue and sale of the Public Securities or in connection with the Registration Statement or Prospectus.

6.2 Indemnification of the Company. Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless the Company, its directors, officers and employees and agents who control the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act from and against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between the Underwriter and the Company or between the Company and any third party or otherwise), as incurred, to which the Company may become subject under the Act, the Exchange Act or any other statute or at common law or otherwise, arising out of or based upon untrue statements or omissions, or alleged untrue statements or omissions made in any (a) Preliminary Prospectus, Permitted Free Writing Prospectus, the Registration Statement or Prospectus or any amendment or supplement thereto, or (b) any application executed by the Underwriters or based upon written information furnished by the Underwriters in any jurisdiction in order to qualify the Public Shares under the securities laws thereof or filed with the Commission, any state securities commission or agency, Nasdaq or any securities exchange, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Underwriter expressly for use in such Preliminary Prospectus, Permitted Free Writing Prospectus, the Registration Statement or Prospectus or any amendment or supplement thereto or in any such application. Such Underwriter agrees to promptly notify the Company of the commencement of any litigation or proceedings against the Underwriter or any of its officers, directors or Controlling Persons in connection with the issue and sale of the Public Securities or in connection with the Registration Statement or Prospectus.

6.3 Procedure. Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under Sections 6.1 or 6.2 above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in Sections 6.1 or 6.2 above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice, such counsel shall be reasonably satisfactory to the indemnified party, at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below). Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the

indemnified party would present such counsel with a conflict of interest, (ii) the indemnifying party shall not have employed counsel to represent the indemnified party, (iii) the named parties to any such proceeding (including any impleaded parties) include both indemnifying parties and indemnified parties and such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are in conflict with those available to such indemnifying party, or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

6.4 Contribution.

6.4.1. Rights. In the event that the indemnity provided in Sections 6.1 or 6.2 of this Section 6 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "**Losses**") to which the Company and the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company and by the Underwriters from the offering of the Public Securities; provided, however, that in no case shall the Underwriters be responsible for any amount in excess of the underwriting discount and commission applicable to the Public Securities purchased by the Underwriters hereunder, the fair market value of the Underwriter's Warrants and the Allowance. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and the Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and of the Underwriters in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the Offering (before deducting expenses) received, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Prospectus, the fair market value of the Underwriter's Warrant Agreements and the Allowance. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company, on the one hand, or the Underwriter, on the other hand, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 6.4.1, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent

misrepresentation. For purposes of this Section, each director, officer and employee of the Underwriters or the Company, as applicable, and each person, if any, who controls the Underwriters or the Company, as applicable, within the meaning of Section 15 of the Act shall have the same rights to contribution as the Underwriters or the Company, as applicable.

6.4.2. Procedure. Within fifteen days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party ("contributing party"), notify the contributing party of the commencement thereof, but the failure to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid fifteen days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution without the written consent of such contributing party. The contribution provisions contained in this Section 6.4.2 are intended to supersede, to the extent permitted by law, any right to contribution under the Act, the Exchange Act or otherwise available. Each Underwriter's obligation to contribute pursuant to this Section 6.4.2 are several and not joint.

7. Default by an Underwriter.

7.1 Default Not Exceeding 10% of Firm Shares or Option Shares. If any Underwriter or Underwriters shall default in its or their obligations to purchase the Firm Shares or the Option Shares, if the Over-allotment Option is exercised, hereunder, and if the number of the Firm Shares or Option Shares with respect to which such default relates does not exceed in the aggregate 10% of the number of Firm Shares or Option Shares that all Underwriters have agreed to purchase hereunder, then such Firm Shares or Option Shares to which the default relates shall be purchased by the non-defaulting Underwriters in proportion to their respective commitments hereunder.

7.2 Default Exceeding 10% of Firm Shares or Option Shares. In the event that the default addressed in Section 7.1 relates to more than 10% of the Firm Shares or Option Shares, you may in your discretion arrange for yourself or for another party or parties to purchase such Firm Shares or Option Shares to which such default relates on the terms contained herein. If, within one (1) Business Day after such default relating to more than 10% of the Firm Shares or Option Shares, you do not arrange for the purchase of such Firm Shares or Option Shares, then the Company shall be entitled to a further period of one (1) Business Day within which to procure another party or parties satisfactory to you to purchase said Firm Shares or Option Shares on such terms. In the event that neither you nor the Company arrange for the purchase of the Firm Shares or Option Shares to which a default relates as provided in this Section 7, this Agreement may be terminated by you or the Company without liability on the part of the Company (except as provided in Section 6 hereof) or the non-defaulting Underwriters (except as provided in Section 6 hereof); provided, however, that if such default occurs with respect to the

Option Shares, this Agreement will not terminate as to the Firm Shares; and provided further that nothing herein shall relieve a defaulting Underwriter of its liability, if any, to the other Underwriters and to the Company for damages occasioned by its default hereunder.

7.3 Postponement of Closing Date. In the event that the Firm Shares or Option Shares to which the default relates are to be purchased by the non-defaulting Underwriters, or are to be purchased by another party or parties as aforesaid, you or the Company shall have the right to postpone the Closing Date or Option Closing Date for a reasonable period, but not in any event exceeding seven (7) Business Days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment to the Registration Statement or the Prospectus that in the opinion of counsel for the Underwriters may thereby be made necessary. The term "Underwriters" as used in this Agreement shall include any party substituted under this Section 7 with like effect as if it had originally been a party to this Agreement with respect to such Securities.

8. Additional Covenants.

8.1 Board Composition and Board Designations. For so long as the Company has a class of securities registered under the Exchange Act, the Company shall comply with: (i) the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, and (ii) the listing requirements of Nasdaq or any other national securities exchange or national securities association, as the case may be, in the event the Company seeks to have its Public Securities listed on another exchange or quoted on an automated quotation system.

8.2 Right of First Refusal. The Company agrees that if the Shares are sold in accordance with the terms of this Underwriting Agreement, the Representative shall have an irrevocable preferential right for a period of six (6) months from the Closing Date to act as the Company's non-exclusive financial advisor if the Company decides to dispose of or acquire business units or acquire any of its outstanding securities or make any exchange or tender offer or enter into a merger, consolidation or other business combination or any recapitalization, reorganization, restructuring or other similar transaction, including without limitation, an extraordinary dividend or distribution or a spin-off or split-off, and the Company decides to retain a financial advisor for such transaction. The Company will consult the Representative with regard to any such proposed transaction and will offer the Representative the opportunity to act as the Company's non-exclusive financial advisor. If the Representative decides to accept any such engagement, the agreement governing such engagement will contain, among other customary terms, provisions for a customary fee for a transaction of similar size and nature (taking into account the non-exclusivity of the engagement) and the applicable provisions of this Agreement, including indemnification, which are appropriate to such a transaction.

8.3 Prohibition on Press Releases and Public Announcements. The Company will not issue press releases or engage in any other publicity, without the Representative's prior written consent, which shall not be unreasonably withheld, delayed or conditioned for a period ending at 5:00 P.M. Eastern time on the first (1st) business day following the 40th day following the Closing Date, other than normal and customary releases issued in the ordinary course of the Company's business.

9. Effective Date of this Agreement and Termination Thereof.

9.1 Effective Date. This Agreement shall become effective when both the Company and the Representative have executed the same and delivered counterparts of such signatures to the other party.

9.2 Termination. The obligations of the Underwriters hereunder shall be subject to termination in the absolute discretion of the Representative if, at any time prior to any Closing Date, (i) any domestic or international event or act or occurrence has materially disrupted, or in your opinion will in the immediate future materially disrupt, general securities markets in the United States; or (ii) trading on the New York Stock Exchange, the Nasdaq, the Nasdaq Global Market or the Nasdaq Capital Market shall have been suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required by FINRA or by order of the Commission or any other government authority having jurisdiction; or (iii) the United States shall have become involved in a new war or an increase in major hostilities; or (iv) a banking moratorium has been declared by a New York State or federal authority; or (v) a moratorium on foreign exchange trading has been declared which materially adversely impacts the United States securities markets; or (vi) the Company shall have sustained a material loss by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in your opinion, make it inadvisable to proceed with the delivery of the Firm Shares or Option Shares; or (vii) the Company is in material breach of any of its representations, warranties or covenants hereunder; or (viii) the Representative shall have become aware after the date hereof of such a material adverse change in the conditions or prospects of the Company, or such adverse material change in general market conditions as in the Representative's judgment would make it impracticable to proceed with the offering, sale and/or delivery of the securities or to enforce contracts made by the Underwriter for the sale of the securities.

9.3 Expenses. Except in the case of a default by the Underwriters, described in Section 7.2 above, in the event that this Agreement shall be terminated pursuant to Section 9.2 above or is not carried out for any reason whatsoever, within the time specified herein or any extensions thereof pursuant to the terms herein, the Company shall be obligated to pay to the Underwriters their actual and accountable out of pocket expenses related to the transactions contemplated herein then due and payable up to a maximum of $250,000 for all such expenses (which expenses will include, but will not be limited to, all reasonable fees and disbursements of the Underwriter's counsel, travel, lodging and other "road show" expenses, mailing, printing and reproduction expenses, and any reasonable out-of-pocket expenses incurred by the Underwriter in conducting its due diligence, including background checks of the Company's officers and directors), less amounts, if any, previously paid to the Underwriters in reimbursement for such expenses.

9.4 Indemnification. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the provisions of Section 6 shall not be in any way effected by, such election or termination or failure to carry out the terms of this Agreement or any part hereof.

10. Miscellaneous.

10.1 Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be mailed (registered or certified mail, return receipt requested), personally delivered or sent by facsimile transmission and confirmed and shall be deemed given when so delivered or faxed and confirmed or if mailed, two (2) days after such mailing.

If to Representative:	Canaccord Genuity Inc. 99 High Street Boston, MA 02110 Attn: General Counsel Fax No.:
Copy to:	Andrews Kurth LLP 111 Congress Ave., Suite 1700 Austin, TX 78701 Attn: Carmelo Gordian Fax No.: 512-542-5227
If to the Company:	SurgiVision, Inc. One Commerce Square, Suite 2550 Memphis, TN 38103 Attn: Chief Executive Officer Fax No.: 901-522-9400
With a copy to:	Baker, Donelson, Bearman, Caldwell & Berkowitz, PC 165 Madison Avenue, Suite 2000 Memphis, TN 38103 Attn: Robert J. DelPriore Fax No.: 901-577-4271

10.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

10.3 Amendment. This Agreement may only be amended by a written instrument executed by each of the parties hereto.

10.4 Entire Agreement. This Agreement (together with the other agreements and documents being delivered pursuant to or in connection with this Agreement) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof including the engagement letter dated September 29, 2009 by and between the Company and Rodman & Renshaw, LLC.

10.5 Binding Effect. This Agreement shall inure solely to the benefit of and shall be binding upon the Representative, the Underwriters, the Company and the Controlling Persons,

directors and officers referred to in Section 6 hereof, and their respective successors, legal representatives and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provisions herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of securities from any of the Underwriters.

10.6 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Agreement shall be brought and enforced in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any such process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 10.1 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company agrees that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefore.

10.7 Execution in Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Delivery of a signed counterpart of this Agreement by facsimile or email/pdf transmission shall constitute valid and sufficient delivery thereof.

10.8 Waiver, etc. The failure of any of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way effect the validity of this Agreement or any provision hereof or the right of any of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

[SIGNATURE PAGE FOLLOWS]

If the foregoing correctly sets forth the understanding between the Underwriters and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

SURGIVISION, INC.

By: _____
Name:
Title:

Accepted on the date first above written.

CANACCORD GENUITY INC., as Underwriter
and as Representative of the several Underwriters

By: _____
Name:
Title:

SCHEDULE 1

Underwriters

Rodman & Renshaw, LLC

EXHIBIT A

Form of Underwriter's Warrant Agreement

NEITHER THESE SECURITIES NOR THE SECURITIES FOR WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES OR BLUE SKY LAWS.

THE REGISTERED HOLDER OF THIS PURCHASE WARRANT BY ITS ACCEPTANCE HEREOF AGREES THAT IT WILL NOT SELL, TRANSFER OR ASSIGN THIS PURCHASE WARRANT EXCEPT AS HEREIN PROVIDED AND THE REGISTERED HOLDER OF THIS PURCHASE WARRANT AGREES THAT IT WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE OR HYPOTHECATE THIS PURCHASE WARRANT FOR A PERIOD OF ONE (1) YEAR FOLLOWING THE EFFECTIVE DATE (DEFINED BELOW) TO ANYONE OTHER THAN (i) AN UNDERWRITER OR A SELECTED DEALER IN CONNECTION WITH THE OFFERING (DEFINED BELOW), OR (ii) A *BONA FIDE* OFFICER OR PARTNER OF ANY SUCH UNDERWRITER OR SELECTED DEALER WHO AGREES TO BE BOUND BY A LOCKUP AGREEMENT.

THIS PURCHASE WARRANT IS NOT EXERCISABLE PRIOR TO **[DATE THAT IS ONE YEAR FROM DATE OF PROSPECTUS]**. VOID AFTER 5:00 P.M. EASTERN TIME, **[DATE THAT IS FIVE (5) YEARS FROM THE DATE OF THE PROSPECTUS].**

COMMON STOCK PURCHASE WARRANT

For the Purchase of Shares of Common Stock
of
SURGIVISION, INC.

1. Purchase Warrant. THIS CERTIFIES THAT [ ] ("Holder") is entitled, at any time or from time to time from **[DATE THAT IS ONE (1) YEAR FROM DATE OF PROSPECTUS]** (the "Commencement Date"), and at or before 5:00 P.M., Eastern Time, **[DATE THAT IS FIVE (5) YEARS FROM THE DATE OF THE PROSPECTUS]** (the "Expiration Date"), but not thereafter, to subscribe for, purchase and receive, in whole or in part, up to **[ ]** shares of common stock of

SurgiVision, Inc. (the "Company"), par value $0.01 per share (the "Shares") subject to adjustment as provided in Section 6 hereof. If the Expiration Date is a day on which banking institutions in the State of New York are authorized by law to close, then this Purchase Warrant may be exercised on the next succeeding day which is not such a day in accordance with the terms herein. During the period ending on the Expiration Date, the Company agrees not to take any action that would terminate the Purchase Warrant. This Purchase Warrant is initially exercisable at $[ ] per Share (125% of the price of the Shares sold in the Offering) provided, however, that upon the occurrence of any of the events specified in Section 6 hereof, the rights granted by this Purchase Warrant, including the exercise price per Share and the number of Shares to be received upon such exercise, shall be adjusted as therein specified. This Purchase Warrant is one of several Purchase Warrants that is being issued in connection with the transactions contemplated by the Underwriting Agreement dated , 2010 by and among the Company and the Underwriters listed therein (the "Offering"). The term "Exercise Price" shall mean the initial exercise price or the adjusted exercise price, depending on the context.

2. Exercise.

2.1 Exercise Form. In order to exercise this Purchase Warrant the exercise form attached hereto must be duly executed and completed and delivered to the Company, together with this Purchase Warrant and payment of the Exercise Price for the Shares being purchased payable in cash by wire transfer of immediately available funds to an account designated by the Company or by certified check or official bank check. If the subscription rights represented hereby shall not be exercised at or before 5:00 P.M., Eastern time, on the Expiration Date, this Purchase Warrant shall become and be void without further force or effect, and all rights represented hereby shall cease and expire.

2.2 Cashless Exercise. In lieu of exercising this Purchase Warrant by payment of cash or certified check or official bank check payable to the order of the Company pursuant to Section 2.1 above, Holder may elect to receive the number of Shares equal to the value of this Purchase Warrant (or the portion thereof being exercised), by surrender of this Purchase Warrant to the Company, together with the exercise form attached hereto, in which event the Company will issue to Holder, Shares in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where, X = The number of Shares to be issued to Holder;
Y = The number of Shares for which the Purchase Warrant is being exercised;
A = The fair market value of one Share; and
B = The Exercise Price.

For purposes of this Section 2.2, the fair market value of a Share is defined as follows:

(i) if the Company's common stock is traded on a securities exchange, the value shall be deemed to be the average of the closing prices on such exchange or market over the ten (10) trading day period ending three (3) days prior to the date of the exercise form being submitted in connection with the exercise of the Purchase Warrant; or

(ii) if the Company's common stock is actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the ten (10) trading day period ending three (3) days prior to the date of the exercise form being submitted in connection with the exercise of the Purchase Warrant;

(iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Company's Board of Directors.

2.3 Legend. Each certificate for the securities purchased under this Purchase Warrant shall bear a legend as follows unless such securities have been registered under the Securities Act of 1933, as amended (the "Act"):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR APPLICABLE STATE LAW. NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE LAW WHICH, IN THE OPINION OF COUNSEL TO THE COMPANY, IS AVAILABLE."

3. Transfer.

3.1 General Restrictions. The registered Holder of this Purchase Warrant agrees by his, her or its acceptance hereof, that such Holder will not: (a) sell, transfer, assign, pledge or hypothecate this Purchase Warrant for a period of one (1) year following the Effective Date to anyone other than: (i) an underwriter or a selected dealer participating in the Offering, or (ii) a bona fide officer or partner of any such underwriter or selected dealer who agrees to be bound by a lockup agreement, in each case in accordance with FINRA Conduct Rule 5110(g)(1), or (b) cause this Purchase Warrant or the securities issuable hereunder to be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of this Purchase Warrant or the securities hereunder, except as provided for in FINRA Rule 5110(g)(2). On and after one (1) year from the Effective Date, transfers to others may only be made subject to compliance with or exemptions from applicable securities laws. In order to make any permitted assignment, the Holder must deliver to the Company the assignment form attached hereto duly executed and completed, together with the Purchase Warrant and payment of all transfer taxes, if any, payable in connection therewith. The Company shall within five business days transfer this Purchase Warrant on the books of the Company and shall execute and deliver a new Purchase Warrant or Purchase Warrants of like tenor to the appropriate assignee(s) expressly evidencing the right to purchase the aggregate number of Shares purchasable hereunder or such portion of such number as shall be contemplated by any such assignment.

3.2 Restrictions Imposed by the Act. The Purchase Warrant and the securities evidenced by this Purchase Warrant shall not be transferred unless and until: (i) the Company has received the opinion of counsel for the Holder that the Purchase Warrant and/or securities

may be transferred pursuant to an exemption from registration under the Act and applicable state securities laws, the availability of which is established to the reasonable satisfaction of the Company (the Company hereby agreeing that the opinion of Andrews Kurth LLP shall be deemed satisfactory evidence of the availability of an exemption), or (ii) a registration statement or a post-effective amendment to the registration statement relating to the offer and sale of such Purchase Warrant and/or securities has been filed by the Company and declared effective by the Securities and Exchange Commission (the "Commission") and compliance with applicable state securities law has been established.

4. Registration Rights. Subject to the Holder(s) exercising the Purchase Warrant and to the satisfaction of the terms and conditions set forth in the Section 4, the Company grants the following registration rights:

4.1 Demand Registration.

4.1.1 Grant of Right. The Company, upon written demand (a "Demand Notice") of the Holder(s) of at least 51% of the Shares underlying the Purchase Warrant(s) ("Majority Holders"), agrees to register, on one occasion, all or any portion of the Shares underlying the Purchase Warrant(s) (collectively the "Registrable Securities"). On such occasion, the Company will file a registration statement with the Commission covering the Registrable Securities within sixty (60) days after receipt of a Demand Notice and use its commercially reasonable efforts to have the registration statement declared effective promptly thereafter, subject to compliance with review by the Commission; provided, however, that the Company shall not be required to comply with a Demand Notice if the Company has filed a registration statement with respect to which the Holder is entitled to piggyback registration rights pursuant to Section 4.2 hereof and either: (i) the Holder has elected to participate in the offering covered by such registration statement or (ii) if such registration statement relates to an underwritten primary offering of securities of the Company, until the offering covered by such registration statement has been withdrawn or until thirty (30) days after such offering is consummated. The demand for registration may be made at any time during a period of four (4) years beginning one (1) year from the Closing Date. The Company covenants and agrees to give written notice of its receipt of any Demand Notice by any Holder(s) to all other registered Holders of the Purchase Warrants and/or the Registrable Securities within ten (10) days from the date of the receipt of any such Demand Notice. The Company shall have the right to defer the filing of any registration statement requested pursuant to this Section 4.1 for a period not to exceed one hundred eighty (180) days following the receipt of a Demand Notice if in the good faith determination of the Board of Directors of the Company (written notice of which shall be provided promptly to the Holders requesting registration) that the filing of such registration statement would not be in the best interests of the Company because the Company is engaged in any financing, acquisition or material transaction that would be adversely affected by such filing. If the Company shall so defer the filing of the registration statement, the Holders may, by providing written notice to the Company within thirty (30) days after the receipt of the notice of the Board of Directors' determination, withdraw the Demand Notice. The right of the Company to defer a Demand Notice may not be exercised by the Company more than once in any twelve (12) month period.

4.1.2 Terms. The Company shall bear all fees and expenses attendant to the registration of the Registrable Securities pursuant to Section 4.1.1, but the Holders shall pay any and all underwriting discounts, selling commissions, stock transfer taxes applicable to the sale of Registrable Securities, and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. The Company agrees to use its

commercially reasonable efforts to cause the filing required herein to become effective promptly and to qualify or register the Registrable Securities in such States as are reasonably requested by the Holder(s); provided, however, that in no event shall the Company be required to register the Registrable Securities in a State in which such registration would cause: (i) the Company to be obligated to register or license to do business in such State or submit to general service of process in such State, or (ii) the principal shareholders of the Company to be obligated to escrow their shares of capital stock of the Company. The Company shall cause any registration statement filed pursuant to the demand right granted under Section 4.1.1 to remain effective until the earlier of (i) the date when all Shares covered by the Registration Statement have been sold; or (ii) two hundred seventy (270) days from the effective date of the Registration Statement. The Holders shall only use the prospectuses provided by the Company to sell the shares covered by such registration statement, and will immediately cease to use any prospectus furnished by the Company if the Company advises the Holder that such prospectus may no longer be used due to a material misstatement or omission.

4.2 "Piggy-Back" Registration.

4.2.1 Grant of Right. In addition to the demand right of registration described in Section 4.1 hereof the Holder shall have the right, for a period of four (4) years commencing one (1) year from the Closing Date, to include the Registrable Securities as part of any other registration of securities filed by the Company (other than in connection with a transaction contemplated by Rule 145(a) promulgated under the Act or pursuant to Form S-8 or any equivalent form); provided, however, that if, solely in connection with any primary underwritten public offering for the account of the Company, the managing underwriter(s) thereof shall, in its reasonable discretion, impose a limitation on the number of shares of Common Stock which may be included in the Registration Statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the number of the Registrable Securities to be excluded from such Registration Statement shall be allocated in the following order of priority: (A) the Registrable Securities held by persons who are not contractually entitled to include shares in such Registration Statement; (B) the Registrable Securities held by the Holders; and (C) the Registrable Securities held by persons not covered by clauses (A) and (B) above (the "Pre-Existing Holders"). If the Registrable Securities enumerated in clause (B) above shall be only partially excluded from such Registration Statement (and assuming that all securities bearing registration rights granted prior to the date hereof that are requested to be registered are so registered and included in the underwriting), then the number of Registrable Securities that may be included in the Registration Statement by the Holders of the registration rights granted hereunder (including the Registrable Securities) shall be allocated among Holders in proportion, as nearly as practicable, to the respective amounts of securities (including Registrable Securities) which such Holders would otherwise be entitled to include in such Registration Statement.

4.2.2 Terms. The Company shall bear all fees and expenses attendant to registering the Registrable Securities pursuant to Section 4.2.1 hereof, but the Holders shall pay any and all underwriting discounts, selling commissions, stock transfer taxes applicable to the sale of Registrable Securities, and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. In the event of such a proposed registration, the Company shall furnish the then Holders of outstanding Registrable Securities with not less than thirty (30) days written notice prior to the proposed date of filing of such registration statement. Such notice to the Holders shall continue to be given for each registration statement filed by the Company until such time as all of the Registrable Securities have been

sold by the Holder. The holders of the Registrable Securities shall exercise the "piggy-back" rights provided for herein by giving written notice, within ten (10) days of the receipt of the Company's notice of its intention to file a registration statement.

4.3 General Terms.

4.3.1 Indemnification. The Company shall indemnify the Holder(s) of the Registrable Securities to be sold pursuant to any registration statement hereunder and each person, if any, who controls such Holders within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, Exchange Act or otherwise, arising out of, based upon or in any way relating to any untrue statement of a material fact contained in such registration statement or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except for any such statement or omission based on information furnished in writing by such Holder of the Shares expressly for use in connection with such registration statement. The Holder(s) of the Registrable Securities to be sold pursuant to such registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, in writing, for specific inclusion in such registration statement.

4.3.2 Exercise of Purchase Warrants. Nothing contained in this Purchase Warrant shall be construed as requiring the Holder(s) to exercise their Purchase Warrants prior to or after the initial filing of any registration statement or the effectiveness thereof.

4.3.3 Documents Delivered to Holders. The Company shall use its commercially reasonable efforts to obtain and furnish to each Holder participating in any of the foregoing offerings and to each underwriter of any such offering, if any, a signed counterpart, addressed to such Holder or underwriter, of (i) an opinion of counsel to the Company, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, an opinion dated the date of the closing under any underwriting agreement related thereto); and (ii) a "cold comfort" letter dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, a letter dated the date of the closing under the underwriting agreement) signed by the independent public accountants who have issued a report on the Company's financial statements included in such registration statement, in each case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities. The Company shall also use its commercially reasonable efforts to deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below and to the managing underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon

reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonably necessary to comply with applicable securities laws or rules of FINRA. Subject to entry into a confidentiality agreement acceptable to the Company, such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times as any such Holder shall reasonably request.

4.3.4 Underwriting Agreement. The Company shall enter into an underwriting agreement with the managing underwriter(s), if any, selected by any Holders whose Registrable Securities are being registered pursuant to this Section 4, which managing underwriter shall be reasonably satisfactory to the Company. Such agreement shall be reasonably satisfactory in form and substance to the Company, each Holder and such managing underwriters, and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the managing underwriter. The Holders shall be parties to any underwriting agreement relating to an underwritten sale of their Registrable Securities and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriters shall also be made to and for the benefit of such Holders. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriters except as they may relate to such Holders, their Shares and their intended methods of distribution.

4.3.5 Documents to be Delivered by Holder(s). Each of the Holder(s) participating in any of the foregoing offerings shall furnish to the Company a completed and executed questionnaire provided by the Company requesting information customarily sought of selling security holders.

4.3.6 Damages. Should the registration required by Sections 4.1 and 4.2 hereof be delayed by the Company in breach of this Purchase Warrant or the Company otherwise fails to comply with such provisions, the Holder(s) shall, in addition to any other legal or other relief available to the Holder(s), be entitled to seek specific performance or other equitable (including injunctive) relief against the breach of such provisions.

4.3.7 Rule 144. Notwithstanding anything to the contrary, if at anytime the Holder(s) can sell all of the Shares underlying the Purchase Warrant(s) in any three-month period without registration in compliance with Rule 144 of the Act, the registration rights provided in this Section 4 shall have no further force or effect.

4.3.8. Subordination of Registration Rights. The registration rights of the Holder(s) provided in this Section 4 are subordinate to the registration rights of the Pre-Existing Holders.

5. New Purchase Warrants to be Issued.

5.1 Partial Exercise or Transfer. Subject to the restrictions in Section 3 hereof, this Purchase Warrant may be exercised or assigned in whole or in part. In the event of the exercise or assignment hereof in part only, upon surrender of this Purchase Warrant for cancellation, together with the duly executed exercise or assignment form and funds sufficient to pay any Exercise Price and/or transfer tax if exercised pursuant to Section 2.1 hereto, the Company shall cause to be delivered to the Holder without charge a new Purchase Warrant of like tenor to this Purchase Warrant in the name of the Holder evidencing the right of the Holder to purchase the number of Shares purchasable hereunder as to which this Purchase Warrant has not been exercised or assigned.

5.2 Lost Certificate. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Purchase Warrant and of reasonably satisfactory indemnification or the posting of a bond, the Company shall execute and deliver a new Purchase Warrant of like tenor and date. Any such new Purchase Warrant executed and delivered as a result of such loss, theft, mutilation or destruction shall constitute a substitute contractual obligation on the part of the Company.

6. Adjustments.

6.1 Adjustments to Exercise Price and Number of Securities. The Exercise Price and the number of Shares underlying the Purchase Warrant shall be subject to adjustment from time to time as hereinafter set forth:

6.1.1 Share Dividends; Split Ups. If after the date hereof, and subject to the provisions of Section 6.3 below, the number of outstanding Shares is increased by a stock dividend payable in Shares or by a split up of Shares or other similar event, then, on the effective day thereof, the number of Shares purchasable hereunder shall be increased in proportion to such increase in outstanding shares, and the Exercise Price shall be proportionately decreased.

6.1.2 Aggregation of Shares. If after the date hereof, and subject to the provisions of Section 6.3, the number of outstanding Shares is decreased by a consolidation, combination or reclassification of Shares or other similar event, then, on the effective date thereof, the number of Shares purchasable hereunder shall be decreased in proportion to such decrease in outstanding shares, and the Exercise Price shall be proportionately increased.

6.1.3 Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the outstanding Shares other than a change covered by Section 6.1.1 or 6.1.2 hereof or that solely affects the par value of such Shares, or in the case of any share reconstruction or amalgamation or consolidation of the Company with or into another corporation (other than a consolidation or share reconstruction or amalgamation in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of the outstanding Shares), or in the case of any sale or conveyance to another corporation or entity of the property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the Holder of this Purchase Warrant shall have the right thereafter (until the expiration of the right of exercise of this Purchase Warrant) to receive upon the exercise hereof, for the same aggregate Exercise Price payable hereunder immediately prior to such event, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, share reconstruction or amalgamation, or consolidation, or upon a dissolution following any such sale or transfer, by a Holder of the number of Shares of the Company obtainable upon exercise of this Purchase Warrant immediately prior to such event; and if any reclassification also results in a change in Shares covered by Section 6.1.1 or 6.1.2, then such adjustment shall be made pursuant to Sections 6.1.1, 6.1.2 and this Section 6.1.3. The provisions of this Section 6.1.3 shall similarly apply to successive reclassifications, reorganizations, share reconstructions or amalgamations, or consolidations, sales or other transfers.

6.1.4 Changes in Form of Purchase Warrant. This form of Purchase Warrant need not be changed because of any change pursuant to this Section 6.1, and Purchase Warrants issued after such change may state the same Exercise Price and the same number of Shares as are stated in the Purchase Warrants initially issued pursuant to this Agreement. The acceptance by any Holder of the issuance of new Purchase Warrants reflecting a required or permissive change shall not be deemed to waive any rights to an adjustment occurring after the Commencement Date or the computation thereof.

6.2 Substitute Purchase Warrant. In case of any consolidation of the Company with, or share reconstruction or amalgamation of the Company with or into, another corporation (other than a consolidation or share reconstruction or amalgamation which does not result in any reclassification or change of the outstanding Shares), the corporation formed by such consolidation or share reconstruction or amalgamation shall execute and deliver to the Holder a supplemental Purchase Warrant providing that the holder of each Purchase Warrant then outstanding or to be outstanding shall have the right thereafter (until the stated expiration of such Purchase Warrant) to receive, upon exercise of such Purchase Warrant, the kind and amount of shares of stock and other securities and property receivable upon such consolidation or share reconstruction or amalgamation, by a holder of the number of Shares of the Company for which such Purchase Warrant might have been exercised immediately prior to such consolidation, share reconstruction or amalgamation, sale or transfer. Such supplemental Purchase Warrant shall provide for adjustments which shall be identical to the adjustments provided for in this Section 6. The above provision of this Section shall similarly apply to successive consolidations or share reconstructions or amalgamations.

6.3 Elimination of Fractional Interests. The Company shall not be required to issue certificates representing fractions of Shares upon the exercise of the Purchase Warrant, nor shall it be required to issue scrip or pay cash in lieu of any fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up or down, as the case may be, to the nearest whole number of Shares or other securities, properties or rights.

7. Reservation and Listing. The Company shall at all times reserve and keep available out of its authorized Shares, solely for the purpose of issuance upon exercise of the Purchase Warrant, such number of Shares or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Purchase Warrant and payment of the Exercise Price therefore, in accordance with the terms hereby, all Shares and other securities issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable and not subject to preemptive rights of any shareholder. As long as the Purchase Warrants shall be outstanding, the Company shall use its commercially reasonable efforts to cause all Shares issuable upon exercise of the Purchase Warrants to be listed (subject to official notice of issuance) on all securities exchanges (or, if applicable on the OTC Bulletin Board or any successor trading market) on which the Shares issued to the public in the Offering may then be listed and/or quoted.

8. Certain Notice Requirements.

8.1 Holder's Right to Receive Notice. Nothing herein shall be construed as conferring upon the Holders the right to vote or consent or to receive notice as a shareholder for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the

Company. If, however, at any time prior to the expiration of the Purchase Warrants and their exercise, any of the events described in Section 8.2 shall occur, then, in one or more of said events, the Company shall give written notice of such event at least fifteen days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders entitled to such dividend, distribution, conversion or exchange of securities or subscription rights, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of the closing of the transfer books, as the case may be. Notwithstanding the foregoing, the Company shall deliver to each Holder a copy of each notice given to the other shareholders of the Company at the same time and in the same manner that such notice is given to the shareholders.

8.2 Events Requiring Notice. The Company shall be required to give the notice described in this Section 8 upon one or more of the following events: (i) if the Company shall take a record of the holders of its Shares for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company; (ii) the Company shall offer to all the holders of its Shares any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefore; or (iii) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or share reconstruction or amalgamation) or a sale of all or substantially all of its property, assets and business shall be proposed.

8.3 Notice of Change in Exercise Price. The Company shall, promptly after an event requiring a change in the Exercise Price pursuant to Section 6 hereof, send notice to the Holders of such event and change ("Price Notice"). The Price Notice shall describe the event causing the change and the method of calculating same and shall be certified as being true and accurate by the Company's Chief Financial Officer.

8.4 Transmittal of Notices. All notices, requests, consents and other communications under this Purchase Warrant shall be in writing and shall be deemed to have been duly made when hand delivered, or mailed by express mail or private courier service: (i) if to the registered Holder of the Purchase Warrant, to the address of such Holder as shown on the books of the Company' or (ii) if to the Company, to following address or to such other address as the Company may designate by notice to the Holders:

SurgiVision, Inc.
One Commerce Square, Suite 2550
Memphis, TN 38103
Attn: Chief Executive Officer
Fax No.: 901-522-9400

With a copy to: Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
165 Madison Avenue, Suite 2000
Memphis, TN 38103
Attn: Robert J. DelPriore
Fax No.: 901-577-4271

9. Miscellaneous.

9.1 Amendments. The Company and Canaccord Genuity Inc., as representative of the Underwriters ("Canaccord") may from time to time supplement or amend this Purchase Warrant without the approval of any of the Holders in order to cure any ambiguity, to correct or supplement any provision contained herein that may be defective or inconsistent with any other provisions herein, or to make any other provisions in regard to matters or questions arising hereunder that the Company and Canaccord may deem necessary or desirable and that the Company and Canaccord deem shall not adversely affect the interest of the Holders. All other modifications or amendments shall require the written consent of and be signed by the party against whom enforcement of the modification or amendment is sought.

9.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Purchase Warrant.

9.3. Entire Agreement. This Purchase Warrant (together with the other agreements and documents being delivered pursuant to or in connection with this Purchase Warrant) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof including the engagement letter, dated as of September 29, 2009, by and between the Company and Rodman & Renshaw, LLC.

9.4 Binding Effect. This Purchase Warrant shall inure solely to the benefit of and shall be binding upon, the Holder and the Company and their permitted assignees, respective successors, legal representative and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Purchase Warrant or any provisions herein contained.

9.5 Governing Law; Submission to Jurisdiction. This Purchase Warrant shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Purchase Warrant shall be brought and enforced in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company and the Holder agree that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefore.

9.6 Waiver, etc. The failure of the Company or the Holder to at any time enforce any of the provisions of this Purchase Warrant shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Purchase Warrant or any provision hereof or the right of the Company or any Holder to thereafter enforce each and every provision of this Purchase Warrant. No waiver of any breach, non-compliance or non-fulfillment of any of

the provisions of this Purchase Warrant shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

9.7 Execution in Counterparts. This Purchase Warrant may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Such counterparts may be delivered by facsimile transmission or other electronic transmission.

9.8 Exchange Agreement. As a condition of the Holder's receipt and acceptance of this Purchase Warrant, Holder agrees that, at any time prior to the complete exercise of this Purchase Warrant by Holder, if the Company and Canaccord Genuity Inc. enter into an agreement (the "Exchange Agreement") pursuant to which they agree that all outstanding Purchase Warrants will be exchanged for securities or cash or a combination of both, then Holder shall agree to such exchange and become a party to the Exchange Agreement. For the avoidance of doubt, neither the Company nor Canaccord Genuity Inc. is obligated to enter into an Exchange Agreement.

[Remainder of page deliberately left blank.]

IN WITNESS WHEREOF, the Company has caused this Purchase Warrant to be signed by its duly authorized officer as of the day of , 2010.

SURGIVISION, INC.

By: _____
Name:
Title:

Form to be used to exercise Purchase Warrant:

Date: _____, 201_

The undersigned hereby elects irrevocably to exercise the Purchase Warrant for [ ] Shares of SurgiVision, Inc. and hereby makes payment of $[ ] (at the rate of $[ ] per Share) in payment of the Exercise Price pursuant thereto. Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been exercised.

or

The undersigned hereby elects irrevocably to convert its right to purchase [ ] Shares under the Purchase Warrant for [ ] Shares, as determined in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where, X = The number of Shares to be issued to Holder;
Y = The number of Shares for which the Purchase Warrant is being exercised;
A = The fair market value of one Share which is equal to $[ ]; and
B = The Exercise Price which is equal to $[ ] per share

The undersigned agrees and acknowledges that the calculation set forth above is subject to confirmation by the Company and any disagreement with respect to the calculation shall be resolved by the Company in its sole discretion.

Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been converted.

Signature

Signature Guaranteed

INSTRUCTIONS FOR REGISTRATION OF SECURITIES

Name:

(Print in Block Letters)

Address:

NOTICE: The signature to this form must correspond with the name as written upon the face of the Purchase Warrant without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

Form to be used to assign Purchase Warrant:

ASSIGNMENT

(To be executed by the registered Holder to effect a transfer of the Purchase Warrant):

FOR VALUE RECEIVED, [ ] does hereby sell, assign and transfer unto [ ] the right to purchase Shares of SurgiVision, Inc. ("Company") evidenced by the Purchase Warrant and does hereby authorize the Company to transfer such right on the books of the Company.

Dated: , 201_

Signature

Signature Guaranteed

NOTICE: The signature to this form must correspond with the name as written upon the face of the within Purchase Warrant without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

EXHIBIT B-1

Lock-Up Agreement
(Directors & Officers)

_____, 201_

Rodman & Renshaw, LLC
1251 Avenue of Americas, 20th Floor
New York, NY 10020

Ladies and Gentlemen:

The undersigned understands that Rodman & Renshaw, LLC (the "**Underwriter**") proposes to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with SurgiVision, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the Underwriter of [ ] shares of common stock ("**Firm Shares**"), par value $0.01 per share, of the Company (the "**Shares**").

To induce the Underwriter to continue its efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Underwriter, it will not, during the period commencing on the date hereof and ending on 180 days after the date of the final prospectus (the "**Prospectus**") relating to the Public Offering (the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, grant any option to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or (2) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Shares or such other securities, in cash or otherwise. Notwithstanding the foregoing, the undersigned may transfer Shares without the prior consent of the Underwriter in connection with: (a) transactions relating to Shares or other securities acquired in open market transactions after the completion of the Public Offering, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), shall be required or shall be voluntarily made in connection with subsequent sales of Shares or other securities acquired in such open market transactions; (b) transfers of Shares or any security convertible into Shares as a bona fide gift, by will or intestacy or to a family member or trust for the benefit of a family member; *provided* that in the case of any transfer or distribution pursuant to clause (b), (i) each donee or distributee shall sign and deliver a lock-up letter substantially in the form of this letter agreement and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of Shares, shall be required or shall be voluntarily made during the Lock-up Period; (c) transfer of Shares to a charity or educational institution; or (d) if the undersigned, directly or indirectly, controls a corporation, partnership, limited liability company or other business entity, any transfers of Shares to any shareholder, partner or member of, or owner of similar equity interests in, the undersigned, as the case may be, if, in any such case, such transfer is not for value. In addition, the undersigned agrees that during the Lock-Up Period, without the prior written consent of the Underwriter, it will not make any demand for or exercise any right with respect to the registration of any Shares or any security convertible into or exercisable or exchangeable for Shares. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Shares except in compliance with this Agreement.

If (i) the Company issues an earnings release or material news, during the last 17 days of the Lock-Up Period, or (ii) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release, unless the Underwriter waives such extension.

No provision in this agreement shall be deemed to restrict or prohibit the exercise or exchange by the undersigned of any option or warrant to acquire Shares, or securities exchangeable or exercisable for or convertible into Shares, *provided that* the undersigned does not transfer the Shares acquired on such exercise or exchange during the Lock-Up Period, unless otherwise permitted pursuant to the terms of this letter agreement. In addition, no provision herein shall be deemed to restrict or prohibit the entry into or modification of a so-called "10b5-1" plan at any time (other than the entry into or modification of such a plan in such a manner as to cause the sale of any Shares or any securities convertible into or exercisable or exchangeable for Shares within the Lock-Up Period).

The undersigned understands that the Company and the Underwriter are relying upon this letter agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned understands that, if the Underwriting Agreement is not executed by June 30, 2010, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Shares to be sold thereunder this agreement shall be void and of no further force or effect.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriter.

Very truly yours,

_____

(Name):

_____

(Address)

EXHIBIT B-2

Lock-Up Agreement
(5% Stockholders)

_____, 2010

Rodman & Renshaw, LLC
1251 Avenue of Americas, 20th Floor
New York, NY 10020

Ladies and Gentlemen:

The undersigned understands that Rodman & Renshaw, LLC (the "**Underwriter**") proposes to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with SurgiVision, Inc., a Delaware corporation (the "**Company**"), providing for the initial public offering (the "**Public Offering**") by the Underwriter of the Company's common stock, par value $0.01 per share (the "**Shares**").

To induce the Underwriter to continue its efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Underwriter, it will not, during the period commencing on the date hereof and ending on the date that is 180 days after the date of the final prospectus relating to the Public Offering (the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, grant any option to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Shares or such other securities, in cash or otherwise. Notwithstanding the foregoing, the undersigned may transfer Shares without the prior consent of the Underwriter in connection with: (a) transactions relating to Shares or other securities acquired in open market transactions after the completion of the Public Offering, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), shall be required or shall be voluntarily made in connection with subsequent sales of Shares or other securities acquired in such open market transactions; (b) if the undersigned is an individual, transfers of Shares or any security convertible into Shares as a bona fide gift, by will or intestacy or to a family member or trust for the benefit of a family member; *provided* that in the case of any transfer or distribution pursuant to clause (b), (i) each donee or distributee shall sign and deliver a lock-up letter substantially in the form of this letter agreement and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of Shares, shall be required or shall be voluntarily made during the Lock-up Period; (c) transfer of Shares to a charity or educational institution; (d) if the undersigned is, or directly or indirectly controls, a corporation, partnership, limited liability company or other business entity, any transfers of Shares to any shareholder, partner or member of, or owner of similar equity interests in, the undersigned, as the case may be, if, in any such case, such transfer is not for value; or (e) if the undersigned is a corporation, partnership, limited liability company or other business entity, any transfer of Shares made by

the undersigned (i) in connection with the sale or other bona fide transfer in a single transaction of all or substantially all of the undersigned's capital stock, partnership interests, membership interests or other similar equity interests, as the case may be, or all or substantially all of the undersigned's assets, in any such case not undertaken for the purpose of avoiding the restrictions imposed by this agreement or (ii) to another corporation, partnership, limited liability company or other business entity so long as the transferee is an affiliate of the undersigned and such transfer is not for value. In addition, the undersigned agrees that during the Lock-Up Period, without the prior written consent of the Underwriter, it will not make any demand for or exercise any right with respect to the registration of any Shares or any security convertible into or exercisable or exchangeable for Shares. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Shares except in compliance with this Agreement.

If (i) the Company issues an earnings release or material news, during the last 17 days of the Lock-Up Period, or (ii) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release, unless the Underwriter waives such extension.

No provision in this agreement shall be deemed to restrict or prohibit the exercise or exchange by the undersigned of any option or warrant to acquire Shares, or securities exchangeable or exercisable for or convertible into Shares, *provided that* the undersigned does not transfer the Shares acquired on such exercise or exchange during the Lock-Up Period, unless otherwise permitted pursuant to the terms of this letter agreement. In addition, no provision herein shall be deemed to restrict or prohibit the entry into or modification of a so-called "10b5-1" plan at any time (other than the entry into or modification of such a plan in such a manner as to cause the sale of any Shares or any securities convertible into or exercisable or exchangeable for Shares within the Lock-Up Period).

The undersigned understands that the Company and the Underwriter are relying upon this letter agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned understands that, if the Underwriting Agreement is not executed by June 30, 2010, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Shares to be sold thereunder this agreement shall be void and of no further force or effect.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriter.

Very truly yours,

_____

(Name):

_____

(Address)

Exhibit 10.3

SURGIVISION, INC.

AMENDED AND RESTATED
KEY PERSONNEL INCENTIVE PROGRAM

INTRODUCTION

The SurgiVision, Inc. Amended and Restated Key Personnel Incentive Program (the "Program") provides eligible key personnel of the Company (as defined herein) with the opportunity to receive incentive bonus payments ("Incentive Payments") upon providing a number of years of service to the Company or upon consummation of a Triggering Event (as defined herein) in accordance with the terms and conditions set forth herein.

The purpose of the Program is to provide designated key employees and consultants with financial rewards in the event of a Triggering Event in order to incentivize such personnel to increase the value of the Company, to secure their continued commitment and dedication to the Company, and to strengthen the mutuality of interests between the key personnel and the stockholders of the Company.

1. DEFINITIONS

Whenever used herein, the following words and phrases shall have the meanings set forth below:

"AAA" shall have the meaning as set forth in Section 6.5 herein.

"Affiliate" of a Person shall mean any other Person that controls, is controlled by, or is under common control with, such Person.

"Aggregate Incentive Award" shall mean an aggregate positive amount, if any, equal to the Applicable Percentage of the Surplus Amount; provided, however, that in no event shall the Aggregate Incentive Award exceed the Maximum Program Amount.

"Applicable Percentage" shall mean six percent (6%).

"Board" shall mean the Board of Directors of the Company.

"Bonus Pool" has the meaning set forth in Section 3.2 herein.

"Cause" shall mean, as applicable to each Participant, (a) such Participant's commission of an act of fraud, embezzlement, theft or other criminal act against the Company constituting a felony; (b) such Participant's willful or wanton disregard of the rules or policies of the Company which results in a material loss, damage or injury to the Company; (c) the repeated failure of a Participant to perform duties consistent with his or her position or to follow or comply with the reasonable directives of the Board or the Participant's superior(s) after having been given notice thereof; (d) the material breach of any provision contained in a written non-competition, confidentiality or non-disclosure agreement between the Company and the Participant; or (e) any

other event that allows the Company or its subsidiaries to terminate the employment or consultancy of the Participant for "Cause" pursuant to a written employment agreement or consulting agreement.

"Committee" shall mean the Compensation Committee of the Board or such other committee of directors appointed by the Board to administer the Program; provided, however, that to the extent the Board has not appointed any such committee, all references in the Program to the "Committee" shall be deemed to be references to the Board.

"Common Shares" shall mean the shares of the Company's common stock on a fully diluted basis (i.e., giving effect to the issuance of all shares issuable upon exercise of options and conversions of convertible securities, etc.) on the date of the consummation of a Triggering Event. For purposes of any determination, the number of Common Shares shall be determined in good faith by the Committee, which determination shall be final and binding on all Persons.

"Company" shall mean SurgiVision, Inc., a Delaware corporation, including its successor in interest by merger, consolidation or otherwise.

"Disability" shall mean a Participant (a) is determined to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than twelve (12) months, or (b) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan sponsored by the Company.

"Dispute" shall have the meaning as set forth in Section 6.5 herein.

"Future Payments Provision" shall mean any provision relating to a Sale Transaction that provides for (a) the payment of proceeds of, or from, such Sale Transaction in one or more installments after the consummation of the Sale Transaction, (b) the deposit of any proceeds of, or from, such Sale Transaction into an escrow account (whether such escrow account is established by the Company or any Purchaser), or (c) any earnout, contingent payment, deferred payment or post-closing adjustment payment pursuant to which any proceeds of, or from, such Sale Transaction will be paid in one or more installments after the consummation of such Sale Transaction.

"Hurdle Amount" shall mean Fifty Million Dollars ($50,000,000).

"Incentive Award Agreements" shall mean those certain letter agreements, or any of them, from time to time entered into between the Company and Participants pursuant to the Program, as described in Section 3.4 below, as the same may be amended or modified.

"Incentive Payments" shall have the meaning as set forth in the Introduction herein.

"Individual Share" shall have the meaning set forth in Section 3.3(b) herein. The sum of the Individual Shares for all Participants, in the aggregate, may be less than, but shall not exceed, one hundred percent (100%).

"Involuntary Termination" shall mean the termination of a Participant's employment or consultancy by the Company other than for Cause.

"Maximum Incentive Payment" shall mean the positive amount calculated by multiplying the Maximum Program Amount by a Participant's Individual Share.

"Maximum Program Amount" shall mean Three Million Dollars ($3,000,000).

"Net Proceeds" shall mean the portion of the aggregate cash and non-cash consideration paid or payable in connection with the consummation of a Sale Transaction that is distributed, or otherwise available for distribution, to holders of Common Shares. The fair market value of any securities issued, and any other non-cash consideration and any future payments or consideration to be paid or delivered, in connection with a Sale Transaction will be valued in good faith by the Committee, which determination shall be final and binding on all Persons.

"Participant" shall mean an individual who (a) is an employee or bona fide consultant of the Company or any of its subsidiaries, (b) is designated by the Committee for an award under the Program, and (c) enters into an Incentive Award Agreement with the Company. The Participants shall be identified on Exhibit A attached hereto, which may be amended from time to time by the Committee to reflect the addition/removal of Participants pursuant to the Program.

"Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Post-Closing Adjustment Provision" shall mean any provision relating to a Sale Transaction that potentially requires the Company and/or its stockholders to reimburse or repay any portion of the proceeds from such Sale Transaction or any other amount to the Purchaser, or to indemnify the Purchaser in any respect.

"Program" shall have the meaning set forth in the introduction herein.

"Purchaser" shall mean any Person(s) that acquire(s) the Company pursuant to a Sale Transaction.

"Rules" shall have the meaning as set forth in Section 6.5 herein.

"Sale Transaction" shall mean the following: (a) the Company is merged, consolidated or reorganized into or with another corporation or other Person, or securities of the Company are exchanged for securities of another corporation or other Person, and immediately after such merger, consolidation, reorganization or exchange less than a majority of the combined voting power of the then-outstanding securities of such corporation or other Person immediately after such transaction are held, directly or indirectly, in the aggregate by the holders of securities entitled to vote generally in the election of directors of the Company immediately prior to such transaction, or (b) the Company, in any transaction or series of related transactions, sells a substantial portion of its assets to any other corporation or other Person and less than a majority of the combined voting power of the then-outstanding securities of such corporation or other

Person immediately after such sale or sales are held, directly or indirectly, in the aggregate by the holders of securities entitled to vote generally in the election of directors of the Company immediately prior to such sale. For purposes of this definition, a sale of a substantial portion of the Company's assets shall mean the Company's sale of assets having a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the Company's assets immediately prior to such sale.

"Service Payment" shall have the meaning as set forth in Section 3.1 herein.

"Special Individual Payment" shall mean any payment (whether in cash or in kind) made, or agreed to be made, to any Participant in connection with the consummation of a Sale Transaction that is (a) reasonably characterized as being compensation primarily for a non-compete or similar agreement with, or for the benefit of, the Purchaser, or (b) a consulting or similar fee that is not reasonably commensurate with the services actually to be performed by the Participant. Notwithstanding the foregoing to the contrary, Special Individual Payments shall not include reasonable salary, bonus, stock options or equity compensation, fringe benefit payments or other compensation payable to a Participant following consummation of a Sale Transaction for services actually to be rendered or performed.

"Special Payment Reduction" shall have the meaning as set forth in Section 3.3(b) herein.

"Surplus Amount" shall mean the aggregate positive amount, if any, by which the Net Proceeds from a Triggering Event exceed the Hurdle Amount.

"Triggering Event" shall mean a Sale Transaction that is consummated during the term of the Program.

"Unallocated Portion" shall have the meaning as set forth in Section 3.3(b) herein.

"Withheld Amount" shall have the meaning as set forth in Section 3.5(c)(ii) herein.

2. ADMINISTRATION

The Program shall be administered by the Committee. The Committee shall have the authority to award and grant Incentive Payments, pursuant to the terms of the Program, to employees and bona fide consultants of the Company determined by the Committee to be eligible to participate in the Program. In particular, the Committee shall have the authority, consistent with the terms of the Program: (a) to select the employees and consultants of the Company and its subsidiaries to whom Incentive Payments may be granted from time to time; provided, however, that the Committee shall not grant Incentive Payments to any member of the Committee without the prior approval of the Board; (b) to determine whether a Triggering Event has occurred; (c) to calculate and determine the amount of the Net Proceeds; (d) to determine the amount of Incentive Payments to be granted to Participants; provided however, that the amount of any Incentive Payment shall comply with the limitations set forth in Section 280G of the Internal Revenue Code; (v) to calculate and determine the amount of any Special Individual Payments; (vi) to interpret the terms and provisions of the Program and any award issued under the Program (and any agreements relating thereto); and (vii) to supervise the administration of the Program as described herein or otherwise. Subject to the foregoing, all decisions made by

the Committee pursuant to the provisions of the Program shall be made in the Committee's sole discretion and in good faith and shall be final and binding on all Persons.

3. INCENTIVE PAYMENT AMOUNTS

3.1 Payments Upon Completion of Service Requirements. Each Incentive Award Agreement may provide for all or a portion of the Participant's Incentive Payment to be paid upon the completion of specified services as an employee or consultant of the Company (a "Service Payment").

3.2 Participant Bonus Pool. In the event the Company consummates a Triggering Event, the Company shall allocate the Aggregate Incentive Award to a bonus pool for the Participants (the "Bonus Pool").

3.3 Participant's Share of Bonus Pool.

(a) Eligibility for Bonus. A Participant shall be eligible to receive payment of his or her Incentive Payment with respect to a Triggering Event as provided in this Section 3.3 if, and only if, the Triggering Event is consummated while the Participant is serving as an employee or consultant of the Company or one of its subsidiaries.

(b) Individual Share. Each Participant's Incentive Payment with respect to a Triggering Event shall be specified in the Participant's Incentive Award Agreement as a percentage (the "Individual Share") of either (i) the Bonus Pool or (ii) the Maximum Program Amount. In either case, the Participant's Incentive Payment with respect to a Triggering Event shall be reduced, on a dollar-for-dollar basis, by the amount of Service Payments previously paid to the Participant, if any, so that in no event shall the aggregate amount of all payments of all kinds to Participant exceed his Maximum Incentive Payment. If the aggregate Service Payments already paid to the Participant equal or exceed the amount of the Incentive Payment otherwise payable to the Participant with respect to the Triggering Event (before reduction as described in this Section), then such Incentive Payment shall be zero. Any portion of the Bonus Pool not awarded to Participants pursuant to Incentive Award Agreements as of the date of a Triggering Event (the "Unallocated Portion") shall be retained by the Company, and no Participant shall have any right to or claim against such Unallocated Portion. Notwithstanding the foregoing to the contrary, in the event any Participant receives any Special Individual Payment, such Participant's Incentive Payment from the Bonus Pool shall be reduced, on a dollar-for-dollar basis, by the corresponding amount of any such Special Individual Payment (the "Special Payment Reduction").

3.4 Incentive Award Agreements. Awards made pursuant to the Program, and any Incentive Payments made pursuant to such awards, shall be made in accordance with, and subject to the terms and conditions of, individual Incentive Award Agreements entered into between the Company and each Participant. Each Incentive Award Agreement must be satisfactory to the

Committee in both form and substance.

3.5 Payment of Incentive Payments.

(a) In-Kind Payment. Notwithstanding any provision herein to the contrary, if the Company and/or holders of Common Shares receive (or are to receive) non-cash consideration in connection with a Triggering Event, then the Company may, without obligation, fund the Bonus Pool with cash consideration and non-cash consideration in the same proportion that the Company and/or holders of Common Shares receive (or are to receive) such consideration in connection with the Triggering Event. The fair market value of any securities or other non-cash consideration will be valued in good faith by the Committee, which determination shall be final and binding on all Persons.

(b) No Future Payments Provision or Post-Closing Adjustment Provision. In the event a Triggering Event does not include any Future Payments Provision or Post-Closing Adjustment Provision, then, subject to Section 3.3(b) herein, the Company shall pay (in cash and/or non-cash consideration as described above) each eligible Participant the amount of such Participant's Incentive Payment within thirty (30) days following the closing of such Triggering Event and the distribution of the proceeds thereof.

(c) Future Payments Provision and/or Post-Closing Adjustment Provision. In the event the Triggering Event transaction includes any Future Payments Provision and/or Post-Closing Adjustment Provision, then, subject to Section 3.3(b) herein, the Company shall pay the Incentive Payments according to the terms of this Section 3.5(c).

(i) In the event the Triggering Event transaction includes a Future Payments Provision, the Company shall pay (in cash and/or non-cash consideration as described above) each eligible Participant, within thirty (30) days following the closing of such Triggering Event and the distribution of the proceeds thereof, the portion of such Participant's Incentive Payment equal to the product obtained by multiplying (A) such Participant's Individual Share, by (B) the Aggregate Incentive Award, by (C) the percentage of the total Net Proceeds paid, distributed or delivered to the Company and/or holders of the Common Shares, as applicable, on or about the closing date of the Triggering Event. Thereafter, within thirty (30) days after any additional portion of the Net Proceeds is paid, distributed or delivered to the Company and/or holders of the Common Shares, as applicable, the Company shall pay to such Participant the portion(s) of such Participant's remaining Incentive Payment in an amount equal to the product obtained by multiplying (A) such Participant's Individual Share, by (B) the Aggregate Incentive Award, by (C) the percentage that such additional portion of the Net Proceeds bears to the total Net Proceeds.

(ii) In the event the Triggering Event transaction includes a Post-Closing Adjustment Provision, within thirty (30) days following the closing of such Triggering Event, the Company shall pay (in cash and/or non-cash consideration as described above) each eligible Participant the amount of such Participant's Incentive Payment, less an amount that shall take into account the potential adjustment that is the subject of the Post-Closing Adjustment Provision (the "Withheld Amount"), which amount shall be determined in good faith by the Committee. As soon as practicable after the amount of such adjustment, if any, is known with certainty (as determined by the Committee), the Company shall pay each Participant the Participant's prorated portion of the Withheld Amount, less the amount actually reimbursed or paid pursuant to the Post-Closing Adjustment Provision.

(iii) Notwithstanding the foregoing, no payment shall be made under this Section 3.5(c) if the Participant's Incentive Award Agreement has been terminated under Section 4.1, Section 4.2 or Section 4.3 herein before the date of such payment or if a payment would otherwise be due after March 15 of the year following any termination of the Participant's employment or consultancy.

4. TERMINATION OF EMPLOYMENT OR CONSULTANCY; LOSS OF ELIGIBILITY

4.1 Termination for Cause and Voluntary Termination. A Participant's Incentive Award Agreement shall immediately and automatically terminate in the event (a) such Participant's employment or consultancy is terminated by the Company (or any of its subsidiaries) for Cause, or (b) such Participant voluntarily terminates his or her employment or consultancy or voluntarily reduces the level of his or her employment or consultancy such that Participant is no longer rendering substantial services within the meaning of Treasury Regulation §1.409A-1(d)(1). Upon termination of the Incentive Award Agreement, such Participant shall no longer be eligible to receive any Incentive Payment. For purposes of this Section 4.1, a Participant's employment or consultancy shall not be deemed to have been voluntarily terminated by the Participant simply because of a change in the capacity in which the Participant renders services (i.e., a change from employee to consultant, and vice versa), provided the Participant continues to render substantial services within the meaning of Treasury Regulation §1.409A-1(d)(1).

4.2 Involuntary Termination. In the event a Participant's employment or consultancy is terminated due to an Involuntary Termination, the Company shall pay to Participant any remaining Service Payments (as set forth in the Participant's Incentive Award Agreement) on the earlier of (a) the specified due date thereof or (b) March 15 of the year following the calendar year in which such Involuntary Termination occurred, whereupon such Participant's Incentive Award Agreement shall terminate. For purposes of this Section 4.2, a Participant's employment or consultancy shall not be deemed to have been terminated due to an Involuntary Termination because of a change in the capacity in which the Participant renders services (i.e., a change from employee to consultant, and vice versa).

4.3 Death or Disability. In the event a Participant's employment or consultancy is terminated due to death or Disability, the Company shall pay to the Participant any remaining Service Payments (as set forth in the Participant's Incentive Award Agreement) on the earlier of (a) the specified due date thereof or (b) March 15 of the year following the calendar year in which such death or Disability occurred, whereupon such Participant's Incentive Award Agreement shall terminate.

5. AMENDMENT

At any time prior to the consummation of a Triggering Event, the Committee may amend or alter (a) this Program and/or (b) any or all individual Incentive Award Agreements issued under this Program. Notwithstanding the foregoing, no amendment or alteration of this Program or any individual Incentive Award Agreement shall impair any Participant's rights under any Incentive Award Agreement theretofore issued under this Program, without the prior consent of such Participant(s).

6. MISCELLANEOUS

6.1 Taxes. Incentive Payments (including, without limitation, any portion thereof that may be paid as Service Payments) are subject to applicable federal, state and local withholding taxes. The Company shall withhold from Incentive Payments payable under the Program all income, employment and payroll taxes which, by applicable federal, state or local law, the Company is required to withhold.

6.2 Employment or Consultancy Status Not Conferred. The adoption of this Program or the receipt of an Incentive Award under this Program shall not confer upon any employee or consultant of the Company or its subsidiaries any right to continued employment or consultancy with the Company or its subsidiaries, as the case may be, nor shall it interfere in any way with the right of Company or its subsidiaries to terminate the employment or consultancy of any of its employees or consultants at any time.

6.3 Governing Law. The Program and all awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

6.4 Successors. In the event of any merger, consolidation or other similar event involving the Company, the provisions of the Program shall be binding upon the surviving or resulting entity of such transaction.

6.5 Arbitration. Any controversy, claim or dispute arising out of, in connection with or relating to this Program or any Incentive Award Agreement ("Dispute"), which cannot otherwise be resolved through good faith negotiations between the parties, may be submitted by either the Company or the relevant Participant(s) to binding arbitration in accordance with the then prevailing Commercial Arbitration Rules of the American Arbitration Association (the "AAA"), except as such rules conflict with the provisions of this Section, in which case the provisions of this Section shall control. The Dispute shall be submitted to binding arbitration before three (3) arbitrators in Memphis, Tennessee under the AAA's Commercial Arbitration Rules (the "Rules") as modified or supplemented hereby. Within ten (10) days after commencement of any arbitration proceeding, as provided herein, the Company shall choose an

arbitrator, and the relevant Particpant(s) shall choose an arbitrator. Thereafter, a third neutral arbitrator shall be selected by the two (2) arbitrators chosen by the parties. If the arbitrators chosen by the parties cannot agree upon the neutral arbitrator within ten (10) business days after their appointment, then, in any such event, the neutral arbitrator shall be selected, pursuant to the Rules. The costs of the arbitration, including the fees and expenses of the arbitrators, shall be shared equally by the parties, but each party shall be responsible for its own costs, including attorneys and witness fees, incurred by that party in the arbitration proceedings. In rendering an award, the parties agree that the arbitrators shall not have any power or authority to modify any provisions of the Program or any Incentive Award Agreement, and in no event shall the arbitrator have the power or authority to make awards that provide for damages expressly excluded or limited by the same. The arbitration award shall be in writing and shall specify the factual or legal basis for the award. A judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Nothing in this Section shall be construed to prevent any party from instituting legal proceedings to seek a temporary restraining order or other temporary or preliminary injunctive relief to prevent immediate and irreparable harm to such party, and for which monetary damages would be inadequate, pending final resolution of a Dispute pursuant to this Section. Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder or to obtain interim relief, and except as reasonably necessary to comply with any applicable law, rule, regulation of any governmental authority or securities exchange, neither party may, nor may the arbitrator, disclose the existence, content or results of any arbitration hereunder without the prior written consent of both parties. The Federal Arbitration Act, 9 U.S.C. Sections 1 through 14, except as modified hereby, shall govern the interpretation and enforcement of this Section. THE PARTIES ACKNOWLEDGE AND AGREE THAT IN AGREEING TO SUBMIT ALL DISPUTES TO BINDING ARBITRATION, THEY ARE IRREVOCABLY WAIVING ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM RELATING TO THIS AGREEMENT.

6.6 No Trust. The amounts to be paid in respect of the Program shall not constitute or be treated as a trust of any kind. The Company shall not be required to fund or otherwise segregate assets to be used for the payment of Incentive Payments under the Program. The Company shall make such payments only out of its general assets, and, therefore, the Company's obligation to make such payments shall be subject to any claims of its other creditors having priority as to its assets. The Participants' rights under the Program are solely those of general unsecured creditors of the Company and are subject to forfeiture under the terms hereof and under the Participant's Incentive Award Agreement. If the Company designates any assets to pay its liabilities hereunder, such assets shall at all times remain the property of the Company, and the Participants shall not have any property interest in such assets.

6.7 Interpretation. The Committee acting in good faith, shall have discretion to interpret the Program and the Incentive Award Agreements. The Committee's interpretation and actions hereunder, if made in the exercise of good faith discretion and not in an arbitrary and capricious manner, shall be conclusive and binding upon all Persons for all purposes. Neither the Company nor any of its directors, officers or employees (including members of the Committee) shall be liable to the Participants or any other Person for any action taken in connection with the interpretation of the Program or the Incentive Award Agreement.

6.8 No Right of Equity Ownership. Neither the Program nor any Incentive Award Agreement grants to any Participant any right or privilege of equity ownership in the Company.

6.9 Section 409A Compliance. The provisions of this Program are intended to cause the Program to conform with the requirements of a plan providing only for short-term deferrals as provided in Treasury Regulation §1.409A-1(b)(4), as amended from time to time or to any successor provision, and the provisions of this Program shall be construed in accordance with that intention. If any provision of this Program shall be inconsistent or in conflict with any applicable requirements for a short-term deferral plan, then such requirement shall be deemed to override and supersede the inconsistent or conflicting provision, and any required provision of a short-term deferral plan that is omitted from this Program shall be incorporated herein by reference and shall apply retroactively, if necessary, and be deemed to be a part of this Program to the same extent as though expressly set forth herein. To the extent permissible under Treasury Regulation §1.409A-1(b)(4)(ii), the payments may be delayed within the discretion of the Committee on the following grounds: (a) it is administratively impracticable to make the payment by the regular payment date due to unforeseeable reasons; (b) the payment would jeopardize the Company's ability to continue as a going concern; (c) the payment is reasonably anticipated not to be deductible under Section 162(m) of the Internal Revenue Code due to circumstances that a reasonable person would not have anticipated; or (d) such other grounds as may be from time to time permissible under the foregoing regulation; provided, however, any delayed payment shall be made within the period required under the foregoing regulation.

7. EFFECTIVENESS OF PROGRAM, PROGRAM TERMINATION

This Program shall become effective on September 14, 2006, and shall expire and terminate upon the earlier to occur of (a) December 31, 2015, or (b) the consummation of a Triggering Event; provided, however, that upon any such termination, the terms of the Program (and any Incentive Award Agreements) shall survive to the extent, but only to the extent, necessary for the Company to satisfy its obligations to eligible Participants hereunder that result from such Triggering Event or any unpaid Service Payments.

Exhibit A

Participants

The following individuals are "Participants" under the Amended and Restated SurgiVision, Inc. Key Personnel Incentive Program, whose "Individual Shares" are set forth opposite their names:

As of May 15, 2007

Participant Name	Individual Share
Paul A. Bottomley	33.33%
Parag Karmarker	33.33%
Unallocated	33.33%

As of June 2, 2010, a portion of the above unallocated Individual Share has been allocated as follows:

Participant Name	Individual Share
Paul A. Bottomley	23.33%
Left unallocated	10.00%

Exhibit 10.5

INCENTIVE STOCK OPTION AGREEMENT
UNDER THE SURGIVISION, INC.
2010 INCENTIVE COMPENSATION PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price Per Share: **$** _____
[FMV on Grant Date (110% of FMV if a 10% owner)]

Grant Date: _____

Expiration Date: _____

Pursuant to the SurgiVision, Inc. 2010 Incentive Compensation Plan as amended through the date hereof (the "Plan"), SurgiVision, Inc. (the "Company") hereby grants under this agreement (this "Agreement") to the Optionee named above, who is an employee of the Company or any Subsidiary, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of Shares specified above at the Option Exercise Price Per Share specified above subject to the terms and conditions set forth herein and in the Plan. Capitalized terms in this Agreement shall have the meanings specified in the Plan, unless a different meaning is specified herein.

1. Exercisability Schedule. No portion of the Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Committee to accelerate the exercisability schedule hereunder, the Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

Incremental Number of Option Shares Exercisable		Exercisability Date
	(____%)	
	(____%)	
	(____%)	

Once exercisable, the Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the

Plan. Notwithstanding anything herein to the contrary or in the Plan, in the event of a Change of Control, the Stock Option shall become fully exercisable as of the effective time of the Change of Control.

2. Manner of Exercise.

(a) The Optionee may exercise the Stock Option only in the following manner: from time to time on or prior to the Expiration Date of the Stock Option, the Optionee may give written notice to the Committee of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash or its equivalent (e.g., by personal check) at the time the Stock Option is exercised, (ii) in Shares having a Fair Market Value equal to the aggregate Option Exercise Price Per Share for the Option Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares has been held by the Optionee for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in Shares (as described in the preceding clause (ii)), (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Stock obtained upon the exercise of the Stock Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Exercise Price Per Share for the Option Shares being purchased; provided that in the event the Optionee chooses to pay the Option Exercise Price Per Share as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure, or (v) through "net settlement" in Shares. In the case of a "net settlement" of a Stock Option, the Company will not require a cash payment of the Option Exercise Price Per Share for the Option Shares being purchased, but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that have a Fair Market Value that does not exceed the aggregate Option Exercise Price Per Share for the Option Shares set forth in this Agreement. With respect to any remaining balance of the aggregate Option Exercise Price Per Share for the Option Shares, the Company shall accept a cash payment. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for such Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or applicable laws and regulations, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of the Shares pursuant to the exercise of Stock Options under the Plan and any subsequent resale of such Shares will be in compliance with applicable laws and regulations.

(b) The Shares purchased upon exercise of the Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Committee with all requirements under applicable laws or

regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to the Stock Option unless and until the Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the Shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company.

(c) The minimum number of Shares with respect to which the Stock Option may be exercised at any one time shall be 100 Shares, unless the number of Shares with respect to which the Stock Option is being exercised is the total number of Shares subject to exercise under the Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of the Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or any Affiliate is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of the Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of Optionee's death, by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of the Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's Disability, any portion of the Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of Disability, by the Optionee, or the Optionee's legal representative or guardian, as applicable, for a period of 12 months from the date of Disability or until the Expiration Date, if earlier. Any portion of the Stock Option that is not exercisable on the date of Disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause; Voluntary Resignation. If the Optionee's employment with the Company or any Affiliate terminates for Cause or if the Optionee voluntarily terminates his or her employment, any portion of the Stock Option outstanding on such date shall terminate immediately and be of no further force or effect. For purposes of this Agreement, "Cause" shall mean: (i) gross negligence or willful misconduct by the Optionee in the performance of the Optionee's duties to the Company where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) any breach by the Optionee of any non-compete agreement or similar agreement between the Optionee and the Company; (iii) any material breach by the Optionee of any confidentiality agreement or similar agreement between the Optionee and the Company; (iv) a material violation by the Optionee of any federal or state law or regulation or the Company's compliance program in the performance of the Optionee's duties; (v) commission by the Optionee of any act of fraud with respect to the Company; (vi) the Optionee's conviction of, or the Optionee's entry of a

guilty plea or plea of nolo contendere with respect to, a felony; (vii) the Optionee's failure to perform duties consistent with the Optionee's position or to follow or comply with the reasonable directives of the Board or the Optionee's supervisor(s), provided that (A) the Optionee shall have received written notice that specifically identifies the manner in which the Company believes that the Optionee has engaged in such failure and (B) the Optionee shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Optionee has received more than one notice with respect to the same or similar conduct pursuant to this clause (vii) during any twelve (12) consecutive month period; or (viii) any act or omission that would constitute "cause" under any employment agreement or similar agreement between the Optionee and the Company or its Affiliate, as applicable.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's voluntary termination, the Optionee's death, the Optionee's Disability or for Cause, and unless otherwise determined by the Committee, any portion of the Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of the Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Committee's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, the Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Committee set forth in Section 4 of the Plan.

5. Transferability. Unless otherwise approved by the Committee, this Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. Except as provided in Section 3(b) of this Agreement, the Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Status of the Stock Option. The Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Code, but the Company does not represent or warrant that the Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of the Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. To the extent any portion of the Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such Shares to him or her, or within the two-year period beginning on the day after the grant of the Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. No Obligation to Continue Employment. Neither the Company nor any of its Affiliates is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any such Affiliate to terminate the employment of the Optionee at any time.

8. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

9. Amendment. Pursuant to Section 15 of the Plan, the Committee may at any time amend, alter or discontinue the Plan, but no such action may be taken that adversely affects the Optionee's rights under this Agreement without the Optionee's consent.

10. Inconsistencies. In the event of an inconsistency between the terms of this Agreement and the Optionee's employment agreement with the Company, if any, the terms of such employment agreement shall govern.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has executed this Agreement on and as of the day and year first above written.

SURGIVISION, INC.

By: _____
Name: _____
Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

_____
Optionee's Signature

_____
Optionee's Name

Optionee's Address:

_____
_____
_____

Exhibit 10.6

NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE SURGIVISION, INC.
2010 INCENTIVE COMPENSATION PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price Per Share: **$** _____
[FMV on Grant Date]

Grant Date: _____

Expiration date: _____

Pursuant to the SurgiVision, Inc. 2010 Incentive Compensation Plan as amended through the date hereof (the "Plan"), SurgiVision, Inc. (the "Company") hereby grants under this agreement (this "Agreement") to the Optionee named above, who is an employee, consultant or other service provider of the Company or any of its Affiliates, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of Shares specified above at the Option Exercise Price Per Share specified above subject to the terms and conditions set forth herein and in the Plan. The Stock Option is not intended to be an "incentive stock option" under Section 422 of the Code. Capitalized terms in this Agreement shall have the meanings specified in the Plan, unless a different meaning is specified herein.

1. Exercisability Schedule. No portion of the Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Committee to accelerate the exercisability schedule hereunder, the Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

Incremental Number of Option Shares Exercisable		Exercisability Date
	(____%)	
	(____%)	
	(____%)	

Once exercisable, the Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. Notwithstanding anything herein to the contrary or in the Plan, in the event of a Change of Control, the Stock Option shall become fully exercisable as of the effective time of the Change of Control.

2. Manner of Exercise.

(a) The Optionee may exercise the Stock Option only in the following manner: from time to time on or prior to the Expiration Date of the Stock Option, the Optionee may give written notice to the Committee of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash or its equivalent (e.g., by personal check) at the time the Stock Option is exercised, (ii) in Shares having a Fair Market Value equal to the aggregate Option Exercise Price Per Share for the Option Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares has been held by the Optionee for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in Shares (as described in the preceding clause (ii)), (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Stock obtained upon the exercise of the Stock Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Exercise Price Per Share for the Option Shares being purchased; provided that in the event the Optionee chooses to pay the Option Exercise Price Per Share as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure, or (v) through "net settlement" in Shares. In the case of a "net settlement" of a Stock Option, the Company will not require a cash payment of the Option Exercise Price Per Share for the Option Shares being purchased, but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that have a Fair Market Value that does not exceed the aggregate Option Exercise Price Per Share for the Option Shares set forth in this Agreement. With respect to any remaining balance of the aggregate Option Exercise Price Per Share for the Option Shares, the Company shall accept a cash payment. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for such Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or applicable laws and regulations, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of the Shares pursuant to the exercise of Stock Options under the Plan and any subsequent resale of such Shares will be in compliance with applicable laws and regulations.

(b) The Shares purchased upon exercise of the Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Committee with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a

holder with respect to, any Shares subject to the Stock Option unless and until the Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the Shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company.

(c) The minimum number of Shares with respect to which the Stock Option may be exercised at any one time shall be 100 Shares, unless the number of Shares with respect to which the Stock Option is being exercised is the total number of Shares subject to exercise under the Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of the Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or any Affiliate is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of the Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of Optionee's death, by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of the Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's Disability, any portion of the Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of Disability, by the Optionee, or the Optionee's legal representative or guardian, as applicable, for a period of 12 months from the date of Disability or until the Expiration Date, if earlier. Any portion of the Stock Option that is not exercisable on the date of Disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause; Voluntary Resignation. If the Optionee's employment with the Company or any Affiliate terminates for Cause or if the Optionee voluntarily terminates his or her employment, any portion of the Stock Option outstanding on such date shall terminate immediately and be of no further force or effect. For purposes of this Agreement, "Cause" shall mean: (i) gross negligence or willful misconduct by the Optionee in the performance of the Optionee's duties to the Company where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) any breach by the Optionee of any non-compete agreement or similar agreement between the Optionee and the Company; (iii) any material breach by the Optionee of any confidentiality agreement or similar agreement between the Optionee and the Company; (iv) a material violation by the Optionee of any federal or state law or regulation or the Company's compliance program in the performance of the Optionee's duties; (v) commission by the Optionee of any act of fraud with respect to the Company; (vi) the Optionee's conviction of, or the Optionee's entry of a guilty plea or plea of nolo contendere with respect to, a felony; (vii) the Optionee's failure to perform duties consistent with the Optionee's position or to follow or comply with the reasonable directives of the Board or the Optionee's supervisor(s), provided that (A) the

Optionee shall have received written notice that specifically identifies the manner in which the Company believes that the Optionee has engaged in such failure and (B) the Optionee shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Optionee has received more than one notice with respect to the same or similar conduct pursuant to this clause (vii) during any twelve (12) consecutive month period; or (viii) any act or omission that would constitute "cause" under any employment agreement or similar agreement between the Optionee and the Company or its Affiliate, as applicable.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's voluntary termination, the Optionee's death, the Optionee's Disability or for Cause, and unless otherwise determined by the Committee, any portion of the Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of the Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Committee's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, the Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Committee set forth in Section 4 of the Plan.

5. Transferability. Unless otherwise approved by the Committee, this Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. Except as provided in Section 3(b) of this Agreement, the Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of the Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Committee for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The minimum required tax withholding obligation may be satisfied, in whole or in part, by the Company withholding from the Option Shares to be issued a number of Shares with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. No Obligation to Continue Employment. Neither the Company nor any of its Affiliates is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any such Affiliate to terminate the employment of the Optionee at any time.

8. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

9. Amendment. Pursuant to Section 15 of the Plan, the Committee may at any time amend or cancel any outstanding portion of the Stock Option, but no such action may be taken that adversely affects the Optionee's rights under this Agreement without the Optionee's consent.

10. Inconsistencies. In the event of any inconsistency between the terms of this Agreement and the Optionee's employment agreement with the Company, if any, the terms of such employment agreement shall govern.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has executed this Agreement on and as of the day and year first above written.

SURGIVISION, INC.

By: _____

Name: _____

Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

_____

Optionee's Signature

_____

Optionee's Name

Optionee's Address:

_____

_____

_____

Exhibit 10.7

NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE SURGIVISION, INC.
2010 INCENTIVE COMPENSATION PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price Per Share: **$** _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date: _____

Pursuant to the SurgiVision, Inc. 2010 Incentive Compensation Plan as amended through the date hereof (the "Plan"), SurgiVision, Inc. (the "Company") hereby grants under this agreement (this "Agreement") to the Optionee named above, who is a director of the Company but is not an employee of the Company or any Subsidiary, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of Shares specified above at the Option Exercise Price Per Share specified above subject to the terms and conditions set forth herein and in the Plan. The Stock Option is not intended to be an "incentive stock option" under Section 422 of the Code. Capitalized terms in this Agreement shall have the meanings specified in the Plan, unless a different meaning is specified herein.

1. Exercisability Schedule. No portion of the Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Committee to accelerate the exercisability schedule hereunder, the Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

Incremental Number of Option Shares Exercisable	Exercisability Date
(____%)	
(____%)	
(____%)	

Once exercisable, the Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. Notwithstanding anything herein to the contrary or in the Plan, in the event of a Change of Control, the Stock Option shall become fully exercisable as of the effective time of the Change of Control.

2. Manner of Exercise.

(a) The Optionee may exercise the Stock Option only in the following manner: from time to time on or prior to the Expiration Date of the Stock Option, the Optionee may give written notice to the Committee of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash or its equivalent (e.g., by personal check) at the time the Stock Option is exercised, (ii) in Shares having a Fair Market Value equal to the aggregate Option Exercise Price Per Share for the Option Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares has been held by the Optionee for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in Shares (as described in the preceding clause (ii)), (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Stock obtained upon the exercise of the Stock Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Exercise Price Per Share for the Option Shares being purchased; provided that in the event the Optionee chooses to pay the Option Exercise Price Per Share as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure, or (v) through “net settlement” in Shares. In the case of a “net settlement” of a Stock Option, the Company will not require a cash payment of the Option Exercise Price Per Share for the Option Shares being purchased, but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that have a Fair Market Value that does not exceed the aggregate Option Exercise Price Per Share for the Option Shares set forth in this Agreement. With respect to any remaining balance of the aggregate Option Exercise Price Per Share for the Option Shares, the Company shall accept a cash payment. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for such Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or applicable laws and regulations, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of the Shares pursuant to the exercise of Stock Options under the Plan and any subsequent resale of such Shares will be in compliance with applicable laws and regulations.

(b) The Shares purchased upon exercise of the Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Committee with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to the Stock Option unless and until the Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the Shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company.

(c) The minimum number of Shares with respect to which the Stock Option may be exercised at any one time shall be 100 Shares, unless the number of Shares with respect to which the Stock Option is being exercised is the total number of Shares subject to exercise under the Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of the Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Director. If the Optionee ceases to be a director of the Company, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination by Reason of Death. If the Optionee ceases to be a director by reason of the Optionee's death, any portion of the Stock Option outstanding on such date shall become immediately exercisable in full, whether or not exercisable at such time and may be exercised by his or her legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier.

(b) Termination Due to Disability. If the Optionee ceases to be a director by reason of the Optionee's Disability, any portion of the Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of Disability, by the Optionee, or the Optionee's legal representative or guardian, as applicable, for a period of 12 months from the date of Disability or until the Expiration Date, if earlier. Any portion of the Stock Option that is not exercisable on the date of Disability shall terminate immediately and be of no further force or effect.

(c) Other Termination. If the Optionee ceases to be a director for any reason other than the Optionee's death or Disability, any portion of the Stock Option outstanding on such date, to the extent exercisable, may be exercised for a period of three months from the date of termination or until the Expiration Date, if earlier.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, the Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Committee set forth in Section 4 of the Plan.

5. Transferability. Unless otherwise approved by the Committee, this Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of

law or otherwise, other than by will or the laws of descent and distribution. Except as provided in Section 3(b) of this Agreement, the Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue as a Director. Neither the Plan nor the Stock Option confers upon the Optionee any rights to continue to serve as a director.

7. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

8. Amendment. Pursuant to Section 15 of the Plan, the Committee may at any time amend, alter or discontinue the Plan, but no such action may be taken that adversely affects the Optionee's rights under this Agreement without the Optionee's consent.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has executed this Agreement on and as of the day and year first above written.

SURGIVISION, INC.

By: _____

Name: _____

Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

_____

Optionee's Signature

_____

Optionee's Name

Optionee's Address:

_____

_____

_____

Exhibit 10.9

LICENSE AGREEMENT

This Agreement is between The Johns Hopkins University, a corporation of the State of Maryland, having a principal place of business at 2024 E. Monument Street, Suite 2-100, Baltimore, MD 21205 (hereinafter referred to as "JHU") and Surgi-Vision, Inc., a Delaware corporation (hereinafter the "Company"), having an address at Suite 601, 150 Gulf Shore Drive, Destin, Florida 32541.

WITNESSETH:

WHEREAS, as a center for research and education, JHU is interested in licensing PATENT RIGHTS (hereinafter defined) in a manner that will benefit the public by facilitating the distribution of useful products and the utilization of new methods, but is without capacity to commercially develop, manufacture, and distribute any such products or methods; and

WHEREAS, the following PATENT RIGHTS, as later defined, were developed during the course of research conducted by [***], all hereinafter, "Inventors"):

WHEREAS, JHU has acquired through assignment all rights, title and interest, with the exception of certain retained rights by the United States, in said PATENT RIGHTS; and

WHEREAS, the Company desires to commercially develop, manufacture, use and distribute such products and processes based on PATENT RIGHTS throughout the world;

NOW, THEREFORE, in consideration of the foregoing premises and the following mutual covenants, and other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE 1 - - DEFINITIONS

1.1 PATENT RIGHTS" shall mean and include the rights in and to the patents and patent applications listed in Appendix A and any inventions disclosed and claimed in any of the listed patents in Appendix A and all continuations, continuations-in-part, divisions, reexaminations, and reissues of the listed patents and any corresponding foreign patent applications, and any patents, patents of addition, or other equivalent foreign patents issuing, granted or registered thereon.

1.2 "LICENSED PRODUCT(S)" means any material, compositions, drug, process, equipment, or other product, the manufacture, use or sale of which would constitute, but for the license granted to the Company pursuant to this Agreement, an infringement of a claim of PATENT RIGHTS (infringement shall include, but is not limited to, direct, contributory, or inducement to infringe).

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

1.3 "LICENSED SERVICE(S)" means the performance on behalf of a third party of any method which includes the manufacture of any product or the use of any product, process, or composition which would constitute, but for the license granted to the Company pursuant to this Agreement, an infringement of a claim of the PATENT RIGHTS, (infringement shall include, but not be limited to, direct, contributory or inducement to infringe).

1.4 "NET SALES", subject to Paragraphs 4.9 and 4.11, below, shall mean gross sales revenues and fees billed by the Company or any AFFILIATED COMPANY from the sale of LICENSED PRODUCT(S) less trade discounts allowed, refunds, returns and recalls, freight and delivery costs, sales taxes, rebates accrued, incurred or paid to Federal Medicaid or State Medicare or other payors and amounts exactly repaid or credited by reason of rejections or the return of Licensed Products (due to recalls, dating or other reasons) . In the event that the Company, or any AFFILIATED COMPANY sells a LICENSED PRODUCT(S) as part of a kit, the NET SALES for purposes of royalty payments shall be based on that portion of the sales revenues and fees derived from that component of the kit which could independently be sold as a LICENSED PRODUCT.

1.5 "NET SERVICE REVENUES", subject to Paragraphs 4.9 and 4.11, below, shall mean actual billings for the performance of LICENSED SERVICE less sales and/or use taxes imposed upon and with specific reference to the LICENSED SERVICE, and rebates accrued, incurred or paid to Federal Medicaid or State Medicare or other payors and amounts exactly repaid or credited by reason of rejection of services (due to recalls, dating or other reasons).

1.6 "SUBLICENSE REVENUES", shall mean consideration of any kind received by the Company from a sublicensee for sales of LICENSED PRODUCTS or for fees received, such as upfront fees or milestone fees and including any premium paid by the sublicensee over Fair Market Value for stock of the company in considerations for such sublicense; however, not included in Sublicense Revenues are amounts paid to the Company by the sublicensee for product development, research work, clinical studies and regulatory approvals performed by the Company, or third parties on its behalf. The term "Fair Market Value" as used in this Paragraph 1.6 shall mean the average price that the stock in questions is publicly trading at for sixty (60) days prior to the announcement of its purchase by the sublicensee or if the stock is not publicly traded, the value of such stock as determined by the most recent private financing of the Company.

1.7 "AFFILIATED COMPANY" or "AFFILIATED COMPANIES" shall mean any corporation, company, partnership, joint venture or other entity which controls, is controlled by or is under common control with the Company. For purposes of this Paragraph 1.7, control shall mean the direct or indirect ownership of at least fifty percent (50%) of the voting securities of a company.

1.8 "EXCLUSIVE LICENSE" shall mean a grant by JHU to the Company of its entire right and interest in the PATENT RIGHTS, subject to rights retained by the United States government in accordance with P.L. 96-517, as amended by P.L. 98-620, and subject to the retained right of JHU to make, have made, provide and use for its and The Johns Hopkins Health Systems' internal, non-commercial research purposes LICENSED PRODUCT(S) and LICENSED SERVICES.

1.9 EFFECTIVE DATE shall mean the date the Company has issued equity securities representing in the aggregate cash proceeds in the amount of not less than 7,500,000. If the Effective Date does not occur on or before October 1, 1998, this Agreement shall be void abinitio.

1.10 "ROYALTY PAYMENT PERIOD" shall mean the period of time beginning on the fourth anniversary of the EFFECTIVE DATE if on such date the JHU SHARES do not have a fair market value of at least [***] and continuing thereafter until the aggregate payments as described in Paragraph 4.14 below have been paid.

1.11 "JHU SHARES" shall mean the [***] shares of the Company's common stock issued to JHU in consideration of JHU entering into this Agreement together with any securities issued as a result of the ownership of such shares.

1.12 "CORE TECHNOLOGY" is an intravascular, intralumen, or intratissue miniature magnetic resonance coil detection probe as described in the PATENT RIGHTS.

1.13 "IMPROVEMENT" is any invention that results from the Research Agreement funded by the Company and made by a JHU employee in the FIELD OF USE.

1.14 "FIELD OF USE" is a diagnostic or therapeutic method, process or device using CORE TECHNOLOGY and excludes diagnostic or therapeutic methods, processes or devices not using CORE TECHNOLOGY.

1.15 "NEW DISCOVERY" means any invention that results from work under the Research Agreement funded by the Company and made by a JHU employee and that is not in the Field of Use.

1.16 "TERRITORY" means the world

1.17 "RESEARCH AGREEMENT" means a certain Research Agreement dated June 30, 1998, between JHU and the Company pertaining to the research directed to the CORE TECHNOLOGY, including specific STATEMENTS OF WORK addressing specific applications and clinical research.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ARTICLE 2 - GRANTS

2.1 Subject to the terms and conditions of this Agreement, on the EFFECTIVE DATE JHU will grant to the Company an EXCLUSIVE LICENSE to make, have made, use, and sell the LICENSED PRODUCT(S) and to provide the LICENSED SERVICE(S) in the TERRITORY within the FIELD OF USE under the PATENT RIGHTS.

2.2 The Company may sublicense to others under this Agreement and shall provide a copy of each such sublicense agreement to JHU promptly after it is executed. Each sublicense shall include those previsions contained herein which by their terms are to be binding upon a sublicensee.

2.3 The Company shall, at its option, have the right to include within the definition of PATENT RIGHTS any inventions resulting from work under the Research Agreement funded by the Company and invented by a JHU employee that is an IMPROVEMENT. The exercise of such option shall entitle the Company to receive an EXCLUSIVE LICENSE within the FIELD OF USE with respect to the IMPROVEMENTS, to make, have made, use, and sell the LICENSED PRODUCT(S) and to provide the LICENSED SERVICE(S) in the TERRITORY under such PATENT RIGHTS. JHU shall promptly notify the Company, in writing, of any such IMPROVEMENTS and the Company shall have sixty (60) days thereafter in which to elect to exercise such option by providing JHU with written notice. Upon such notice, the elected IMPROVEMENT shall be included in PATENT RIGHTS and governed by the terms of this Agreement. Any such notice from JHU shall specify if the IMPROVEMENT has been patented or if a patent application has been filed with respect to the same, and such patents or patent applications shall be added to Appendix A.

2.4 The Company shall have a first right of negotiation for an exclusive, world-wide, license with respect to any NEW DISCOVERY resulting from work under the Research Agreement funded by the Company and invented by a JHU employee. The financial considerations to be received by JHU for such inventions shall be reasonable for the nature of the NEW DISCOVERY considering its market potential and stage of development. JHU shall promptly notify the Company, in writing, of any such IMPROVEMENTS or NEW DISCOVERIES and the Company shall have sixty (60) days thereafter in which to elect to exercise such option. If the Company elects to exercise such option the parties agree to negotiate in good faith the terms of any such license.

ARTICLE 3 - PATENT INFRINGEMENT

3.1 Each party will notify the other promptly in writing when any infringement by another is uncovered or suspected.

3.2 The Company shall have the first right to enforce any patent within PATENT RIGHTS against any infringement or alleged infringement thereof, and shall at all times keep JHU informed as to the status thereof. The Company may, in its sole judgment and at its own expense, institute suit against any such infringer or alleged infringer and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof and recover, for its account, any damages, awards or settlements resulting therefrom, subject to Paragraph 3.4. This right to sue for infringement shall not be used in an arbitrary or capricious manner. JHU shall reasonably cooperate in any such litigation at its own expense.

3.3 If the Company elects not to enforce any patent within the PATENT RIGHTS, then it shall so notify JHU in writing within six (6) months of receiving notice that an infringement exists, and JHU may, in its sole judgment and at its own expense, take steps to enforce any patent and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover, for its own account, any damages, awards or settlements resulting therefrom. The Company shall reasonably cooperate in any such litigation at its own expense.

3.4 Any recovery by the Company under Paragraph 3.2 shall be deemed to reflect loss of commercial sales and the Company shall pay to JHU the same percent of the recovery net of all reasonable costs and expenses associated with each suit or settlement as if such net constituted Net Sales. If the cost and expenses exceed the recovery, then [***] of the excess shall be credited against royalties payable by the Company to JHU hereunder in connection with sales in the country of such legal proceedings, provided, however, that any such credit under this Paragraph 3.4 shall not exceed [***] of the royalties otherwise payable to JHU with regard to sales in the country of such action in any one calendar year, with any excess credit being carried forward to future calendar years.

ARTICLE 4 - PAYMENTS, ROYALTY, RESEARCH SUPPORT AND EQUITY

4.1 The Company will reimburse JHU for the reasonable costs and efforts of preparing, filing, maintaining and prosecuting PATENT RIGHTS through June 30, 1998 provided that such costs shall not exceed $79,623.85 in the aggregate. The Company shall reimburse JHU within thirty (30) days of receipt of invoice from JHU. The Company shall also reimburse JHU out of pocket expenses to have the corporate formation documents and fund raising documents reviewed by outside counsel not to exceed $15,000.

4.2 The Company shall pay to JHU within thirty (30) days of the EFFECTIVE DATE, a processing fee of Fifty Thousand Dollars ($50,000). This payment is nonrefundable and shall not be credited against royalties or other fees.

4.3 The Company shall pay to JHU a [***] annual maintenance fee due within thirty (30) days of each anniversary of the EFFECTIVE DATE. Such fees are nonrefundable and shall not be credited against royalties or other fees.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

4.4 Subject to the limitations set forth in Paragraph 4.14 below, the Company shall pay to JHU, as a running royalty during the ROYALTY PAYMENT PERIOD, for each LICENSED PRODUCT sold, and for each LICENSED SERVICE provided by the Company and AFFILIATED COMPANIES, five percent (5%) of NET SALES and NET SERVICE REVENUES. Such payments shall be made quarterly as provided in Paragraph 4.7.

4.5 Subject to the limitations set forth in Paragraph 4.14 below, the Company shall pay to JHU, as a running royalty during the ROYALTY PAYMENT PERIOD, twenty percent (20%) of SUBLICENSE REVENUES received by the Company and any AFFILIATED COMPANY. Such payments shall be made quarterly as provided in Paragraph 4.7.

4.6 The Company shall pay to JHU [***] upon the first commercial sale of a LICENSED PRODUCT or LICENSED SERVICE following receipt of FDA marketing approval. Such fee shall be non-refundable and will be credited against future royalties.

4.7 During the ROYALTY PAYMENT PERIOD the Company shall provide to JHU within forty-five (45) days of the end of each March, June, and September and within ninety (90) days of the end of each December, a written report to JHU of the amount of LICENSED PRODUCTS sold, LICENSED SERVICES sold, the total NET SALES, NET SERVICE REVENUES of such LICENSED PRODUCTS and LICENSED SERVICES, and the running royalties due to JHU as a result of NET SALES, NET SERVICE REVENUES and SUBLICENSE REVENUES received by the Company and AFFILIATED COMPANIES. Payment of any such royalties due shall accompany such report. Until the Company, an AFFILIATED COMPANY or a sublicensee has achieved a first commercial sale of a LICENSED PRODUCT and received FDA market approval, a report shall be submitted at the end of every June and December after the EFFECTIVE DATE and will include a full written report describing the Company's, AFFILIATED COMPANIES or sublicensee's technical efforts towards meeting the milestones in Article 6.

4.8 The Company shall make and retain, for a period of three (3) years following the period of each report required by Paragraph 4.7, true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of sales and other information required in Paragraph 4.7. Such books and records shall be in accordance with generally accepted accounting principles consistently applied. The Company shall permit the inspection and copying of such records, files and books of account by JHU or its agents during regular business hours upon ten (10) business days' written notice to the Company. Such inspection shall not be made more than once each calendar year. All costs of such inspection and copying shall be paid by JHU, provided that if any such inspection shall reveal that an error has been made in the amount equal to ten percent (10%) or more of such payment, such costs shall be borne by

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

the Company. The Company shall include in any agreement with its AFFILIATED COMPANIES or its sublicensees which permits such party to make, use or sell the LICENSED PRODUCT(S) or provide LICENSED SERVICES, a provision requiring such party to retain records of sales of LICENSED PRODUCT(S) and records of LICENSED SERVICES and other information as required in Paragraph 4.7 and permit JHU to inspect such records as required by this Paragraph 4.8.

4.9 No royalties shall be payable on LICENSED PRODUCT sales or LICENSED SERVICE activities between the Company and any AFFILIATED COMPANIES, in which event the royalty shall be based upon the NET SALES or NET SERVICE REVENUES of the AFFILIATED COMPANY.

4.10 No multiple royalties shall be due and payable because any LICENSED PRODUCTS or LICENSED SERVICES are covered by more than one patent which is within the definition of PATENT RIGHTS.

4.11 In order to insure JHU the full royalty payments contemplated hereunder, the Company agrees that in the absence of a written consent by JHU to the terms of any agreement, understanding, or arrangement between the Company or any AFFILIATED COMPANY and a corporation, firm or association (hereinafter referred to as an "Inside Customer") under which the Company or an AFFILIATED COMPANY has or will receive other consideration (such as, among other things, an option to purchase stock or actual stock ownership, or an arrangement involving division of profits or special rebates or allowances) any royalties on LICENSED PRODUCT sold or LICENSED SERVICE provided by the Company or an AFFILIATED COMPANY to such Inside Customer shall be based upon the greater of: 1) the net selling price at which the Insider Customer resells LICENSED PRODUCTS, 2) the net service revenue received by the Inside Customer from using the LICENSED PRODUCT in providing a service, 3) the fair market value of the LICENSED PRODUCT or 4) the net selling price of LICENSED PRODUCTS paid by the Inside Customer. In the event JHU is requested to consent to an agreement with an Inside Customer, JHU agrees to act promptly in the matter.

4.12 JHU agrees that no royalties shall be due for the internal use of the LICENSED PRODUCTS for research and commercial development purposes by the Company and AFFILIATED COMPANIES or for use by third parties in seeking governmental and professional approvals, certifications or endorsements, or for training purposes, except where the Company or any AFFILIATED COMPANY receives revenues for the sale of the LICENSED PRODUCT to the organization using the device for such stated proposes.

4.13 All payments under this Agreement shall be made in U.S. Dollars.

4.14 The cumulative royalty payments to be paid by the Company under Paragraphs 4.4 and 4.5 above shall not exceed in the aggregate [***] less the fair market value of the JHU SHARES on the fourth anniversary of the EFFECTIVE DATE.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

4.15 The Company shall pay to JHU, as a running royalty one percent (1%) of NET SALES and/or NET SERVICE REVENUES and/or 10% of SUBLICENSE REVENUES received by the Company and any AFFILIATED COMPANY for the term of this Agreement for any IMPROVEMENTS that are covered by a patent granted in the country from which the LICENSED PRODUCT or LICENSED SERVICE is made, used or practiced. Such royalty shall not be accumulative based on the number of patented IMPROVEMENTS but will be 1% of NET SALES or NET SERVICE REVENUES or 10% of SUBLICENSE REVENUES of each product covered by one or more such patented IMPROVEMENTS. Such payments shall be made quarterly as provided in Paragraph 4.7. For IMPROVEMENTS not covered by a patent no royalty shall be paid by the Company.

4.16 The Company shall not pay to JHU any royalty on any IMPROVEMENTS that are not covered by a patent granted in the country from which the LICENSED PRODUCT or LICENSED SERVICE is made, used, sold or practiced.

ARTICLE 5 - PATENT RIGHTS AND CONFIDENTIAL INFORMATION

5.1 The Company, at its own expense, shall file, prosecute and maintain all patents and patent applications specified under PATENT RIGHTS and the Company shall be licensed thereunder. Title to all such patents and patent applications shall reside in JHU. The Company shall have control over all patent matters in connection therewith under the PATENT RIGHTS, subject to review and approval by JHU, such approval not to be unreasonably withheld, and shall keep JHU informed of its actions by sending copies of all filings with the PTO to JHU. In any country where the Company elects not to have a patent application filed or fails to prosecute or maintain a patent application or patent, JHU may file, prosecute, and/or maintain a patent application or patent at its own expense and for its own exclusive benefit and the Company thereafter shall not be licensed under such patent or patent application.

5.2 The Company agrees that all packaging containing individual LICENSED PRODUCT(S) sold by the Company, AFFILIATED COMPANIES and sublicensees of the Company will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws.

5.3 If necessary, the parties will exchange information which they consider to be confidential. The recipient of such information agrees to accept the disclosure of said information which is marked as confidential at the time it is sent to the recipient, and to employ all reasonable efforts to maintain the information secret and confidential, such efforts to be no less than the degree of care employed by the recipient to preserve and safeguard its own confidential information. The information shall not be disclosed or revealed to anyone except employees of the recipient who have a need to know the information and who have entered into a confidentiality agreement with the recipient under which such employees are required to maintain confidential the proprietary information of the recipient and such employees shall be advised by the recipient of the

confidential nature of the information and that the information shall be treated accordingly. The recipient's obligations under this Paragraph 5.3 shall not extend to any part of the information:

a. that can be demonstrated to have been in the public domain or publicly known and readily available to the trade or the public prior to the date of the disclosure; or

b. that can be demonstrated, from written records to have been in the recipient's possession or readily available to the recipient from another source not under obligation of confidentiality to the disclosing party prior to the disclosure; or

c. that becomes part of the public domain or publicly known by publication or otherwise, not due to any unauthorized act by the recipient; or

d. that is demonstrated from written records to have been developed by or for the receiving party without reference to confidential information disclosed by the disclosing party.

The obligations of this Paragraph 5.3 shall also apply to AFFILIATED COMPANIES and/or sublicensees provided such information by the Company. JHU's, the Company's, AFFILIATED COMPANIES, and sublicensees' obligations under this Paragraph 5.3 shall extend until three (3) years after the termination of this Agreement.

ARTICLE 6 - TERM, MILESTONES AND TERMINATION

6.1 This Agreement shall expire in each country on the date the last patent included within PATENT RIGHTS expires or is rendered invalid in that country or if no patents issue, twenty (20) years from the EFFECTIVE DATE.

6.2 After an NDA or PLA has been obtained from the FDA, the Company shall exercise commercially reasonable efforts to market a product included in LICENSED PRODUCTS in the TERRITORY, conditioned upon obtaining regulatory approval in each particular foreign nation or region.

6.3 After clinical or other evidence, provided in writing [***], to the Company, demonstrates the practicality of a particular application or technique which is not being developed or commercialized by the Company, The Company shall either provide JHU with a reasonable development plan and start development or attempt to reasonably sublicense the particular technology to a third party. If within six (6) months of such notification [***], The Company has not initiated such development efforts or sublicensed that particular technique, JHU may terminate this license for such particular application or technique. This Paragraph 6.3 shall not be applicable if the Company reasonably demonstrates to JHU that commercializing such LICENSED PRODUCT(S) or granting such a sublicense would have a potentially adverse

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

commercial effect upon marketing or sales of the LICENSED PRODUCTS developed and being sold by the Company.

6.4 Upon breach or default of any of the terms and conditions of this Agreement, the defaulting party shall be given written notice of such default in writing and a period of sixty (60) days after receipt of such notice to correct the default or breach. If the default or breach is not corrected within said sixty (60) day period, the party not in default shall have the right to terminate this Agreement.

6.5 The Company may terminate this Agreement and the license granted herein, for any reason, upon giving JHU sixty (60) days written notice.

6.6 Termination shall not affect JHU's right to recover unpaid royalties or fees or reimbursement for patent expenses incurred pursuant to Paragraph 4.1 prior to termination. Upon termination all rights in and to the licensed technology shall revert to JHU at no cost to JHU, except as provided in Paragraph 6.7 below.

6.7 In the event the Company sublicenses any of the rights granted it herein, JHU agrees that such sublicense shall survive termination of this Agreement if the default or breach causing termination did not occur under such sublicense and the sublicensee agrees to substitute JHU as the sublicensor and to pay the royalties due thereunder without imposing upon JHU any of the sublicensor's obligations under the sublicense.

ARTICLE 7 - MISCELLANEOUS

7.1 All notices pertaining to this Agreement shall be in writing and sent certified mail, return receipt requested, to the parties at the following addresses or such other address as such party shall have furnished in writing to the other party in accordance with this Paragraph 7.1:

FOR JHU:
Howard Califano, Esq.
Assistant Dean and Director
Office of Technology Licensing
The Johns Hopkins University
School of Medicine
2024 E. Monument St., Suite. 2-100
Baltimore, MD 21205

FOR the Company:
Steve Gorlin
Chairman of the Board
Surgi-Vision, Inc.
150 Gulf Shore Drive
Unit 601
Destin FL 32541

7.2 All written progress reports, royalty and other payments, and any other related correspondence shall be in writing and sent to:

FOR JHU:
Howard Califano, Esq.
Assistant Dean and Director
Office of Technology Licensing
The Johns Hopkins University
School of Medicine
2024 E. Monument St., Suite. 2-100
Baltimore, MD 21205

or such other addressee which JHU may designate in writing from time to time. Checks are to be made payable to "The Johns Hopkins University".

7.3 This Agreement is binding upon and shall inure to the benefit of JHU, its successors and assignees and shall not be assignable to another party without the written consent of JHU, which consent shall not be unreasonably withheld, except that the Company shall have the right to assign this Agreement to another party without the consent of JHU in the case of the sale or transfer by the Company of all, or substantially all, of its assets relating to the LICENSED PRODUCT or LICENSED SERVICE, to that party.

7.4 In the event that any one or more of the provisions of this Agreement should for any reason be held by any court or authority having jurisdiction over this Agreement, or over any of the parties hereto to be invalid, illegal or unenforceable, such provision or provisions shall be reformed to approximate as nearly as possible the intent of the parties, and if unreformable, shall be divisible and deleted in such jurisdictions; elsewhere, this Agreement shall not be affected.

7.5 The construction, performance, and execution of this Agreement shall be governed by the laws of the State of Maryland.

7.6 The Company shall not use the name of THE JOHNS HOPKINS UNIVERSITY or THE JOHNS HOPKINS HEALTH SYSTEM or any of its constituent parts, such as the Johns Hopkins Hospital or any contraction thereof or the name of Inventors of PATENT RIGHTS in any advertising, promotional, sales literature or fundraising

documents without prior written consent from an officer of JHU except to the extent that such disclosures are determined by counsel for the Company to be necessary or desirable to comply with applicable laws and governmental regulations. The Company shall allow at least seven (7) business days notice of any proposed public disclosure for JHU's review and comment or to provide written consent.

7.7 JHU warrants that it has good and marketable title to its interest in the inventions claimed under PATENT RIGHTS WITH THE EXCEPTION OF CERTAIN RETAINED RIGHTS OF THE UNITED STATES GOVERNMENT. JHU DOES NOT WARRANT THE VALIDITY OF ANY PATENTS OR THAT PRACTICE UNDER SUCH PATENTS SHALL BE FREE OF INFRINGEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 7.7, COMPANY, AFFILIATED COMPANIES AND SUBLICENSEES AGREE THAT THE PATENT RIGHTS ARE PROVIDED "AS IS", AND THAT JHU MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE PERFORMANCE OF LICENSED PRODUCT(S) AND LICENSED SERVICES INCLUDING THEIR SAFETY, EFFECTIVENESS, OR COMMERCIAL VIABILITY. JHU DISCLAIMS ALL WARRANTIES WITH REGARD TO PRODUCT(S) AND SERVICES LICENSED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, JHU ADDITIONALLY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES ON THE PART OF JHU AND INVENTORS, FOR DAMAGES, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, SPECIAL, AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF JHU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FEES OR COSTS), ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, USE, OR SALE OF THE PRODUCT(S) AND SERVICES LICENSED UNDER THIS AGREEMENT. THE COMPANY, AFFILIATED COMPANIES AND SUBLICENSEES EACH ASSUME ALL RESPONSIBILITY AND LIABILITY FOR LOSS OR DAMAGE CAUSED BY A PRODUCT AND SERVICE MANUFACTURED, USED, OR SOLD BY THAT ENTITY WHICH IS A LICENSED PRODUCT OR LICENSED SERVICE AS DEFINED IN THIS AGREEMENT.

7.8 JHU and the Inventors of LICENSED PRODUCT(S) and LICENSED SERVICES will not, under the provisions of this Agreement or otherwise, have control over the manner in which the Company or its AFFILIATED COMPANIES or its sublicensees or those operating for its account or third parties who purchase LICENSED PRODUCT(S) or LICENSED SERVICES from any of the foregoing entities, practice the inventions of LICENSED PRODUCT(S) and LICENSED SERVICES. The Company shall defend and hold JHU, The Johns Hopkins Health Systems, their present and former trustees, officers, Inventors of PATENT RIGHTS, agents, faculty, employees and students harmless as against any judgments, fees, expenses, or other costs arising from or incidental to any product liability or other lawsuit, claim, demand or other action brought as a consequence of the practice of said inventions by any of the foregoing entities,

whether or not JHU or said Inventors, either jointly or severally, is named as a party defendant in any such lawsuit. Practice of the inventions covered by LICENSED PRODUCT(S) and LICENSED SERVICES, by an AFFILIATED COMPANY or an agent or a sublicensee or a third party on behalf of or for the account of the Company or by a third party who purchases LICENSED PRODUCT(S) and LICENSED SERVICES from the Company, shall be considered the Company's practice of said inventions for purposes of this Paragraph 7.8. The obligation of the Company to defend and indemnify as set out in this Paragraph 7.8 shall survive the termination of this Agreement.

7.9 Prior to initial human testing or first commercial sale of any LICENSED PRODUCT or LICENSED SERVICE as the case may be in any particular country, the Company shall, to the best of its ability, establish and maintain, in each country in which the Company, an AFFILIATED COMPANY or sublicensee shall test or sell LICENSED PRODUCT(S) and LICENSED SERVICES, product liability or other appropriate insurance coverage appropriate to the risks involved in marketing LICENSED PRODUCT(S) and LICENSED SERVICES and will annually present evidence to JHU that such coverage is being maintained. Upon JHU's request, the Company will furnish JHU with a Certificate of Insurance of each product liability insurance policy obtained and agrees to increase or change the kind of insurance pertaining to the LICENSED PRODUCT(S) and LICENSED SERVICES at the request of JHU. JHU shall be listed as an additional insured in the Company's said insurance policies.

7.10 JHU may publish manuscripts, abstracts or the like describing the PATENT RIGHTS and inventions contained therein provided the necessary filings for protection of any such rights under applicable patent laws have been made and confidential information of the Company as defined in Paragraph 5.3, is not included or without first obtaining approval from the Company to include such matters for which patents have not been filed or confidential information. Otherwise, unless otherwise agreed to by the parties, JHU and the Inventors shall be free to publish manuscripts and abstracts or the like directed to the work done at JHU related to the licensed technology without prior approval, provided, however, in any such materials the author will note that the Company has been granted the exclusive license to the PATENT RIGHTS.

7.11 JHU represents that the PATENT RIGHTS include all potential patents and patent applications owned or controlled by JHU that describe the CORE TECHNOLOGY as of the EFFECTIVE DATE and that such patents and patent applications are in force or are pending in the appropriate patent offices or being prepared as of the EFFECTIVE DATE.

7.12 This Agreement constitutes the entire understanding between the parties with respect to the obligations of the parties with respect to the subject matter hereof, and supersedes and replaces all prior agreements, understandings, writings, and discussions between the parties relating to said subject matter.

7.13 This Agreement may be amended and any of its terms or conditions may be waived only by a written instrument executed by the authorized officials of the parties or, in the case of a waiver, by the party waiving compliance. The failure of either party at

any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by either party of any condition or term in any one or more instances shall be construed as a further or continuing waiver of such condition or term or of any other condition or term.

7.14 This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

7.15 Upon termination of this Agreement for any reason, Paragraphs 5.3, 7.6,7.7, 7.8, 7.9, and 7.14 shall survive termination of this Agreement.

7.16 This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the respective parties hereto have executed this Agreement by their duly authorized officers on the date appearing below their signatures.

THE JOHNS HOPKINS UNIVERSITY

By: /s/ Edward D. Miller, M.D.
Edward D. Miller, M.D.
Chief Executive Officer, Johns Hopkins Medicine
Dean of Medical Faculty, School of Medicine

Date: as of June 30, 1998

SURGI-VISION, INC.

By: /s/ Steve Gorlin
Steve Gorlin
Title: President

Date: as of June 30, 1998

I HAVE READ AND AGREE TO ABIDE BY THE TERMS OF THIS AGREEMENT

By : /s/ [***]

Printed Name: [***]

Date : as of June 30, 1998

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

By: /s/ [***]

Printed Name: [***]

Date: 7/6/98

By: /s/ [***]

Printed Name: [***]

Date: 7/6/98

By: /s/ [***]

Printed Name: [***]

Date: 7/8/98

By: /s/ [***]

Printed Name: [***]

Date: 7/13/98

By: /s/ [***]

Printed Name: [***]

Date: 7/7/98

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

By: /s/ [***]

Printed Name: [***]

Date: 7/16/98

By: /s/ [***]

Printed Name: [***]

Date: 7/7/98

By: /s/ [***]

Printed Name: [***]

Date: 7/13/98

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

APPENDIX A

PATENT RIGHTS

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

AMENDMENT TO LICENSE AGREEMENT

THIS AMENDMENT TO LICENSE AGREEMENT (this "Agreement") is made on this 15th day of January 2000, to be effective as of June 30, 1998, by and between The Johns Hopkins University, a non-profit educational institution, having a principal place of business at 3400 N. Charles Street, Baltimore, Maryland, (the "JHU"), and Surgi-Vision, Inc. a Delaware corporation, having an address at Suite 601, 150 Gulf Shore Drive, Destin, Florida 32541 (the "Company"). Unless otherwise defined herein, all capitalized terms have the meanings set forth in the License Agreement dated as of June 30, 1998 by and between JHU and the Company (the "License Agreement").

EXPLANATORY STATEMENT

WHEREAS, JHU and the Company are parties to the License Agreement for certain PATENT RIGHTS involving magnetic resonance coil detection probes; and

WHEREAS, subsequent to the EFFECTIVE DATE of the License Agreement, JHU acquired through assignment rights, title and interest to an invention developed by [***], employees of JHU, entitled [***] for which patent applications have been filed (the "Invention"); and

WHEREAS, JHU and the Company desire to amend the License Agreement to include the Invention within the PATENT RIGHTS set forth on Appendix A of the License Agreement subject to the terms and conditions of the License Agreement as amended as set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. License of Invention. JHU and the Company hereby amend the License Agreement to include the Invention under the PATENT RIGHTS licensed to the Company.

2. Amendment of Appendix A. JHU and the Company hereby amend Appendix A of the License Agreement to incorporate the following description of the Invention:

6. [***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

3. Patent Cost Reimbursement. The Company will reimburse JHU for the reasonable costs and efforts of preparing, filing, maintaining, and prosecuting the patent applications for the Invention through the date of this Agreement. The Company shall reimburse JHU within thirty (30) days of receipt of an invoice from JHU.

4. Payments under the License Agreement. The Company acknowledges that the Invention falls within the definition of LICENSED PRODUCT(s) and/or LICENSED SERVICE(s) under the License Agreement and that all payment provisions pertaining to the sale LICENSED PRODUCT(s) or LICENSED SERVICE(s) containing of Article 4 of the License Agreement will apply to the Invention.

5. Statement of Work for Research Agreement.
Contemporaneously with the execution of this Agreement, the Company and JHU are entering into a Statement of Work under the terms of the Research Agreement dated as of June 30, 1998 by and between the Company and JHU which Statement of Work provides for the nonrefundable payment by the Company to JHU of [***] to fund research in the laboratories of [***] for a period of twelve months.

6. Warrant to Purchase Shares of Common Stock.
Contemporaneously with the execution of this Agreement, the Company is issuing to JHU a warrant to purchase [***] shares of the Company's Common Stock at an exercise price of [***] per share (the "Warrant") which Warrant shall be exercisable for a period of ten (10) years.

7. Miscellaneous

(a) Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

(b) Entire Agreement. The License Agreement together with this Agreement, constitute the entire understanding between the parties with respect to the obligations of the parties with respect to the subject matter hereof, and supersedes and replaces all prior agreements, understandings, writings, and discussions between the parties relating to the subject matter of those agreements. Except as modified by this Agreement, all other terms and conditions of the License Agreement remain in full force and effect.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

IN WITNESS WHEREOF, the respective parties hereto have executed this Agreement by their duly authorized officers on the date appearing below their signatures.

SURGI-VISION, INC

By: /s/ Nancy E. Taylor
Name:
Title:

THE JOHNS HOPKINS UNIVERSITY

By: /s/ Estelle A. Fishbein
Name: Estelle A. Fishbein.
Title: Vice President and General Counsel

I HAVE READ AND AGREE TO ABIDE BY THE TERMS OF THIS AGREEMENT:

/s/ [***]
[***]

/s/ [***]
[***]

/s/ [***] 1/14/2000
[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ATTACHMENT A

PATENT RIGHTS

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ADDENDUM TO LICENSE AGREEMENT

This Addendum to License Agreement between The Johns Hopkins University, a corporation of the State of Maryland, having a principal place of business at 100 N. Charles Street, 5th Floor, Baltimore, MD 21201 (hereinafter referred to as "JHU") and Surgi-Vision, Inc., a Delaware corporation (hereinafter "SVI"), having an address at 200 N Cobb Parkway, Suite 140, Marietta, Georgia, is being executed on the date set forth below to clarify and amend that License Agreement entered into by these parties on or about June 30, 1998 and as first Amended on or about January 14, 2000 (hereafter "Agreement").

WITNESSETH:

WHEREAS, JHU and SVI wish to clarify and update the PATENT RIGHTS licensed under the Agreement as outlined in Appendix A of the Agreement;

THE PARTIES HEREBY AGREE AS FOLLOWS:

Licensed PATENT RIGHTS shall include the issued U.S. Patents and pending U.S. Patent Applications listed below:

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed in duplicate by their duly authorized officers.

THE JOHNS HOPKINS UNIVERSITY

By /s/ R. Keith Baker, Ph.D.
R. Keith Baker, Ph.D.
Senior Director,
Technology Licensing

SURGI-VISION, INC.

By /s/ Kim Jenkins
Kim Jenkins
CEO Surgi-Vision, Inc.
Date: 12/09/04

Exhibit 10.10

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") is entered into by and between THE JOHNS HOPKINS UNIVERSITY, a Maryland corporation having an address at 3400 N. Charles Street, Baltimore, Maryland, 21218-2695 ("JHU") and Surgi-Vision, Inc. a Delaware corporation having an address at 200 N. Cobb Parkway, Suite 140, Marietta, Georgia ("Company"), with respect to the following:

RECITALS

WHEREAS, as a center for research and education, JHU is interested in licensing PATENT RIGHTS (hereinafter defined) in a manner that will benefit the public by facilitating the distribution of useful products and the utilization of new processes, but is without capacity to commercially develop, manufacture, and distribute any such products or processes; and

WHEREAS, valuable invention(s) entitled [***] developed during the course of research conducted by [***]; and [***] developed during the course of research conducted by [***] (all hereinafter, "Inventors"); and

WHEREAS, JHU has acquired through assignment all rights, title and interest, with the exception of certain retained rights by the United States Government, in its interest in said valuable inventions; and

WHEREAS, Company desires to obtain certain rights in such inventions as herein provided, and to commercially develop, manufacture, use and distribute products and processes based upon or embodying said valuable inventions throughout the world;

NOW THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

All references to particular Exhibits, Articles or Paragraphs shall mean the Exhibits to, and Paragraphs and Articles of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits hereto, the following words and phrases shall have the following meanings:

1.1 "AFFILIATED COMPANY" as used herein in either singular or plural shall mean any corporation, company, partnership, joint venture or other entity, which controls, is controlled

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

by or is under common control with Company. For purposes of this Paragraph 1.1, control shall mean the direct or indirect ownership of at least fifty- percent (50%).

1.2 "EFFECTIVE DATE" of this License Agreement shall mean the date the last party hereto has executed this Agreement.

1.3 "EXCLUSIVE LICENSE" shall mean a grant by JHU to Company of its entire right and interest in the PATENT RIGHTS subject to rights retained by the United States Government, if any, in accordance with the Bayh-Dole Act of 1980 (established by P.L. 96-517 and amended by P.L. 98-620, codified at 35 USC § 200 et. seq. and implemented according to 37 CFR Part 401), and subject to the retained right of JHU to make, have made, provide and use for its and The Johns Hopkins Health Systems' non-commercial purposes LICENSED PRODUCT(S) and LICENSED SERVICE(S).

1.4 "LICENSED FIELD" shall mean all fields.

1.5 "LICENSED PRODUCT(S)" as used herein in either singular or plural shall mean any process or method, material, compositions, drug, medical devices or other product, the manufacture, use, import, offer for sale or sell of which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of PATENT RIGHTS (infringement shall include, but is not limited to, direct, contributory, or inducement to infringe).

1.6 "LICENSED SERVICE(S)" as used herein in either singular or plural shall mean the performance by Company, AFFILIATED COMPANY or SUBLICENSEE(S) of any method, including drug discovery or screening, or the manufacture of any product or the use of any product or composition which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of the PATENT RIGHTS, (infringement shall include, but not be limited to, direct, contributory or inducement to infringe).

1.7 "NET SALES" shall mean gross sales revenues and fees billed by Company and/or AFFILIATED COMPANY from the sale of LICENSED PRODUCT(S) less trade discounts allowed, refunds, returns and recalls, freight and delivery costs, sales taxes, rebates accrued, incurred or paid to State or Federal agencies such as Medicaid or Medicare or other payors. In the event that Company and/or AFFILIATED COMPANY sells a LICENSED PRODUCT(S) as part of a kit, the NET SALES for purposes of royalty payments shall be based on that portion of the sales revenues and fees derived from that component of the kit which could independently be sold as a LICENSED PRODUCT(S).

1.8 **"NET SERVICE REVENUES"** shall mean gross service revenues and fees billed by Company and/or AFFILIATED COMPANY for the performance of LICENSED SERVICE(S) less sales and/or use taxes imposed upon and with specific reference to the LICENSED SERVICE(S), but only where LICENSED SERVICES are sold or used separately from manufacture or sale of a LICENSED PRODUCT. In the event that Company and/or AFFILIATED COMPANY or sells a LICENSED SERVICE(S) in combination with other services or substances or as part of a kit that does not include a LICENSED PRODUCT, the NET SERVICE REVENUES for purposes of royalty payments shall be based on the sales revenues and fees received from the kit.

1.9 "PATENT RIGHTS" shall mean the PCT patent application Serial No. [***], filed on [***], and assigned to JHU entitled [***]; and US Patent No. [***], issued [***], and assigned to JHU entitled [***] and the invention disclosed and claimed therein, and all divisions, continuations, and continuations-in-part (to the extent that such continuations-in-part are not encumbered by third party rights and the claims in the continuations-in-part are supported by the original disclosures of the parent applications) and reissues based thereof, and any corresponding foreign patent applications, and any patents, or other equivalent foreign PATENT RIGHTS issuing, granted or registered thereon.

1.10 "SUBLICENSEE(S)" as used herein in either singular or plural shall mean any person or entity other than an AFFILIATED COMPANY to which Company has granted a sublicense to the Patent Rights under this Agreement.

1.11 "1998 JHU-SURGIVISION LICENSE AGREEMENT" shall mean the Exclusive License Agreement entered into by JHU and Company on or about June 30, 1998 and as amended by the Addendum to License Agreement executed on or about December 9, 2004.

ARTICLE 2
LICENSE GRANT

2.1 Grant. Subject to the terms and conditions of this Agreement, JHU hereby grants to Company an EXCLUSIVE LICENSE to make, have made, use, import, offer for sale and sell the LICENSED PRODUCT(S) and to provide and practice the LICENSED SERVICE(S) in the United States and worldwide under the PATENT RIGHTS in the LICENSED FIELD each of the above license grants including the right to sublicense and the right to collect for past, present and future damages. This Grant shall apply to the Company and any AFFILIATED COMPANY, except that any AFFILIATED COMPANY shall not have the right to sublicense others as set forth in Paragraph 2.2 below. If any AFFILIATED COMPANY exercises rights under this Agreement, such AFFILIATED COMPANY shall be bound by all terms and conditions of this Agreement, including but not limited to indemnity and insurance provisions and royalty payments, which shall apply to the exercise of the rights, to the same extent as would apply had this Agreement been directly between JHU and the AFFILIATED COMPANY. In addition, Company shall remain fully liable to JHU for all acts and obligations of AFFILIATED COMPANY such that acts of the AFFILIATED COMPANY shall be considered acts of the Company for purposes of this Agreement.

2.2 Sublicense. Company may sublicense to others under this Agreement, subject to the terms and conditions of this Paragraph and subject to JHU's prior written approval of the sublicense agreement. Such approval shall not be unreasonably withheld. As a condition to its validity and enforceability, each sublicense agreement shall: (a) incorporate by reference the

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

terms and conditions of this Agreement, (b) be consistent with the terms, conditions and limitations of this Agreement, (c) prohibit SUBLICENSEE'S further sublicense of the rights delivered hereunder except that such prohibition shall not preclude SUBLICENSEE'S right to use third parties to manufacture or distribute devices on behalf of SUBLICENSEE, (d) name JHU as an intended third party beneficiary of the obligations of SUBLICENSEE without imposition of obligation or liability on the part of JHU or its Inventors to the SUBLICENSEE, (e) specifically incorporate Paragraphs 6.2 "Representations by JHU", 7.1 "Indemnification", 10.1 "Use of Name", 10.4 "Product Liability" into the body of the sublicense agreement, and cause the terms used in therein to have the same meaning as in this Agreement, and, (f) bear signature from JHU indicating JHU's review and approval of the sublicense agreement. Company shall provide to JHU each proposed sublicense agreement, executed by both Company and proposed SUBLICENSEE, for review, approval and signature by JHU. To the extent that any terms, conditions or limitations of any sublicense agreement are inconsistent with this Agreement, those terms, conditions and limitations are null and void against JHU, even though JHU has approved the sublicense in writing.

2.3 Government Rights. The United States Government may have acquired a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the inventions described in PATENT RIGHTS throughout the world. The rights granted herein are additionally subject to: (i) the requirement that any LICENSED PRODUCT(S) produced for use or sale within the United States shall be substantially manufactured in the United States (unless a waiver under 35 USC § 204 or equivalent is granted by the appropriate United States government agency), (ii) the right of the United States government to require JHU, or its licensees, including Company, to grant sublicenses to responsible applicants on reasonable terms when necessary to fulfill health or safety needs, and, (iii) other rights acquired by the United States government under the laws and regulations applicable to the grant/contract award under which the inventions were made.

ARTICLE 3
FEES, ROYALTIES, & PAYMENTS

3.1 License Fee. Company shall pay to JHU a license fee as set forth in Exhibit A. Five thousand dollars shall be due within thirty (30) days following the execution of this License Agreement and the remaining balance shall be due within one hundred eighty (180) days following the execution of this License Agreement. JHU will not submit an invoice for the license fee, which is nonrefundable and shall not be credited against royalties or other fees.

3.2 Minimum Annual Royalties. Company shall pay to JHU minimum annual royalties as set forth in Exhibit A. These minimum annual royalties shall be due, without invoice from JHU, within thirty (30) days of each anniversary of the EFFECTIVE DATE beginning with the second anniversary. Running royalties accrued under Paragraph 3.3 and paid to JHU during the one year period preceding an anniversary of the EFFECTIVE DATE shall be credited against the minimum annual royalties due on that anniversary date.

3.3 Running Royalties. Company shall pay to JHU a running royalty as set forth in Exhibit A, for each LICENSED PRODUCT(S) sold, and for each LICENSED SERVICE(S) provided, by Company or AFFILIATED COMPANIES, based on NET SALES and NET SERVICE REVENUES for the term of this Agreement. Such payments shall be made quarterly. All non-US taxes related to LICENSED PRODUCT(S) or LICENSED SERVICE(S) sold under this Agreement shall be paid by Company and shall not be deducted from royalty or other payments due to JHU.

In order to insure JHU the full royalty payments contemplated hereunder, Company agrees that in the event any LICENSED PRODUCT(S) shall be sold to an AFFILIATED COMPANY or SUBLICENSEE(S) or to a corporation, firm or association with which Company shall have any agreement, understanding or arrangement with respect to consideration (such as, among other things, an option to purchase stock or actual stock ownership, or an arrangement involving division of profits or special rebates or allowances) the royalties to be paid hereunder for such LICENSED PRODUCT(S) shall be based upon the greater of: 1) the net selling price (per NET SALES) at which the purchaser of LICENSED PRODUCT(S) resells such product to the end user, 2) the NET SERVICE REVENUES received from using the LICENSED PRODUCT(S) in providing a service, 3) the fair market value of the LICENSED PRODUCT(S) or 4) the net selling price (per NET SALES) of LICENSED PRODUCT(S) paid by the purchaser.

No multiple royalty shall be due or payable because any LICENSED PRODUCT(S) or LICENSED SERVICE(S) is covered by more than one patent of the PATENT RIGHTS whether in this License Agreement or the 1998 License Agreement. The royalty shall not be cumulative based on the number of patents covering a product or service, but rather shall be capped at five percent (5%) of NET SALES REVENUES and/or NET SERVICE REVENUES.

3.4 Sublicense Consideration. Company shall pay to JHU a percentage of consideration received for sublicenses under this Agreement as set forth in Exhibit A. This sublicense consideration shall be due, without the need for invoice from JHU, within forty-five (45) days of the effective date of each sublicense agreement. Such consideration shall mean consideration of any kind received by the Company or AFFILIATED COMPANIES from a SUBLICENSEE(S) for the grant of a sublicense under this Agreement, such as upfront fees or milestone fees, running royalties and including any premium paid by the SUBLICENSEE(S) over Fair Market Value for stock of the Company or an AFFILIATED COMPANY in consideration for such sublicense. However, not included in such sublicense consideration are amounts paid to the Company or an AFFILIATED COMPANY by the SUBLICENSEE(S) for product development, research work, clinical studies and regulatory approvals performed by or for the Company or AFFILIATED COMPANIES (including third parties on their behalf), each pursuant to a specific agreement including a performance plan and commensurate budget. The term "Fair Market Value" shall mean the average price that the stock in question is publicly trading at for twenty (20) days prior to the announcement of its purchase by the SUBLICENSEE(S) or if the stock is not publicly traded, the value of such stock as determined by the most recent private financing through a financial investor (an entity whose sole interest in the Company or AFFILIATED COMPANY is financial) of the Company or AFFILIATED COMPANY that issued the shares.

The sublicensing income payable to JHU shall be capped such that the aggregate amount payable to JHU shall be capped at twenty percent (20%) of all sublicensing income whether such income is attributed to technology licensed under this License Agreement and/or the 1998 Agreement, each as may be amended from time to time.

3.5 Patent Reimbursement. Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU on or before the EFFECTIVE DATE of this Agreement. In accordance with Paragraph 4.1 below, Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU subsequent to the EFFECTIVE DATE of this Agreement.

3.6 Form of Payment. All payments under this Agreement shall be made in U.S. Dollars. Checks are to be made payable to "The Johns Hopkins University". Wire transfers may be made through:

[***]

Company shall be responsible for any and all costs associated with wire transfers.

3.7 Late Payments. In the event that any payment due hereunder is not made when due, the payment shall accrue interest beginning on the tenth day following the due date thereof, calculated at the annual rate of the sum of (a) two percent (2%) plus (b) the prime interest rate quoted by The Wall Street Journal on the date said payment is due, the interest being compounded on the last day of each calendar quarter, provided however, that in no event shall said annual interest rate exceed the maximum legal interest rate for corporations. Each such payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of JHU to seek any other remedy, legal or equitable, to which it may be entitled because of the delinquency of any payment including, but not limited to termination of this Agreement as set forth in Paragraph 9.2.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ARTICLE 4
PATENT PROSECUTION, MAINTENANCE, & INFRINGEMENT

4.1 Prosecution & Maintenance. Company, at its own expense, shall file, prosecute and maintain all patens and patent applications specified under PATENT RIGHTS and Company shall be licensed thereunder. Title to all such patents and patent applications shall reside in JHU. Company shall control over all patent matters in connection therewith under the PATENT RIGHTS, subject to review and approval by JHU, such approval not to be unreasonably withheld, and shall keep JHU informed of its actions by sending copies of all filings with the PTO to JHU. In any country where Company elects not to have a patent application filed or fails to prosecute or maintain a patent application or patent, JHU may file, prosecute, and/or maintain a patent application or patent at its own expense and for its own exclusive benefit and Company thereafter shall not be licensed under such patent or patent application.

4.2 Notification. Each party will notify the other promptly in writing when any infringement by another is uncovered or suspected.

4.3 Infringement. Company shall have the first right to enforce any patent within PATENT RIGHTS against any infringement or alleged infringement thereof, and shall at all times keep JHU informed as to the status thereof. Before Company commences an action with respect to any infringement of such patents, Company shall give careful consideration to the views of JHU and to potential effects on the public interest in making its decision whether or not to sue. Thereafter, Company may, at its own expense, institute suit against any such infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Paragraph 4.5. However, no settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the prior written consent of JHU, which consent shall not be unreasonably withheld. This right to sue for infringement shall not be used in an arbitrary or capricious manner. JHU shall reasonably cooperate in any such litigation at Company's expense.

If Company elects not to enforce any patent within the PATENT RIGHTS, then it shall so notify JHU in writing within ninety (90) days of receiving notice that an infringement exists, and JHU may, in its sole judgment and at its own expense, take steps to enforce any patent and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover, for its own account, any damages, awards or settlements resulting therefrom.

4.4 Patent Invalidity Suit. If a declaratory judgment action is brought naming Company as a defendant and alleging invalidity of any of the PATENT RIGHTS, JHU may elect to take over the sole defense of the action at its own expense. Company shall cooperate fully with JHU in connection with any such action.

4.5 Recovery. Any recovery by Company under Paragraph 4.3 shall be deemed to reflect loss of commercial sales, and Company shall pay to JHU [***] of the recovery net of all reasonable costs and expenses associated with each suit or settlement. If the cost and expenses exceed the recovery, then [***] of the excess shall be credited against royalties payable by Company to JHU hereunder in connection with sales of LICENSED PRODUCT

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

covered in the PATENT RIGHTS which are the subject of the infringement suit, in the country of such legal proceedings, provided, however, that any such credit under this Paragraph shall not exceed [***] of the royalties otherwise payable to JHU with regard to sales in the country of such action in any one calendar year, with any excess credit being carried forward to future calendar years.

ARTICLE 5
OBLIGATIONS OF THE PARTIES

5.1 Reports. Company shall provide to JHU the following written reports according to the following schedules.

(a) Company shall provide quarterly Royalty Reports, substantially in the format of Exhibit B and due within thirty (30) days of the end of each calendar quarter following the EFFECTIVE DATE of this Agreement. Royalty Reports shall disclose the amount of LICENSED PRODUCT(S) and LICENSED SERVICE(S) sold, the total NET SALES and NET SERVICE REVENUES of such LICENSED PRODUCT(S) and LICENSED SERVICE(S), and the running royalties due to JHU as a result of NET SALES and NET SERVICE REVENUES by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) thereof. Payment of any such royalties due shall accompany such Royalty Reports.

(b) Until Company, an AFFILIATED COMPANY or a SUBLICENSEE(S) has achieved a first commercial sale of a LICENSED PRODUCT or LICENSED SERVICE, or received FDA market approval, Company shall provide semiannual Diligence Reports, due within thirty (30) days of the end of every June and December following the EFFECTIVE DATE of this Agreement. These Diligence Reports shall describe Company's, AFFILIATED COMPANIES or any SUBLICENSEE(S)'s technical efforts towards meeting its obligations under the terms of this Agreement.

(c) Company shall provide Annual Reports within thirty (30) days of the end of every December following the EFFECTIVE DATE of this Agreement. Annual Reports shall include:

(i) evidence of insurance as required under Paragraph 10.4, or, a statement of why such insurance is not currently required, and

(ii) identification of all AFFILIATED COMPANIES which have exercised rights pursuant to Paragraph 2.1, or, a statement that no AFFILIATED COMPANY has exercised such rights, and

(iii) notice of all FDA approvals of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) obtained by COMPANY, AFFILIATED COMPANY or SUBLICENSEE, the patent(s) or patent application(s) licensed under this Agreement upon which such product or service is based, and the commercial name of such product or service, or, in the alternative, a statement that no FDA approvals have been obtained.

5.2 Records. Company shall make and retain, for a period of three (3) years following the period of each report required by Paragraph 5.1, true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

sales and other information required in Paragraph 5.1. Such books and records shall be in accordance with generally accepted accounting principles consistently applied. Company shall permit the inspection and copying of such records, files and books of account by JHU or its agents during regular business hours upon ten (10) business days' written notice to Company. Such inspection shall not be made more than once each calendar year. All costs of such inspection and copying shall be paid by JHU, provided that if any such inspection shall reveal that an error has been made in the amount equal to five percent (5%) or more of such payment, such costs shall be borne by Company. As a condition to entering into any such agreement, Company shall include in any agreement with its AFFILIATED COMPANIES or its SUBLICENSEE(S) which permits such party to make, use, sell or import the LICENSED PRODUCT(S) or provide LICENSED SERVICE(S), a provision requiring such party to retain records of sales of LICENSED PRODUCT(S) and records of LICENSED SERVICE(S) and other information as required in Paragraph 5.1 and permit JHU to inspect such records as required by this Paragraph.

5.3 Reasonable Efforts. Company shall exercise commercially reasonable efforts to develop and to introduce the LICENSED PRODUCT(S) and/or LICENSED SERVICE(S) into the commercial market as soon as practicable, consistent with sound and reasonable business practice and judgment; thereafter, until the expiration or termination of this Agreement, Company shall endeavor to keep LICENSED PRODUCT(S) and/or LICENSED SERVICE(S) reasonably available to the public. Company shall also exercise reasonable efforts to develop LICENSED PRODUCT(S) suitable for different indications within the LICENSED FIELD, so that the PATENT RIGHTS can be commercialized as broadly and as speedily as good scientific and business judgment would deem possible.

5.4 Other Products. After clinical or other evidence, provided in writing [***], to Company, demonstrating the practicality of a particular market or use within the LICENSED FIELD which is not being developed or commercialized by Company, Company shall either provide JHU with a reasonable development plan and start development or attempt to reasonably sublicense the particular market or use to a third party. If within six (6) months of such written notification [***], Company has not initiated such development efforts or sublicensed that particular market or use, JHU may terminate this license for such particular market or use. This Paragraph shall not be applicable if Company reasonably demonstrates to JHU that commercializing such LICENSED PRODUCT(S) or LICENSED SERVICE(S) or granting such a sublicense in said market or use would have a potentially adverse commercial effect upon marketing or sales of the LICENSED PRODUCT(S) developed and being sold by Company.

5.5 Patent Acknowledgement. Company agrees that all packaging containing individual LICENSED PRODUCT(S) sold by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) of Company will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ARTICLE 6
REPRESENTATIONS

6.1 Duties of the Parties. JHU is not a commercial organization. It is an institute of research and education. Therefore, JHU has no ability to evaluate the commercial potential of any PATENT RIGHTS or LICENSED PRODUCT or other license or rights granted in this Agreement. It is therefore incumbent upon Company to evaluate the rights and products in question, to examine the materials and information provided by JHU, and to determine for itself the validity of any PATENT RIGHTS, its freedom to operate, and the value of any LICENSED PRODUCTS or SERVICES or other rights granted.

6.2 Representations by JHU. JHU warrants that it has good and marketable title to its interest in the inventions claimed under PATENT RIGHTS with the exception of certain retained rights of the United States Government, which may apply if any part of the JHU research was funded in whole or in part by the United States Government. JHU does not warrant the validity of any patents or that practice under such patents shall be free of infringement. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 6.2, COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) AGREE THAT THE PATENT RIGHTS ARE PROVIDED "AS IS", AND THAT JHU MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE PERFORMANCE OF LICENSED PRODUCT(S) AND LICENSED SERVICE(S) INCLUDING THEIR SAFETY, EFFECTIVENESS, OR COMMERCIAL VIABILITY. JHU DISCLAIMS ALL WARRANTIES WITH REGARD TO PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, JHU ADDITIONALLY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES ON THE PART OF JHU AND INVENTORS, FOR DAMAGES, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, SPECIAL, AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF JHU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FEES OR COSTS), ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, USE, OR SALE OF THE PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT. COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) ASSUME ALL RESPONSIBILITY AND LIABILITY FOR LOSS OR DAMAGE CAUSED BY A PRODUCT AND/OR SERVICE MANUFACTURED, USED, OR SOLD BY COMPANY, ITS SUBLICENSEE(S) AND AFFILIATED COMPANIES WHICH IS A LICENSED PRODUCT(S) OR LICENSED SERVICE(S) AS DEFINED IN THIS AGREEMENT.

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification. JHU and the Inventors will have no legal liability exposure to third parties if JHU does not license the LICENSED PRODUCT(S) and LICENSED SERVICE(S), and any royalties JHU and the Inventors may receive is not adequate compensation for such legal liability exposure. Therefore, JHU requires Company to protect JHU and Inventors from such

exposure to the same manner and extent to which insurance, if available, would protect JHU and Inventors. Furthermore, JHU and the Inventors will not, under the provisions of this Agreement or otherwise, have control over the manner in which Company or its AFFILIATED COMPANIES or its SUBLICENSEE(S) or those operating for its account or third parties who purchase LICENSED PRODUCT(S) or LICENSED SERVICE(S) from any of the foregoing entities, develop, manufacture, market or practice the inventions of LICENSED PRODUCT(S) and LICENSED SERVICE(S). Therefore, Company, AFFILIATED COMPANY and SUBLICENSEE shall indemnify, defend with counsel reasonably acceptable to JHU, and hold JHU, The Johns Hopkins Health Systems, their present and former trustees, officers, Inventors of PATENT RIGHTS, agents, faculty, employees and students harmless as against any judgments, fees, expenses, or other costs arising from or incidental to any product liability or other lawsuit, claim, demand or other action brought as a consequence of the practice of said inventions by any of the foregoing entities, whether or not JHU or said Inventors, either jointly or severally, is named as a party defendant in any such lawsuit and whether or not JHU or the Inventors are alleged to be negligent or otherwise responsible for any injuries to persons or property. Practice of the inventions covered by LICENSED PRODUCT(S) and LICENSED SERVICE(S), by an AFFILIATED COMPANY or an agent or a SUBLICENSEE(S) or a third party on behalf of or for the account of Company or by a third party who purchases LICENSED PRODUCT(S) and LICENSED SERVICE(S) from Company, shall be considered Company's practice of said inventions for purposes of this Paragraph. The obligation of Company to defend and indemnify as set out in this Paragraph shall survive the termination of this Agreement, shall continue even after assignment of rights and responsibilities to an affiliate or sublicensee, and shall not be limited by any other limitation of liability elsewhere in this Agreement.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. If necessary, the parties will exchange information, which they consider to be confidential. The recipient of such information agrees to accept the disclosure of said information which is marked as confidential at the time it is sent to the recipient, and to employ all reasonable efforts to maintain the information secret and confidential, such efforts to be no less than the degree of care employed by the recipient to preserve and safeguard its own confidential information. The information shall not be disclosed or revealed to anyone except employees of the recipient who have a need to know the information and who have entered into a secrecy agreement with the recipient under which such employees are required to maintain confidential the proprietary information of the recipient and such employees shall be advised by the recipient of the confidential nature of the information and that the information shall be treated accordingly.

The obligations of this Paragraph shall also apply to AFFILIATED COMPANIES and/or SUBLICENSEE(S) provided such information by Company. JHU's, Company's, AFFILIATED COMPANIES, and SUBLICENSEES' obligations under this Paragraph shall extend until three (3) years after the termination of this Agreement.

8.2 Exceptions. The recipient's obligations under Paragraph 8.1 shall not extend to any part of the information:

a. that can be demonstrated to have been in the public domain or publicly known and readily available to the trade or the public prior to the date of the disclosure; or

b. that can be demonstrated, from written records to have been in the recipient's possession or readily available to the recipient from another source not under obligation of secrecy to the disclosing party prior to the disclosure; or

c. that becomes part of the public domain or publicly known by publication or otherwise, not due to any unauthorized act by the recipient; or

d. that is demonstrated from written records to have been developed by or for the receiving party without reference to confidential information disclosed by the disclosing party.

e. that is required to be disclosed by law, government regulation or court order.

8.3 Right to Publish. JHU may publish manuscripts, abstracts or the like describing the PATENT RIGHTS and inventions contained therein provided confidential information of Company as defined in Paragraph 8.1, is not included or without first obtaining approval from Company to include such confidential information. Otherwise, JHU and the Inventors shall be free to publish manuscripts and abstracts or the like directed to the work done at JHU related to the licensed technology without prior approval.

ARTICLE 9
TERM & TERMINATION

9.1 Term. The term of this Agreement shall commence on the EFFECTIVE DATE and shall continue, in each country, until the date of expiration of the last to expire patent included within PATENT RIGHTS in that country or if no patents issue then for a term of twenty (20) years from the EFFECTIVE DATE of this Agreement.

9.2 Termination By Either Party. This Agreement may be terminated by either party, in the event that the other party (a) files or has filed against it a petition under the Bankruptcy Act, makes an assignment for the benefit of creditors, has a receiver appointed for it or a substantial part of its assets, or otherwise takes advantage of any statute or law designed for relief of debtors or (b) fails to perform or otherwise breaches any of its obligations hereunder, if, following the giving of notice by the terminating party of its intent to terminate and stating the grounds therefor, the party receiving such notice shall not have cured the failure or breach within thirty (30) days. In no event, however, shall such notice or intention to terminate be deemed to waive any rights to damages or any other remedy which the party giving notice of breach may have as a consequence of such failure or breach.

9.3 Termination by Company. Company may terminate this Agreement and the license granted herein, for any reason, upon giving JHU ninety (90) days written notice.

9.4 Obligations and Duties upon Termination. If this Agreement is terminated, both parties shall be released from all obligations and duties imposed or assumed hereunder to the extent so terminated, except as expressly provided to the contrary in this Agreement. Upon termination, both parties shall cease any further use of the confidential information disclosed to the receiving party by the other party. Termination of this Agreement, for whatever reason, shall not affect the obligation of either party to make any payments for which it is liable prior to or upon such termination. Termination shall not affect JHU's right to recover unpaid royalties, fees, reimbursement for patent expenses, or other forms of financial compensation incurred prior to termination. Upon termination Company shall submit a final royalty report to JHU and any royalty payments, fees, unreimbursed patent expenses and other financial compensation due JHU shall become immediately payable. Furthermore, upon termination of this Agreement, all rights in and to the licensed technology shall revert immediately to JHU at no cost to JHU. Upon termination of this Agreement, any SUBLICENSEE(S) shall become a direct licensee of JHU, provided that JHU's obligations to SUBLICENSEE(S) are no greater than JHU's obligations to Company under this Agreement. Company shall provide written notice of such to each SUBLICENSEE(S) with a copy of such notice provided to JHU.

ARTICLE 10
MISCELLANEOUS

10.1 Use of Name. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall not use the name of The Johns Hopkins University or The Johns Hopkins Health System or any of its constituent parts, such as the Johns Hopkins Hospital or any contraction thereof or the name of Inventors in any advertising, promotional, sales literature or fundraising documents without prior written consent from an authorized representative of JHU. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall allow at least seven (7) business days notice of any proposed public disclosure for JHU's review and comment or to provide written consent.

10.2 No Partnership. Nothing in this Agreement shall be construed to create any agency, employment, partnership, joint venture or similar relationship between the parties other than that of a licensor/licensee. Neither party shall have any right or authority whatsoever to incur any liability or obligation (express or implied) or otherwise act in any manner in the name or on the behalf of the other, or to make any promise, warranty or representation binding on the other.

10.3 Notice of Claim. Each party shall give the other or its representative immediate notice of any suit or action filed, or prompt notice of any claim made, against them arising out of the performance of this Agreement or arising out of the practice of the inventions licensed hereunder.

10.4 Product Liability. Prior to initial human testing or first commercial sale of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) as the case may be in any particular country, Company shall establish and maintain, in each country in which Company, an AFFILIATED COMPANY or SUBLICENSEE(S) shall test or sell LICENSED PRODUCT(S) and LICENSED SERVICE(S), product liability or other appropriate insurance coverage in the

minimum amount of five million dollars ($5,000,000) per claim and will annually present evidence to JHU that such coverage is being maintained. Upon JHU's request, Company will furnish JHU with a Certificate of Insurance of each product liability insurance policy obtained. JHU shall be listed as an additional insured in Company's said insurance policies. If such Product Liability insurance is underwritten on a 'claims made' basis, Company agrees that any change in underwriters during the term of this Agreement will require the purchase of 'prior acts' coverage to ensure that coverage will be continuous throughout the term of this Agreement.

10.5 Governing Law. This Agreement shall be construed, and legal relations between the parties hereto shall be determined, in accordance with the laws of the State of Maryland applicable to contracts solely executed and wholly to be performed within the State of Maryland without giving effect to the principles of conflicts of laws. Any disputes between the parties to the Agreement shall be brought in the state or federal courts of Maryland. Both parties agree to waive their right to a jury trial.

10.6 Notice. All notices or communication required or permitted to be given by either party hereunder shall be deemed sufficiently given if mailed by registered mail or certified mail, return receipt requested, or sent by overnight courier, such as Federal Express, to the other party at its respective address set forth below or to such other address as one party shall give notice of to the other from time to time hereunder. Mailed notices shall be deemed to be received on the third business day following the date of mailing. Notices sent by overnight courier shall be deemed received the following business day.

If to Company:

Attn: Kim Jenkins
200 N. Cobb Parkway, Suite 140
Marietta, Georgia 30062-3585

Cc: Julie H. Richardson
Myers Bigel Sibley & Sajovec, P.A.
4140 Parklake Ave., Suite 600
Raleigh, NC 27612

If to JHU:

Technology Transfer
Johns Hopkins University
100 N.Charles Street
5th Floor
Baltimore, MD 21201
Attn: Director

10.7 Compliance with All Laws. In all activities undertaken pursuant to this Agreement, both JHU and Company covenant and agree that each will in all material respects comply with such Federal, state and local laws and statutes, as may be in effect at the time of performance and all valid rules, regulations and orders thereof regulating such activities.

Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein, except for the right to receive any remuneration hereunder, may be assigned by either party, in whole or in part, without the prior written consent of the other party, except that either party shall be free to assign this Agreement in connection with any sale of substantially all of its assets without the consent of the other. Such assignment shall be subject to JHU approval, which approval shall not be unreasonably withheld. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the parties hereto.

10.8 No Waivers; Severability. No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or other provision of this Agreement, and no waiver shall be effective unless made in writing. Any provision hereof prohibited by or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held by any governmental agency or court of competent jurisdiction to be void, illegal and unenforceable, the parties shall negotiate in good faith for a substitute term or provision which carries out the original intent of the parties.

10.10 Entire Agreement; Amendment. Company and JHU acknowledge that they have read this entire Agreement and that this Agreement, including the attached Exhibits constitutes the entire understanding and contract between the parties hereto and supersedes any and all prior or contemporaneous oral or written communications with respect to the subject matter hereof, all of which communications are merged herein. It is expressly understood and agreed that (i) there being no expectations to the contrary between the parties hereto, no usage of trade, verbal agreement or another regular practice or method dealing within any industry or between the parties hereto shall be used to modify, interpret, supplement or alter in any manner the express terms of this Agreement; and (ii) this Agreement shall not be modified, amended or in any way altered except by an instrument in writing signed by both of the parties hereto.

10.11 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party hereto, shall impair any such right, power or remedy to such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

10.12 Force Majeure. If either party fails to fulfill its obligations hereunder (other than an obligation for the payment of money), when such failure is due to an act of God, or other circumstances beyond its reasonable control, including but not limited to fire, flood, civil commotion, riot, war (declared and undeclared), revolution, or embargoes, then said failure shall be excused for the duration of such event and for such a time thereafter as is reasonable to enable

the parties to resume performance under this Agreement, provided however, that in no event shall such time extend for a period of more than one hundred eighty (180) days.

10.13 Further Assurances. Each party shall, at any time, and from time to time, prior to or after the EFFECTIVE DATE of this Agreement, at reasonable request of the other party, execute and deliver to the other such instruments and documents and shall take such actions as may be required to more effectively carry out the terms of this Agreement.

10.14 Survival. All representations, warranties, covenants and agreements made herein and which by their express terms or by implication are to be performed after the execution and/or termination hereof, or are prospective in nature, shall survive such execution and/or termination, as the case may be. This shall include Paragraphs 3.7 (Late Payments), 5.2 (Records), and Articles 6, 7, 8, 9, and 10.

10.15 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

10.16 Headings. Article headings are for convenient reference and not a part of this Agreement. All Exhibits are incorporated herein by this reference.

10.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall be deemed but one instrument.

IN WITNESS WHEREOF, this Agreement shall take effect as of the EFFECTIVE DATE when it has been executed below by the duly authorized representatives of the parties.

THE JOHNS HOPKINS UNIVERSITY	**-COMPANY NAME–**
	SurgiVision
/s/ Wesley D. Blakeslee	/s/ Kim Jenkins
Wesley D. Blakeslee	Name: Kim Jenkins
Director	Title: President
Johns Hopkins Technology Transfer	
11/30/06	12/7/06
(Date)	(Date)

EXHIBIT A. LICENSE FEE & ROYALITIES.

EXHIBIT B. SALES & ROYALTY REPORT FORM.

EXHIBIT A
LICENSE FEE & ROYALTIES

1. **License Fee:** The license fee due under Paragraph 3.1 is twenty five thousand dollars ($25,000).
2. **Minimum Annual Royalties:** The minimum annual royalties pursuant to Paragraph 3.2 is ten thousand dollars ($10,000).
3. **Royalties:** The running royalty rate payable under Paragraph 3.3 is five percent (5%).
4. **Sublicense consideration:** The percent sublicense consideration payable under Paragraph 3.4 is twenty percent (20%).

EXHIBIT B

QUARTERLY SALES & ROYALTY REPORT

FOR LICENSE AGREEMENT BETWEEN_____AND THE JOHNS HOPKINS UNIVERSITY DATED

_____

FOR PERIOD OF _____TO _____

TOTAL ROYALTIES DUE FOR THIS PERIOD $_____

PRODUCT ID	PRODUCT NAME	*JHU REFERENCE	1st COMMERCIAL SALE DATE	TOTAL NET SALES/SERVICES	ROYALTY RATE	AMOUNT DUE

* Please provide the JHU Reference Number or Patent Reference

This report format is to be used to report quarterly royalty statements to JHU. It should be placed on Company letterhead and accompany any royalty payments due for the reporting period. This report shall be submitted even if no sales are reported.

TECHNOLOGY LICENSE AGREEMENT

THIS AGREEMENT ("Agreement") is made effective as of December 30, 2005 (the "Effective Date") and entered into by and between Surgi-Vision, Inc., a Delaware corporation ("Licensor") and Advanced Bionics Corporation ("Licensee") (individually, a "Party" and collectively, the "Parties").

BACKGROUND

The Parties have entered into a Lead System and Lead Development and Transfer Agreement (the "Development Agreement") and other agreements ("Other Agreements") referenced therein concurrent with this Agreement wherein the Parties have agreed to develop technology relating to a neuromodulation or deep brain stimulation lead that may be safely reside within a patient who is placed within a magnetic resonance ("MR") machine ("Lead").

Licensor is the sole owner and exclusive licensee of certain confidential and proprietary technology relating to the Lead ("Existing Technology").

Licensor desires to have the Existing Licensed Technology further developed and commercialized (the "Future Technology") and is willing to grant a license to any Future Technology to which Licensor has any right or interest in exchange for the cooperation and other forms of consideration of Licensee set forth in the Other Agreements and set forth as royalty payments in this Agreement.

Licensee desires to acquire an exclusive license under the Licensed Technology (defined below).

AGREEMENT

The Parties agree as follows:

1. DEFINITIONS.

A. "Affiliate" of a person or entity is a person or entity controlling, controlled by or under common control with the person or entity specified, directly or indirectly by any means whatsoever. "Controlling", "controlled" or "control" means owning greater than 50% of the voting equity interests of a person or entity, either directly or indirectly through other entities in which it has such an interest, or otherwise having the power to direct the management of that person or entity.

B. The "Existing Technology" and the "Future Technology" are referred to collectively as the "Licensed Technology" and include without limitation all intellectual property such as patents, trademarks, service marks, trade names, copyrights, know-how, trade secrets, licenses, information and proprietary rights and processes owned by or licensed to Licensor relating in any way to a neuro-related lead, neuro-related lead extension, neuro-related lead-type device, or the "Lead", "Lead Requirements", or "Lead Milestones" defined in the Development Agreement, including without limitation the intellectual property licensed to the Licensor under

the License Agreement by and between the Licensor and the Johns Hopkins University ("JHU") on or around June 30, 1998 and all other appendices, addenda, amendments, and agreements related thereto (the "JHU Agreement").

C. "Licensed Product" means any neuro-related lead, neuro-related lead extension, any other neuro-related lead-type device, or any product related to a neuro-related lead, in each case which incorporates the Licensed Technology.

D. "Net Sales" means the total monetary consideration actually received by Licensee for Licensed Products sold, less any sales person's commissions payable in good faith to non-related third parties, royalties and other similar fees payable in good faith to non-related third parties, trade discounts allowances for conversions and exchanges, returns, freight, insurance and taxes (other than income taxes). For purposes of this definition, Licensed Products will be considered "sold" when Licensee receives payment either from the purchaser or, in the case of Licensed Products sold by a sublicensee, from such sublicensee.

E. "Sublicensee" means any sublicensee(s) of the rights granted to Licensee under this Agreement.

2. LICENSE. Licensor hereby grants to Licensee and its Affiliates, upon and subject to all the terms and conditions of this Agreement, an exclusive, transferable (including without limitation sublicensable), worldwide, perpetual license under the Licensed Technology, to make, use, import, lease, and sell the Licensed Products for the term of this Agreement. For the avoidance of doubt, the license grant of this Agreement includes without limitation an exclusive, transferable (including without limitation sublicensable), worldwide sublicense of all intellectual property licensed to Licensor under the JHU Agreement (to the extent it is Licensed Technology) to make, use, import, lease, and sell the Licensed Products, which sublicense Licensee acknowledges and agrees is subject to the terms of the JHU Agreement. Licensor grants Licensee the right to adapt the Licensed Technology to a commercial form suitable for incorporation into Licensee's product(s).

3. COMPENSATION AND AUDIT.

A. In consideration for the license granted hereunder, Licensee agrees to pay to Licensor the royalty payments recited in Exhibit A based on Licensee's Net Sales of Licensed Products (less accessories or other components or products used in combination with the Licensed Products).

B. Only one royalty will be paid hereunder for each Licensed Product whether such Licensed Product is covered by more than one (1) claim of a licensed patent, by the claims of more than one (1) of the licensed patents, or by the claims of patent of more than one country.

C. The royalty owed Licensor will be calculated on an annual calendar basis and will be payable as indicated in Exhibit A.

D. Licensor will have the right, upon reasonable notice and reasonable request at Licensor's sole expense, to inspect Licensee's relevant books and records and all other documents and material in Licensee's possession or control with respect to ascertaining the royalty payments due.

4. INDEMNITY. Licensor agrees to defend, indemnify and hold Licensee and its officers, directors, agents, Sublicensees, employees, and customers, harmless against all costs, expenses, and losses (including reasonable attorney fees and costs) incurred as a result of any claim that the Licensed Technology infringes or misappropriates any third party's intellectual property. Licensee will deliver written notice of a claim for indemnification with reasonable promptness to Licensor, which notice will describe in reasonable detail the nature of the claim. However, any failure to timely give that notice will not relieve Licensor of any of its indemnification obligations under this Agreement. Licensor has the right, subject t Licensee's consent ("Approval"), to participate in and control the defense of the claim with counsel of its choice. Licensee will have the right to employ separate counsel in any action and to participate in the defense of that action, but the fees and expenses of that counsel will be at the sole expense of the Licensee unless (i) Licensor, upon or after Approval, failed to assume the defense and diligently prosecute or settle the claim, or (ii) in the reasonable judgment of counsel retained by Licensor to represent Licensor, there exists or develops a conflict that would ethically prohibit counsel to Licensor from representing Licensee. If requested by Licensor upon or after Approval, Licensee will cooperate with Licensor and its counsel in contesting any claim that Licensor elects to contest, including, without limitation, by making any counterclaim against the person or entity asserting the claim or any cross-complaint against any person or entity, in each case only to the extent that any counterclaim or cross-complaint arises from the same actions or facts giving rise to the claim. Licensee will be the sole judge of the acceptability of any compromise or settlement of any claim, litigation, or proceeding in respect of which indemnity may be sought under this Agreement. Licensor will not enter into any settlement or compromise of any claim without Licensee's consent.

5. COOPERATION. Both Parties will further cooperate to ensure that both Parties enjoy the benefits of all licenses granted under this Agreement.

6. NOTICE AND PAYMENT. All notices, requests, demands, payments, and other communications which are required to be or may be given under this Agreement to a Party by the other Party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express or UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the Party to whom the same is so given or made, or (d) upon confirmation of receipt, if by facsimile. Any notice or other communication given hereunder will be addressed to the Licensor, at 200 N. Cobb Parkway, Suite 140, Marietta, GA 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424- 8236, , with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, TN 38103, Fax (901) 579-4979, or to the Licensee, at 25129 Rye Canyon Loop, Valencia, CA 91355, Attention: General Counsel, Fax (661) 362-4712.

7. GOVERNING LAW. This Agreement will be governed by and construed in accordance with the laws of the State of California. The Parties hereby agree that any dispute which may arise between them arising out of or in connection with this Agreement will be adjudicated before a court

located in Los Angeles, California and they hereby submit to the exclusive jurisdiction of the courts of the State of California located in Los Angeles, California and of the federal courts in the Central District of California with respect to any action or legal proceeding commenced by any Party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Agreement or any acts or omissions relating to the sale of the securities hereunder, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth below or such other address as the undersigned will furnish in writing to the other.

8. AGREEMENT BINDING ON SUCCESSORS. The provisions of this Agreement will be binding upon and will inure to the benefit of the Parties, their heirs, administrators, successors, and assigns.

9. ASSIGNABILITY. Neither Party may assign this Agreement or the rights and obligations thereunder to any third party without prior express written approval of the other Party, which consent will not be unreasonably withheld.

10. WAIVER. No waiver by either Party of any default will be deemed as a waiver of any prior or subsequent default of the same of other provisions of this Agreement.

11. SEVERABILITY. If any term, clause, or provision herein is held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not affect the validity or operation of any other term, clause or provision, and such invalid term, clause or provision will be deemed to be severed from this Agreement.

12. INTEGRATION; AMENDMENT. Aside from the Development Agreement and the Other Agreements, this Agreement constitutes the entire understanding of the Parties, and revokes and supersedes all prior agreements between the Parties and is intended as a final expression of their agreement. It will not be modified or amended except in writing signed by the Parties and specifically referring to this Agreement.

13. COUNTERPARTS. This Agreement may be executed and delivered in one or more counterparts each of which when executed will be deemed an original, but all of which taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the PARTIES, intending to be legally bound hereby, have each caused to be affixed hereto its or his/her hand the day indicated.

SURGI-VISON, INC.	*ADVANCED BIONICS CORPORATION*
By:	By:
/s/ Kimble L. Jenkins	/s/ Todd Whitehurst
Signature	Signature
Kimble L. Jenkins	Todd Whitehurst
Printed Name	Printed Name
President	VP, Emerging Indications
Title	Title

EXHIBIT A

Royalty Rate for Licensed Technology,

Royalty payments under this Agreement will be as follows:

(1) If Licensee incorporates Licensed Technology into a deep brain stimulation lead ("Licensed DBS Lead"), Licensee will pay Licensor an 8% royalty of Net Sales for all Licensed DBS Leads sold commercially after FDA approval, for so long as such Licensed DBS Leads incorporate technology that is claimed by at least one non-expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology, with a minimum royalty payment of [***] per year in each of the first three years in which Licensee sells the Licensed DBS Leads.

(2) Alternatively, if Licensee incorporates Licensed Technology into a DBS implantable pulse generator ("Licensed DBS IPG") in order to have a system that is MR safe along with the Licensed DBS Lead, Licensee will pay Licensor a 2% royalty of Net Sales for all Licensed DBS Leads and all Licensed DBS IPGs sold commercially after FDA approval, for so long as such Licensed DBS Leads and Licensed DBS IPGs incorporate technology that is claimed by at least one non-expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology, with a minimum royalty payment of [***] per year in each of the first three years in which Licensee sells the Licensed DBS Leads and Licensed DBS IPGs.

(3) If Licensee incorporates Licensed Technology into any lead-related, non-IPG, product other than a Licensed DBS Lead or Licensed DBS IPG ("Other Licensed Products"), Licensee will pay Licensor a 4% royalty of Net Sales for all Other Licensed Products sold commercially after FDA approval, for so long as such Other Licensed Products incorporate technology that is claimed by at least one non-expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology.

(4) If Licensee incorporates Licensed Technology into a non-DBS implantable pulse generator ("Licensed Non-DBS IPG") in order to have a system to sell along with Other Licensed Products, Licensee will pay Licensor a 2% royalty of Net Sales for all Licensed Non-DBS IPGs and all associated Other Licensed Products sold commercially after FDA approval, for so long as such Licensed Non-DBS Leads and Other Licensed Products incorporate technology that is claimed by at least one non-expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology.

For purposes of this EXHIBIT A, the term "Patent" includes existing and future patents with any and all issued and non-expired reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof, but does not include trade secrets or other proprietary technologies that are not expressly claimed by any patent included within the definition of "Patent".

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Execution Version

OMNIBUS AMENDMENT
TO SYSTEM AND LEAD DEVELOPMENT AND TRANSFER AGREEMENT

This **OMNIBUS AMENDMENT** (this **"Amendment")** is dated as of June 30, 2007 and entered into by and between Surgi-Vision, Inc., a Delaware corporation (the **"Company")** and Advanced Bionics Corporation, a Delaware corporation **("Bionics"),** and is made with reference to (i) that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006 (as so amended, supplemented or otherwise modified from time to time, the **"Development Agreement"),** by and between the Company and Bionics, (ii) that certain Multiple Advance Secured Convertible Promissory Note dated as of December 30, 2005 made by the Company and payable to Bionics (as amended, restated, supplemented or otherwise modified from time to time, the "**Note**"), (iii) that certain License Agreement dated as of December 30, 2005 between the Company and Bionics (as amended, supplemented, or otherwise modified from time to time, the **"License Agreement"),** and (iv) that certain Security Agreement dated as of December 30, 2005 by and between the Company and Bionics (as amended, supplemented, or otherwise modified from time to time, the **"Security Agreement").**

RECITALS

WHEREAS, the Company and Bionics desire to (i) amend the Development Agreement to revise the System Milestones and the Lead Milestones (as those terms are defined in the Development Agreement) and (ii) make certain other amendments as set forth below:

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. AMENDMENTS TO THE DEVELOPMENT AGREEMENT

1.1 Defined Terms.

Capitalized terms used in Section 1 of this Amendment without definition shall have the same meanings in Section 1 as set forth in the Development Agreement.

1.2 Amendment to the Background

The third paragraph of the Background is hereby amended by deleting it therefrom in its entirety and substituting the following therefor:

> "The Company desires to develop for Bionics certain technology (the **"Technology")** solely within the field of neuromodulation including, without limitation, a magnetic resonance ("**MR**") compatible, MR-safe, and MR-optimized Deep Brain Stimulation ("**DBS**") implant system (the **"System")** and MR-compatible, MR-safe, and MR-optimized lead that may safely reside within a patient who is placed within an MR-machine (the **"Lead")."**

1.3 Amendment to Section 1: Issuance of Note

Section 1 of the Development Agreement is hereby amended by deleting the references to "December 31, 2006" and "March 31, 2007" contained therein and substituting "Amendment Effective Date (as defined in the Omnibus Amendment between the Parties dated as of June 30, 2007)" therefor.

1.4 Amendment to Section : Representations and Warranties of the Company

Section 4.8 of the Development Agreement is hereby amended by adding the following sentence at the end thereof:

"From and after June 30, 2007, the definition of the Existing Intellectual Property shall include that certain License Agreement by and between the Company and JHU entered into on or around December 7, 2006, and all other appendices, addenda, amendments, and agreements related thereto **("Second JHU Agreement",** and together with the JHU Agreement, the **"JHU Agreements")."**

1.5 Amendment to Section 7: Company Covenants

A. Section 7.6 of the Development Agreement is hereby amended by deleting a reference to "JHU Agreement" contained therein and substituting "JHU Agreements" therefor.

B. Section 7.6 of the Development Agreement is hereby further amended by adding the following sentences at the end thereof:

"Notwithstanding anything to the contrary contained herein. Future Intellectual Property shall not include any Future Intellectual Property relating to the System (and not relating in any way to the Lead) in development of which Bionics has not contributed to the conception or design. In case of doubt, Bionics will make a determination in its sole discretion as to whether any Future Intellectual Property should be categorized as relating to the System or the Lead and whether Bionics contributed to the conception or design of any Future Intellectual Property relating to the System."

1.6 Amendments to Section 8: General Provisions

A. Section 8.9 of the Development Agreement is hereby amended by deleting the phrase "This Agreement, the Note, the Security Agreement, and the Other Agreements" contained therein and substituting "This Agreement and the Concurrent Agreements" therefor.

B. Section 8.11 of the Development Agreement is hereby amended by deleting all references to "Loan Agreement" contained therein and substituting "Agreement" therefor.

1.7 Amendments to Section 9: System Development License, and Right of First Refusal

Section 9.2 of the Development Agreement is hereby amended by deleting all references to "JHU Agreement" contained therein and substituting "JHU Agreements" therefor,

1.8 Amendments to Section 10: Lead Development and License

A. Section 10.1 of the Development Agreement is hereby amended by deleting the first paragraph therefrom in its entirety and substituting the following therefor:

"10.1 Lead Development. Working together with Bionics and subject to Section 10.1(c), the Company will provide Bionics with a fully functional prototype of the Lead and demonstrate the proper functionality of the prototype of the Lead to Bionics in an MRI phantom, animal or cadaver placed within an MRI machine. The Lead prototype must meet the following objectives (the **"Lead Requirements"):** [***]

B. Section 10.1 of the Development Agreement is hereby further amended by deleting subsection (b) therefrom in its entirety and substituting the following therefor:

"(b) Lead Milestones:

(i) On or before [***], the Company will present to Bionics a prototype Lead body that incorporates the Company's most promising MR/RF safe Lead design. Such prototype Lead body will contain [***].

(ii) The Company shall provide consulting and advisory services (including, without limitation, testing and analyzing of the Lead feasibility models and prototypes) to Bionics, for a period of 12 months from the Amendment Effective Date, in connection with Bionics' effort to develop a [***] that

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

meets the [***] requirements that will be necessary for a final product. The Company will make one full-time equivalent employee or consultant available to Bionics during the twelve-month period to provide the consulting and advisory services as requested by Bionics. Specifically, such full-time employee, if not otherwise engaged in other activities for Bionics, shall work on the development of a new generation of a Lead design (as further defined in Section 10.3) in the case the existing Lead designs do not prove to be manufacturable. As compensation for the consulting services provided pursuant to this clause (ii), Bionics shall pay the Company the amount of $125,000 on the Amendment Effective Date. Any Intellectual Property conceived or developed by the Company pursuant to such consulting arrangement shall be subject to the terms of this Agreement. The Company also agrees to use its best efforts to make [***] available for such consulting arrangement for up to 20 hours per quarter collectively. Bionics shall reimburse the Company for all reasonable, documented out-of-pocket expenses incurred by the Company relating to its consulting arrangement with Bionics. The Company shall be deemed to have achieved and completed the milestone set forth in this clause (ii) upon the expiration of the twelve-month consulting period.

(iii) Bionics will pay the Company $100,000 after Bionics has successfully completed the first live chronic human implantation of the Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction.

(iv) Bionics will pay the Company $1,000,000 after Bionics has successfully received FDA approval of MRI-safe labeling of the first Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction.

(v) Bionics will pay the Company $500,000 after Bionics has successfully received FDA approval of MRI-safe labeling of the second Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction, which $500,000 shall be a prepayment of the future royalty payments by Bionics to the Company solely related to the sale of such second Lead under the License Agreement.

(vi) The milestones described in the preceding clauses (i) through (v) shall constitute the "**Lead Milestones**."

C. Section 10.1 of the Development Agreement is hereby further amended by deleting the first sentence contained in subsection (c) thereof and substituting the following in lieu thereof:

"In the event (i) the Company fails to complete each of the Lead Milestones, other than the Lead Milestone described in Section 10.1(b)(v) above, by December 31, 2012 and (ii) such failure is not the result of Bionics' failure to reasonably cooperate with the Company in pursuing such Lead Milestones, the Company will be in breach of this Agreement."

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

D. Section 10 of the Development Agreement is hereby amended by adding the following Section 10.3:

"10.3 Incentive Payments. For each new generation of a Lead design, Bionics shall pay the Company incentive payments as indicated below. The determination of whether a change in Lead design represents an incremental change or a new generation of design will be decided by Bionics in its sole discretion. Minor changes in design are not a new generation. Substantial changes in design represent a new generation. Different numbers of conductors (e.g., 4-conductor versus 8-conductor) represent different generations.

(i) Bionics shall pay the Company the amount of $75,000 when the Company delivers each new generation (as determined by Bionics in its sole discretion) of a Lead design with at least 3 crude prototypes and supporting test data evaluating heating in a 1.5 Tesla MRI scanner; provided that during the term of this Agreement Bionics shall not pay more than $250,000 in the aggregate pursuant to this Section 10.3(a). Each payment shall be payable when the Company presents the prototypes and a positive summary report of the testing to Bionics to the reasonable satisfaction of Bionics. [***]. Notwithstanding the foregoing to the contrary, a $100,000 payment will be made to the Company if and when it presents the first [***] as reasonably specified by Bionics and agreed to by the Company and supporting data evaluating in a 1.5 Tesla MRI scanner.

(ii) No later than ninety days after Bionics delivers to the Company at least 10 (or, at Bionics" discretion at least 5) pre-production Lead prototypes of each new generation [***] to evaluate heating in a 1.5 Tesla MRI scanner, the Company shall complete the testing of such prototypes and present Bionics with a summary report of the testing, in each case to Bionics' reasonable satisfaction. [***]. Bionics shall pay the Company the amount of $50,000 when the Company tests and submits a report, pursuant to this subsection, each new generation of a Lead design with at least 10 (or, at Bionics' discretion at least 5) pre-production Lead prototypes provided by Bionics to evaluate heating in a 1.5 Tesla MRI scanner. This sum shall be payable when the Company presents a summary report of the testing to Bionics to the reasonable satisfaction of Bionics. Notwithstanding the foregoing to the contrary, Bionics will pay a sum of $75,000 for completion of the testing of the first [***].

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(iii) No later than ninety days after Bionics delivers to the Company at least 10 final product Leads of each new generation, the Company shall complete the testing of such Leads to evaluate heating in a 1.5 Tesla MRI scanner, present Bionics with a report of testing, and assist Bionics with the preparation of a report for the FDA that includes in-depth discussion of physics underlying principles of operation of MRI safety of the Lead for the purpose of seeking MRI-safe labeling for the final product Lead, in each case to Bionics' reasonable satisfaction. Bionics shall pay the Company the amount of $75,000 when the Company presents a report of the testing to Bionics to the reasonable satisfaction of Bionics. Final product Leads shall meet [***].

1.9 Amendments to Section 11: Intellectual Property Ownership and Protection

A. Section 11.1 (a) of the Development Agreement is hereby amended by deleting clause (v) therein.

B. Section 11.2 of the Development Agreement is hereby amended by deleting paragraph (a) in its entirety and substituting the following therefor:

"(a) Costs. Bionics will pay all foreign and domestic Patent and Application (as such terms are defined below) prosecution costs and expenses for all Patents and Applications subject to its control as set forth in Section 11.2(b) (**"Prosecution Costs**")."

C. Section 11.2 of the Development Agreement is hereby amended by (1) deleting all references to "JHU Agreement" contained in subsection (b) thereof and substituting "JHU Agreements" therefor, and (2) adding the following sentence at the end of subsection (b):

"The term **"Patent"** means a currently issued U.S. or foreign patent. The term **"Application"** means a U.S., PCT or foreign patent application, including provisionals, utilities, designs, national stage filings and any continuations, divisionals, extensions, reissues, reexaminations, continuations in part thereof."

D. Section 11.3 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu therefor:

"11.3 Warranty Regarding Third Party Collaborators. The Parties warrant that all individuals, including without limitation employees and consultants, authorized, invited, or otherwise involved by the Parties, their employees, or consultants, to assist in the development of the System or Lead, have or will have a legal obligation to assign, license, or grant an option to license to the relevant Party all their rights to any Intellectual Property related to, arising from, or based on the development of the System or Lead."

E. Section 11.4 of the Development Agreement is hereby amended by deleting all references to "JHU Agreement" contained therein and substituting "JHU Agreements" therefor.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

F. Section 11.6 of the Development Agreement is hereby amended by adding the following at the end of paragraph (d):

"In addition, notwithstanding the foregoing, Bionics acknowledges and agrees that (i) the Company is permitted to share its Lead information with third parties to develop products for cardiac applications (provided, however, that if such third party is also engaged in the business of developing products for neurological applications, the Company shall ensure that such third party will use the Lead information only in connection with cardiac applications and will not use the Lead information for or with respect to any neuro-related products), (ii) the Company is permitted to share its System information with third parties following the expiration of the Exclusivity Period if the Parties do not execute and deliver the Subsequent System License within the Exclusivity Period, and (iii) in connection with the disclosures contemplated in the preceding clauses (i) and (ii), the Company is permitted to disclose the existence of this Agreement and the scope of any license granted hereunder or pursuant to the License Agreement."

1.10 Amendments to Exhibit C: System Milestones

Exhibit C to the Development Agreement is hereby amended by (1) deleting the reference to [***] contained therein and substituting [***] therefor, and (2) deleting reference to [***] and substituting [***] therefor.

Section 2. AMENDMENTS TO THE NOTE

Bionics and the Company hereby agree to the amendments to the Note that are reflected in the form of the Amended and Restated Multiple Advance Secured Convertible Promissory Note attached hereto as Exhibit A (the **"Amended Note**").

Section 3. AMENDMENT TO THE LICENSE AGREEMENT

3.1 Defined Terms

Capitalized terms used in Section 3 of this Amendment without definition shall have the same meanings in Section 3 as set forth in the License Agreement,

3.2 Amendment to Section 1: Definitions

Section 1 of the License Agreement is hereby amended by adding the following phrase at the end of paragraph B:

"and under the License Agreement by and between the Licensor and JHU entered into on or around December 7, 2006, and all other appendices, addenda, amendments and agreements related thereto (the "Second JHU Agreement", and together with the JHU Agreement, the "JHU Agreements")"

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

3.3 Amendment to Section 2: License

Section 2 of the License Agreement is hereby amended by deleting all references to "JHU Agreement" and substituting "JHU Agreements" therefor.

3.4 Amendment to Section 3: Compensation and Audit

Section 3 of the License Agreement is hereby amended by adding the following new paragraph E:

"E. Licensee agrees that, if required by the JHU Agreements, the packaging containing Licensed Products sold by Licensee, any of its Affiliates or any of its Sublicensees will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each applicable country's patent laws."

Section 4. AMENDMENTS TO THE SECURITY AGREEMENT

4.1 Defined Terms

Capitalized terms used in Section 4 of this Amendment without definition shall have the same meanings in Section 4 as set forth in the Security Agreement.

4.2 Amendments to Section 4: Representations and Warranties

A. Section 4 of the Security Agreement is hereby amended by amending subsection (g) thereof by deleting the second sentence thereof and substituting the following in lieu therefor:

"Grantor owns, possesses or has legal rights to use all Patents, Trademarks, service marks, trade names, copyrights, know-how, trade secrets, licenses, information and proprietary rights and processes necessary for the Grantor's business as now conducted and as proposed to be conducted by the Grantor by developing the System and Lead for commercial manufacture, use, lease, importation, and sale including, without limitation, the intellectual property licensed to Grantor under the License Agreement by and between Grantor and the Johns Hopkins University ("JHU") entered into on or around July 1, 1998 and the License Agreement by and between the Grantor and JHU entered into on or around December 7, 2006, and all other appendices, addenda, amendments, and agreements related thereto (the "JHU Agreements") (the owned and licensed rights of Grantor, collectively, the "Intellectual Property"), without any conflict with, or infringement of, the rights of others.

B. Section 4 of the Security Agreement is hereby further amended by amending subsection (g) thereof by adding "Except as set forth on Schedule 10 annexed hereto," before the fifth sentence.

4.3 Amendments to Section 18: Continuing Security Interest; Termination and Release; Assignment

Section 18 of the Security Agreement is hereby amended by deleting paragraph (b) thereof in its entirety and substituting the following therefor:

"Provided an Event of Default has not occurred and is continuing, Secured Party will terminate and release its liens and security interests in all Collateral at the later of (i) payment in full and in cash or conversion in full of the Note Balance on or before July 15, 2008 or (ii) after the Grantor has achieved the first two Lead Milestones (as defined in the Development Agreement) as stated in Sections 10.1(b)(i) and (ii) of the Development Agreement (the **"Collateral Release").** For the avoidance of doubt, if both conditions (i) and (ii) above have not occurred on or before August 31, 2008, the foregoing termination and release provision and this Section 18(b) shall be null and void and of no force and effect.

4.4 Amendment to Schedules to Security Agreement

Schedule 10 to Security Agreement is hereby deleted in its entirety and replaced with the new Schedule 10 attached as Exhibit B hereto.

Section 5. CONDITIONS TO EFFECTIVENESS

Sections 1 through 4 of this Amendment shall become effective only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"Amendment Effective Date"):**

A. On or before the Amendment Effective Date, the Company shall deliver to Bionics the following, each, unless otherwise noted, dated the Amendment Effective Date:

1. Executed copy of this Amendment;

2. Executed copy of the Amended Note;

3. Executed consent from JHU to sublicense to Bionics under the JHU Agreement dated December 7, 2006;

4. Certified copies of its Certificate of Incorporation, together with a good standing certificate from the Secretary of State of the State of Delaware, each dated a recent date prior to the Amendment Effective Date;

5. A certificate, dated as of the Amendment Effective Date, of its corporate secretary or an assistant secretary, certifying that there have been no changes in its Bylaws from the form of Bylaws previously delivered to Bionics;

6. Resolutions of its Board of Directors approving and authorizing the execution, delivery, and performance of this Amendment and the Amended Note,

certified as of the Amendment Effective Date by its corporate secretary or an assistant secretary as being in full force and effect without modification or amendment;

7. Signature and incumbency certificates of its officers executing this Amendment and the Amended Note; and

8. All documents necessary to assign to Bionics all Future Intellectual Property developed from December 30, 2005 and execute all documents necessary to effect that assignment.

B. On or before the Amendment Effective Date, all corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto not previously found acceptable by Bionics shall be satisfactory in form and substance to Bionics, and Bionics shall have received all such counterpart originals or certified copies of such documents Bionics may reasonably request.

Section 6. COMPANY'S REPRESENTATIONS AND WARRANTIES

In order to induce Bionics to enter into this Amendment and effect the amendment in the manner provided herein, the Company represents and warrants to Bionics that the following statements are true, correct and complete as of the Amendment Effective Date:

A. Corporate Power and Authority. The Company has all requisite corporate power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Development Agreement, the License Agreement and the Security Agreement, each as amended by this Amendment, and the Amended Note (collectively, the **"Amended Documents").**

B. Authorization of Agreements. The execution and delivery of this Amendment and the Amended Note and the performance of the Amended Documents have been duly authorized by all necessary corporate action on the part of the Company.

C. No Conflict. The execution and delivery by the Company of this Amendment and the Amended Note and the performance by the Company of the Amended Documents do not and will not (i) violate any provision of the Certificate of Incorporation or Bylaws of the Company, (ii) violate any provisions of any law or any governmental rule or regulation applicable to the Company or any order, judgment or decree of any court or other agency of government binding on the Company, (iii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contractual obligation of the Company, (iv) result in or require the creation or imposition of any lien upon any of the properties or assets of the Company (other than Liens created under any of the Amended Documents in favor of Bionics), or (v) require any approval of the stockholders of the Company, or any approval or consent of any person under any contractual obligation of the Company, which has not already been obtained.

D. Governmental Consents. The Company is not required to obtain any approval, consent or authorization from, or provide any notice to, any federal, state or other

governmental authority or regulatory body as a condition to the execution and delivery of this Amendment and the Amended Note or the performance by the Company of the Amended Documents.

E. Binding Obligation. Each of this Amendment and the Amended Note has been duly executed and delivered by the Company and this Amendment and the Amended Documents are the legally valid and binding obligations of the Company, enforceable against Company in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

F. Incorporation of Representations and Warranties From Development Agreement. Except as set forth in Schedule 6.F attached hereto, the representations and warranties contained in Sections 4.7, 4.8 and 4.12 of the Development Agreement are and will be true, correct and complete in all material respects on and as of the Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

Section 7. MISCELLANEOUS

A. Reference to and Effect on the Amended Documents.

(i) On and after the Amendment Effective Date, each reference in the Development Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Development Agreement, and each reference in the Amended Documents to the "Development Agreement", "thereunder", "thereof or words of like import referring to the Development Agreement shall mean and be a reference to the Develop Agreement as amended by this Amendment.

(ii) On and after the Amendment Effective Date, each reference in the Security Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Security Agreement, and each reference in the Amended Documents to the "Security Agreement", "thereunder", "thereof or words of like import referring to the Security Agreement shall mean and be a reference to the Security Agreement as amended by this Amendment.

(iii) On and after the Amendment Effective Date, each reference in the License Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the License Agreement, and each reference in the Amended Documents to the "License Agreement", "thereunder", "thereof or words of like import referring to the License Agreement shall mean and be a reference to the License Agreement as amended by this Amendment.

(iv) On and after the Amendment Effective Date, each reference in the Amended Documents to the "Note", "thereunder", "thereof or words of like import referring to the Note shall mean and be a reference to the Amended Note.

(ii) Except as specifically amended by this Amendment, the Amended Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of Bionics or the Company under, any of the Amended Documents.

B. Headings. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA (INCLUDING WITHOUT LIMITATION SECTION 1646.5 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

D. Clarification of Scope. For the avoidance of any doubt whatsoever, Bionics and the Company acknowledge and agree that the terms "neuromodulation" and "neuro- related" (as used in any of the Amended Documents) do not include, and in no event does any license granted to Bionics under the Development Agreement or the License Agreement relate to, cardiac applications.

E. Counterparts; Effectiveness. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment (other than the provisions of Sections 1 through 4 hereof, the effectiveness of which is governed by Section 5 hereof) shall become effective upon the execution of a counterpart hereof by the Company and Bionics and receipt by the Company and Bionics of written or telephonic notification of such execution and authorization of delivery thereof.

F. Return of Original Note. On the Amendment Effective Date, Bionics shall deliver to the Company the original Note for cancellation.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BIONICS:

ADVANCED BIONICS CORPORATION

By: /s/ Jeffrey H. Greiner
Jeffrey H. Greiner
Its: President and Co-Chief Executive Officer

COMPANY:

SURGI- VISION, INC.

By: /s/ Kimble Jenkins
Kimble L. Jenkins
Its: President

EXHIBIT A

TO OMNIBUS AMENDMENT

[FORM OF AMENDED NOTE]

THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 (THE "ACT") HAS BECOME EFFECTIVE WITH RESPECT THERETO OR (II) RECEIPT BY THE COMPANY AT LENDER'S SOLE COST AND EXPENSE OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION UNDER THE ACT IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER AND THAT SUCH ISSUANCE IS NOT IN VIOLATION OF ANY APPLICABLE STATE SECURITIES LAWS. THIS LEGEND WILL BE ENDORSED UPON ANY NOTE ISSUED IN EXCHANGE FOR THIS NOTE.

AMENDED AND RESTATED MULTIPLE ADVANCE SECURED CONVERTIBLE PROMISSORY NOTE

Up to $1,500,000 **June 30, 2007**

1. Principal. For value received, **SURGI-VISION, INC.**, a Delaware corporation ("**Company**"), promises to pay to **ADVANCED BIONICS CORPORATION,** a Delaware corporation ("**Lender**"), at its office at 25129 Rye Canyon Loop, Valencia, California 91355, or at such other place as Lender may from time to time designate in writing, the principal sum specified on the Schedule of Advances attached to this Note, together with accrued interest from the date of disbursement on the unpaid principal of this Note at the rate set forth in Section 3 hereof. Lender hereby authorizes and directs Company to deliver this Note to Lender's address set forth at the beginning of this Note. Initially capitalized terms used herein without definition are defined in that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006 and by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, and as further amended, supplemented or otherwise modified from time to time, the **"Development Agreement"),** by and between Company and Lender.

2. Maturity Date. Unless Lender has previously exercised its Conversion Right (as defined below), the unpaid principal balance of this Note (plus any interest, fees, and other amounts owing under this Note) (collectively, the "**Note Balance**") is due and payable in full on the Maturity Date. The "**Maturity Date**" is the earliest of (A) the last day of the Negotiation Period or (B) June 30, 2008, regardless of any extensions of the Negotiation Period that Company and Lender may mutually agree on, or (C) the date of an occurrence of an Event of Default. If the Maturity Date falls on a day that is not a business day, payment of the unpaid principal of this Note must be made on the next succeeding business day and such extension of time will be included in computing any interest in respect of such payment.

3. Interest Rate.

(a) This Note bears simple interest at the rate of 0% per annum on its unpaid principal amount from the Closing Date to five days after the Maturity Date. This Note bears simple interest at the rate of 20% per annum (or the highest rate permitted by law, whichever is less) (the **"Default Rate")** on any unpaid principal balance of this Note from five business days after the Maturity Date until the actual date that the entire Note Balance is satisfied (either by (i) Company paying the entire Note Balance in cash, (ii) Lender electing in its sole discretion to convert the entire Note Balance into Conversion Shares (as defined below), or (iii) Lender electing in its sole discretion to convert part of the Note Balance into Conversion Shares and Company paying the entire remaining Note Balance in cash).

(b) All payments of principal and interest due under this Note must be made without deduction of any present and future taxes, levies, imposts, deductions, charges or withholdings, which amounts must be paid by Company. Company will pay the amounts necessary such that the gross amount of the principal and interest received by Lender is not less than that required by this Note. If Company is required by law to deduct any such amounts from or in respect of any principal or interest payment under this Note, then (i) the sum payable to Lender will be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this provision) Lender receives an amount equal to the sum it would have received had no deductions been made, (ii) Company will make such deductions, and (iii) Company will pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Company will pay all stamp and documentary taxes. If, notwithstanding the foregoing, Lender pays such taxes, Company will reimburse Lender for the amount paid. Company will furnish Lender official tax receipts or other evidence of payment of all taxes.

(c) Throughout the term of this Note, interest will be calculated on the basis of a 360-day year and will be computed for the actual number of days elapsed in the period for which interest is charged. If any payment of interest to be made by Company under this Note becomes due on a day which is not a business day, such payment must be made on the next succeeding business day and such extension of time will be included in computing the interest due in respect of such payment.

4. Conversion.

(a) Conversion at Lender's Option. At any time beginning on the Maturity Date and ending five business days after Company's payment in full of the Note Balance, Lender will have the right, in Lender's sole discretion, to convert this Note, in whole or in part (the **"Conversion Right")** into the number of Conversion Shares obtained by the calculations of Section 4(b)(i) or Section 4(b)(ii), as applicable. If Lender exercises the Conversion Right after Company's payment in full of the Note Balance, Lender will return to Company that part of the Note Balance that Lender is electing to convert to Conversion Shares within five business days of Lender's receipt of Company's payment in full of the Note Balance.

"Conversion Shares" means the aggregate number of fully paid and nonassessable shares of the Common Stock of Company, par value $0.01 per share **("Common Stock")** into which Lender has elected to convert all or part of the Note Balance.

(b) Pricing Terms.

(i) Conversion Calculation. Except for the circumstances described in Section 4(b)(ii) below, the number of Conversion Shares will be determined by dividing (A) the amount of the Note Balance to be converted by (B) the lesser of (1) the 5% Conversion Price (as defined below) or (II) if Company consummates a sale of any of its equity securities after the Closing Date (for the avoidance of doubt, a "sale" of equity securities will not include equity securities issued pursuant to the acquisition of another entity by Company by merger, purchase of all or substantially all of the assets, or other reorganization whereby Company becomes the owner of more than 50% of the voting power of such entity, equity securities issued pursuant to the conversion or exercise of any convertible securities, options or warrants, or equity securities (including derivatives) granted, issued or issuable to employees, officers, directors or consultants pursuant to plans or agreements approved by Company's board of directors), whether in a single or multiple closings or financings, the average price per share paid for such securities by the purchasers thereof. The term **"5% Conversion Price"** means, as of a given date, the price per share determined by dividing $1,500,000 by 5% of Company's Fully Diluted Shares (as defined below). The term **"Fully Diluted Shares"** means, as of a given date, the total number of shares of Common Stock (a) issued and outstanding, (b) issuable upon the exercise of any and all outstanding options, warrants and rights to acquire shares of Common Stock, or upon the conversion of any and all outstanding securities convertible into shares of Common Stock, whether then vested, exercisable or convertible, and (c) authorized and issuable by the Company under any stock option or other equity compensation plan approved by the Company's board of directors other than those shares subject to outstanding options, warrants or other similar rights described in the preceding clause (b).

(ii) If (a) an Event of Default has occurred and is continuing or (b) the Company, in its sole discretion, prepays all or any portion of the Note Balance prior to the Maturity Date pursuant to Section 6 hereof or (c) the Company grants the consent pursuant to Section 10(c) hereof, the number of Conversion Shares will be determined by dividing (A) the amount of the Note Balance to be converted by (B) the lesser of (I) the 10% Conversion Price (as defined below) or (II) if Company consummates a sale of any of its equity securities after the Closing Date (for the avoidance of doubt, a "sale" of equity securities will not include equity securities issued pursuant to the acquisition of another entity by Company by merger, purchase of all or substantially all of the assets, or other

reorganization whereby Company becomes the owner of more than 50% of the voting power of such entity, equity securities issued pursuant to the conversion or exercise of any convertible securities, options or warrants, or equity securities (including derivatives) granted, issued or issuable to employees, officers, directors or consultants pursuant to plans or agreements approved by Company's board of directors), whether in a single or multiple closings or financings, the average price per share paid for such securities by the purchasers thereof. The term **"10% Conversion Price"** means, as of a given date, the price per share determined by dividing $1,500,000 by 10% of Company's Fully Diluted Shares.

(iii) Warrant. If, upon Lender's exercise of its Conversion Right pursuant to Section 4(b)(i), Company and Lender have not executed and delivered the Subsequent System License, in addition to the number of Conversion Shares obtained by the calculation set forth in Section 4(b)(i) above, Lender will receive from the Company a warrant, in substantially the form attached hereto as Exhibit.A (the **"Warrant"),** to purchase the number of shares of Common Stock equal to the difference, if positive, between (A) the amount determined by dividing (I) the amount of the Note Balance converted pursuant to Section 4(b)(i) by (II) the 10% Conversion Price, minus (B) the number of Conversion Shares obtained by the calculation set forth in Section 4(b)(i) above. Such Warrant shall become exercisable if (A) Company and Lender have not executed and delivered the Subsequent System License on or before the last day of the Negotiation Period or (B) an Event of Default has occurred and is continuing prior to the last day of the Negotiation Period.

(iv) Full Conversion. Reference in the Development Agreement, this Note and/or any of the other Concurrent Documents to the "conversion of the Note Balance" or words of like import shall mean and be a reference to Lender's receipt of (A) the number of Conversion Shares obtained by the calculation set forth in Sections 4(b)(i) or 4(b)(ii), as applicable, and (B) if applicable, the Warrant, For the avoidance of doubt, reference in the Development Agreement, this Note and/or any of the other Concurrent Documents to the "conversion of the Note Balance" or words of like import shall not mean or include Lender's exercise of all or any portion of the Warrant.

(c) Conversion Procedure.

(i) In order to convert all or any part of the Note Balance, Lender will deliver to Company a written notice stating (A) that Lender has elected to convert all or part of the Note Balance and (B) the amount of the Note Balance to be converted (the **"Conversion Notice").**

(ii) Within five business days after receipt of the Conversion Notice, Company will deliver to Lender a certificate for the number of Conversion

Shares issuable upon the conversion; provided that Company will not issue any fractional Conversion Shares. In lieu of Company issuing any fractional shares to Lender or its designees upon conversion, Company will pay to Lender the unconverted amount of the Note Balance specified in the Conversion Notice, such payment to be in the form of a wire transfer or check payable to Lender. Each conversion will be deemed to have been effected immediately before the close of business on the date on which this Note is given to the Company pursuant to Section 14 of this Note. Upon conversion of the entire Note Balance, Company will be forever released from all its obligations and liabilities under this Note.

(d) Changes in Common Stock. If, and as often as, there are any changes in the Common Stock by way of stock split, stock dividend, combination or reclassification, or by any other means, appropriate adjustment will be made by Company and Lender to the price at which Conversion Shares are issued and the other provisions of this Note, as may be required, so that the rights and privileges granted hereby will continue with respect to the Conversion Shares as so changed.

(e) Access and Information. Subject to the confidentiality provisions in the Development Agreement, Company will afford to Lender and its accountants, counsel and other representatives full access, upon reasonable request, upon reasonable prior notice and during normal business hours, to all of Company's properties, books, accounts, records, contracts, and personnel and, Company will, and will cause its accountants, counsel and other representatives to furnish promptly to Lender and its representatives all information concerning Company's business, properties and personnel, in each case as Lender or its representatives reasonably requests for the purpose of evaluating the merits and risks of an investment in Conversion Shares in the event Lender may desire to exercise its Conversion Right; provided, however, that Company reserves the right to withhold any information if access to such information could adversely affect the attorney-client privilege between Company and its counsel.

(f) Conversion Shares. Until such time as the Conversion Shares are registered under the Securities Act of 1933, Company will instruct its transfer agent to enter stop transfer orders with respect to such shares and the certificates representing such shares will be endorsed with the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE "BLUE SKY" OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED, DISTRIBUTED OR OTHERWISE DISPOSED OF UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SALE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT IS AVAILABLE, AND IF AN EXEMPTION IS AVAILABLE, THE COMPANY RECEIVES AN OPINION OF COUNSEL AT THE HOLDER'S SOLE COST AND EXPENSE STATING THAT SUCH OFFER, SALE, TRANSFER, ASSIGNMENT, PLEDGE,

HYPOTHECATION, DISTRIBUTION OR OTHER DISPOSITION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND OTHER LAWS. THE RESTRICTIONS CONTAINED HEREIN ARE BINDING ON THE HOLDER HEREOF AND HIS SUCCESSORS AND ASSIGNS,"

5. Schedule of Advances. Lender will, and is hereby authorized by Company to, note on the Schedule of Advances annexed to this Note and constituting a part of this Note, the date and amount of each advance, payment or prepayment of all or any portion of the principal sum. Absent manifest error, such notations are conclusive and binding as to the aggregate unpaid principal sum and all other information; provided, however, the failure of Lender to make such a notation will not limit or otherwise affect the obligation of Company to repay the outstanding principal amount or any interest accrued or accruing thereon or any other amount payable by Company to Lender hereunder.

6. Prepayment Prior to the Maturity Date, Company, in its sole discretion, may prepay all or any portion of the Note Balance at any time, provided that (i) Company will give Lender not less than a 30-day prior written notice of its intention to prepay an amount specified in such notice on the date set forth in the notice, and (ii) notwithstanding any provision hereof to the contrary, Lender will have the right before the anticipated prepayment date set forth in the notice to exercise its Conversion Right, under the pricing terms contained in Section 4(b)(ii) of the Note, to convert all or part of the amount to be prepaid into Conversion Shares, in which case the prepayment notice will have no further force or effect regarding the amount to be converted.

7. Lawful Money. Principal and interest are payable in lawful money of the United States of America,

8. Applications of Payments; Late Charges.

(a) Payments received by Lender hereunder will be applied first to costs and expenses, then to interest and finally to principal unless Lender elects otherwise in its sole discretion.

(b) If any payment of principal or interest is not paid when due, such late payment will bear interest at the Default Rate from the day such payment was due until it is paid. In addition, if any payment is five or more days overdue, Lender will have the option to assess a late charge of $0.03 cents for each dollar so overdue. In connection therewith, Company and Lender agree as follows:

(i) Because of such late payment, Lender will incur certain costs and expenses including, without limitation, administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount;

(ii) It would be impractical or extremely difficult to fix the exact amount of such costs in such event;

(iii) The late charge is a reasonable and good faith estimate of such costs; and

(iv) Such late charge will constitute liquidated damages caused by such failure to make a payment of interest or principal when due but only to the extent such late charge is assessed by Lender, paid by Company and accepted by Lender and only upon the condition that such failure is completely cured concurrently with such payment.

The application of the Default Rate or the assessment of a late charge to any such late payment as described in this Section 8(b) will not be interpreted or deemed to extend the period for payment or otherwise limit any of Lender's remedies under this Note, the Security Agreement, the Development Agreement, or the License Agreement.

9. Security. This Note is a secured obligation of Company as set forth in the Security Agreement dated as of December 30, 2005, as amended by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, and as further amended, supplemented or otherwise modified from time to time, the "**Security Agreement**"), by and between Company and Lender.

10. Covenants of Company.

(a) Use of Loan Proceeds. Company covenants and agrees that it will use the proceeds of this Note only (i) to pay the second installment in the amount of $124,052.60 (including accrued interest, fees, and related amounts) due on December 1, 2005, and the third installment in the amount of $120,355.03 (including accrued interest, fees, and related amounts) due on March 1, 2006, under that certain promissory note made by the Company in favor of Trust One Bank of 1715 Aaron Brenner Dr., Memphis, Tennessee 38120 in the principal amount of $690,000 due December 1, 2006 (the "**Trust One Bank Note**"), (ii) to pay direct costs and expenses associated with the development of the System and/or the Lead and (iii) to pay to Bass, Berry & Sims, PLC and Myers Bigel Sibley & Sajovec an aggregate amount no greater than $40,000 to cover Company's actual costs and expenses associated with the negotiation and documentation of this Note, the Security Agreement, the Development Agreement, the License Agreement and the Other Agreements. Company acknowledges that some costs and expenses incurred by Company, such as salaries and consulting fees, may relate both to the development of the System and/or the Lead and to other activities of Company. With respect to such costs and expenses, Company will determine, subject to Lender's approval, which will not be unreasonably withheld, which percentage of the cost or expense is associated with the development of the System and/or the Lead, for which Company will be permitted to use proceeds of this Note, and which percentage is associated with other activities of Company, for which Company will not be permitted to use proceeds of this Note.

(b) No Senior Debt. So long as this Note is outstanding, Company will not incur on or after the Closing Date any indebtedness for borrowed money that is not expressly subordinated to this Note, without the prior written consent of Lender. For the avoidance of doubt, the phrase "indebtedness for borrowed money" will not include ordinary-course obligations to trade creditors.

(c) No Liens or Encumbrances. So long as this Note is outstanding, without the prior written consent of Lender, Company will not (a) pledge or otherwise encumber or permit the encumbrance of any of its assets, including the Collateral (as defined in the Security Agreement); (b) merge or consolidate with any entity, or dissolve; (c) declare, make or pay any distribution or dividend to its stockholders; (d) sell, lease or otherwise dispose of all or any substantial portion of its assets; or (e) engage in any business other than that in which it is presently engaged. Lender may grant or withhold its consent in its sole discretion. Any grant of that consent will give the Lender the right to exercise the Conversion Right for all or any part of the Note Balance under the pricing terms contained in Section 4(b)(ii). For the avoidance of doubt, this Section 10(c) shall not apply with respect to any license and/or sublicense to any of the Intellectual Property Collateral (as defined in the Security Agreement) if such license and/or sublicense is not inconsistent with the terms of the Development Agreement or License Agreement.

11. Defaults and Remedies.

(a) Events of Default. Each of the following events constitutes an event of default ("**Event of Default"):**

(i) if any representation or warranty made by Company in this Note, the Security Agreement, the Development Agreement, the License Agreement or in any report, certificate, financial statement or other instrument furnished in connection with this Note, is false, inaccurate or misleading in any material respect when made or when deemed made hereunder.

(ii) any default in the payment of any principal or interest under this Note within five days after date when due hereunder, whether upon the Maturity Date or by acceleration or otherwise;

(iii) any default by Company in the prompt and complete fulfillment of any of its covenants and obligations under this Note, the Security Agreement, the Development Agreement, the License Agreement, or any and all other agreements and documents executed and delivered in connection herewith or therewith (the **"Other Agreements")** (other than those covenants and obligations referred to in clause (ii) above or clause (vi) below), if such default is not remedied within 15 days after an officer of Company becomes aware of the factual circumstances giving rise to such default;

(iv) if Company: (A) applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, (B) admits in writing its inability to pay its debts as they mature, (C) makes a general assignment for the benefit of creditors, (D) is adjudicated as bankrupt or insolvent or is the subject of an order for relief under Title 11 of the United States Code, or any successor thereto, or (E) files a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, moratorium, reorganization, insolvency, readjustment of debt, dissolution

or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or (F) takes or permits to be taken any action in furtherance of or for purpose of effecting any of the foregoing;

(v) if any order, judgment or decree will be entered, without the application, approval or consent of Company, by any court of competent jurisdiction, approving a petition seeking reorganization of Company, or appointing a receiver, trustee, custodian or liquidator of Company, or of all or any substantial part of its assets, and such order, judgment or decree will continue unstayed and in effect for any period of 60 days;

(vi) if the Company fails to meet, by the required date, any System Milestone or Lead Milestone, which failure is not remedied within 15 days following Lender's written notice to Company; or

(vii) in the event Lender reasonably believes that Company will be unable to perform its obligations under this Note, Lender may request in writing reasonable assurances of further performance from Company. If, within 15 days from such written request, Company fails to give such assurances reasonably showing its ability to perform, Lender may declare an Event of Default, For avoidance of doubt, Lender's reasonable belief of Company's inability to perform its obligations under this Note must be based on a fact or circumstance that occurs or changes after the date of this Note and results in a material adverse effect upon the Company's financial condition. The foregoing is without any derogation of rights under applicable law to demand further assurances and address anticipatory breaches.

(b) Remedies.

(i) Upon the occurrence of any Event of Default, and at all times thereafter during the continuance of an Event of Default: (a) this Note will, in Lender's sole discretion and upon Lender's written notice to Company, become immediately due and payable, as to principal and interest, without presentment, demand, protest, notice or other requirement of any kind, all of which are hereby expressly waived, anything contained herein or in this Note to the contrary notwithstanding (except in the case of any event described in Sections ll(a)(iv) and (v) of this Note, the occurrence of which will automatically effect acceleration, regardless of any action or forbearance in respect of any prior or ongoing default or Event of Default which may be inconsistent with such automatic acceleration), (b) Lender may file suit against Company on this Note and/or seek specific performance or injunctive relief thereunder (whether or not a remedy exists at law or in equity); and (c) Lender will have the right to seek to exercise any and all remedies as it may determine in its discretion (without any requirement of marshalling of assets, or other such requirement) that may be available at law or in equity.

(ii) Lender's rights, remedies and powers, as provided in this Note and the Security Agreement are cumulative and concurrent and may be pursued singly, successively or together against this Company, the Collateral (as defined in the Security Agreement) and any other security given at any time to secure the payment of this Note, all at the sole discretion of Lender. Additionally, Lender may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender at any one time, for a period of time or on more than one occasion, to exercise any of its rights or remedies hereunder or at law or in equity will not constitute a waiver of the right to exercise the same right or remedy at any time thereafter. Any and all waivers must be in writing to be effective.

(iii) If any suit or action is instituted or attorneys are employed to enforce any of the obligations of this Note, the non-prevailing party hereby promises and agrees to pay all reasonable costs, including reasonable attorneys' fees and court costs incurred by the prevailing party.

12. Subordination. Lender and Company agree and acknowledge that the indebtedness evidenced by this Note is neither subordinate nor subject in right of payment to any other indebtedness issued to third parties.

13. Interest Rate Limitation. It is the intent of Company and Lender in the execution of this Note and all other instruments securing this Note that the loan evidenced hereby be exempt from the restrictions of the usury laws of the State of California. In the event that, for any reason, it should be determined that the California usury law is applicable to the Loan, Lender and Company stipulate and agree that none of the terms and provisions contained herein or in any of the other Credit Documents will ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of California. In such event, if any holder of this Note collects monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of California, all such sums deemed to constitute interest in excess of such maximum rate will, at the option of Lender, be credit.

14. Notices. All notices, requests, demands and other communications which are required to be or may be given under this Note to a party by the other party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express or UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the Party to whom the same is so given or made, or (d) upon confirmation of receipt, if by facsimile. Any notice or other communication

given hereunder will be addressed to the Company, at 200 N. Cobb Parkway, Suite 140, Marietta, Georgia 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424-8236, with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, Tennessee 38103, Fax (901) 579-4979, , or to Lender at the address indicated at the beginning of this document, Attention: General Counsel, Fax (661) 362-4712.

15. Counterparts. This Note may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

16. Headings. All headings are inserted for convenience of reference only and will not affect the meaning or interpretation of any such provisions or of this Note, taken as an entirety.

17. Severability. If and to the extent that any court of competent jurisdiction holds any provision (or any part thereof) of this Note to be invalid or unenforceable, such holding will in no way affect the validity of the remainder of this Note.

18. Changes, Waivers, Etc. Neither this Note nor any provision of this Note may be changed, waived, discharged or terminated orally, but rather may only be changed by a statement in writing signed by the Party against which enforcement of the change, waiver, discharge or termination is sought. It is agreed that a waiver by either Lender or Company of a breach of any provision of this Note will not operate, or be construed, as a waiver of any subsequent breach by that same party.

19. Governing Law. This Note will be governed by and construed in accordance with the laws of the State of California. The parties hereby agree that any dispute which may arise between them arising out of or in connection with this Note will be adjudicated before a court located in Los Angeles, California and they hereby submit to the exclusive jurisdiction of the courts of the State of California located in Los Angeles, California and of the federal courts in the Central District of California with respect to any action or legal proceeding commenced by any party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Note or any acts or omissions relating to the sale of the securities hereunder, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth below or such other address as the undersigned will furnish in writing to the other.

20. Entire Agreement. This Note, the Security Agreement, the Development Agreement, the License Agreement and the Other Agreements set forth the entire agreement and understanding between Lender and Company as to this subject matter and incorporates and supersedes all prior discussions, agreements and understandings of any and every nature among them.

21. Further Assurances. Lender and Company agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Note.

22. Successors and Assigns. The terms and conditions of this Note will inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Nothing in this Note, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Note, except as expressly provided in this Note, This Note is non-negotiable. Neither Company nor Lender may assign or otherwise transfer this Note without the prior written consent of the other party.

23. Relationship of Parties. In all matters relating to this Note, no party will have any right, power or authority to create any obligation, express or implied, on behalf of any other party. Nothing in this Note is intended to create or constitute a joint venture or a partnership between the parties hereto.

24. Amendment and Restatement. This Note constitutes an amendment and restatement of that certain Multiple Advance Secured Convertible Promissory Note dated December 30, 2005, made by Company in favor of Lender in the maximum principal amount of $1,500,000, and replaces and supersedes such promissory note in all respects.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, Company has signed this Note and delivered this Note to Lender as of the date first written above.

COMPANY:

SURGI- VISION, INC.,
a Delaware corporation
By: _____
Name:
Title:

SCHEDULE OF ADVANCES

Date	Amount of Principal Advanced	Unpaid Principal Balance	Amount Paid	Notation Made By
01/04/06	$250,000	$250,000	—	Initial Advance
01/31/06	$250,000	$500,000	—	
06/30/06	$250,000	$750,000	—	
09/30/06	$250,000	$1,000,000	—	
07/__/07	$500,000	$1,500,000	—	

EXHIBIT A
TO AMENDED AND RESTATED MULTIPLE ADVANCE SECURED CONVERTIBLE PROMISSORY NOTE

[FORM OF WARRANT]

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THIS WARRANT HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE. THIS WARRANT, AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF, MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

_____, 200__

SURGI-VISION, INC.

STOCK PURCHASE WARRANT

This Warrant is issued as of this day of 200 , by SURGI-VISION, INC., a Delaware corporation (the "Company"), to ADVANCED BIONICS CORPORATION, a Delaware corporation (the "Holder").

1. Issuance of Warrant; Term; Price.

(a) Issuance. This Warrant is issued pursuant to Section 4(b)(iii) of that certain Amended and Restated Multiple Advance Secured Convertible Promissory Note dated as of June 30, 2007, payable to the Holder by the Company (together with any and all replacements and renewals thereof, the "Note"). Reference also is made to that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006 and by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, and as further amended, supplemented or otherwise modified from time to time, the "Development Agreement"), by and between the Company and the Holder. Capitalized terms used herein without definition will have the meanings ascribed to such terms in the Development Agreement.

(b) Shares Issuable upon Exercise. The Company hereby grants to the Holder the right to purchase, upon the terms hereof and at the Warrant Price (as defined below), [ ] shares of common stock ("Common Stock") of the Company, subject to adjustment as set forth in Section 2 below (the "Warrant Shares"). [Note: The initial number of Warrant Shares will be determined according to the calculation set forth in Section 4(b)(iii)of the Note.]

(c) Term. This Warrant shall not be exercisable by the Holder unless (A) the Company and the Holder have not executed and delivered the Subsequent System License on or before the last day of the Negotiation Period or (B) at any time prior to the last day of the Negotiation Period, an Event of Default has occurred and is continuing (the "Trigger Date"). If the Company and the Holder have executed and delivered the Subsequent System License on or before the Trigger Date, this Warrant shall expire automatically and become null and void. If the Company and the Holder have not executed and delivered the Subsequent System License on or before the Trigger Date, the Holder may exercise this Warrant at any time after the Trigger Date until 5:00 p.m. (Eastern Time) on the fifth business day following the Trigger Date, at which time this Warrant shall expire automatically and become null and void.

(d) Exercise Price. The exercise price (the "Warrant Price") per share for which all or any of the Warrant Shares may be purchased pursuant to the terms of this Warrant shall be equal to $0.01.

2. Adjustment of Number and Kind of Shares. The number and kind of securities issuable upon the exercise of this Warrant shall be subject to adjustment from time to time as follows:

(a) Dividends in Stock Adjustment. In case at any time or from time to time on or after the date hereof the holders of the Common Stock of the Company (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received, or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefore, other or additional securities or other property (other than cash) of the Company by way of dividend or distribution, then and in each case, the Holder shall, upon the exercise hereof, be entitled to receive, in addition to the number of Warrant Shares receivable thereupon, and without payment of any additional consideration therefore, the amount of such other or additional securities or other property (other than cash) of the Company which such Holder would hold on the date of such exercise had it been the holder of record of such Common Stock on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional securities or other property receivable by it as aforesaid during such period, giving effect to all adjustments called for during such period by this Section 2(a), Section 2(b) and Section 2(c).

(b) Reclassification or Reorganization Adjustment. In case of any reclassification or change of the outstanding securities of the Company or of any reorganization of the Company on or after the date hereof, the Holder, upon the exercise hereof at any time after the consummation of such reclassification, change or reorganization, shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise hereof prior to such consummation, the stock or other securities or property to which such Holder would have been entitled upon such consummation if such holder had exercised this Warrant immediately prior thereto, all subject to further adjustment as provided in Section 2(a) and Section 2(c).

(c) Stock Splits and Reverse Stock Splits. If at any time on or after the date hereof the Company shall subdivide its outstanding shares of Common Stock into a greater number of shares, the number of shares receivable upon exercise of this Warrant shall thereby be proportionately increased; and, conversely, if at any time on or after the date hereof the outstanding number of shares of Common Stock shall be combined into a smaller number of shares, the number of shares receivable upon exercise of this Warrant shall thereby be proportionately decreased.

3. No Fractional Shares. No fractional shares of Warrant Stock will be issued in connection with any subscription hereunder.

4. No Stockholder Rights. This Warrant as such shall not entitle the Holder to any of the rights of a stockholder of the Company until the Holder has exercised this Warrant in accordance with Section 6 hereof.

5. Reservation of Stock. The Company covenants that during the term of this Warrant, the Company will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of this Warrant. The Company agrees that its issuance of this Warrant constitutes full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for Warrant Shares upon the exercise of this Warrant.

6. Exercise of Warrant. This Warrant may be exercised by the Holder, during the term of this Warrant as provided in Section 1(c) above, by the surrender of this Warrant at the principal office of the Company, accompanied by payment in full of the Warrant Price of the shares purchased thereby. Notwithstanding any provision of the Development Agreement to the contrary, the Holder shall be entitled to offset against any amount owing to the Company under the Development Agreement the Warrant Price of any shares purchased by the Holder upon the exercise of this Warrant. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above, and the Holder shall be treated for all purposes as the holder of record of the Warrant Shares as of the close of business on such date. As promptly as practicable, the Company shall issue and deliver to the Holder a certificate or certificates for the number of Warrant Shares issuable upon such exercise. The Warrant Shares issuable upon exercise of this Warrant shall, upon their issuance, be fully paid and nonassessable.

7. Certificate of Adjustment. Whenever the number or type of securities issuable upon exercise of this Warrant is adjusted as herein provided, the Company shall deliver to the Holder a certificate of an officer of the Company setting forth the nature of such adjustment and a brief statement of the facts requiring such adjustment.

8. No Limitation on Corporate Action. No provisions of this Warrant and no right granted or conferred hereunder shall in any way limit, affect or abridge the exercise by the Company of any of its corporate rights or powers to recapitalize, amend its Certificate of Incorporation, reorganize, consolidate or merge with or into another corporation, to transfer all or any part of its property or assets, or to exercise any other corporate rights and powers.

9. Assignment of Warrant. The Holder may not assign or transfer this Warrant without the prior written consent of the Company. Any purported assignment or transfer of this Warrant in violation of this Section 9 shall be void abs initio.

10. Restrictive Legends. To the extent applicable, each certificate evidencing any of the Warrant Shares shall be endorsed with the legends set forth below, and Holder covenants that, except to the extent such restrictions are waived by the Company, Holder shall not transfer the Warrant Shares without complying with the restrictions on transfer described in such legends:

(a) The following legend under the Securities Act:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE "BLUE SKY" OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED, DISTRIBUTED OR OTHERWISE DISPOSED OF UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SALE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT IS AVAILABLE, AND IF AN EXEMPTION IS AVAILABLE, THE COMPANY RECEIVES AN OPINION OF COUNSEL AT THE HOLDER'S SOLE COST AND EXPENSE STATING THAT SUCH OFFER, SALE, TRANSFER, ASSIGNMENT, PLEDGE, HYPOTHECATION, DISTRIBUTION OR OTHER DISPOSITION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND OTHER LAWS. THE RESTRICTIONS CONTAINED HEREIN ARE BINDING ON THE HOLDER HEREOF AND ITS SUCCESSORS AND PERMITTED ASSIGNS."

(d) If required by the authorities of any state in connection with the issuance or sale of the Warrant Shares, the legend required by such state authority.

11. Replacement of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft or destruction of this Warrant, and on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company, the Company will execute and deliver to the Holder, in lieu thereof, a new Warrant of like tenor.

12. Miscellaneous. This Warrant shall be governed by the laws of the State of Delaware. The headings in this Warrant are for purposes of convenience of reference only, and shall not be deemed to constitute a part hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provisions.

13. Notices. All notices, requests, demands and other communications which are required to be or may be given under this Warrant to a party by the other party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express, UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class

mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made, or (d) upon confirmation of receipt if by facsimile. Any notice or other communication given hereunder will be addressed (x) to the Company at 200 N. Cobb Parkway, Suite 140, Marietta, Georgia 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424-8236, with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, Tennessee 38103, Fax (901) 579-4979, or (y) to the Holder at 25129 Rye Canyon Loop, Valencia, California 91355, Attention: General Counsel, Fax (661) 362-4712, or at such other address as one party shall have notified the other party hereto by notice given in conformity with this Section 13.

14. Taxes. The Company shall pay all issue taxes and other governmental charges (but not including any income taxes of the Holder) that may be imposed in respect of the issuance or delivery of the Warrant Shares or any portion thereof.

15. Amendment: Waiver. Any term of this Warrant may be amended or waived with the written consent of the Company and the Holder.

16. Representations by Holder. The Holder represents and warrants to the Company, as of the date hereof and as of the date of any exercise of this Warrant, that (a) the Holder is acquiring this Warrant and the Warrant Shares for its own account, for investment purposes, and not with a present view either to sell, distribute or transfer, or to offer for sale, distribution or transfer, this Warrant or the Warrant Shares, (b) the Holder is experienced in evaluating companies such as the Company, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the Holder's investment and has the ability to suffer the total loss of such investment, and (c) the Holder is an "accredited investor" within the meaning of Regulation D under the Securities Act.

SURGI- VISION, INC.

By: _____
Name: _____
Title: _____

AGREED TO AND ACCEPTED BY:

ADVANCED BIONICS CORPORATION

By: _____
Name:
Title: _____

NOTICE OF EXERCISE

To: Surgi-Vision, Inc.

The undersigned hereby elects to purchase "Warrant Shares" pursuant to the provisions of Section 6 of the attached Warrant, and tenders herewith payment of the purchase price for such shares in full. In exercising the attached Warrant, the undersigned hereby confirms and acknowledges its representations and warranties set forth in Section 16 of the attached Warrant.

ADVANCED BIONICS CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B
TO OMNIBUS AMENDMENT

SCHEDULE 10

TO THE SECURITY AGREEMENT

U.S. Copyright Registrations:

Title	Registration No.	Date of Issue	Registered Owner

None

Foreign Copyright Registrations:

Country	Title	Registration No.	Date of Issue

None

Pending U.S. Copyright Registration Applications:

Title	Appl. No.	Date of Application	Copyright Claimant

None

Pending Foreign Copyright Registration Applications:

Country	Title	Appl. No.	Date of Application

None

The Grantor has granted Secured Party certain licenses to the Intellectual Property pursuant to the Concurrent Agreements.

The Grantor is a party to the JHU Agreements.

Pursuant to the JHU Agreements, JHU has the retained right to make, have made, provide and use for its and The Johns Hopkins Health Systems' internal, non-commercial purposes "Licensed Products" and "Licensed Services" (as such terms are defined in the JHU Agreements).

Patents supported by federal funding are subject to the rights, conditions and limitations imposed by U.S. law.

The Grantor is a party to an option agreement with JHU. Pursuant to that option agreement, the Grantor has notified JHU that the Grantor will exercise its option on a "Microcapsule" patent application that was filed in May 2007. Such patent application is not related to the Lead or the System.

The Grantor is a party to an assignment agreement with [***] for [***].

The Grantor has a pending research collaboration/sponsorship agreement with UCSF.

The Grantor has a pending sponsorship agreement with the University of Utah and Dr. Marrouche (with an option for an exclusive license for any intellectual property arising from the sponsored work). Such intellectual property would not be related to the Lead or the System.

The Grantor has filed on a JHU case (funded by the Grantor) that has not yet been formally licensed from JHU. The case is directed to embolic procedures and is not related to the Lead or the System.

The Grantor is a party to various consulting agreements that include options/licenses/assignments of or to intellectual property or conceived ideas.

The Grantor knows of a third-party attempt to invoke an interference against U.S. 6,904,307.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

SCHEDULE 6.F

TO OMNIBUS AMENDMENT

1. With reference to the second sentence of Section 4.8 of the Development Agreement, the disclosure set forth in Schedule 4.8 to the Development Agreement is replaced and superseded by the following disclosure:

The Company has granted Bionics certain licenses to the Existing Intellectual Property pursuant to this Agreement and the Concurrent Agreements.

The Company is a party to the JHU Agreements.

Pursuant to the JHU Agreements, JHU has the retained right to make, have made, provide and use for its and The Johns Hopkins Health Systems' internal, non-commercial purposes "Licensed Products" and "Licensed Services" (as such terms are defined in the JHU Agreements).

Patents supported by federal funding are subject to the rights, conditions and limitations imposed by U.S. law.

2. With reference to the fourth sentence of Section 4.8 of the Development Agreement, the Company knows of a third-party attempt to invoke an interference against U.S. 6,904,307.

OMNIBUS AMENDMENT #2
TO SYSTEM AND LEAD DEVELOPMENT AND TRANSFER AGREEMENT

This **AMENDMENT** (this **"Amendment")** is dated as of March 19, 2008 and entered into by and between Surgi-Vision, Inc., a Delaware corporation (the **"Company")** and Boston Scientific Neuromodulation Corporation (formerly known as Advanced Bionics Corporation), a Delaware corporation **("Bionics"),** and is made with reference to (i) that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006, as further amended by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, supplemented or otherwise modified from time to time, the **"Development Agreement"),** by and between the Company and Bionics, and (ii) that certain Technology License Agreement dated as of December 30, 2005, as amended by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, supplemented or otherwise modified from time to time, the **"License Agreement"),** by and between the Company and Bionics.

RECITALS

WHEREAS, the Company and Cardiac Pacemakers, Inc. ("CPI"), a wholly-owned indirect subsidiary of Boston Scientific Corporation and an affiliate of Bionics have, concurrent with this Amendment, entered into a Technology License Agreement (the **"CPI License Agreement")** and a Development Agreement (the **"CPI Development Agreement")** (collectively, the CPI License Agreement and the CPI Development Agreement are referred to as the **"CPI Agreements"),** which contain, among other things, certain provisions regarding Intellectual Property ownership, patent prosecution, enforcement and confidentiality;

WHEREAS, the Company and Bionics desire to amend the Development Agreement to be consistent with such Intellectual Property ownership, patent prosecution, enforcement and confidentiality provisions contained in the CPI Agreements; and

WHEREAS, the Company and Bionics desire to amend the License Agreement to reconcile the compensation provisions contained therein with those in the CPI License Agreement:

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. AMENDMENTS TO THE DEVELOPMENT AGREEMENT

1.1 Defined Terms.

Capitalized terms used in this Amendment without definition shall have the same meanings as set forth in the Development Agreement.

1.2 Amendments to Section 11: Intellectual Property Ownership and Protection.

A. Section 11.1 (a) of the Development Agreement is hereby amended by deleting the last sentence of such Section in its entirety and substituting the following in lieu thereof:

"Notwithstanding any of the foregoing to the contrary, any Shared Future Intellectual Property shall be solely owned by CPI and Bionics. Bionics hereby grants to the Company an exclusive, fully paid, worldwide license, with right to sublicense, (a) under the Shared Future Intellectual Property for use within the SVI Grant-Back Field (as that term is defined in the CPI Development Agreement), to make, use, import, lease, and sell any system, method, or apparatus, and (b) under all Non-Shared Future Intellectual Property for use outside the field of neuromodulation, to make, use, import, lease, and sell any system, method, or apparatus. The term **"Shared Future Intellectual Property"** means any Future Intellectual Property that constitutes Development IP (as that term is defined in the CPI Development Agreement). The term **"Non-Shared Future Intellectual Property"** means any transferred Future Intellectual Property that does not constitute Development IP (as that term is defined in the CPI Development Agreement).

B. Section 11.1 (b) of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

(b) Intellectual Property Re-transfer and Cross-License. Bionics hereby agrees to assign and transfer to the Company joint ownership for all countries in and to any transferred Non-Shared Future Intellectual Property promptly after the Loan Satisfaction Date **("Re-Transfer").** Upon Re-Transfer, the Non-Shared Future Intellectual Property will become Intellectual Property that is jointly owned by the Parties **("Joint Intellectual Property").** Effective immediately upon the date of Re-Transfer, (i) the Company hereby grants to Bionics an exclusive, fully paid, non-transferable, perpetual worldwide license under the Joint Intellectual Property within the field of neuromodulation, with right to sublicense, to make, use, import, lease, and sell any system, method, or apparatus thereunder, and (ii) Bionics hereby grants to the Company an exclusive, fully paid, non-transferable, perpetual worldwide license under the Joint Intellectual Property outside the field of neuromodulation (but subject to CPI's exclusivity as set forth in the CPI Agreements), with right to sublicense, to make, use, import, lease, and sell any system, method, or apparatus thereunder.

1.3 Amendment to Section 11.2: Patent Prosecution.

A. Section 11.2 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

11.2 Patent Prosecution.

(a) Costs. Bionics and its Affiliates will pay all Patent Prosecution costs and expenses for all Patents subject to their sole control, as set forth in Section 11.2(b) below **("Prosecution Costs")**. The term **"Patent"** means all classes or types of patents, design patents, utility patents, including issued patents, published and non-published patent applications

(including inventors' certificates and utility models) in any country or jurisdiction or under any treaty, including all originals, provisionals, substitutions, continuations, continuations-in-part, divisionals, supplementary protection certificates, renewals, all letters patent granted thereon, and all reissues, reexaminations, extensions, confirmations, revalidations, registrations, patents of addition and foreign counterparts, as well as industrial design registrations. The term **"Prosecution"** means prosecution of any proceeding in the United States Patent and Trademark Office or in any other registration authority in any country, including regarding any application (whether ex parte or inter partes), including interference, reexamination and reissue. The terms **"Affiliate" and "Affiliates"** have the meanings ascribed thereto in the CPI Agreements.

(b) Intellectual Property Protection. Bionics and its Affiliates will jointly control the Prosecution of all Patents included in the Bionics Controlled IP, each at its own expense and with legal counsel of its own choice, and will take such other legal steps as Bionics and its Affiliates will determine in their sole discretion to be necessary to protect their rights for all Bionics Controlled IP. For the avoidance of doubt, neither Bionics nor its Affiliates will be obligated to pay any Prosecution Costs to protect any Intellectual Property if they determine, in their sole discretion, that those Prosecution Costs outweigh the likely benefits to Bionics or such Affiliate. The term **"Bionics Controlled IP"** means all Existing Intellectual Property, Joint Intellectual Property and Future Intellectual Property, except any Existing Intellectual Property that relates to the System.

(c) Company Cooperation. The Company will cooperate with Bionics and its Affiliates in filing, Prosecuting and maintaining Patents and taking such other legal steps as set forth in this Section 11.2 and will execute and deliver any documents and instruments in connection therewith which Bionics or its Affiliates may request at no additional cost or expense to Bionics or such Affiliate.

(d) Company Inspection and Intervention. The Company will have the right upon reasonable notice and reasonable request to inspect, at the Company's sole expense and discretion, the Prosecution documents and strategy of Bionics and its Affiliates with respect to any Bionics Controlled IP that does not constitute Shared Future Intellectual Property. The Parties agree that such information constitutes Confidential Information of Bionics and its Affiliates, and that the disclosure of such information is not intended to constitute a waiver of any privilege, including attorney-client privilege. Bionics (or its applicable Affiliate) will provide written notice to the Company prior to abandoning any patent application or issued Patent that is part of the Bionics Controlled IP. If the Company desires to file and Prosecute any patent application, or to pay maintenance fees or annuities to maintain any issued Patent, in any country that Bionics or its Affiliates determined was not worthwhile to protect Bionics' or such Affiliates' rights, the Company may provide Bionics with a reasonable written request to file and Prosecute or maintain such Patent **("Prosecution Request").** Bionics will have thirty (30) days to fulfill the Prosecution Request. If Bionics (or one of its Affiliates) fails to complete the Prosecution Request within thirty (30) days of receiving the Prosecution Request, then (i) the Company may independently file and Prosecute the patent application or maintain the issued Patent that was the subject of the Prosecution Request, (ii) the Company will bear all Prosecution Costs and will control the remainder of the Prosecution for such patent application or the maintenance of such issued Patent, and (iii) with respect to a Prosecution involving any Future Intellectual Property or Joint Intellectual Property, Bionics and its Affiliates will have the right

(but not the obligation) to participate in an advisory capacity in such Prosecution. The Parties acknowledge and agree that any action by the Company pursuant to this Section 11.2(d) will not confer or convey any ownership rights in the subject Patent to the Company, and will not otherwise adversely affect any of Bionics' or its Affiliates' rights in same.

1.4 Amendment to Section 11.4: Infringement.

A. Section 11.4 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

11.4 Infringement.

(a) Notice of Infringement. If either Party learns of any actual, alleged or threatened Infringement of any Bionics Controlled IP by a Third Party, such Party shall promptly notify the other Party and shall provide such other Party with all available evidence of such Infringement. The term **"Infringe"** means (as applicable, depending on the context of the subject or object of the word Infringe) to infringe, misappropriate, use or disclose without authorization or otherwise violate Intellectual Property rights (whether direct, indirect, contributory, inducement or otherwise). The words **"Infringement"** and **"Infringing"** have corresponding meanings. The term **"Third Party"** means one or more persons or entities other than SVI, Bionics and their respective Affiliates.

(b) Enforcement of Bionics Controlled IP. As between the Parties, [***] shall have the sole right (but not the obligation), each at its own expense and with legal counsel of its own choice, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened Infringement of the Bionics Controlled IP; provided, however, that [***] shall have the right (but, subject to Section 11.4(c) below, not the obligation) to participate in an advisory capacity only in the institution and prosecution of any such Infringement suit, (a) with respect to any Shared Future Intellectual Property only if and to the extent the accused product is related primarily to the [***] and (b) with respect to any other Bionics Controlled IP only if and to the extent the accused product is related primarily to [***].

(c) Join in Action. If either [***] brings any such action or proceeding hereunder, [***] agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and, at [***] expense, to give [***] reasonable assistance and authority to file and prosecute the suit; provided, however, that neither Party shall be required to transfer any right, title or interest in or to any property to other Party to confer standing on a Party hereunder.

(d) **Costs.** [***] will pay all costs, fees, and expenses associated with an Infringement action they have initiated and prosecuted. [***] will pay all costs, fees, and expenses associated with [***] participation in an advisory capacity under Section 11.4(b).

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(e) Recovery. Any recovery obtained in an action initiated and prosecuted solely by [***], and in which [***] does not participate in an advisory capacity, shall belong to [***]. Any recovery obtained in an action initiated and prosecuted by [***], and in which [***] participates in an advisory capacity, shall be allocated in a fair and equitable manner mutually determined by the Parties. For purposes of clarity, any recovery pursuant to this section will be net of litigation costs as provided in Section 11.4(d) above.

(f) Cooperation. [***] agrees to fully cooperate with [***] in the prosecution of any such suit at no additional expense to [***].

(g) Loss of Exclusive Rights Under CPI License Agreement. [***] acknowledges that, notwithstanding the foregoing to the contrary, in the event CPI exercises its Termination Option (as such term is defined in the CPI Development Agreement), [***] of the CPI License Agreement. Therefore, in the event of any conflict between the terms of this Section 11.4 and the terms of [***], the terms of the CPI License Agreement will control.

1.5 Amendment to Section 11.5: Publication and Authorship

A. Section 11.5 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

11.5 Publication and Authorship. Notwithstanding Section 11.6(e) below, the Company will have the right to author, to publish and to retain or transfer copyright to scientific reports describing the methods and results of any or all Bionics Controlled IP that does not constitute Shared Future Intellectual Property; provided that, if the studies were conducted with the financial and/or technical support of Bionics or any of its Affiliates, such reports shall include an acknowledgment to that effect. Prior to publishing any reports or submitting any manuscripts wherein the publication could adversely affect patent rights for any Bionics Controlled IP (i.e., new inventions for which patent applications have not been filed), (i) the Company shall make the manuscripts for such reports available to Bionics or one of Bionics' Affiliates, using reasonable efforts to provide Bionics or such Affiliate copies of such manuscripts at least thirty (30) days before submission to a journal or other publisher so that Bionics can take any steps it deems necessary to protect such Surgi-Vision IP disclosed in such manuscripts, (ii) Bionics will promptly review such manuscripts, and (iii) the Company will delay its submission to such journal or other publisher for up to one hundred eighty (180) days if Bionics, in its reasonable discretion, determines that it needs additional time to protect such Bionics Controlled IP.

1.6 Amendment to Section 11.6: Confidentiality

A. Section 11.6 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

11.6 Confidentiality.

(a) Definition. "Confidential Information" means information which is disclosed or shared by one Party to the other Party, or generated or developed by one or both Parties, that the non-owning Party has a reasonable basis to believe is confidential to the owning Party or has been marked or orally designated by the owning Party as confidential.

(b) Ownership of Confidential Information. The Parties agree that (i) all Shared Future Intellectual Property and Non-Shared Future Intellectual Property will be deemed to be Confidential Information owned by Bionics (irrespective of which Party generated, developed or first shared or disclosed such information), (ii) all Joint Intellectual Property will be deemed to be Confidential Information owned by both Parties (irrespective of which Party generated, developed or first shared or disclosed such information), and (iii) the terms and existence of this Agreement are Confidential Information owned by both Parties. Except as otherwise expressly provided in this Section 11.6, neither Party is subject to the obligations of a "no-owning Party" with respect to Confidential Information that is owned by both Parties. Except as otherwise expressly provided in this Agreement, for all other Confidential Information, the "owning Party" is deemed to be the disclosing Party. Confidential Information shall remain the property of the owning Party, and the non-owning Party shall not be deemed by virtue of this Agreement or any access to the owning Party's Confidential Information to have acquired any right, title or interest in or to any Confidential Information, except the limited right to use such Confidential Information in accordance with the terms of this Agreement or other agreements between the Parties or their Affiliates.

(c) Non-Use and Non-Disclosure. Either Party may make available to the other Party or otherwise generate or develop Confidential Information. The non-owning Party will maintain the owning Party's Confidential Information in confidence and will not use such Confidential Information except as reasonably necessary to perform its obligations and exercise its rights under this Agreement or other agreements between the Parties or their Affiliates. Notwithstanding any provision to the contrary contained in the CPI Agreements, the Company agrees and acknowledges that Bionics and its Affiliates may share all of the Company's Confidential Information with and among each of their respective Affiliates for use solely within the Field (as that term is defined in the CPI Agreements), provided that (i) prior to any such sharing of the Company's Confidential Information such Affiliates are bound by obligations of confidentiality, non-disclosure and non-use substantially similar in scope to those in this Agreement and (ii) Bionics shall be responsible for any breach of confidentiality, non disclosure and non-use by any such Affiliate. Neither Party will disclose the other Party's Confidential Information without the prior written consent of the other Party, except as permissible in Section 11.6(e) below or in other agreements between the Parties or their Affiliates. All Confidential Information will be treated by the non-owning Party with the same care as it would exercise in the handling of its own Confidential Information, but not less than reasonable care. The limitations and undertakings specified in this Section 11.6 shall survive termination of this Agreement for a period of five (5) years.

(d) Standard Exceptions. The obligations of Sections 11.6(c), (f) and (g) do not apply to any of the other Party's Confidential Information: (i) which, other than

Shared Future Intellectual Property and Non-Shared Future Intellectual Property, is already known by the non-owning Party at the time of the disclosure; (ii) following such information becoming publicly known without the wrongful act or breach of this Agreement by the non-owning Party; (iii) following such information becoming rightfully received by the non-owning Party from a Third Party without breaching any confidentiality obligation owed by such Third Party to the owning Party; (iv) following such information becoming approved for release by written authorization of the owning Party; or (v) other than Shared Future Intellectual Property and Non-Shared Future Intellectual Property, following such information becoming subsequently and independently developed by employees or representatives of the non-owning Party without knowledge or use of the owning Party's Confidential Information. The burden of proving the existence of facts which would provide an exception under this Section 11.6(d) rests with the non-owning Party. Notwithstanding any provision herein to the contrary, to the extent required under the JHU Agreements, the Company shall be permitted to disclose the terms of this Agreement to JHU.

(e) Permitted Disclosures. Each Party may disclose the other Party's Confidential Information:

(i) to the extent reasonably necessary for a Party to prepare, file and Prosecute a Patent application under this Agreement or other agreements between the Parties or their Affiliates;

(ii) to the extent permissible under any other agreements between the Parties or their Affiliates;

(iii) to the extent reasonably necessary for a Party to develop or commercialize, directly or indirectly through one or more licensees, products related to or utilizing Intellectual Property within its allocated (or retained) field of rights pursuant to this Agreement or the License Agreement; provided that: (a) such disclosure may include the disclosure of this Agreement's and the License Agreement's existence and the scope of any license granted hereunder or thereunder; and (b) prior to making any such disclosure pursuant to this subsection, such Party will, if reasonably practical, take reasonable steps to limit the scope of such disclosure and its effect on confidentiality;

(iv) to the extent reasonably necessary for the purposes of this Agreement or other agreements between the Parties, to its respective Affiliates, consultants, agents, advisors, attorneys, outside contractors and clinical investigators, but only if those persons are bound by obligations of confidentiality, non-disclosure, and non-use substantially similar in scope to those in this Agreement; provided, such Party shall be responsible for any breaches of confidentiality, non-disclosure and non-use by any such Affiliate, consultant, agent, advisor, attorney, outside contractor or clinical investigator to whom disclosure is made;

(v) in connection with communications to such Party's stockholders and prospective investors; provided that unless otherwise agreed between the Parties: (a) such stockholders and prospective investors are subject to obligations of confidentiality no less stringent than those contained herein; and (b) such disclosure be expressly limited to the existence of this Agreement and the License Agreement and the scope of any license granted hereunder or thereunder;

(vi) to the extent reasonably necessary to enforce this Agreement or other agreements between the Parties or their Affiliates;

(vii) to the extent reasonably necessary to comply with a subpoena, court order, or administrative order. Before complying, the Party subject to such subpoena, court order or administrative order will notify the other Party, allow the other Party a reasonable time to oppose the disclosure, and reasonably cooperate with the other Party's efforts to do so; or

(viii) to the extent reasonably necessary to comply with an applicable law, rule, regulation of any governmental authority or securities exchange, including the FDA, the Securities and Exchange Commission and the New York Stock Exchange. Before complying, the Party subject to such law, rule or regulation will notify the other Party, allow the other Party a reasonable time to seek a protective order (if appropriate), and reasonably cooperate with the other Party's efforts to do so.

(f) Further Limitation on Use and Disclosure of Bionics Controlled IP. Notwithstanding the foregoing, while Bionics recognizes the Company's legitimate right (except to the extent limited by the CPI Agreements or the License Agreement) to commercialize the Bionics Controlled IP outside the Field (as that term is defined in the CPI Agreements), the Parties agree and acknowledge that, in order to give Bionics the full benefit of the exclusive license granted pursuant to the License Agreement, with respect to those portions of the Bionics Controlled IP that constitute Confidential Information owned by the Company, the Company will, if reasonably practical, take reasonable steps to limit the scope of any disclosure of such Bionics Controlled IP; provided, however, that the foregoing obligation on the Company will not apply with respect to disclosure of Bionics Controlled IP by the Company to CPI.

(g) Return of Information. Upon the request of the owning Party at any time after the Loan Satisfaction Date, the non-owning Party will promptly return or destroy (at the other Party's choice) all Confidential Information owned by such other Party then in its possession and, if applicable, provide a certification of such destruction; provided, however, that the foregoing will not apply to any Confidential Information that the non-owning Party needs to retain for purposes of meeting its obligations and exercising its rights under this Agreement and the License Agreement or expressly has the right to retain under this Agreement or the License Agreement. With the exception of the prototypes provided to Bionics, in accordance with this Agreement, each Party will retain custody and ownership of any specimens and original data disclosed to the other Party and will exercise due care in preserving such specimens and original data in a manner consistent with current standards of scientific conduct. The Company will provide Bionics with complete and timely reports and scientific analyses of such data and will make specimens and original data available for inspection by representatives of Bionics at Bionics' request.

(h) Injunctive Relief. Each Party acknowledges and agrees that the breach of this Section 11.6 would be likely to cause serious and irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Each Party therefore agrees that if the other Party breaches this Section 11.6 or if such Party has cause to believe that the other Party intends to or is about to breach such provisions, then such Party will be entitled to seek injunctive relief enjoining the breach and will have the right to specifically enforce this Agreement and the terms and provisions hereof in addition to any other remedy available at law or in equity.

(i) System Information. For the avoidance of any doubt, Bionics acknowledges and agrees that the Company is permitted to share its System information with third parties following the expiration of the Exclusivity Period if the Parties do not execute and deliver the Subsequent System License within the Exclusivity Period.

Section 2. AMENDMENT TO THE LICENSE AGREEMENT

Section 3.B of the License Agreement is hereby amended by adding the following sentence at the end thereof:

"In the event that a product simultaneously falls within the definition of "Licensed Product" under this Agreement and the definition of "Royalty Product" under the CPI License Agreement: (a) Licensor agrees that any sale of such product will only implicate the payment of fees under one of the two agreements, not both (e.g., Licensor will not receive royalty payments both under this Agreement and the CPI License Agreement with respect to the same sale); (b) the Parties will determine which agreement will govern the fees to be paid to Licensor primarily by reference to the product's actual intended use, and whether such use falls within the scope of the neuromodulation field of the Development Agreement or the "Implantable Cardiac Field" of the CPI License Agreement; and (c) if the Parties are unable to determine the governing agreement pursuant to clause (b) above, the Parties shall settle such disagreement pursuant to substantially the same mediation and arbitration provisions set forth in Section 4(E) and (F) of the CPI License Agreement with respect to a "Royalty Product Dispute" (as such term is defined in the CPI License Agreement) (it being understood and agreed that the scope of the arbitration will be limited to determining which agreement will govern the fees to be paid to the Company and that in no event will the Arbitrators have the power or authority to terminate this Agreement or the CPI License Agreement).

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

SURGI-VISION, INC	BOSTON SCIENTIFIC NEUROMODULATION CORPORATION (formerly known as ADVANCED BIONICS CORPORATION)
BY: /s/ Kim Jenkins	BY: /s/ Michael Onuscheck
NAME: Kim Jenkins	NAME: Michael Onuscheck
TITLE: Pres	TITLE: President

Exhibit 10.12

SYSTEM AND LEAD DEVELOPMENT AND TRANSFER AGREEMENT

THIS SYSTEM AND LEAD DEVELOPMENT AND TRANSFER AGREEMENT (this **"Agreement")** is made effective as of December 30, 2005 between Surgi-Vision, Inc., a Delaware corporation (the **"Company"),** and Advanced Bionics Corporation, with its principal place of business at 25129 Rye Canyon Loop, Valencia, California 91355 **("Bionics").** The Company and Bionics are referred to collectively as the **"Parties"** and individually as a **"Party".**

BACKGROUND

A. The Company desires to borrow from Bionics and Bionics desires to lend to the Company an aggregate principal amount of up to $1,500,000 (the **"Loan")** to be evidenced by a secured convertible promissory note (the "**Note**") of even date herewith, substantially in the form attached as Exhibit A and bearing interest at a rate of 0% per annum.

B. The Company is the sole owner or exclusive licensee of Intellectual Property (defined below) relating to MR-compatible, MR-safe, and MR-optimized technology.

C. The Company desires to develop for Bionics certain technology (the **"Technology")** solely within the field of neuromodulation including without limitation an MR- compatible, MR-safe, and MR-optimized Deep Brain Stimulation **("DBS")** implant system (the **"System")** and MR-compatible, MR-safe, and MR-optimized DBS lead (the **"Lead").**

D. Bionics desires to acquire an initial exclusive license to all Intellectual Property (defined below) relating to the System, a right of first negotiation and a right of first refusal for a subsequent license to the System, and an exclusive perpetual license to the Intellectual Property relating to the Lead as embodied in the Technology License Agreement (the **"License Agreement").**

E. Concurrently herewith, the Company and Bionics have entered into a Security Agreement (the **"Security Agreement",** and together with the Note and the License Agreement, the **"Concurrent Agreements"),** pursuant to which the Company has granted Bionics a security interest in the Collateral (as defined in the Security Agreement).

AGREEMENT

The Parties agree as follows:

Section 1. ISSUANCE OF NOTE. Bionics will disburse to the Company the Loan amounts by certified or bank check made payable to the Company, or by wire transfer of funds, in six quarterly installments of $250,000 each. The first quarterly installment of $250,000 is to be loaned contemporaneously with the execution and delivery of the Note evidencing such Loan. Bionics hereby authorizes and directs the Company to deliver the Note to Bionics' address set forth at the beginning of this Agreement. The remaining five quarterly installments of $250,000 are payable, subject to the terms of this Agreement including without

limitation Section 7.4(a), one installment on or before March 31, 2006; one installment on or before June 30, 2006; one installment on or before September 30, 2006; one installment on or before December 31, 2006; and one installment on or before March 31, 2007.

Section 2. DESCRIPTION OF THE NOTE. The Note has the terms and provisions set forth in the Note.

Section 3. CLOSING. Bionics' disbursement of the initial installment under the Loan and the issuance of the Note by the Company **("Closing")** will take place on the date (the **"Closing Date")** when all of the following conditions precedent are met:

3.1 The Parties will execute and deliver each of the Concurrent Agreements.

3.2 The Company will deliver to Bionics the following, each, unless otherwise noted dated as of the date first written above:

(a) A good standing certificate of the Company from the Secretary of State of the State of Delaware, dated a recent date prior to the Closing Date;

(b) Copy of the certificate of incorporation of the Company, certified by the Secretary of State of the State of Delaware;

(c) Copy of the bylaws of the Company, certified by its corporate secretary or an assistant secretary;

(d) Resolutions of its Board approving and authorizing the execution, delivery, and performance of each of the Concurrent Documents, certified by its corporate secretary or an assistant secretary, as being in full force and effect without modification or amendment; and

(e) Signature and incumbency certificates of the officers of the Company executing each of the Concurrent Agreements.

3.3 [Intentionally Omitted]

3.4 UCC Financing Statements. The Company will have authorized Bionics to prepare and file such UCC financing statements and other instruments as Bionics will require in order to perfect and maintain the continued perfection of the first priority security interest in the Collateral created by the Security Agreement.

3.5 Cover Sheets, etc. The Company will deliver to Bionics all cover sheets or other documents required to by filed with the United States Patent and Trademark Officer, the United States Copyright Officer or any successor or substitute office in which filings are necessary in order to create or perfect Bionic's security interest in respect of the Collateral.

3.6 The representations and warranties contained in each of the Concurrent Agreements will be true, correct and complete in all material respects.

Section 4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company hereby represents and warrants to Bionics as of the Closing Date as follows:

4.1 Organization and Power. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware, and has all requisite corporate power and authority to execute, deliver and perform all of its obligations under this Agreement and the Concurrent Agreements. The Company is duly qualified and authorized to transact business and is in good standing in each jurisdiction in which the failure so to qualify would have a material adverse effect on its business, properties, or financial condition.

4.2 Capitalization; Reserved Stock; Preemptive Rights. Immediately before the Closing, and other than as represented by the Note and the Conversion Shares, the authorized capital stock of the Company consists of (A) 40,000,000 shares of Common Stock, of which 19,833,269 shares are outstanding, and (B) 10,000,000 shares of preferred stock, par value $0.01 per share, none of which is outstanding. All of the outstanding shares of Common Stock are duly authorized, are validly issued, fully paid and nonassessable, and were issued in conformity with all applicable state and federal securities laws. The capitalization of the Company is set forth on Schedule 4.2. Except as reflected on Schedule 4.2, the Company has no other equity securities of any class issued, reserved for issuance, or outstanding. Except as described on Schedule 4.2, there are no outstanding options, offers, warrants, conversion rights, agreements, or other rights to subscribe for or to purchase from the Company, or commitments by the Company to issue, transfer, or sell (either written or oral, formal or informal, firm or contingent), shares of or interests in the capital stock or other securities of the Company (whether debt, equity, or a combination thereof) or obligating the Company to grant, extend or enter into any such agreement or commitment. Except as described on Schedule 4.2, no securities of the Company carry, and no shareholder of the Company has been granted, any preemptive rights other than any that have been waived or are not applicable. The Company is not obligated under any agreement, arrangement or understanding to redeem or otherwise purchase any of its shares of capital stock.

4.3 Authorization. The execution and delivery by the Company of this Agreement and the Concurrent Agreements, the performance of the Company's obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and will not, either before or as a result of the consummation of the transactions contemplated by the Concurrent Agreements: (A) violate any provision of the certificate of incorporation or bylaws of the Company, (B) violate, in any material respect, any provisions of any law or any governmental rule or regulation applicable to the Company, or any contract, indenture, agreement or other instrument to which the Company is a party, or by which the Company or any of its assets or properties are bound, or (C) be in conflict with, result in a breach of, or constitute (after the giving of notice or lapse of time or both) a default under, or result in the creation or imposition of any lien of any nature whatsoever upon any of the material property or assets of the Company pursuant to the provisions of any contract, indenture, agreement or other instrument to which the Company is a party or by which it or its property is bound. Except as set forth in Schedule 4.3, the Company is not required to obtain any approval, consent or authorization from, or to file any declaration or statement with, any governmental instrumentality or agency in connection with or as a condition

to the execution, delivery or performance of this Agreement or the Concurrent Agreements other than the filing of Form D and any applicable state securities law filings, which filing or filings, as the case may be, will be made in accordance with applicable laws and regulations.

4.4 Binding Obligation. This Agreement and the Concurrent Agreements have been duly executed and delivered by the Company and are the legally valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms.

4.5 Financial Statements. The unaudited balance sheets of the Company as of December 31, 2004 and September 30, 2005, and the unaudited income statements of the Company for the periods ended December 31, 2004 and September 30, 2005 (collectively the **"Financial Statements"),** have been prepared from and are in accordance with the books and records of the Company in conformity with generally accepted accounting principles **("GAAP")** consistently applied throughout the periods indicated on a consistent basis throughout the periods involved. The Financial Statements fairly present the financial condition and results of operations of the Company as at the dates and for the periods stated or covered thereby. The Financial Statements do not omit or fail to identify material nonrecurring income or other specific items, do not omit or fail to identify the existence of material transactions not in the ordinary course of business, and contain no excessive write-downs or write-ups of any material assets. Other than those liabilities reflected or reserved against in the Financial Statements, and except for certain convertible notes in an aggregate principal amount of $50,000, the Company does not have any material liabilities of any nature whatsoever, whether accrued, absolute, contingent, or otherwise, and whether due or to become due, nor does the Company have actual knowledge of any basis for the assertion against the Company of any material liability of any nature whatsoever, unless such liability has been fully reflected or reserved against in the Financial Statements. The Financial Statements are attached hereto as Exhibit 4.5.

4.6 The Conversion Shares. The Conversion Shares have been duly authorized and, when issued and delivered upon conversion of the Note, will be duly and validly issued, fully paid and non-assessable, free and clear of any liens or encumbrances created by the Company.

4.7 Litigation. There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened against the Company that questions the validity of this Agreement or the Concurrent Agreements or the right of the Company to enter into it, or to consummate the transactions contemplated hereby or thereby, or that would be reasonably likely to result, either individually or in the aggregate, in any material adverse changes in the assets, business, properties, condition or affairs of the Company, financially or otherwise, or any change in the current equity ownership of the Company, or change in the ability of the Company to perform, or of Bionics to enforce, this Agreement or the Concurrent Agreements. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

4.8 Intellectual Property. The Company owns, possesses or has legal rights to use all ideas, inventions, developments and improvements conceived and/or reduced to

practice, patents, trademarks, service marks, trade names, copyrights, know-how, trade secrets, licenses, information and proprietary rights and processes **("Intellectual Property")** necessary for the Company's business as now conducted and as proposed to be conducted by the Company by developing the System and Lead for commercial manufacture, use, lease, importation, and sale, including without limitation the intellectual property licensed to the Company under the License Agreement by and between the Company and the Johns Hopkins University **("JHU")** on or around July 1, 1998 and all other appendices, addenda, amendments, and agreements related thereto (the **"JHU Agreement")** (the owned and licensed rights of the Company, collectively, the **"Existing Intellectual Property")**, without any conflict with, or infringement of, the rights of others. Except as set forth in Schedule 4.8 attached hereto, there are no outstanding options, licenses or agreements of any kind relating to the foregoing, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the Existing Intellectual Property. The Company has not received any communications alleging that the Company has violated or, by conducting its business or developing the System or Lead, would violate the Intellectual Property of any other person or entity. The Company knows of no prior art or other information material to patentability that would invalidate or render unenforceable the Existing Intellectual Property. The Company further represents and warrants that any information it gives to Bionics as part of its duties and obligations under this Agreement and the Concurrent Agreements comprises information which it has the right to freely disclose without incurring legal liability to or violating the rights of others.

4.9 Private Placement. On the assumption that the representations and warranties of Bionics are true and correct, the issuance of the Note as contemplated by this Agreement is exempt from the registration and qualification requirements of the Securities Act of 1933, as amended (the **"Securities Act"**), and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

4.10 Title to Property and Assets. All assets, tangible and intangible, owned by the Company are owned free and clear of all mortgages, liens, loans, encumbrances and adverse claims, and the security interest of Bionics in the Company's tangible or intangible property will be a first lien thereon.

4.11 Leases. Any property and asset leases entered into by the Company have been made subject to valid and legally binding contracts and are in full force and effect.

4.12 Tax Returns and Payments. The Company has timely filed all required tax returns and reports (federal, state and local) as required by law. These returns and reports are true and correct in all material respects. The Company has paid all taxes and other assessments due. The Company has never had any tax deficiency proposed or assessed against it and has not executed any waiver of any statute of limitations on the assessment or collection of any tax or governmental charge.

4.13 Permits. The Company has all franchises, permits, licenses, and any similar authority necessary for and material to the conduct of its business as currently conducted, the lack of which could have a material adverse effect on the Company's business,

properties or financial condition. The Company is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

4.14 Material Contracts.

(a) The following types of contracts and agreements to which the Company is a party are required to be set forth in Schedule 4.14, being the **"Material Contracts":**

(i) each contract and agreement, whether or not made in the ordinary course of business, that contemplates an exchange of consideration with a value of more than $25,000, in the aggregate, over the term of such contract or agreement;

(ii) all contracts, arrangements and agreements evidencing indebtedness over $2,500 in borrowed money or other value;

(iii) all joint venture, partnership, strategic alliance and business acquisition or divestiture agreements (and all letters of intent, term sheets and draft agreements relating to any such pending transactions);

(iv) all agreements relating to issuances of securities of the Company;

(v) all exclusive distribution contracts to which any of the Company;

(vi) all leases of real property leased for the use or benefit of the Company;

(vii) all contracts relating in whole or in part to Intellectual Property pursuant to which the Company obtains from any third party any Intellectual Property rights;

(viii) all contracts relating in whole or in part to Intellectual Property pursuant to which the Company grants to any third party any Intellectual Property rights or the right to manufacture, distribute or sell any product of the Company, such subsidiary or such third party;

(ix) all management contracts (excluding contracts for employment) and contracts with other consultants, including any contracts involving the payment of royalties or other amounts calculated based upon the revenues or income of the Company or income or revenues related to any product of the Company to which the Company is a party;

(x) all contracts and agreements with any governmental authority to which the Company;

(xi) all contracts and agreements that limit, or purport to limit, the ability of the Company to compete in any line of business or with any person or entity or in any geographic area or during any period of time;

(xii) all other contracts and agreements, whether or not made in the ordinary course of business, which are material to the Company, or the absence of which would have a material adverse effect on the Company's business, properties, or financial condition.

(b) (i) Each Material Contract is a legal, valid and binding agreement of the Company; (ii) the Company has not received any claim of default under or cancellation of any Material Contract and the Company is not in breach or violation of, or default under, any Material Contract; (iii) to the knowledge of the Company, no other party is in breach or violation of, or default under, any Material Contract; and (iv) neither the execution and delivery of this Agreement or the Concurrent Agreements nor the consummation of any transaction contemplated hereby or thereby will constitute a default under, give rise to cancellation rights under, or otherwise adversely affect any of the material rights of the Company under any Material Contract. The Company has furnished or made available to Bionics true and complete copies of all Material Contracts.

4.15 No Broker. There is no firm, corporation, agency or other entity or person that is entitled to a finder's fee or any type of commission in relation to or in connection with the transactions contemplated by this Agreement or the Concurrent Agreements as a result of any agreement or understanding with the Company or any of its directors, officers, employees or agents.

4.16 Representations and Warranties. The representations and warranties of the Company contained in this Agreement and each of the Concurrent Agreements do not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the representations, warranties and other statements and information contained in the Concurrent Agreements not misleading.

4.17 Principal Business Address. The principal business address of the Company is 200 N. Cobb Parkway, Suite 140, Marietta, GA 30062-3585.

Section 5. REPRESENTATIONS AND WARRANTIES OF LENDER.

Bionics hereby represents and warrants to the Company as of the Closing Date as follows:

5.1 Authorization of Concurrent Agreements. Bionics is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware, and has all requisite corporate power to execute, deliver and perform all of its obligations under this Agreement and the Concurrent Agreements to which it is a party. The execution and delivery by the Bionics of this Agreement and the Concurrent Agreements to which it is a party, the performance of Bionics' obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of Bionics. This Agreement and the Concurrent Agreements to

which it is a party have been duly executed and delivered by Bionics and are the legally valid and binding obligation of Bionics, enforceable against Bionics in accordance with their respective terms.

5.2 Non-contravention. The execution and delivery by Bionics of this Agreement and the Concurrent Agreements to which it is a party, the performance of Bionics' obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby will not, either before or as a result of the consummation of the transactions contemplated by this Agreement or the Concurrent Agreements to which it is a party: (A) violate any provision of the certificate of incorporation or bylaws of Bionics, (B) violate, in any material respect, any provisions of any law or any governmental rule or regulation applicable to Bionics, or any contract, indenture, agreement or other instrument to which Bionics is a party, or by which Bionics or any of its assets or properties are bound, or (C) be in conflict with, result in a breach of, or constitute (after the giving of notice or lapse of time or both) a default under, or result in the creation or imposition of any lien of any nature whatsoever upon any of the material property or assets of Bionics pursuant to the provisions of any contract, indenture, agreement or other instrument to which Bionics is a party or by which it or its property is bound. Bionics is not required to obtain any approval, consent or authorization from, or to file any declaration or statement with, any governmental instrumentality or agency in connection with or as a condition to the execution, delivery or performance of this Agreement or the Concurrent Agreements to which it is a party.

5.3 Accredited Investor. Bionics is an "accredited investor" as that term is defined in Rule 501(a) promulgated under the Securities Act, a copy of which definition is attached hereto as Exhibit B.

5.4 Investment. The Note is being purchased for Bionics' own account, for investment and not for distribution or resale to others. Bionics agrees that Bionics will not sell or otherwise transfer the Note or any Conversion Shares unless such securities, as the case may be, are registered under the Securities Act or unless an exemption from such registration is available, except under circumstances where neither such registration nor such exemption is required by law. Bionics understands that neither the Note nor the Conversion Shares has been registered under the Securities Act and they are or will be issued pursuant to a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein.

5.5 Speculative Nature of Investment. Bionics acknowledges that the purchase of the Note involves a high degree of risk and that (a) an investment in the Company is highly speculative and only investors who can afford the loss of their entire investment should consider investing in the Company and purchasing Note; (b) Bionics may not be able to liquidate its investment; (c) transferability of the Note and the Conversion Shares is extremely limited; and (d) Bionics could sustain the loss of its entire investment.

5.6 Experience. Bionics acknowledges that it has prior investment experience, including investment in non-listed and non-registered securities, or has employed the services of an investment advisor, attorney or accountant to review all of the documents furnished or made available by the Company and to evaluate the merits and risks of such an investment on Bionics' behalf.

5.7 Financial Resources. Bionics hereby represents that it has adequate means of providing for its current financial needs and contingencies, is able to bear the substantial economic risks of an investment in the Company for an indefinite period of time, has no need for liquidity in such investment, and, at the present time, could afford a complete loss of such investment.

5.8 Lack of Liquidity. Bionics understands that there is no public market for the Note or the Conversion Shares. Bionics further understands that even if a public market were to develop for any of the Company's securities, Rule 144 (the **"Rule"**) promulgated under the Securities Act limits Bionics' ability to sell any of the Company's securities owned by Bionics. Bionics acknowledges that the Company may, if it desires, permit the transfer of the Note or Conversion Shares out of its name only when its request for transfer is accompanied by an opinion of counsel reasonably satisfactory to the Company that neither the sale nor the proposed transfer results in a violation of the Securities Act or any applicable state "blue sky" laws (collectively **"Securities Laws"**). Bionics agrees to hold the Company and its directors, officers and controlling persons and their respective heirs, representatives, successors and assigns harmless and to indemnify them against all liabilities, costs and expenses incurred by them as a result of any misrepresentation made by Bionics contained herein or any sale or distribution by Bionics in violation of any Securities Laws. Bionics acknowledges that at such time, if ever, as the Note or the Conversion Shares are registered, sales of such securities will be subject to state securities laws, including those of states which may require any securities sold therein to be sold through a registered broker-dealer or in reliance upon an exemption from registration.

5.9 Address. Bionics hereby represents that the address of such Bionics furnished at the beginning of this Agreement is such Bionics' principal business address.

5.10 Purpose. If Bionics is a partnership, corporation, trust or other entity, it was not formed for the purpose of investing in the Company.

5.11 No Broker. There is no firm, corporation, agency or other entity or person that is entitled to a finder's fee or any type of commission in relation to or in connection with the transactions contemplated by this Agreement or the Concurrent Agreements as a result of any agreement or understanding with Bionics or any of its directors, officers, employees or agents.

Section 6. LEGENDS. This Section intentionally omitted.

Section 7. COMPANY COVENANTS

7.1 Information to Bionics. For so long as the Note or any Conversion Shares are outstanding, the Company covenants to provide Bionics with the same financial information that the Company provides to its stockholders. In addition, for so long as the Note and any Conversion Shares are outstanding, the Company will provide Bionics with true, correct and

complete copies of a quarterly balance sheet, income statement and statement of cash flow not later than 45 calendar days following the end of each calendar quarter; provided, however, that the Company will not be obligated to provide such financial statements to Bionics if the Board of Directors of the Company (the **"Board")** reasonably and, with exception of any Board member designated by Bionics under Section 7.4(a), unanimously determines that Bionics is a competitor of the Company.

7.2 Books and Records. The Company will keep complete and accurate books and records in conformity with GAAP.

7.3 Taxes. The Company will pay all material taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises, and all material claims (including, without limitation, claims for labor, services, materials and supplies) for sums that have become due and payable before the same will become a lien upon any of its properties or assets.

7.4 (a) Board Representation. The Company will cause that certain First Amended and Restated Stockholders Agreement dated April 30, 2004 among the Company and certain of its stockholders (the **"Stockholders Agreement")** to be amended to allow Bionics the right to designate in writing to the Company a nominee acceptable to the Company (which acceptance will not be unreasonably withheld) for membership to the Board. Such amendment to the Stockholders Agreement must be in form and substance reasonably satisfactory to the Parties. If the Stockholders Agreement is not satisfactorily amended before 60 days after the Closing Date, Bionics may withhold all remaining Loan installments payable to the Company until the Stockholders Agreement is satisfactorily amended. The Company acknowledges that both Todd K. Whitehurst and Jeffrey D. Goldberg are acceptable candidates for designation by Bionics as nominees for Board membership in the event that Bionics elects to designate either of such individuals as a nominee to the Board. The Parties acknowledge and agree that any amendment to the Stockholder's Agreement will provide that Bionics' right to designate a nominee to the Board will continue (I) only as long as the Note is outstanding or (II) if Bionics elects to exercise its Conversion Right, only so long as Bionics (A) converts at least $1,000,000 of the Note Balance into Conversion Shares and (B) continues to own at least that number of Conversion Shares.

(a) Observer. Effective as of the Closing and continuing during any time before the designation by Bionics of a nominee to the Board as provided herein, Bionics will have the right to designate one representative of Bionics to receive notice of and attend and observe all meetings of the Board in a nonvoting observer capacity and, in this respect, the Company will give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided however, that such representative will agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and, provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel, or result in a conflict of interest. Bionics' rights under this Section 7.4(b) will continue (I) only as long as the Note is outstanding or (II)

if Bionics elects to exercise its Conversion Right, only so long as Bionics (A) converts at least $1,000,000 of the Note Balance into Conversion Shares and (B) continues to own at least that number of Conversion Shares.

Nothing in this Section 7.4 will imply any fiduciary or other duty owed by Bionics to the Company or its stockholders.

7.5 Existence; Liens and Encumbrances; Mergers. Except as otherwise permitted pursuant to the terms of this Agreement, the Company will at all times preserve and keep in full force and effect its corporate existence. .So long as the Note is outstanding, without the prior written consent of Bionics, Company will not (a) pledge or otherwise encumber or permit the encumbrance of any of its assets, including the Collateral (as defined in the Security Agreement); (b) merge or consolidate with any entity, or dissolve; (c) declare, make or pay any distribution or dividend to its stockholders; (d) sell, lease or otherwise dispose of all or any substantial portion of its assets; or (e) engage in any business other than that in which it is presently engaged. Bionics may grant or withhold its consent in its sole discretion.

7.6 Maintenance of Properties. The Company will maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties used or useful in the business of the Company (including all Existing Intellectual Property and all Intellectual Property developed after the Closing (i) resulting from communication between the Parties or (ii) relating to the System or Lead for commercial manufacture, use, lease, importation, and sale, including without limitation the intellectual property licensed to the Company under the JHU Agreement (collectively, "Future Intellectual Property") and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof.

7.7 Insurance. The Company will maintain or cause to be maintained, with financially sound and reputable insurers, insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of the Company as may customarily be carried or maintained under similar circumstances by corporations of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as will be customary for corporations similarly situated in the industry. On or prior to 45 days after the Closing Date, the Company will deliver to Bionics a certificate from the Company's insurance broker or other evidence satisfactory to it that all insurance required to be maintained pursuant to this Section 7.7 is in full force and effect and that Bionics has been named as additional insured and/or loss payee thereunder.

7.8 Waiver of Stay, Extension or Usury Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law which prohibit or forgive the Company from satisfying any obligations owed to Bionics under this Agreement, any of the Concurrent Agreements or other documents executed pursuant hereto or thereto, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Agreement, the Note, the License

Agreement, the Security Agreement and the other documents executed pursuant hereto or thereto; and (to the extent that it may lawfully do so) the Company hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to Bionics, but will suffer and permit the execution of every such power as though no such law had been enacted.

7.9 OFAC.

The Company: (i) will not become a person whose property or interests in property are blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079(2001)), (ii) will not engage in any dealings or transactions prohibited by Section 2 of such executive order, or be otherwise associated with any such person in any manner violative of Section 2, or (iii) will not otherwise become a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

Section 8. GENERAL PROVISIONS.

8.1 Survival of Representations, Warranties and Agreements. The representations, warranties and agreements contained in this Agreement will survive the execution of this Agreement.

8.2 Notices. All notices, requests, demands and other communications which are required to be or may be given under this Agreement a Party by the other Party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express or UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the Party to whom the same is so given or made, or (d) upon confirmation of receipt, if by facsimile. Any notice or other communication given hereunder will be addressed to the Company, at 200 N. Cobb Parkway, Suite 140, Marietta, GA 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424-8236, with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, TN 38103, Fax (901) 579-4979, or to Bionics at the address indicated at the beginning of this document, Attention: General Counsel, Fax (661) 362-4712.

8.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

8.4 Headings. All headings are inserted for convenience of reference only and will not affect the meaning or interpretation of any such provisions or of this Agreement, taken as an entirety.

8.5 Severability. If and to the extent that any court of competent jurisdiction holds any provision (or any part thereof) of this Agreement to be invalid or unenforceable, such holding will in no way affect the validity of the remainder of this Agreement.

8.6 Changes, Waivers, Etc. Neither this Agreement nor any provision of this Agreement may be changed, waived, discharged or terminated orally, but rather may only be changed by a statement in writing signed by the Party against which enforcement of the change, waiver, discharge or termination is sought. It is agreed that a waiver by either Party of a breach of any provision of this Agreement will not operate, or be construed, as a waiver of any subsequent breach by that same Party.

8.7 Reimbursement of Legal Expenses. Promptly upon the consummation of an equity financing which results in gross proceeds to the Company of at least $2,500,000, the Company will reimburse Bionics for its legal expenses actually incurred, up to a maximum of $25,000, in connection with the (A) negotiation and documentation of this Agreement and the Concurrent Agreements or (B) Bionics' investment in the Company to such date.

8.8 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California. The Parties hereby agree that any dispute which may arise between them arising out of or in connection with this Agreement will be adjudicated before a court located in Los Angeles, California and they hereby submit to the exclusive jurisdiction of the courts of the State of California located in Los Angeles, California and of the federal courts in the Central District of California with respect to any action or legal proceeding commenced by any party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Agreement or any acts or omissions relating to the sale of the securities hereunder, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth below or such other address as the undersigned will furnish in writing to the other.

8.9 Entire Agreement This Agreement, the Note, the Security Agreement, and the Other Agreements set forth the entire agreement and understanding between the Parties as to this subject matter and incorporates and supersedes all prior discussions, agreements and understandings of any and every nature among them.

8.10 Further Assurances. The Parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

8.11 Successors and Assigns. The terms and conditions of this Loan Agreement will inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Loan Agreement, except as

expressly provided in this Loan Agreement. This Agreement may not be assigned by either of the Parties without the prior written consent of the other Party.

8.12 Relationship of Parties. In all matters relating to this Agreement, no Party will have any right, power or authority to create any obligation, express or implied, on behalf of any other Party. Nothing in this Agreement is intended to create or constitute a joint venture or a partnership between the parties hereto.

Section 9. SYSTEM DEVELOPMENT, LICENSE, AND RIGHT OF FIRST REFUSAL.

9.1 System Development. The System prototypes must meet each milestone stated on Exhibit C **("System Milestone")** and [***] **("System Requirements")**.

(a) Collaboration. To assist the Company in the development of the System prototype, Bionics will provide the Company with Bionics' proprietary DBS system and component prototypes if and as developed and available.

(b) Design Specifications. The Company will document the design specifications and changes necessary to build the System, and all test results of the System, and will provide such documentation to Bionics along with any other System design modifications necessary for Bionics to manufacture, use, and sell the System. Bionics' employees and consultants may directly assist with the development of the System and the Company will reasonably cooperate with, and reasonably accept the design suggestions of, Bionics' personnel.

(c) Validation. Upon the due date of each System Milestone, Bionics may test or have the prototype of the System tested to verify compliance with the requirements of the Systems Milestones and Section 9.1.

9.2 Exclusive License. The Company hereby grants to Bionics, upon and subject to all the terms and conditions of this Agreement, an exclusive, fully paid, worldwide license under the Existing Intellectual Property and all Future Intellectual Property, limited to the field of neuromodulation, to make, use, import, lease, and sell the System (the **"System License")** until the later of (i) the full payment of the Note Balance or (ii) the full conversion of the Note Balance. For the avoidance of doubt, the System License includes without limitation a sublicense, limited to the field of neuromodulation, of all Existing Intellectual Property and Future Intellectual Property (if any) licensed to the Company under the JHU Agreement, which sublicense Bionics acknowledges and agrees is subject to the terms of the JHU Agreement. Bionics may grant sublicenses, limited to the duration of the System License, under the Existing Intellectual Property and Future Intellectual Property of the System License.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

9.3 Exclusive Negotiation of Subsequent System License. Within five days after the final System Milestone is achieved, the Parties will enter into exclusive negotiations for a license agreement for all or part of the System (the **"Subsequent System License")** for a period not to exceed 90 days from the date the Parties enter into negotiations (the **"Exclusivity Period")**. This right of first negotiation will not obligate either Party to enter into any future agreement or agree upon any particular terms.

9.4 Right of First Refusal. In the event the Parties do not execute and deliver the Subsequent System License within the Exclusivity Period, then, upon the expiration of the Exclusivity Period, the Company may negotiate with other parties. However, for a period of 90 days following the expiration of the Exclusivity Period (the **"ROFR Period,"** and together with the Exclusivity Period, the **"Negotiation Period")**, Bionics will have a right of first refusal with respect to any commercial license of the System within the field of neuromodulation. Bionics will have no further rights to obtain a license for or relating to the System upon the expiration of the ROFR Period.

Section 10. LEAD DEVELOPMENT AND LICENSE.

10.1 Lead Development. Working together with Bionics and subject to Section 10.1(c), the Company will provide Bionics with a fully functional prototype of the Lead and demonstrate the proper functionality of the prototype of the Lead to Bionics in an animal or cadaver placed within an MRI machine. The Lead prototype must meet the following objectives (the **"Lead Requirements")**: [***].

(a) Development Expenses. Bionics will reimburse the Company for all reasonable expenses directly associated with the development of the Lead for Bionics (including, without limitation, costs associated with animal studies and human trials), when the Company submits a request to Bionics for approval prior to incurring such expenses and such expenses are incurred with Bionics' written approval, provided receipts for such expenses are submitted to Bionics within 30 days after such expenses are incurred. Upon receiving a request for expense authorization from the Company, Bionics will indicate to the Company whether the requested expense is authorized within 15 days for expenses up to $1,000 and within 30 days for expenses over $1,000. Bionics will reimburse the Company within 30 days of receiving reasonably detailed invoices describing the Company's authorized expenses under this Agreement. The Company will provide those invoices to Bionics within 15 days after the end of each month in which the Company incurs any authorized expense.

(b) Lead Milestones.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(i) Bionics will pay the Company $100,000 after the Company has successfully created the Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction.

(ii) Bionics will pay the Company $100,000 after the Company has successfully completed the first live chronic human implantation of the Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction.

(iii) Bionics will pay the Company $1,000,000 after Bionics has successfully received FDA approval of the Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction.

(c) Performance Obligations; Breach; Damages. In the event that the Company fails to complete each of the milestones of Section 10.1(b) **("Lead Milestones")** by June 30, 2008, and such failure is not the result of Bionics' failure to reasonably cooperate with the Company in pursuing the Lead Milestones, the Company will be in breach of this Agreement. Upon receiving written notice of breach under this Section 10.l(c) by Bionics, the Company will have 60 days to cure the breach. If the Company fails to cure the breach within 60 days after receiving notice of such breach, the Company will immediately pay Bionics a sum of money equal to (i) all Lead Milestone payments disbursed to date, plus (ii) all expense reimbursements previously paid by Bionics to the Company pursuant to Section 10.1(a), plus (iii) all patent prosecution costs incurred by Bionics under Section 11.2(a) with respect to Patents (defined below) related to the Lead.

10.2 Exclusive License. Concurrently with this Agreement, the Company has granted to Bionics in the License Agreement an exclusive, perpetual, transferable, worldwide license, with right of sublicense, under the Existing Intellectual Property and Future Intellectual Property, to make, use, import, lease, and sell any neuro-related lead, neuro-related lead extension, any other neuro-related lead-type device, or any product related to a neuro-related lead.

Section 11. INTELLECTUAL PROPERTY OWNERSHIP AND PROTECTION.

(a) Intellectual Property Transfer and License during Agreement. The Company hereby assigns and transfers to Bionics all right, title, and interest for all countries in and to all Future Intellectual Property developed before the later of (x) the full payment of the Note Balance or (y) the full conversion of the Note Balance **("Loan Satisfaction Date")**. The Company agrees to (i) promptly and fully disclose in writing to Bionics all Future Intellectual Property, (ii) assign all Future Intellectual Property to Bionics and execute all documents necessary to effect that assignment, (iii) assist Bionics as set forth in Section 11.2, at Bionics' expense, in obtaining foreign and domestic intellectual-property protection on all Future Intellectual Property, (iv) execute all documents necessary to obtain such intellectual-property protection in the name of Bionics, and (v) maintain all information relative to all Future Intellectual Property, as confidential information of Bionics subject to the obligations of confidentiality set forth in this Agreement. Bionics hereby grants to the

Company an exclusive, fully paid, worldwide license, with right to sublicense, under that transferred Future Intellectual Property outside the field of neuromodulation, to make, use, import, lease, and sell any system, method, or apparatus.

(b) Intellectual Property Re-transfer and Cross-License. Bionics hereby agrees to assign and transfer to the Company joint ownership for all countries in and to the transferred Future Intellectual Property promptly after the Loan Satisfaction Date **("Re-Transfer")**. Upon Re-Transfer, the transferred Future Intellectual Property will become Intellectual Property that is jointly owned by the Parties **("Joint Intellectual Property")**. Effective immediately upon the date of Retransfer, the Company hereby grants to Bionics an exclusive, fully paid, non-transferable, perpetual worldwide license under the Joint Intellectual Property within the field of neuromodulation, with right to sublicense, to make, use, import, lease, and sell any system, method, or apparatus thereunder. Bionics hereby grants to the Company an exclusive, fully paid, non-transferable, perpetual worldwide license under the Joint Intellectual Property outside the field of neuromodulation, with right to sublicense, to make, use, import, lease, and sell any system, method, or apparatus thereunder.

11.2 Patent Prosecution.

(a) Costs. Bionics will pay all foreign and domestic Patent (defined below) prosecution costs and expenses for all patents and applications subject to its sole control as set forth in Section 11.2(b) **("Prosecution Costs")**.

(b) Intellectual Property Protection. Bionics will control the prosecution of all foreign and domestic Patents and applications thereof and will take such other legal steps as Bionics will determine in its sole discretion to be necessary to protect Bionics' rights for all Existing Intellectual Property and Future Intellectual Property or Joint Intellectual Property during the term of any license to Bionics **("Protected Intellectual Property")**. The Protected Intellectual Property includes all Existing Intellectual Property and Future Intellectual Property (including all Intellectual Property licensed under the JHU Agreement to the extent permitted under the JHU Agreement) and Joint Intellectual Property. As used in this Section 11.2, **"Patents"** means any currently issued U.S. or foreign patent or provisional, nonprovisional, or foreign patent application, any reissues, reexaminations, extensions, divisionals, continuations, continuations in part, counterparts, and foreign counterparts thereof. For the avoidance of doubt, Bionics will not be obligated to pay any Prosecution Costs to protect any Intellectual Property if it determines, in its sole discretion, that those Prosecution Costs outweigh the likely benefits to Bionics.

(c) Company Cooperation. The Company will cooperate with Bionics in filing, prosecuting and maintaining applications and taking such other legal steps as set forth in this Section 11.2 and will execute and deliver any documents and instruments in connection therewith which Bionics may request at no additional cost or expense to Bionics.

(d) Company Inspection and Intervention. The Company will have the right upon reasonable notice and reasonable request to inspect, at the Company's sole expense and discretion, the prosecution documents and strategy of Bionics with respect to the

Protected Intellectual Property. If the Company desires to file and prosecute any patent application in any country that Bionics determined was not worthwhile to protect Bionics' rights, the Company may provide Bionics with a reasonable written request to file and prosecute such patent application **("Prosecution Request")**. Bionics will have 30 days to fulfill the Prosecution Request. If Bionics fails to complete the Prosecution Request after 30 days of receiving the Prosecution Request, the Company may independently file and prosecute the patent application of the Prosecution Request, and the Company will bear all Prosecution Costs and will control the remainder of the prosecution for the patent application of the Prosecution Request.

11.3 Warranty Regarding Third Party Collaborators. The Parties warrant that all individuals, including without limitation employees and consultants, authorized, invited, or otherwise involved by the Parties, their employees, or consultants, to assist in the development of the System or Lead, have assigned to the relevant Party or have a legal obligation to assign to the relevant Party all their rights to any Intellectual Property related to, arising from, or based on the development of the System or Lead.

11.4 Infringement. Both the Company and Bionics will notify the other of any perceived infringement. [***] will defend against infringement by a third party all Existing Intellectual Property (including all intellectual property licensed under the JHU Agreement to the extent permitted under the JHU Agreement), Future Intellectual Property and Joint Intellectual Property under which Bionics holds a license from the Company; provided, however, that [***] will have the right, but not the obligation, to participate in the institution and prosecution of any such infringement suit on terms that are fair and equitable to both Parties. If [***] does not institute an infringement suit within 60 days after [***] written request that it do so, [***] may institute and prosecute such lawsuit.

(a) Costs. [***] will pay all costs, fees, and expenses associated with an infringement action initiated and prosecuted [***]. [***] will pay all costs, fees, and expenses associated with an infringement action initiated and prosecuted [***]. The costs, fees, and expenses associated with an infringement action initiated and prosecuted by both Parties shall be allocated to, and paid by, each Party in a fair and equitable manner mutually determined by the Parties.

(b) Recovery. Any recovery obtained in an action initiated and prosecuted [***]. Any recovery obtained in an action initiated and prosecuted [***]. Any recovery obtained in an action initiated and prosecuted by both Parties as contemplated above will be distributed to the Parties in a fair and equitable manner mutually determined by the Parties.

(c) Cooperation. Each Party agrees to fully cooperate with the other in the prosecution of any such suit at no additional expense to that cooperating Party.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

11.5 Publication and Authorship. The Company will have the right to author, to publish and to retain or transfer copyright to scientific reports describing the methods and results of any or all Intellectual Property licensed to Bionics, provided that the manuscripts for such reports are made available to Bionics at least ninety days before publication or submission to a journal so that Bionics can take any steps deemed necessary to protect Intellectual Property disclosed in said manuscripts and articles and provided that such reports include an Acknowledgement stating that the studies were conducted with the financial and technical support of Bionics.

11.6 Confidentiality.

(a) Definition. "Confidential Information", as used in this Agreement, will include all confidential or proprietary data or information disclosed by either Party to the other Party in writing, orally, or by drawing or other form pursuant to this Agreement or any of the Concurrent Agreements.

(b) Non-Disclosure. To the extent that Confidential Information is shared between the Parties, the receiving Party agrees that it will not disclose any Confidential Information to any third party and, during the term of any license granted to Bionics under this Agreement and for a period of three (3) years thereafter, without the prior written consent of the disclosing Party, will not use Confidential Information of the disclosing Party for any purpose other than for the performance of the rights and obligations hereunder. The receiving Party further agrees that, except as otherwise expressly provided in this Agreement, Confidential Information will remain the sole property of the disclosing Party and that it will take all reasonable precautions to prevent any unauthorized disclosure of Confidential Information by its employees, affiliates, and consultants. No license will be granted by the disclosing Party to the receiving Party with respect to Confidential Information disclosed hereunder unless otherwise expressly provided herein. The non-disclosure obligations of this Section 11.6(b) will not apply to information that: (i) is known to the receiving Party at the time of disclosure or becomes known to the receiving Party without breach of this Agreement (as shown in the receiving Party's written records); (ii) is or becomes publicly known through no wrongful act of the receiving Party or any affiliate of the receiving Party; (iii) is rightfully received from a third party without restriction on disclosure; (iv) is independently developed by the receiving Party or any of its affiliates; (v) is furnished to any third party by the disclosing Party without restriction on its disclosure; (vi) is approved for release upon a prior written consent of the disclosing Party; or (vii) is disclosed pursuant to judicial order, requirement of a governmental agency or as otherwise required by law (in which case the receiving Party will notify the disclosing Party before the receiving Party's disclosure and cooperate with the disclosing Party in the disclosing Party's attempts to seek a proper protective order).

(c) Exchange of Confidential Information. Upon the request of the disclosing Party at any time after the Loan Satisfaction Date, the receiving Party will promptly return all Confidential Information, in whatever form, furnished hereunder and all copies thereof, excluding any information that the receiving Party needs to retain for purposes of meeting its obligations under this Agreement or expressly has the right to retain under this

Agreement. With the exception of the prototypes provided to Bionics, in accordance with this Agreement, each Parties will retain custody and ownership of any specimens and original data disclosed to the other Party and will exercise due care in preserving such specimens and original data in a manner consistent with current standards of scientific conduct. The Company will provide Bionics with complete and timely reports and scientific analyses of such data and will make specimens and original data available for inspection by representatives of Bionics at Bionics' request.

(d) Publicity. The Parties agree that all publicity and public announcements, or other disclosure to any third party, concerning the formation, existence, and content of this Agreement will be jointly planned and coordinated by and among the Parties. Neither Party will disclose any information concerning the formation, existence, and content, including without limitation the specific terms, of this Agreement to any third party without the prior written consent of the other Party, which consent will not be withheld unreasonably. Notwithstanding the foregoing, any Party may disclose information concerning this Agreement as required by the laws, rules, orders, regulations, subpoenas, or directives of a court, government, or governmental agency, after giving prior notice to the other Party.

(e) Breach. If a Party breaches any of its obligations with respect to confidentiality and unauthorized use of Confidential Information as set forth in this Agreement, the non-breaching Party will be entitled to equitable relief to protect its interest therein, including but not limited to injunctive relief, as well as money damages notwithstanding anything to the contrary contained herein.

Section 12. Termination of Licenses.

The Parties are entitled to enjoy the benefits of each license granted pursuant to the License Agreement and Sections 9, 10, and 11, and the termination of any one license is not a termination of any other license even if such licenses grant similar rights.

Section 13. Consent by JHU.

Pursuant to a letter dated as of December 27, 2005, a copy of which has been received by Bionics, JHU consented to the collateral assignment to Bionics, and the grant to Bionics of a security interest in, all of the Company's right, title and interest in and to the JHU Agreement.

[*The remainder of this page has been left intentionally blank*]

In Witness Whereof, the undersigned have executed this Agreement as of the date first written above.

BIONICS:

ADVANCED BIONICS CORPORATION

By: /s/ Jeffrey H. Greiner
Jeffrey H. Greiner
Its: President and Co-Chief Executive Officer

COMPANY:

SURGI- VISION, INC.

/s/ Kimble L. Jenkins
By: Kimble L. Jenkins
Its: President

[Signature Page to System and Lead Development and Transfer Agreement]

SCHEDULE 4.2

CAPITALIZATION

A capitalization table is set forth on the following page.

As of the date of this Agreement, options to purchase an aggregate of 1,375,000 shares of the Company's Common Stock are outstanding.

The Company has issued convertible promissory notes in the aggregate principal amount of $300,000. Such promissory notes are convertible into, among other things, shares of the Company's equity securities (of the type, kind and character sold by the Company in a minimum equity financing) and warrants to purchase shares of the Company's Common Stock.

Pursuant to that certain First Amended and Restated Stockholders' Agreement dated April 30, 2004, among the Company, Dara BioSciences, Inc. ("Dara"), JHU and the other stockholders party thereto, Dara has the right to maintain its then current ownership percentage of the Company (determined on a fully diluted basis) upon the issuance of new securities, subject to customary exceptions. Dara has waived its percentage maintenance right with respect to the Note and any Conversion Shares issued upon conversion thereof.

SCHEDULE 4.3

AUTHORIZATION

JHU's consent is required for the Company to collaterally assign, and to grant a security interest in, the Company's right, title and interest in and to the JHU Agreement. However, the Company has obtained JHU's consent.

SCHEDULE 4.8

INTELLECTUAL PROPERTY

The Company is not a party to any license agreement other than the JHU Agreement.

Pursuant to the JHU Agreement, JHU has the retained right to make, have made, provide and use for its and The Johns Hopkins Health Systems' internal, non-commercial research purposes "Licensed Products" and "Licensed Services" (as such terms are defined in the JHU Agreement).

Patents supported by federal funding are subject to the rights, conditions and limitations imposed by U.S. law (see U.S.C. § 202 et seq.).

SCHEDULE 4.14

MATERIAL CONTRACTS

(a)(i)

Consulting Agreement dated January 22, 2004 between the Company and Neuromodulation Specialists, LLC

Employment Agreement dated September 1, 2004 between the Company and Kimble Jenkins

Consulting Agreement dated April 19, 2004 between the Company and Charles P. Steiner

Consulting and Finder's Agreement dated October 14, 2005 between the Company and James Terwilliger

Consulting Agreement dated November 1, 2005 between the Company and Paul Bottomley

Consulting Agreement dated November 1, 2005 between the Company and Parag Karmarkar

Consulting Agreement dated November 1, 2005 between the Company and Ergin Atalar

The JHU Agreement

The Lead License

(a)(ii)

Promissory note made by the Company in favor of Trust One Bank in the principal amount of $690,000.

The Company has issued convertible promissory notes in the aggregate principal amount of $300,000 (the "Convertible Notes").

(a)(iii)

None

(a)(iv)

The Convertible Notes

The Company's Stock Option Plan

As of the date of this Agreement, options to purchase an aggregate of 1,375,000 shares of the Company's Common Stock are outstanding. Such options were awarded pursuant to individual grant agreements.

Consulting Agreement dated January 22, 2004 between the Company and Neuromodulation Specialists, LLC

Employment Agreement dated September 1, 2004 between the Company and Kimble Jenkins

The First Amended and Restated Stockholders' Agreement dated April 30, 2004, among the Company, Dara BioSciences, Inc., JHU and the other stockholders party thereto.

(a)(v)

None

(a)(vi)

None

(a)(vii)

The JHU Agreement

(a)(viii)

None

(a)(ix)

Consulting Agreement dated January 22, 2004 between the Company and Neuromodulation Specialists, LLC

Employment Agreement dated September 1, 2004 between the Company and Kimble Jenkins

Consulting Agreement dated April 19, 2004 between the Company and Charles P. Steiner

Consulting and Finder's Agreement dated October 14, 2005 between the Company and James Terwilliger

Consulting Agreement dated November 1, 2005 between the Company and Paul Bottomley

Consulting Agreement dated November 1, 2005 between the Company and Parag Karmarkar

Consulting Agreement dated November 1, 2005 between the Company and Ergin Atalar

(a)(x)

None

(a)(xi)

None

(a)(xii)

Second Amended and Restated Investor Rights' Agreement dated April 30, 2004, by and among the Company and certain of its stockholders

Exhibit 4.14-3

EXHIBIT A

FORM OF CONVERTIBLE NOTE

Begins on the following page

THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 (THE "ACT") HAS BECOME EFFECTIVE WITH RESPECT THERETO OR (II) RECEIPT BY THE COMPANY AT LENDER'S SOLE COST AND EXPENSE OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION UNDER THE ACT IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER AND THAT SUCH ISSUANCE IS NOT IN VIOLATION OF ANY APPLICABLE STATE SECURITIES LAWS. THIS LEGEND WILL BE ENDORSED UPON ANY NOTE ISSUED IN EXCHANGE FOR THIS NOTE.

MULTIPLE ADVANCE
SECURED CONVERTIBLE PROMISSORY NOTE

Up to $1,500,000 **December 30, 2005**

1. Principal. For value received, **SURGI-VISION, INC**., a Delaware corporation (**"Company"**), promises to pay to **ADVANCED BIONICS CORPORATION**, a Delaware corporation (**"Lender"**), at its office at 25129 Rye Canyon Loop, Valencia, California 91355, or at such other place as Lender may from time to time designate in writing, the principal sum specified on the Schedule of Advances attached to this Note, together with accrued interest from the date of disbursement on the unpaid principal of this Note at the rate set forth in Section 3 hereof. Lender hereby authorizes and directs Company to deliver this Note to Lender's address set forth at the beginning of this Note. Initially capitalized terms used herein without definition are defined in that certain System and Lead Development and Transfer Agreement (the **"Development Agreement"**) of even date herewith between Company and Lender.

2. Maturity Date. Unless Lender has previously exercised its Conversion Right (as defined below), the unpaid principal balance of this Note (plus any interest, fees, and other amounts owing under this Note) (collectively, the "**Note Balance**") is due and payable in full on the Maturity Date. The "**Maturity Date**" is the earliest of (A) the last day of the Negotiation Period or (B) December 31, 2007, regardless of any extensions of the Negotiation Period that Company and Lender may mutually agree on, or (C) the date of an occurrence of an Event of Default. If the Maturity Date falls on a day that is not a business day, payment of the unpaid principal of this Note must be made on the next succeeding business day and such extension of time will be included in computing any interest in respect of such payment.

3. Interest Rate.

(a) This Note bears simple interest at the rate of 0% per annum on its unpaid principal amount from the Closing Date to five days after the Maturity Date. This Note bears simple interest at the rate of 20% per annum (or the highest rate permitted by law, whichever is less) (the "**Default Rate**") on any unpaid principal balance of this Note from five

business days after the Maturity Date until the actual date that the entire Note Balance is satisfied (either by (i) Company paying the entire Note Balance in cash, (ii) Lender electing in its sole discretion to convert the entire Note Balance into Conversion Shares (as defined below), or (iii) Lender electing in its sole discretion to convert part of the Note Balance into Conversion Shares and Company paying the entire remaining Note Balance in cash).

(b) All payments of principal and interest due under this Note must be made without deduction of any present and future taxes, levies, imposts, deductions, charges or withholdings, which amounts must be paid by Company. Company will pay the amounts necessary such that the gross amount of the principal and interest received by Lender is not less than that required by this Note. If Company is required by law to deduct any such amounts from or in respect of any principal or interest payment under this Note, then (i) the sum payable to Lender will be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this provision) Lender receives an amount equal to the sum it would have received had no deductions been made, (ii) Company will make such deductions, and (iii) Company will pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Company will pay all stamp and documentary taxes. If, notwithstanding the foregoing, Lender pays such taxes, Company will reimburse Lender for the amount paid. Company will furnish Lender official tax receipts or other evidence of payment of all taxes.

(c) Throughout the term of this Note, interest will be calculated on the basis of a 360-day year and will be computed for the actual number of days elapsed in the period for which interest is charged. If any payment of interest to be made by Company under this Note becomes due on a day which is not a business day, such payment must be made on the next succeeding business day and such extension of time will be included in computing the interest due in respect of such payment.

4. Conversion.

(a) Conversion at Lender's Option. At any time beginning on the Maturity Date and ending five business days after Company's payment in full of the Note Balance, Lender will have the right, in Lender's sole discretion, to convert this Note, in whole or in part (the "**Conversion Right**") into the number of Conversion Shares obtained by the calculations of Section 4(b)(i) or Section 4(b)(ii), as applicable. If Lender exercises the Conversion Right after Company's payment in full of the Note Balance, Lender will return to Company that part of the Note Balance that Lender is electing to convert to Conversion Shares within five business days of Lender's receipt of Company's payment in full of the Note Balance.

"Conversion Shares" means the aggregate number of fully paid and nonassessable shares of the Common Stock of Company, par value $0.001 per share ("**Common Stock**") into which Lender has elected to convert all or part of the Note Balance.

(b) Pricing Terms.

(i) Conversion Calculation without Subsequent System License. If Company and Lender have not executed and delivered the Subsequent System License, the number of Conversion Shares will be determined by dividing (A) the amount of the Note Balance to be converted by (B) the lesser of (I) the 10% Conversion Price (as defined below) or (II) if Company consummates a sale of any of its equity securities after the Closing Date (for the avoidance of doubt, a "sale" of equity securities will not include equity securities issued pursuant to the acquisition of another entity by Company by merger, purchase of all or substantially all of the assets, or other reorganization whereby Company becomes the owner of more than 50% of the voting power of such entity, equity securities issued pursuant to the conversion or exercise of any convertible securities, options or warrants, or equity securities (including derivatives) granted, issued or issuable to employees, officers, directors or consultants pursuant to plans or agreements approved by Company's board of directors), whether in a single or multiple closings or financings, the average price per share paid for such securities by the purchasers thereof. The term **"10% Conversion Price"** means, as of a given date, the price per share determined by dividing $1,500,000 by 10% of Company's Fully Diluted Shares (as defined below). The term **"Fully Diluted Shares"** means, as of a given date, the total number of shares of Common Stock (a) issued and outstanding, (b) issuable upon the exercise of any and all outstanding options, warrants and rights to acquire shares of Common Stock, or upon the conversion of any and all outstanding securities convertible into shares of Common Stock, whether then vested, exercisable or convertible, and (c) authorized and issuable by the Company under any stock option or other equity compensation plan approved by the Company's board of directors other than those shares subject to outstanding options, warrants or other similar rights described in the preceding clause (b).

(ii) Conversion Calculation with Subsequent System License. If Company and Lender have executed and delivered the Subsequent System License, the number of Conversion Shares will be determined by dividing (A) the amount of the Note Balance to be converted by (B) the lesser of (I) the 5% Conversion Price (as defined below) or (II) if Company consummates a sale of any of its equity securities after the Closing Date (for the avoidance of doubt, a "sale" of equity securities will not include equity securities issued pursuant to the acquisition of another entity by Company by merger, purchase of all or substantially all of the assets, or other reorganization whereby Company becomes the owner of more than 50% of the voting power of such entity, equity securities issued pursuant to the conversion or exercise of any convertible securities, options or

warrants, or equity securities (including derivatives) granted, issued or issuable to employees, officers, directors or consultants pursuant to plans or agreements approved by Company's board of directors), whether in a single or multiple closings or financings, the average price per share paid for such securities by the purchasers thereof. The term **"5% Conversion Price"** means, as of a given date, the price per share determined by dividing $1,500,000 by 5% of Company's Fully Diluted Shares.

(c) Conversion Procedure.

(i) In order to convert all or any part of the Note Balance, Lender will deliver to Company a written notice stating (A) that Lender has elected to convert all or part of the Note Balance and (B) the amount of the Note Balance to be converted (the **"Conversion Notice"**).

(ii) Within five business days after receipt of the Conversion Notice, Company will deliver to Lender a certificate for the number of Conversion Shares issuable upon the conversion; provided that Company will not issue any fractional Conversion Shares. In lieu of Company issuing any fractional shares to Lender or its designees upon conversion, Company will pay to Lender the unconverted amount of the Note Balance specified in the Conversion Notice, such payment to be in the form of a wire transfer or check payable to Lender. Each conversion will be deemed to have been effected immediately before the close of business on the date on which this Note is given to the Company pursuant to Section 14 of this Note. Upon conversion of the entire Note Balance, Company will be forever released from all its obligations and liabilities under this Note.

(d) Changes in Common Stock. If, and as often as, there are any changes in the Common Stock by way of stock split, stock dividend, combination or reclassification, or by any other means, appropriate adjustment will be made by Company and Lender to the price at which Conversion Shares are issued and the other provisions of this Note, as may be required, so that the rights and privileges granted hereby will continue with respect to the Conversion Shares as so changed.

(e) Access and Information. Subject to the confidentiality provisions in the Development Agreement, Company will afford to Lender and its accountants, counsel and other representatives full access, upon reasonable request, upon reasonable prior notice and during normal business hours, to all of Company's properties, books, accounts, records, contracts, and personnel and, Company will, and will cause its accountants, counsel and other representatives to furnish promptly to Lender and its representatives all information concerning Company's business, properties and personnel, in each case as Lender or its representatives reasonably requests for the purpose of evaluating the merits and risks of an

investment in Conversion Shares in the event Lender may desire to exercise its Conversion Right; provided, however, that Company reserves the right to withhold any information if access to such information could adversely affect the attorney-client privilege between Company and its counsel.

(f) Conversion Shares. Until such time as the Conversion Shares are registered under the Securities Act of 1933, Company will instruct its transfer agent to enter stop transfer orders with respect to such shares and the certificates representing such shares will be endorsed with the following legend:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE "BLUE SKY" OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED, DISTRIBUTED OR OTHERWISE DISPOSED OF UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SALE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT IS AVAILABLE, AND IF AN EXEMPTION IS AVAILABLE, THE COMPANY RECEIVES AN OPINION OF COUNSEL AT THE HOLDER'S SOLE COST AND EXPENSE STATING THAT SUCH OFFER, SALE, TRANSFER, ASSIGNMENT, PLEDGE, HYPOTHECATION, DISTRIBUTION OR OTHER DISPOSITION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND OTHER LAWS. THE RESTRICTIONS CONTAINED HEREIN ARE BINDING ON THE HOLDER HEREOF AND HIS SUCCESSORS AND ASSIGNS."

5. Schedule of Advances. Lender will, and is hereby authorized by Company to, note on the Schedule of Advances annexed to this Note and constituting a part of this Note, the date and amount of each advance, payment or prepayment of all or any portion of the principal sum. Absent manifest error, such notations are conclusive and binding as to the aggregate unpaid principal sum and all other information; provided, however, the failure of Lender to make such a notation will not limit or otherwise affect the obligation of Company to repay the outstanding principal amount or any interest accrued or accruing thereon or any other amount payable by Company to Lender hereunder.

6. Prepayment. Prior to the Maturity Date, Company, in its sole discretion, may prepay all or any portion of the Note Balance at any time, provided that (i) Company will give Lender not less than a 30-day prior written notice of its intention to prepay an amount specified in such notice on the date set forth in the notice, and (ii) notwithstanding any provision hereof to the contrary, Lender will have the right before the anticipated prepayment date set forth in the notice to exercise its Conversion Right, under the pricing terms contained in Section 4(b)(i) of this Note, to convert all or part of the amount to be prepaid into Conversion Shares, in which case the prepayment notice will have no further force or effect regarding the amount to be converted.

7. Lawful Money. Principal and interest are payable in lawful money of the United States of America.

8. Applications of Payments; Late Charges.

(a) Payments received by Lender hereunder will be applied first to costs and expenses, then to interest and finally to principal unless Lender elects otherwise in its sole discretion.

(b) If any payment of principal or interest is not paid when due, such late payment will bear interest at the Default Rate from the day such payment was due until it is paid. In addition, if any payment is five or more days overdue, Lender will have the option to assess a late charge of $0.03 cents for each dollar so overdue. In connection therewith, Company and Lender agree as follows:

(i) Because of such late payment, Lender will incur certain costs and expenses including, without limitation, administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount;

(ii) It would be impractical or extremely difficult to fix the exact amount of such costs in such event;

(iii) The late charge is a reasonable and good faith estimate of such costs; and

(iv) Such late charge will constitute liquidated damages caused by such failure to make a payment of interest or principal when due but only to the extent such late charge is assessed by Lender, paid by Company and accepted by Lender and only upon the condition that such failure is completely cured concurrently with such payment.

The application of the Default Rate or the assessment of a late charge to any such late payment as described in this Section 8(b) will not be interpreted or deemed to extend the period for payment or otherwise limit any of Lender's remedies under this Note, the Security Agreement, the Development Agreement, or the License Agreement.

9. Security. This Note is a secured obligation of Company as set forth in the Security Agreement of even date herewith between Company and Lender (the **"Security Agreement").**

10. Covenants of Company.

(a) Use of Loan Proceeds. Company covenants and agrees that it will use the proceeds of this Note only (i) to pay the second installment in the amount of $124,052.60 (including accrued interest, fees, and related amounts) due on December 1, 2005, and the third installment in the amount of $120,355.03 (including accrued interest, fees, and related amounts) due on March 1, 2006, under that certain promissory note made by the Company in favor of Trust

One Bank of 1715 Aaron Brenner Dr., Memphis, Tennessee 38120 in the principal amount of $690,000 due December 1, 2006 (the **"Trust One Bank Note")**, (ii) to pay direct costs and expenses associated with the development of the System and/or the Lead and (iii) to pay to Bass, Berry & Sims, PLC and Myers Bigel Sibley & Sajovec an aggregate amount no greater than $40,000 to cover Company's actual costs and expenses associated with the negotiation and documentation of this Note, the Security Agreement, the Development Agreement, the License Agreement and the Other Agreements. Company acknowledges that some costs and expenses incurred by Company, such as salaries and consulting fees, may relate both to the development of the System and/or the Lead and to other activities of Company. With respect to such costs and expenses, Company will determine, subject to Lender's approval, which will not be unreasonably withheld, which percentage of the cost or expense is associated with the development of the System and/or the Lead, for which Company will be permitted to use proceeds of this Note, and which percentage is associated with other activities of Company, for which Company will not be permitted to use proceeds of this Note.

(b) No Senior Debt. So long as this Note is outstanding, Company will not incur on or after the Closing Date any indebtedness for borrowed money that is not expressly subordinated to this Note, without the prior written consent of Lender. For the avoidance of doubt, the phrase "indebtedness for borrowed money" will not include ordinary-course obligations to trade creditors.

(c) No Liens or Encumbrances. So long as this Note is outstanding, without the prior written consent of Lender, Company will not (a) pledge or otherwise encumber or permit the encumbrance of any of its assets, including the Collateral (as defined in the Security Agreement); (b) merge or consolidate with any entity, or dissolve; (c) declare, make or pay any distribution or dividend to its stockholders; (d) sell, lease or otherwise dispose of all or any substantial portion of its assets; or (e) engage in any business other than that in which it is presently engaged. Lender may grant or withhold its consent in its sole discretion. Any grant of that consent will give the Lender the right to exercise the Conversion Right for all or any part of the Note Balance under the pricing terms contained in Section 4(b)(i).

11. Defaults and Remedies.

(a) Events of Default. Each of the following events constitutes an event of default **("Event of Default"):**

(i) if any representation or warranty made by Company in this Note, the Security Agreement, the Development Agreement, the License Agreement or in any report, certificate, financial statement or other instrument furnished in connection with this Note, is false, inaccurate or misleading in any material respect when made or when deemed made hereunder.

(ii) any default in the payment of any principal or interest under this Note within five days after date when due hereunder, whether upon the Maturity Date or by acceleration or otherwise;

(iii) any default by Company in the prompt and complete fulfillment of any of its covenants and obligations under this Note, the Security Agreement, the Development Agreement, the License Agreement, or any and all other agreements and documents executed and delivered in connection herewith or therewith (the **"Other Agreements")** (other than those covenants and obligations referred to in clause (ii) above or clause (vi) below), if such default is not remedied within 15 days after an officer of Company becomes aware of the factual circumstances giving rise to such default;

(iv) if Company: (A) applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, (B) admits in writing its inability to pay its debts as they mature, (C) makes a general assignment for the benefit of creditors, (D) is adjudicated as bankrupt or insolvent or is the subject of an order for relief under Title 11 of the United States Code, or any successor thereto, or (E) files a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, moratorium, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or (F) takes or permits to be taken any action in furtherance of or for purpose of effecting any of the foregoing;

(v) if any order, judgment or decree will be entered, without the application, approval or consent of Company, by any court of competent jurisdiction, approving a petition seeking reorganization of Company, or appointing a receiver, trustee, custodian or liquidator of Company, or of all or any substantial part of its assets, and such order, judgment or decree will continue unstayed and in effect for any period of 60 days;

(vi) if the Company fails to meet, by the required date, any System Milestone or Lead Milestone, which failure is not remedied within 15 days following Lender's written notice to Company; or

(vii) in the event Lender reasonably believes that Company will be unable to perform its obligations under this Note, Lender may request in writing reasonable assurances of further performance from Company. If, within 15 days from such written request, Company fails to give such assurances reasonably showing its ability to perform, Lender may declare an Event of Default. For avoidance of doubt, Lender's reasonable belief of Company's inability to perform its obligations under this Note must be based on a fact or circumstance that occurs or changes after the date of this Note and results in a material adverse effect upon

the Company's financial condition. The foregoing is without any derogation of rights under applicable law to demand further assurances and address anticipatory breaches.

(b) Remedies.

(i) Upon the occurrence of any Event of Default, and at all times thereafter during the continuance of an Event of Default: (a) this Note will, in Lender's sole discretion and upon Lender's written notice to Company, become immediately due and payable, as to principal and interest, without presentment, demand, protest, notice or other requirement of any kind, all of which are hereby expressly waived, anything contained herein or in this Note to the contrary notwithstanding (except in the case of any event described in Sections ll(a)(iv) and (v) of this Note, the occurrence of which will automatically effect acceleration, regardless of any action or forbearance in respect of any prior or ongoing default or Event of Default which may be inconsistent with such automatic acceleration), (b) Lender may file suit against Company on this Note and/or seek specific performance or injunctive relief thereunder (whether or not a remedy exists at law or in equity); and (c) Lender will have the right to seek to exercise any and all remedies as it may determine in its discretion (without any requirement of marshalling of assets, or other such requirement) that may be available at law or in equity.

(ii) Lender's rights, remedies and powers, as provided in this Note and the Security Agreement are cumulative and concurrent and may be pursued singly, successively or together against this Company, the Collateral (as defined in the Security Agreement) and any other security given at any time to secure the payment of this Note, all at the sole discretion of Lender. Additionally, Lender may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender at any one time, for a period of time or on more than one occasion, to exercise any of its rights or remedies hereunder or at law or in equity will not constitute a waiver of the right to exercise the same right or remedy at any time thereafter. Any and all waivers must be in writing to be effective.

(iii) If any suit or action is instituted or attorneys are employed to enforce any of the obligations of this Note, the non-prevailing party hereby promises and agrees to pay all reasonable costs, including reasonable attorneys' fees and court costs incurred by the prevailing party.

12. Subordination. Lender and Company agree and acknowledge that the indebtedness evidenced by this Note is neither subordinate nor subject in right of payment to any other indebtedness issued to third parties.

13. Interest Rate Limitation. It is the intent of Company and Lender in the execution of this Note and all other instruments securing this Note that the loan evidenced hereby be exempt from the restrictions of the usury laws of the State of California. In the event that, for any reason, it should be determined that the California usury law is applicable to the Loan, Lender and Company stipulate and agree that none of the terms and provisions contained herein or in any of the other Credit Documents will ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of California. In such event, if any holder of this Note collects monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of California, all such sums deemed to constitute interest in excess of such maximum rate will, at the option of Lender, be credit.

14. Notices. All notices, requests, demands and other communications which are required to be or may be given under this Note to a party by the other party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express or UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the Party to whom the same is so given or made, or (d) upon confirmation of receipt, if by facsimile. Any notice or other communication given hereunder will be addressed to the Company, at 200 N. Cobb Parkway, Suite 140, Marietta, Georgia 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424-8236, with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, Tennessee 38103, Fax (901) 579- 4979, , or to Lender at the address indicated at the beginning of this document, Attention: General Counsel, Fax (661) 362-4712.

15. Counterparts. This Note may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

16. Headings. All headings are inserted for convenience of reference only and will not affect the meaning or interpretation of any such provisions or of this Note, taken as an entirety.

17. Severability. If and to the extent that any court of competent jurisdiction holds any provision (or any part thereof) of this Note to be invalid or unenforceable, such holding will in no way affect the validity of the remainder of this Note.

18. Changes, Waivers, Etc. Neither this Note nor any provision of this Note may be changed, waived, discharged or terminated orally, but rather may only be changed by a statement in writing signed by the Party against which enforcement of the change, waiver, discharge or

termination is sought. It is agreed that a waiver by either Lender or Company of a breach of any provision of this Note will not operate, or be construed, as a waiver of any subsequent breach by that same party.

19. Governing Law. This Note will be governed by and construed in accordance with the laws of the State of California. The parties hereby agree that any dispute which may arise between them arising out of or in connection with this Note will be adjudicated before a court located in Los Angeles, California and they hereby submit to the exclusive jurisdiction of the courts of the State of California located in Los Angeles, California and of the federal courts in the Central District of California with respect to any action or legal proceeding commenced by any party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Note or any acts or omissions relating to the sale of the securities hereunder, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth below or such other address as the undersigned will furnish in writing to the other.

20. Entire Agreement. This Note, the Security Agreement, the Development Agreement, the License Agreement and the Other Agreements set forth the entire agreement and understanding between Lender and Company as to this subject matter and incorporates and supersedes all prior discussions, agreements and understandings of any and every nature among them.

21. Further Assurances. Lender and Company agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Note.

22. Successors and Assigns. The terms and conditions of this Note will inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Nothing in this Note, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Note, except as expressly provided in this Note. This Note is non-negotiable. Neither Company nor Lender may assign or otherwise transfer this Note without the prior written consent of the other party.

23. Relationship of Parties. In all matters relating to this Note, no party will have any right, power or authority to create any obligation, express or implied, on behalf of any other party. Nothing in this Note is intended to create or constitute a joint venture or a partnership between the parties hereto.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, Company has signed this Note and delivered this Note to Lender as of the date first written above.

COMPANY:

SURGI- VISION, INC.,
a Delaware corporation

By: _____
Name:
Title:

SCHEDULE OF ADVANCES

Unpaid

Date	Amount of Principal Advanced	Principal Balance	Amount Paid	Notation Made By
01/04/06	**$250,000**	**$250,000**	**–**	**Initial Advance**

Appendix A

EXHIBIT B

DEFINITION OF ACCREDITED INVESTOR

Pursuant to Rule 501(a) of the Securities Act of 1933, as amended, the term "accredited investor" will have the meaning indicated below:

a. Accredited investor. "Accredited investor" will mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

1. Any bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
2. Any private business development company as defined in section 202(a)22 of the Investment Advisers Act of 1940;
3. Any organization described in section 501(c)3 of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;
4. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

5. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds $1,000,000;

6. Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

7. Any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) and

8. Any entity in which all of the equity owners are accredited investors.

EXHIBIT C

SYSTEM MILESTONES

The Systems Milestones are as follows:

1. The Company will successfully develop and demonstrate, in the brain of an animal or cadaver placed within an MRI machine, a fully functional probe meeting the System Requirements as demonstrated to Bionics' reasonable satisfaction by [***].

2. The Company will successfully acquire or develop, and demonstrate, in an MRI machine, a fully functional prototype of a frameless head mount meeting the System Requirements as demonstrated to Bionics' reasonable satisfaction by [***]. If the Company acquires the prototype from a third party, Bionics must have reached a manufacturing supply agreement with the third party by [***] in order for this System Milestone to be considered achieved. Alternatively, Bionics may provide written notice to the Company that this System Milestone is achieved even without a manufacturing supply agreement with the third party.

3. The Company will successfully develop and demonstrate in an MRI machine a fully functional cannula that is compatible and integrated with the frameless head mount and the probe and that meets the System Requirements as demonstrated to Bionics' reasonable satisfaction by [***].

4. The Company will successfully develop and demonstrate the entire System in a sterile environment within an MRI machine meeting the System Requirements as demonstrated to Bionics' reasonable satisfaction and in accordance with all applicable laws, regulations, and industry standards relevant to a sterile MRI DBS environment by [***].

5. The Company will successfully develop and demonstrate, in the brain of an animal or cadaver placed within an MRI machine, a fully functional prototype of the entire System meeting the System Requirements as demonstrated to Bionics' reasonable satisfaction by [***].

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT D

TECHNOLOGY LICENSE AGREEMENT

Begins on the following page

TECHNOLOGY LICENSE AGREEMENT

THIS AGREEMENT ("Agreement") is made effective as of December 30, 2005 (the "Effective Date") and entered into by and between Surgi-Vision, Inc., a Delaware corporation ("Licensor") and Advanced Bionics Corporation ("Licensee") (individually, a "Party" and collectively, the "Parties").

BACKGROUND

The Parties have entered into a Lead System and Lead Development and Transfer Agreement (the "Development Agreement") and other agreements ("Other Agreements") referenced therein concurrent with this Agreement wherein the Parties have agreed to develop technology relating to a neuromodulation or deep brain stimulation lead that may be safely reside within a patient who is placed within a magnetic resonance ("MR") machine ("Lead").

Licensor is the sole owner and exclusive licensee of certain confidential and proprietary technology relating to the Lead ("Existing Technology").

Licensor desires to have the Existing Licensed Technology further developed and commercialized (the "Future Technology") and is willing to grant a license to any Future Technology to which Licensor has any right or interest in exchange for the cooperation and other forms of consideration of Licensee set forth in the Other Agreements and set forth as royalty payments in this Agreement.

Licensee desires to acquire an exclusive license under the Licensed Technology (defined below).

AGREEMENT

The Parties agree as follows:

1. DEFINITIONS.

A. "Affiliate" of a person or entity is a person or entity controlling, controlled by or under common control with the person or entity specified, directly or indirectly by any means whatsoever. "Controlling", "controlled" or "control" means owning greater than 50% of the voting equity interests of a person or entity, either directly or indirectly through other entities in which it has such an interest, or otherwise having the power to direct the management of that person or entity.

B. The "Existing Technology" and the "Future Technology" are referred to collectively as the "Licensed Technology" and include without limitation all intellectual property such as patents, trademarks, service marks, trade names, copyrights, know-how, trade secrets, licenses, information and proprietary rights and processes owned by or licensed to Licensor relating in any way to a neuro-related lead, neuro-related lead extension, neuro-related lead-type device, or the "Lead", "Lead Requirements", or "Lead Milestones" defined in the Development Agreement, including without limitation the intellectual property licensed to the Licensor under

the License Agreement by and between the Licensor and the Johns Hopkins University ("JHU") on or around June 30, 1998 and all other appendices, addenda, amendments, and agreements related thereto (the "JHU Agreement").

C. "Licensed Product" means any neuro-related lead, neuro-related lead extension, any other neuro-related lead-type device, or any product related to a neuro-related lead, in each case which incorporates the Licensed Technology.

D. "Net Sales" means the total monetary consideration actually received by Licensee for Licensed Products sold, less any sales person's commissions payable in good faith to non-related third parties, royalties and other similar fees payable in good faith to non-related third parties, trade discounts allowances for conversions and exchanges, returns, freight, insurance and taxes (other than income taxes). For purposes of this definition, Licensed Products will be considered "sold" when Licensee receives payment either from the purchaser or, in the case of Licensed Products sold by a sublicensee, from such sublicensee.

E. "Sublicensee" means any sublicensee(s) of the rights granted to Licensee under this Agreement.

2. LICENSE. Licensor hereby grants to Licensee and its Affiliates, upon and subject to all the terms and conditions of this Agreement, an exclusive, transferable (including without limitation sublicensable), worldwide, perpetual license under the Licensed Technology, to make, use, import, lease, and sell the Licensed Products for the term of this Agreement. For the avoidance of doubt, the license grant of this Agreement includes without limitation an exclusive, transferable (including without limitation sublicensable), worldwide sublicense of all intellectual property licensed to Licensor under the JHU Agreement (to the extent it is Licensed Technology) to make, use, import, lease, and sell the Licensed Products, which sublicense Licensee acknowledges and agrees is subject to the terms of the JHU Agreement. Licensor grants Licensee the right to adapt the Licensed Technology to a commercial form suitable for incorporation into Licensee's product(s).

3. COMPENSATION AND AUDIT.

A. In consideration for the license granted hereunder, Licensee agrees to pay to Licensor the royalty payments recited in Exhibit A based on Licensee's Net Sales of Licensed Products (less accessories or other components or products used in combination with the Licensed Products).

B. Only one royalty will be paid hereunder for each Licensed Product whether such Licensed Product is covered by more than one (1) claim of a licensed patent, by the claims of more than one (1) of the licensed patents, or by the claims of patent of more than one country.

C. The royalty owed Licensor will be calculated on an annual calendar basis and will be payable as indicated in Exhibit A.

D. Licensor will have the right, upon reasonable notice and reasonable request at Licensor's sole expense, to inspect Licensee's relevant books and records and all other documents and material in Licensee's possession or control with respect to ascertaining the royalty payments due.

4. INDEMNITY. Licensor agrees to defend, indemnity and hold Licensee and its officers, directors, agents, Sublicensees, employees, and customers, harmless against all costs, expenses, and losses (including reasonable attorney fees and costs) incurred as a result of any claim that the Licensed Technology infringes or misappropriates any third party's intellectual property. Licensee will deliver written notice of a claim for indemnification with reasonable promptness to Licensor, which notice will describe in reasonable detail the nature of the claim. However, any failure to timely give that notice will not relieve Licensor of any of its indemnification obligations under this Agreement. Licensor has the right, subject t Licensee's consent ("Approval"), to participate in and control the defense of the claim with counsel of its choice. Licensee will have the right to employ separate counsel in any action and to participate in the defense of that action, but the fees and expenses of that counsel will be at the sole expense of the Licensee unless (i) Licensor, upon or after Approval, failed to assume the defense and diligently prosecute or settle the claim, or (ii) in the reasonable judgment of counsel retained by Licensor to represent Licensor, there exists or develops a conflict that would ethically prohibit counsel to Licensor from representing Licensee. If requested by Licensor upon or after Approval, Licensee will cooperate with Licensor and its counsel in contesting any claim that Licensor elects to contest, including, without limitation, by making any counterclaim against the person or entity asserting the claim or any cross-complaint against any person or entity, in each case only to the extent that any counterclaim or cross-complaint arises from the same actions or facts giving rise to the claim. Licensee will be the sole judge of the acceptability of any compromise or settlement of any claim, litigation, or proceeding in respect of which indemnity may be sought under this Agreement. Licensor will not enter into any settlement or compromise of any claim without Licensee's consent.

5. COOPERATION. Both Parties will further cooperate to ensure that both Parties enjoy the benefits of all licenses granted under this Agreement.

6. NOTICE AND PAYMENT. All notices, requests, demands, payments, and other communications which are required to be or may be given under this Agreement to a Party by the other Party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express or UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the Party to whom the same is so given or made, or (d) upon confirmation of receipt, if by facsimile. Any notice or other communication given hereunder will be addressed to the Licensor, at 200 N. Cobb Parkway, Suite 140, Marietta, GA 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424- 8236, , with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, TN 38103, Fax (901) 579-4979, or to the Licensee, at 25129 Rye Canyon Loop, Valencia, CA 91355, Attention: General Counsel, Fax (661) 362-4712.

7. GOVERNING LAW. This Agreement will be governed by and construed in accordance with the laws of the State of California. The Parties hereby agree that any dispute which may arise between them arising out of or in connection with this Agreement will be adjudicated before a court

located in Los Angeles, California and they hereby submit to the exclusive jurisdiction of the courts of the State of California located in Los Angeles, California and of the federal courts in the Central District of California with respect to any action or legal proceeding commenced by any Party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Agreement or any acts or omissions relating to the sale of the securities hereunder, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth below or such other address as the undersigned will furnish in writing to the other.

8. AGREEMENT BINDING ON SUCCESSORS. The provisions of this Agreement will be binding upon and will inure to the benefit of the Parties, their heirs, administrators, successors, and assigns.

9. ASSIGNABILITY. Neither Party may assign this Agreement or the rights and obligations thereunder to any third party without prior express written approval of the other Party, which consent will not be unreasonably withheld.

10. WAIVER. No waiver by either Party of any default will be deemed as a waiver of any prior or subsequent default of the same of other provisions of this Agreement.

11. SEVERABILITY. If any term, clause, or provision herein is held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not affect the validity or operation of any other term, clause or provision, and such invalid term, clause or provision will be deemed to be severed from this Agreement.

12. INTEGRATION; AMENDMENT. Aside from the Development Agreement and the Other Agreements, this Agreement constitutes the entire understanding of the Parties, and revokes and supersedes all prior agreements between the Parties and is intended as a final expression of their agreement. It will not be modified or amended except in writing signed by the Parties and specifically referring to this Agreement.

13. COUNTERPARTS. This Agreement may be executed and delivered in one or more counterparts each of which when executed will be deemed an original, but all of which taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties, intending to be legally bound hereby, have each caused to be affixed hereto its or his/her hand the day indicated.

SURGI-VISON, INC.	*ADVANCED BIONICS CORPORATION*
By:	By:
Signature	Signature
Printed Name	Printed Name
Title	Title

EXHIBIT A

Royalty Rate for Licensed Technology,

Royalty payments under this Agreement will be as follows:

(1) If Licensee incorporates Licensed Technology into a deep brain stimulation lead ("Licensed DBS Lead"), Licensee will pay Licensor an 8% royalty of Net Sales for all Licensed DBS Leads sold commercially after FDA approval, for so long as such Licensed DBS Leads incorporate technology that is claimed by at least one non-expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology, with a minimum royalty payment of [***] per year in each of the first three years in which Licensee sells the Licensed DBS Leads.

(2) Alternatively, if Licensee incorporates Licensed Technology into a DBS implantable pulse generator ("Licensed DBS IPG") in order to have a system that is MR safe along with the Licensed DBS Lead, Licensee will pay Licensor a 2% royalty of Net Sales for all Licensed DBS Leads and all Licensed DBS IPGs sold commercially after FDA approval, for so long as such Licensed DBS Leads and Licensed DBS IPGs incorporate technology that is claimed by at least one non-expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology, with a minimum royalty payment of [***] per year in each of the first three years in which Licensee sells the Licensed DBS Leads and Licensed DBS IPGs.

(3) If Licensee incorporates Licensed Technology into any lead-related, non-IPG, product other than a Licensed DBS Lead or Licensed DBS IPG ("Other Licensed Products"), Licensee will pay Licensor a 4% royalty of Net Sales for all Other Licensed Products sold commercially after FDA approval, for so long as such Other Licensed Products incorporate technology that is claimed by at least one non- expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology.

(4) If Licensee incorporates Licensed Technology into a non-DBS implantable pulse generator ("Licensed Non-DBS IPG") in order to have a system to sell along with Other Licensed Products, Licensee will pay Licensor a 2% royalty of Net Sales for all Licensed Non-DBS IPGs and all associated Other Licensed Products sold commercially after FDA approval, for so long as such Licensed Non-DBS Leads and Other Licensed Products incorporate technology that is claimed by at least one non-expired, non-abandoned, valid and enforceable Patent included in the Licensed Technology.

For purposes of this EXHIBIT A, the term "Patent" includes existing and future patents with any and all issued and non-expired reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof, but does not include trade secrets or other proprietary technologies that are not expressly claimed by any patent included within the definition of "Patent".

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT 4.5

FINANCIAL STATEMENTS

Begins on the following page

Surgi-Vision, Inc.
Balance Sheet
As of September 30, 2005

ASSETS	
Current Assets	
Cash	73,185.57
Inventory	24,780.00
Total Current Assets	97,965.57
Property, net of depreciation	13,750.00
Other Assets	
Prepaid Consulting Fees	74,913.34
Total Other Assets	74,913.34
TOTAL ASSETS	186,628.91
LIABILITIES & EQUITY	
Liabilities	
Accounts Payable	24,569.85
Payables to Affiliates and Accrued Salaries	728,891.48
Payable to Attorneys	250,772.34
Note Payable and Accrued Interest - 2 Yr Note to Trust One Bank	578,888.89
Convertible Notes	250,000.00
Total Liabilities	1,833,122.56
Equity	
Additional Paid in Capital	22,427,782.29
Common Stock	178,332.75
Retained Earnings	(24,252,608.69)
Total Equity	(1,646,493.65)
TOTAL LIABILITIES & EQUITY	186,628.91

(Unaudited – For Management Purposes Only)

Surgi-Vision, Inc.
Statement of Operations
For the Nine Months Ended September 30, 2005

Ordinary Income/Expense	
Expense	
Corporate Personnel Costs	181,905.95
Depreciation	3,750.00
Interest Expense	44,546.56
Other General & Administrative	198,790.01
Research & Development	191,671.01
Sales, Marketing & Promotion	995.00
Travel & Entertainment	77,474.74
Total Expense	699,133.27
Net Loss	(699,133.27)

(Unaudited – for Management Purposes Only)

Surgi-Vision, Inc.
Balance Sheet
December 31, 2004

ASSETS		
Current Assets		
Cash	$	155,541,26
Total Current Assets		155,541.26
Fixed Assets		
Machinery & Equipment		25,000.00
Accumulated Depreciation		-7,500.00
Total Fixed Assets		17,500.00
Other Assets		
Prepaid Consulting Fees		117,052.08
Total Other Assets		117,052.08
TOTAL ASSETS	$	290,093.34
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	$	197,098.51
Accrued Liabilities		67,977.13
Note Payable to ARE		301,308.71
Current Portion of Note Payable to GE		444,444.44
Payroll Liabilities		245.00
Total Current Liabilities		1,011,073.79
Long Term Liabilities		
Note Payable to GE		222,222.34
Total Long Term Liabilities		222,222.34
Total Liabilities		1,233,296.13
Equity		
Additional Paid in Capital		22,427,782.29
Common Stock		178,332.75
Retained Earnings		-23,549,317.83
Total Equity		-943,202.79
TOTAL LIABILITIES & EQUITY	$	290.093.34

Confidential (Unaudited)

Surgi-Vision, Inc.
Statement of Operations
For the Year Ended December 31, 2004

Ordinary Income/Expense	
Income	
Sales of Coils	$ 27,050.00
Total Income	27,050.00
Gross Profit	27,050.00
Expense	
Corporate Personnel Costs	9,926.50
Depreciation	5,000.00
Interest Expense	37,235.92
Occupancy Costs	3,472.12
Other General & Administrative	138,125.82
Payroll Expenses	75,056.00
Professional Fees	268,422.58
Research & Development	554,943.61
Sales, Marketing & Promotion	336.80
Settlement Costs - Sokolov	36,300.00
Travel & Entertainment	97,666.86
Total Expense	1,226,486.21
Net Ordinary Income	-1,199,436.21
Other Income/Expense	
Other Expense	
Allocated Corp Overhead	196,139.79
Total Other Expense	196,139.79
Net Other Income	-196,139.79
Net Income	$ (1,395,576.00)

Confidential (Unaudited)

Execution Version

AMENDMENT #1 TO THE SYSTEM AND LEAD DEVELOPMENT AND TRANSFER AGREEMENT BETWEEN SURGI-VISION, INC. AND ADVANCED BIONICS® CORPORATION

This is an amendment ("Amendment") to the System and Lead Development and Transfer Agreement ("Agreement"), which Agreement has an Effective Date of December 30, 2005 ("Agreement"), between SURGI-VISON, INC ("Company") and ADVANCED BIONICS® CORPORATION. This Amendment #1 is effective on May 31, 2006.

The parties mutually agree as follows:

The first system milestone in Exhibit C System Milestones in the Agreement shall be stricken:

"1. The Company will successfully develop and demonstrate, in the brain of an animal or cadaver placed within an MRI machine, a fully functional probe meeting the System Requirements as demonstrated to Bionics' reasonable satisfaction by [***].

The following system milestone will replace the strickened original, first system milestone in the Agreement:

"1. By [***], the Company will accomplish the following: The Company will design and create a working prototype of an internal MRI probe, consistent with the System Requirements, to be utilized in a 1.5T MRI magnet to guide a DBS lead implantation procedure in humans with Parkinson's Disease. The size and specifications of the internal MRI probe will be designed[***]. The Company will perform safety and imaging studies on the working prototype in a phantom, consistent with clinical protocols [***].

Agreed to and accepted:

ADVANCED BIONICS® CORPORATION	**SURGI-VISION, INC.**
/s/ Todd Whitehurst	/s/ Kim Jenkins
Todd Whitehurst Vice President, Emerging Indications	Kim Jenkins, President

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

OMNIBUS AMENDMENT
TO SYSTEM AND LEAD DEVELOPMENT AND TRANSFER AGREEMENT

This **OMNIBUS AMENDMENT** (this **"Amendment")** is dated as of June 30, 2007 and entered into by and between Surgi-Vision, Inc., a Delaware corporation (the **"Company")** and Advanced Bionics Corporation, a Delaware corporation **("Bionics"),** and is made with reference to (i) that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006 (as so amended, supplemented or otherwise modified from time to time, the **"Development Agreement"),** by and between the Company and Bionics, (ii) that certain Multiple Advance Secured Convertible Promissory Note dated as of December 30, 2005 made by the Company and payable to Bionics (as amended, restated, supplemented or otherwise modified from time to time, the "**Note**"), (iii) that certain License Agreement dated as of December 30, 2005 between the Company and Bionics (as amended, supplemented, or otherwise modified from time to time, the **"License Agreement"),** and (iv) that certain Security Agreement dated as of December 30, 2005 by and between the Company and Bionics (as amended, supplemented, or otherwise modified from time to time, the **"Security Agreement").**

RECITALS

WHEREAS, the Company and Bionics desire to (i) amend the Development Agreement to revise the System Milestones and the Lead Milestones (as those terms are defined in the Development Agreement) and (ii) make certain other amendments as set forth below:

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. AMENDMENTS TO THE DEVELOPMENT AGREEMENT

1.1 Defined Terms.

Capitalized terms used in Section 1 of this Amendment without definition shall have the same meanings in Section 1 as set forth in the Development Agreement.

1.2 Amendment to the Background

The third paragraph of the Background is hereby amended by deleting it therefrom in its entirety and substituting the following therefor:

> "The Company desires to develop for Bionics certain technology (the **"Technology")** solely within the field of neuromodulation including, without limitation, a magnetic resonance ("**MR**") compatible, MR-safe, and MR-optimized Deep Brain Stimulation ("**DBS**") implant system (the **"System")** and MR-compatible, MR-safe, and MR-optimized lead that may safely reside within a patient who is placed within an MR-machine (the **"Lead")."**

1.3 Amendment to Section 1: Issuance of Note

Section 1 of the Development Agreement is hereby amended by deleting the references to "December 31, 2006" and "March 31, 2007" contained therein and substituting "Amendment Effective Date (as defined in the Omnibus Amendment between the Parties dated as of June 30, 2007)" therefor.

1.4 Amendment to Section : Representations and Warranties of the Company

Section 4.8 of the Development Agreement is hereby amended by adding the following sentence at the end thereof:

"From and after June 30, 2007, the definition of the Existing Intellectual Property shall include that certain License Agreement by and between the Company and JHU entered into on or around December 7, 2006, and all other appendices, addenda, amendments, and agreements related thereto **("Second JHU Agreement",** and together with the JHU Agreement, the **"JHU Agreements")."**

1.5 Amendment to Section 7: Company Covenants

A. Section 7.6 of the Development Agreement is hereby amended by deleting a reference to "JHU Agreement" contained therein and substituting "JHU Agreements" therefor.

B. Section 7.6 of the Development Agreement is hereby further amended by adding the following sentences at the end thereof:

"Notwithstanding anything to the contrary contained herein. Future Intellectual Property shall not include any Future Intellectual Property relating to the System (and not relating in any way to the Lead) in development of which Bionics has not contributed to the conception or design. In case of doubt, Bionics will make a determination in its sole discretion as to whether any Future Intellectual Property should be categorized as relating to the System or the Lead and whether Bionics contributed to the conception or design of any Future Intellectual Property relating to the System."

1.6 Amendments to Section 8: General Provisions

A. Section 8.9 of the Development Agreement is hereby amended by deleting the phrase "This Agreement, the Note, the Security Agreement, and the Other Agreements" contained therein and substituting "This Agreement and the Concurrent Agreements" therefor.

B. Section 8.11 of the Development Agreement is hereby amended by deleting all references to "Loan Agreement" contained therein and substituting "Agreement" therefor.

1.7 Amendments to Section 9: System Development License, and Right of First Refusal

Section 9.2 of the Development Agreement is hereby amended by deleting all references to "JHU Agreement" contained therein and substituting "JHU Agreements" therefor,

1.8 Amendments to Section 10: Lead Development and License

A. Section 10.1 of the Development Agreement is hereby amended by deleting the first paragraph therefrom in its entirety and substituting the following therefor:

> **"10.1 Lead Development.** Working together with Bionics and subject to Section 10.1(c), the Company will provide Bionics with a fully functional prototype of the Lead and demonstrate the proper functionality of the prototype of the Lead to Bionics in an MRI phantom, animal or cadaver placed within an MRI machine. The Lead prototype must meet the following objectives (the **"Lead Requirements"):** [***]

B. Section 10.1 of the Development Agreement is hereby further amended by deleting subsection (b) therefrom in its entirety and substituting the following therefor:

> **"(b) Lead Milestones:**
>
> (i) On or before [***], the Company will present to Bionics a prototype Lead body that incorporates the Company's most promising MR/RF safe Lead design. Such prototype Lead body will contain[***].
>
> (ii) The Company shall provide consulting and advisory services (including, without limitation, testing and analyzing of the Lead feasibility models and prototypes) to Bionics, for a period of 12 months from the Amendment Effective Date, in connection with Bionics' effort to develop a [***] that

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

meets the [***] requirements that will be necessary for a final product. The Company will make one full-time equivalent employee or consultant available to Bionics during the twelve-month period to provide the consulting and advisory services as requested by Bionics. Specifically, such full-time employee, if not otherwise engaged in other activities for Bionics, shall work on the development of a new generation of a Lead design (as further defined in Section 10.3) in the case the existing Lead designs do not prove to be manufacturable. As compensation for the consulting services provided pursuant to this clause (ii), Bionics shall pay the Company the amount of $125,000 on the Amendment Effective Date. Any Intellectual Property conceived or developed by the Company pursuant to such consulting arrangement shall be subject to the terms of this Agreement. The Company also agrees to use its best efforts to make [***] available for such consulting arrangement for up to 20 hours per quarter collectively. Bionics shall reimburse the Company for all reasonable, documented out-of-pocket expenses incurred by the Company relating to its consulting arrangement with Bionics. The Company shall be deemed to have achieved and completed the milestone set forth in this clause (ii) upon the expiration of the twelve-month consulting period.

(iii) Bionics will pay the Company $100,000 after Bionics has successfully completed the first live chronic human implantation of the Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction.

(iv) Bionics will pay the Company $1,000,000 after Bionics has successfully received FDA approval of MRI-safe labeling of the first Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction.

(v) Bionics will pay the Company $500,000 after Bionics has successfully received FDA approval of MRI-safe labeling of the second Lead meeting the Lead Requirements as demonstrated to Bionics' reasonable satisfaction, which $500,000 shall be a prepayment of the future royalty payments by Bionics to the Company solely related to the sale of such second Lead under the License Agreement.

(vi) The milestones described in the preceding clauses (i) through (v) shall constitute the "**Lead Milestones**."

C. Section 10.1 of the Development Agreement is hereby further amended by deleting the first sentence contained in subsection (c) thereof and substituting the following in lieu thereof:

"In the event (i) the Company fails to complete each of the Lead Milestones, other than the Lead Milestone described in Section 10.1(b)(v) above, by December 31, 2012 and (ii) such failure is not the result of Bionics' failure to reasonably cooperate with the Company in pursuing such Lead Milestones, the Company will be in breach of this Agreement."

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

D. Section 10 of the Development Agreement is hereby amended by adding the following Section 10.3:

"10.3 Incentive Payments. For each new generation of a Lead design, Bionics shall pay the Company incentive payments as indicated below. The determination of whether a change in Lead design represents an incremental change or a new generation of design will be decided by Bionics in its sole discretion. Minor changes in design are not a new generation. Substantial changes in design represent a new generation. Different numbers of conductors (e.g., 4-conductor versus 8-conductor) represent different generations.

(i) Bionics shall pay the Company the amount of $75,000 when the Company delivers each new generation (as determined by Bionics in its sole discretion) of a Lead design with at least 3 crude prototypes and supporting test data evaluating heating in a 1.5 Tesla MRI scanner; provided that during the term of this Agreement Bionics shall not pay more than $250,000 in the aggregate pursuant to this Section 10.3(a). Each payment shall be payable when the Company presents the prototypes and a positive summary report of the testing to Bionics to the reasonable satisfaction of Bionics. [***]. Notwithstanding the foregoing to the contrary, a $100,000 payment will be made to the Company if and when it presents the first [***] as reasonably specified by Bionics and agreed to by the Company and supporting data evaluating in a 1.5 Tesla MRI scanner.

(ii) No later than ninety days after Bionics delivers to the Company at least 10 (or, at Bionics" discretion at least 5) pre-production Lead prototypes of each new generation [***] to evaluate heating in a 1.5 Tesla MRI scanner, the Company shall complete the testing of such prototypes and present Bionics with a summary report of the testing, in each case to Bionics' reasonable satisfaction. [***]. Bionics shall pay the Company the amount of $50,000 when the Company tests and submits a report, pursuant to this subsection, each new generation of a Lead design with at least 10 (or, at Bionics' discretion at least 5) pre-production Lead prototypes provided by Bionics to evaluate heating in a 1.5 Tesla MRI scanner. This sum shall be payable when the Company presents a summary report of the testing to Bionics to the reasonable satisfaction of Bionics. Notwithstanding the foregoing to the contrary, Bionics will pay a sum of $75,000 for completion of the testing of the first [***].

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(iii) No later than ninety days after Bionics delivers to the Company at least 10 final product Leads of each new generation, the Company shall complete the testing of such Leads to evaluate heating in a 1.5 Tesla MRI scanner, present Bionics with a report of testing, and assist Bionics with the preparation of a report for the FDA that includes in-depth discussion of physics underlying principles of operation of MRI safety of the Lead for the purpose of seeking MRI-safe labeling for the final product Lead, in each case to Bionics' reasonable satisfaction. Bionics shall pay the Company the amount of $75,000 when the Company presents a report of the testing to Bionics to the reasonable satisfaction of Bionics. Final product Leads shall meet [***].

1.9 Amendments to Section 11: Intellectual Property Ownership and Protection

A. Section 11.1 (a) of the Development Agreement is hereby amended by deleting clause (v) therein.

B. Section 11.2 of the Development Agreement is hereby amended by deleting paragraph (a) in its entirety and substituting the following therefor:

"(a) Costs. Bionics will pay all foreign and domestic Patent and Application (as such terms are defined below) prosecution costs and expenses for all Patents and Applications subject to its control as set forth in Section 11.2(b) (**"Prosecution Costs**")."

C. Section 11.2 of the Development Agreement is hereby amended by (1) deleting all references to "JHU Agreement" contained in subsection (b) thereof and substituting "JHU Agreements" therefor, and (2) adding the following sentence at the end of subsection (b):

"The term **"Patent"** means a currently issued U.S. or foreign patent. The term **"Application"** means a U.S., PCT or foreign patent application, including provisionals, utilities, designs, national stage filings and any continuations, divisionals, extensions, reissues, reexaminations, continuations in part thereof."

D. Section 11.3 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu therefor:

"11.3 Warranty Regarding Third Party Collaborators. The Parties warrant that all individuals, including without limitation employees and consultants, authorized, invited, or otherwise involved by the Parties, their employees, or consultants, to assist in the development of the System or Lead, have or will have a legal obligation to assign, license, or grant an option to license to the relevant Party all their rights to any Intellectual Property related to, arising from, or based on the development of the System or Lead."

E. Section 11.4 of the Development Agreement is hereby amended by deleting all references to "JHU Agreement" contained therein and substituting "JHU Agreements" therefor.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

F. Section 11.6 of the Development Agreement is hereby amended by adding the following at the end of paragraph (d):

"In addition, notwithstanding the foregoing, Bionics acknowledges and agrees that (i) the Company is permitted to share its Lead information with third parties to develop products for cardiac applications (provided, however, that if such third party is also engaged in the business of developing products for neurological applications, the Company shall ensure that such third party will use the Lead information only in connection with cardiac applications and will not use the Lead information for or with respect to any neuro-related products), (ii) the Company is permitted to share its System information with third parties following the expiration of the Exclusivity Period if the Parties do not execute and deliver the Subsequent System License within the Exclusivity Period, and (iii) in connection with the disclosures contemplated in the preceding clauses (i) and (ii), the Company is permitted to disclose the existence of this Agreement and the scope of any license granted hereunder or pursuant to the License Agreement."

1.10 Amendments to Exhibit C: System Milestones

Exhibit C to the Development Agreement is hereby amended by (1) deleting the reference to [***] contained therein and substituting [***] therefor, and (2) deleting the reference to [***] and substituting [***] therefor.

Section 2. AMENDMENTS TO THE NOTE

Bionics and the Company hereby agree to the amendments to the Note that are reflected in the form of the Amended and Restated Multiple Advance Secured Convertible Promissory Note attached hereto as Exhibit A (the **"Amended Note**").

Section 3. AMENDMENT TO THE LICENSE AGREEMENT

3.1 Defined Terms

Capitalized terms used in Section 3 of this Amendment without definition shall have the same meanings in Section 3 as set forth in the License Agreement,

3.2 Amendment to Section 1: Definitions

Section 1 of the License Agreement is hereby amended by adding the following phrase at the end of paragraph B:

"and under the License Agreement by and between the Licensor and JHU entered into on or around December 7, 2006, and all other appendices, addenda, amendments and agreements related thereto (the **"Second JHU Agreement"**, and together with the JHU Agreement, the **"JHU Agreements")"**

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

3.3 Amendment to Section 2: License

Section 2 of the License Agreement is hereby amended by deleting all references to "JHU Agreement" and substituting "JHU Agreements" therefor.

3.4 Amendment to Section 3: Compensation and Audit

Section 3 of the License Agreement is hereby amended by adding the following new paragraph E:

"E. Licensee agrees that, if required by the JHU Agreements, the packaging containing Licensed Products sold by Licensee, any of its Affiliates or any of its Sublicensees will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each applicable country's patent laws."

Section 4. AMENDMENTS TO THE SECURITY AGREEMENT

4.1 Defined Terms

Capitalized terms used in Section 4 of this Amendment without definition shall have the same meanings in Section 4 as set forth in the Security Agreement.

4.2 Amendments to Section 4: Representations and Warranties

A. Section 4 of the Security Agreement is hereby amended by amending subsection (g) thereof by deleting the second sentence thereof and substituting the following in lieu therefor:

"Grantor owns, possesses or has legal rights to use all Patents, Trademarks, service marks, trade names, copyrights, know-how, trade secrets, licenses, information and proprietary rights and processes necessary for the Grantor's business as now conducted and as proposed to be conducted by the Grantor by developing the System and Lead for commercial manufacture, use, lease, importation, and sale including, without limitation, the intellectual property licensed to Grantor under the License Agreement by and between Grantor and the Johns Hopkins University ("JHU") entered into on or around July 1, 1998 and the License Agreement by and between the Grantor and JHU entered into on or around December 7, 2006, and all other appendices, addenda, amendments, and agreements related thereto (the "JHU Agreements") (the owned and licensed rights of Grantor, collectively, the "Intellectual Property"), without any conflict with, or infringement of, the rights of others.

B. Section 4 of the Security Agreement is hereby further amended by amending subsection (g) thereof by adding "Except as set forth on Schedule 10 annexed hereto," before the fifth sentence.

4.3 Amendments to Section 18: Continuing Security Interest; Termination and Release; Assignment

Section 18 of the Security Agreement is hereby amended by deleting paragraph (b) thereof in its entirety and substituting the following therefor:

"Provided an Event of Default has not occurred and is continuing, Secured Party will terminate and release its liens and security interests in all Collateral at the later of (i) payment in full and in cash or conversion in full of the Note Balance on or before July 15, 2008 or (ii) after the Grantor has achieved the first two Lead Milestones (as defined in the Development Agreement) as stated in Sections 10.1(b)(i) and (ii) of the Development Agreement (the **"Collateral Release").** For the avoidance of doubt, if both conditions (i) and (ii) above have not occurred on or before August 31, 2008, the foregoing termination and release provision and this Section 18(b) shall be null and void and of no force and effect.

4.4 Amendment to Schedules to Security Agreement

Schedule 10 to Security Agreement is hereby deleted in its entirety and replaced with the new Schedule 10 attached as Exhibit B hereto.

Section 5. CONDITIONS TO EFFECTIVENESS

Sections 1 through 4 of this Amendment shall become effective only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"Amendment Effective Date"):**

A. On or before the Amendment Effective Date, the Company shall deliver to Bionics the following, each, unless otherwise noted, dated the Amendment Effective Date:

1. Executed copy of this Amendment;

2. Executed copy of the Amended Note;

3. Executed consent from JHU to sublicense to Bionics under the JHU Agreement dated December 7, 2006;

4. Certified copies of its Certificate of Incorporation, together with a good standing certificate from the Secretary of State of the State of Delaware, each dated a recent date prior to the Amendment Effective Date;

5. A certificate, dated as of the Amendment Effective Date, of its corporate secretary or an assistant secretary, certifying that there have been no changes in its Bylaws from the form of Bylaws previously delivered to Bionics;

6. Resolutions of its Board of Directors approving and authorizing the execution, delivery, and performance of this Amendment and the Amended Note,

certified as of the Amendment Effective Date by its corporate secretary or an assistant secretary as being in full force and effect without modification or amendment;

7. Signature and incumbency certificates of its officers executing this Amendment and the Amended Note; and

8. All documents necessary to assign to Bionics all Future Intellectual Property developed from December 30, 2005 and execute all documents necessary to effect that assignment.

B. On or before the Amendment Effective Date, all corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto not previously found acceptable by Bionics shall be satisfactory in form and substance to Bionics, and Bionics shall have received all such counterpart originals or certified copies of such documents Bionics may reasonably request.

Section 6. COMPANY'S REPRESENTATIONS AND WARRANTIES

In order to induce Bionics to enter into this Amendment and effect the amendment in the manner provided herein, the Company represents and warrants to Bionics that the following statements are true, correct and complete as of the Amendment Effective Date:

A. Corporate Power and Authority. The Company has all requisite corporate power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Development Agreement, the License Agreement and the Security Agreement, each as amended by this Amendment, and the Amended Note (collectively, the **"Amended Documents").**

B. Authorization of Agreements. The execution and delivery of this Amendment and the Amended Note and the performance of the Amended Documents have been duly authorized by all necessary corporate action on the part of the Company.

C. No Conflict. The execution and delivery by the Company of this Amendment and the Amended Note and the performance by the Company of the Amended Documents do not and will not (i) violate any provision of the Certificate of Incorporation or Bylaws of the Company, (ii) violate any provisions of any law or any governmental rule or regulation applicable to the Company or any order, judgment or decree of any court or other agency of government binding on the Company, (iii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contractual obligation of the Company, (iv) result in or require the creation or imposition of any lien upon any of the properties or assets of the Company (other than Liens created under any of the Amended Documents in favor of Bionics), or (v) require any approval of the stockholders of the Company, or any approval or consent of any person under any contractual obligation of the Company, which has not already been obtained.

D. Governmental Consents. The Company is not required to obtain any approval, consent or authorization from, or provide any notice to, any federal, state or other

governmental authority or regulatory body as a condition to the execution and delivery of this Amendment and the Amended Note or the performance by the Company of the Amended Documents.

E. Binding Obligation. Each of this Amendment and the Amended Note has been duly executed and delivered by the Company and this Amendment and the Amended Documents are the legally valid and binding obligations of the Company, enforceable against Company in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

F. Incorporation of Representations and Warranties From Development Agreement. Except as set forth in Schedule 6.F attached hereto, the representations and warranties contained in Sections 4.7, 4.8 and 4.12 of the Development Agreement are and will be true, correct and complete in all material respects on and as of the Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

Section 7. MISCELLANEOUS

A. Reference to and Effect on the Amended Documents.

(i) On and after the Amendment Effective Date, each reference in the Development Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Development Agreement, and each reference in the Amended Documents to the "Development Agreement", "thereunder", "thereof or words of like import referring to the Development Agreement shall mean and be a reference to the Develop Agreement as amended by this Amendment.

(ii) On and after the Amendment Effective Date, each reference in the Security Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Security Agreement, and each reference in the Amended Documents to the "Security Agreement", "thereunder", "thereof or words of like import referring to the Security Agreement shall mean and be a reference to the Security Agreement as amended by this Amendment.

(iii) On and after the Amendment Effective Date, each reference in the License Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the License Agreement, and each reference in the Amended Documents to the "License Agreement", "thereunder", "thereof or words of like import referring to the License Agreement shall mean and be a reference to the License Agreement as amended by this Amendment.

(iv) On and after the Amendment Effective Date, each reference in the Amended Documents to the "Note", "thereunder", "thereof or words of like import referring to the Note shall mean and be a reference to the Amended Note.

(ii) Except as specifically amended by this Amendment, the Amended Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of Bionics or the Company under, any of the Amended Documents.

B. Headings. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA (INCLUDING WITHOUT LIMITATION SECTION 1646.5 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

D. Clarification of Scope. For the avoidance of any doubt whatsoever, Bionics and the Company acknowledge and agree that the terms "neuromodulation" and "neuro- related" (as used in any of the Amended Documents) do not include, and in no event does any license granted to Bionics under the Development Agreement or the License Agreement relate to, cardiac applications.

E. Counterparts; Effectiveness. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment (other than the provisions of Sections 1 through 4 hereof, the effectiveness of which is governed by Section 5 hereof) shall become effective upon the execution of a counterpart hereof by the Company and Bionics and receipt by the Company and Bionics of written or telephonic notification of such execution and authorization of delivery thereof.

F. Return of Original Note. On the Amendment Effective Date, Bionics shall deliver to the Company the original Note for cancellation.

[The remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BIONICS:

ADVANCED BIONICS CORPORATION

By: /s/ Jeffrey H. Greiner

Jeffrey H. Greiner
Its: President and Co-Chief Executive Officer

COMPANY:

SURGI-VISION, INC.

By: /s/ Kimble Jenkins

Kimble L. Jenkins
Its: President

EXHIBIT A

TO OMNIBUS AMENDMENT

[FORM OF AMENDED NOTE]

THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 (THE "ACT") HAS BECOME EFFECTIVE WITH RESPECT THERETO OR (II) RECEIPT BY THE COMPANY AT LENDER'S SOLE COST AND EXPENSE OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION UNDER THE ACT IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER AND THAT SUCH ISSUANCE IS NOT IN VIOLATION OF ANY APPLICABLE STATE SECURITIES LAWS. THIS LEGEND WILL BE ENDORSED UPON ANY NOTE ISSUED IN EXCHANGE FOR THIS NOTE.

AMENDED AND RESTATED MULTIPLE ADVANCE SECURED CONVERTIBLE PROMISSORY NOTE

Up to $1,500,000 **June 30, 2007**

1. Principal. For value received, **SURGI-VISION, INC.**, a Delaware corporation ("**Company**"), promises to pay to **ADVANCED BIONICS CORPORATION,** a Delaware corporation ("**Lender**"), at its office at 25129 Rye Canyon Loop, Valencia, California 91355, or at such other place as Lender may from time to time designate in writing, the principal sum specified on the Schedule of Advances attached to this Note, together with accrued interest from the date of disbursement on the unpaid principal of this Note at the rate set forth in Section 3 hereof. Lender hereby authorizes and directs Company to deliver this Note to Lender's address set forth at the beginning of this Note. Initially capitalized terms used herein without definition are defined in that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006 and by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, and as further amended, supplemented or otherwise modified from time to time, the **"Development Agreement"),** by and between Company and Lender.

2. Maturity Date. Unless Lender has previously exercised its Conversion Right (as defined below), the unpaid principal balance of this Note (plus any interest, fees, and other amounts owing under this Note) (collectively, the "**Note Balance**") is due and payable in full on the Maturity Date. The **"Maturity Date"** is the earliest of (A) the last day of the Negotiation Period or (B) June 30, 2008, regardless of any extensions of the Negotiation Period that Company and Lender may mutually agree on, or (C) the date of an occurrence of an Event of Default. If the Maturity Date falls on a day that is not a business day, payment of the unpaid

principal of this Note must be made on the next succeeding business day and such extension of time will be included in computing any interest in respect of such payment.

3. Interest Rate.

(a) This Note bears simple interest at the rate of 0% per annum on its unpaid principal amount from the Closing Date to five days after the Maturity Date. This Note bears simple interest at the rate of 20% per annum (or the highest rate permitted by law, whichever is less) (the **"Default Rate")** on any unpaid principal balance of this Note from five business days after the Maturity Date until the actual date that the entire Note Balance is satisfied (either by (i) Company paying the entire Note Balance in cash, (ii) Lender electing in its sole discretion to convert the entire Note Balance into Conversion Shares (as defined below), or (iii) Lender electing in its sole discretion to convert part of the Note Balance into Conversion Shares and Company paying the entire remaining Note Balance in cash).

(b) All payments of principal and interest due under this Note must be made without deduction of any present and future taxes, levies, imposts, deductions, charges or withholdings, which amounts must be paid by Company. Company will pay the amounts necessary such that the gross amount of the principal and interest received by Lender is not less than that required by this Note. If Company is required by law to deduct any such amounts from or in respect of any principal or interest payment under this Note, then (i) the sum payable to Lender will be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this provision) Lender receives an amount equal to the sum it would have received had no deductions been made, (ii) Company will make such deductions, and (iii) Company will pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Company will pay all stamp and documentary taxes. If, notwithstanding the foregoing, Lender pays such taxes, Company will reimburse Lender for the amount paid. Company will furnish Lender official tax receipts or other evidence of payment of all taxes.

(c) Throughout the term of this Note, interest will be calculated on the basis of a 360-day year and will be computed for the actual number of days elapsed in the period for which interest is charged. If any payment of interest to be made by Company under this Note becomes due on a day which is not a business day, such payment must be made on the next succeeding business day and such extension of time will be included in computing the interest due in respect of such payment.

4. Conversion.

(a) Conversion at Lender's Option. At any time beginning on the Maturity Date and ending five business days after Company's payment in full of the Note Balance, Lender will have the right, in Lender's sole discretion, to convert this Note, in whole or in part (the **"Conversion Right")** into the number of Conversion Shares obtained by the calculations of Section 4(b)(i) or Section 4(b)(ii), as applicable. If Lender exercises the Conversion Right after Company's payment in full of the Note Balance, Lender will return to Company that part of the Note Balance that Lender is electing to convert to Conversion Shares within five business days of Lender's receipt of Company's payment in full of the Note Balance.

"Conversion Shares" means the aggregate number of fully paid and nonassessable shares of the Common Stock of Company, par value $0.01 per share **("Common Stock")** into which Lender has elected to convert all or part of the Note Balance.

(b) Pricing Terms.

(i) Conversion Calculation. Except for the circumstances described in Section 4(b)(ii) below, the number of Conversion Shares will be determined by dividing (A) the amount of the Note Balance to be converted by (B) the lesser of (1) the 5% Conversion Price (as defined below) or (II) if Company consummates a sale of any of its equity securities after the Closing Date (for the avoidance of doubt, a "sale" of equity securities will not include equity securities issued pursuant to the acquisition of another entity by Company by merger, purchase of all or substantially all of the assets, or other reorganization whereby Company becomes the owner of more than 50% of the voting power of such entity, equity securities issued pursuant to the conversion or exercise of any convertible securities, options or warrants, or equity securities (including derivatives) granted, issued or issuable to employees, officers, directors or consultants pursuant to plans or agreements approved by Company's board of directors), whether in a single or multiple closings or financings, the average price per share paid for such securities by the purchasers thereof. The term **"5% Conversion Price"** means, as of a given date, the price per share determined by dividing $1,500,000 by 5% of Company's Fully Diluted Shares (as defined below). The term **"Fully Diluted Shares"** means, as of a given date, the total number of shares of Common Stock (a) issued and outstanding, (b) issuable upon the exercise of any and all outstanding options, warrants and rights to acquire shares of Common Stock, or upon the conversion of any and all outstanding securities convertible into shares of Common Stock, whether then vested, exercisable or convertible, and (c) authorized and issuable by the Company under any stock option or other equity compensation plan approved by the Company's board of directors other than those shares subject to outstanding options, warrants or other similar rights described in the preceding clause (b).

(ii) If (a) an Event of Default has occurred and is continuing or (b) the Company, in its sole discretion, prepays all or any portion of the Note Balance prior to the Maturity Date pursuant to Section 6 hereof or (c) the Company grants the consent pursuant to Section 10(c) hereof, the number of Conversion Shares will be determined by dividing (A) the amount of the Note Balance to be converted by (B) the lesser of (I) the 10% Conversion Price (as defined below) or (II) if Company consummates a sale of any of its equity securities after the Closing Date (for the avoidance of doubt, a "sale" of equity securities will not include equity securities issued pursuant to the acquisition of another entity by Company by merger, purchase of all or substantially all of the assets, or other

reorganization whereby Company becomes the owner of more than 50% of the voting power of such entity, equity securities issued pursuant to the conversion or exercise of any convertible securities, options or warrants, or equity securities (including derivatives) granted, issued or issuable to employees, officers, directors or consultants pursuant to plans or agreements approved by Company's board of directors), whether in a single or multiple closings or financings, the average price per share paid for such securities by the purchasers thereof. The term **"10% Conversion Price"** means, as of a given date, the price per share determined by dividing $1,500,000 by 10% of Company's Fully Diluted Shares.

(iii) Warrant. If, upon Lender's exercise of its Conversion Right pursuant to Section 4(b)(i), Company and Lender have not executed and delivered the Subsequent System License, in addition to the number of Conversion Shares obtained by the calculation set forth in Section 4(b)(i) above, Lender will receive from the Company a warrant, in substantially the form attached hereto as Exhibit.A (the **"Warrant"),** to purchase the number of shares of Common Stock equal to the difference, if positive, between (A) the amount determined by dividing (I) the amount of the Note Balance converted pursuant to Section 4(b)(i) by (II) the 10% Conversion Price, minus (B) the number of Conversion Shares obtained by the calculation set forth in Section 4(b)(i) above. Such Warrant shall become exercisable if (A) Company and Lender have not executed and delivered the Subsequent System License on or before the last day of the Negotiation Period or (B) an Event of Default has occurred and is continuing prior to the last day of the Negotiation Period.

(iv) Full Conversion. Reference in the Development Agreement, this Note and/or any of the other Concurrent Documents to the "conversion of the Note Balance" or words of like import shall mean and be a reference to Lender's receipt of (A) the number of Conversion Shares obtained by the calculation set forth in Sections 4(b)(i) or 4(b)(ii), as applicable, and (B) if applicable, the Warrant, For the avoidance of doubt, reference in the Development Agreement, this Note and/or any of the other Concurrent Documents to the "conversion of the Note Balance" or words of like import shall not mean or include Lender's exercise of all or any portion of the Warrant.

(c) Conversion Procedure.

(i) In order to convert all or any part of the Note Balance, Lender will deliver to Company a written notice stating (A) that Lender has elected to convert all or part of the Note Balance and (B) the amount of the Note Balance to be converted (the **"Conversion Notice").**

(ii) Within five business days after receipt of the Conversion Notice, Company will deliver to Lender a certificate for the number of Conversion

Shares issuable upon the conversion; provided that Company will not issue any fractional Conversion Shares. In lieu of Company issuing any fractional shares to Lender or its designees upon conversion, Company will pay to Lender the unconverted amount of the Note Balance specified in the Conversion Notice, such payment to be in the form of a wire transfer or check payable to Lender. Each conversion will be deemed to have been effected immediately before the close of business on the date on which this Note is given to the Company pursuant to Section 14 of this Note. Upon conversion of the entire Note Balance, Company will be forever released from all its obligations and liabilities under this Note.

(d) Changes in Common Stock. If, and as often as, there are any changes in the Common Stock by way of stock split, stock dividend, combination or reclassification, or by any other means, appropriate adjustment will be made by Company and Lender to the price at which Conversion Shares are issued and the other provisions of this Note, as may be required, so that the rights and privileges granted hereby will continue with respect to the Conversion Shares as so changed.

(e) Access and Information. Subject to the confidentiality provisions in the Development Agreement, Company will afford to Lender and its accountants, counsel and other representatives full access, upon reasonable request, upon reasonable prior notice and during normal business hours, to all of Company's properties, books, accounts, records, contracts, and personnel and, Company will, and will cause its accountants, counsel and other representatives to furnish promptly to Lender and its representatives all information concerning Company's business, properties and personnel, in each case as Lender or its representatives reasonably requests for the purpose of evaluating the merits and risks of an investment in Conversion Shares in the event Lender may desire to exercise its Conversion Right; provided, however, that Company reserves the right to withhold any information if access to such information could adversely affect the attorney-client privilege between Company and its counsel.

(f) Conversion Shares. Until such time as the Conversion Shares are registered under the Securities Act of 1933, Company will instruct its transfer agent to enter stop transfer orders with respect to such shares and the certificates representing such shares will be endorsed with the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE "BLUE SKY" OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED, DISTRIBUTED OR OTHERWISE DISPOSED OF UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SALE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT IS AVAILABLE, AND IF AN EXEMPTION IS AVAILABLE, THE COMPANY RECEIVES AN OPINION OF COUNSEL AT THE HOLDER'S SOLE COST AND EXPENSE STATING THAT SUCH OFFER, SALE, TRANSFER, ASSIGNMENT, PLEDGE,

HYPOTHECATION, DISTRIBUTION OR OTHER DISPOSITION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND OTHER LAWS. THE RESTRICTIONS CONTAINED HEREIN ARE BINDING ON THE HOLDER HEREOF AND HIS SUCCESSORS AND ASSIGNS,"

5. Schedule of Advances. Lender will, and is hereby authorized by Company to, note on the Schedule of Advances annexed to this Note and constituting a part of this Note, the date and amount of each advance, payment or prepayment of all or any portion of the principal sum. Absent manifest error, such notations are conclusive and binding as to the aggregate unpaid principal sum and all other information; provided, however, the failure of Lender to make such a notation will not limit or otherwise affect the obligation of Company to repay the outstanding principal amount or any interest accrued or accruing thereon or any other amount payable by Company to Lender hereunder.

6. Prepayment Prior to the Maturity Date, Company, in its sole discretion, may prepay all or any portion of the Note Balance at any time, provided that (i) Company will give Lender not less than a 30-day prior written notice of its intention to prepay an amount specified in such notice on the date set forth in the notice, and (ii) notwithstanding any provision hereof to the contrary, Lender will have the right before the anticipated prepayment date set forth in the notice to exercise its Conversion Right, under the pricing terms contained in Section 4(b)(ii) of the Note, to convert all or part of the amount to be prepaid into Conversion Shares, in which case the prepayment notice will have no further force or effect regarding the amount to be converted.

7. Lawful Money. Principal and interest are payable in lawful money of the United States of America,

8. Applications of Payments; Late Charges.

(a) Payments received by Lender hereunder will be applied first to costs and expenses, then to interest and finally to principal unless Lender elects otherwise in its sole discretion.

(b) If any payment of principal or interest is not paid when due, such late payment will bear interest at the Default Rate from the day such payment was due until it is paid. In addition, if any payment is five or more days overdue, Lender will have the option to assess a late charge of $0.03 cents for each dollar so overdue. In connection therewith, Company and Lender agree as follows:

(i) Because of such late payment, Lender will incur certain costs and expenses including, without limitation, administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount;

(ii) It would be impractical or extremely difficult to fix the exact amount of such costs in such event;

(iii) The late charge is a reasonable and good faith estimate of such costs; and

(iv) Such late charge will constitute liquidated damages caused by such failure to make a payment of interest or principal when due but only to the extent such late charge is assessed by Lender, paid by Company and accepted by Lender and only upon the condition that such failure is completely cured concurrently with such payment.

The application of the Default Rate or the assessment of a late charge to any such late payment as described in this Section 8(b) will not be interpreted or deemed to extend the period for payment or otherwise limit any of Lender's remedies under this Note, the Security Agreement, the Development Agreement, or the License Agreement.

9. Security. This Note is a secured obligation of Company as set forth in the Security Agreement dated as of December 30, 2005, as amended by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, and as further amended, supplemented or otherwise modified from time to time, the "**Security Agreement**"), by and between Company and Lender.

10. Covenants of Company.

(a) Use of Loan Proceeds. Company covenants and agrees that it will use the proceeds of this Note only (i) to pay the second installment in the amount of $124,052.60 (including accrued interest, fees, and related amounts) due on December 1, 2005, and the third installment in the amount of $120,355.03 (including accrued interest, fees, and related amounts) due on March 1, 2006, under that certain promissory note made by the Company in favor of Trust One Bank of 1715 Aaron Brenner Dr., Memphis, Tennessee 38120 in the principal amount of $690,000 due December 1, 2006 (the "**Trust One Bank Note**"), (ii) to pay direct costs and expenses associated with the development of the System and/or the Lead and (iii) to pay to Bass, Berry & Sims, PLC and Myers Bigel Sibley & Sajovec an aggregate amount no greater than $40,000 to cover Company's actual costs and expenses associated with the negotiation and documentation of this Note, the Security Agreement, the Development Agreement, the License Agreement and the Other Agreements. Company acknowledges that some costs and expenses incurred by Company, such as salaries and consulting fees, may relate both to the development of the System and/or the Lead and to other activities of Company. With respect to such costs and expenses, Company will determine, subject to Lender's approval, which will not be unreasonably withheld, which percentage of the cost or expense is associated with the development of the System and/or the Lead, for which Company will be permitted to use proceeds of this Note, and which percentage is associated with other activities of Company, for which Company will not be permitted to use proceeds of this Note.

(b) No Senior Debt. So long as this Note is outstanding, Company will not incur on or after the Closing Date any indebtedness for borrowed money that is not expressly subordinated to this Note, without the prior written consent of Lender. For the avoidance of doubt, the phrase "indebtedness for borrowed money" will not include ordinary-course obligations to trade creditors.

(c) No Liens or Encumbrances. So long as this Note is outstanding, without the prior written consent of Lender, Company will not (a) pledge or otherwise encumber or permit the encumbrance of any of its assets, including the Collateral (as defined in the Security Agreement); (b) merge or consolidate with any entity, or dissolve; (c) declare, make or pay any distribution or dividend to its stockholders; (d) sell, lease or otherwise dispose of all or any substantial portion of its assets; or (e) engage in any business other than that in which it is presently engaged. Lender may grant or withhold its consent in its sole discretion. Any grant of that consent will give the Lender the right to exercise the Conversion Right for all or any part of the Note Balance under the pricing terms contained in Section 4(b)(ii). For the avoidance of doubt, this Section 10(c) shall not apply with respect to any license and/or sublicense to any of the Intellectual Property Collateral (as defined in the Security Agreement) if such license and/or sublicense is not inconsistent with the terms of the Development Agreement or License Agreement.

11. Defaults and Remedies.

(a) Events of Default. Each of the following events constitutes an event of default ("**Event of Default"):**

(i) if any representation or warranty made by Company in this Note, the Security Agreement, the Development Agreement, the License Agreement or in any report, certificate, financial statement or other instrument furnished in connection with this Note, is false, inaccurate or misleading in any material respect when made or when deemed made hereunder.

(ii) any default in the payment of any principal or interest under this Note within five days after date when due hereunder, whether upon the Maturity Date or by acceleration or otherwise;

(iii) any default by Company in the prompt and complete fulfillment of any of its covenants and obligations under this Note, the Security Agreement, the Development Agreement, the License Agreement, or any and all other agreements and documents executed and delivered in connection herewith or therewith (the **"Other Agreements")** (other than those covenants and obligations referred to in clause (ii) above or clause (vi) below), if such default is not remedied within 15 days after an officer of Company becomes aware of the factual circumstances giving rise to such default;

(iv) if Company: (A) applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, (B) admits in writing its inability to pay its debts as they mature, (C) makes a general assignment for the benefit of creditors, (D) is adjudicated as bankrupt or insolvent or is the subject of an order for relief under Title 11 of the United States Code, or any successor thereto, or (E) files a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, moratorium, reorganization, insolvency, readjustment of debt, dissolution

or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or (F) takes or permits to be taken any action in furtherance of or for purpose of effecting any of the foregoing;

(v) if any order, judgment or decree will be entered, without the application, approval or consent of Company, by any court of competent jurisdiction, approving a petition seeking reorganization of Company, or appointing a receiver, trustee, custodian or liquidator of Company, or of all or any substantial part of its assets, and such order, judgment or decree will continue unstayed and in effect for any period of 60 days;

(vi) if the Company fails to meet, by the required date, any System Milestone or Lead Milestone, which failure is not remedied within 15 days following Lender's written notice to Company; or

(vii) in the event Lender reasonably believes that Company will be unable to perform its obligations under this Note, Lender may request in writing reasonable assurances of further performance from Company. If, within 15 days from such written request, Company fails to give such assurances reasonably showing its ability to perform, Lender may declare an Event of Default, For avoidance of doubt, Lender's reasonable belief of Company's inability to perform its obligations under this Note must be based on a fact or circumstance that occurs or changes after the date of this Note and results in a material adverse effect upon the Company's financial condition. The foregoing is without any derogation of rights under applicable law to demand further assurances and address anticipatory breaches.

(b) Remedies.

(i) Upon the occurrence of any Event of Default, and at all times thereafter during the continuance of an Event of Default: (a) this Note will, in Lender's sole discretion and upon Lender's written notice to Company, become immediately due and payable, as to principal and interest, without presentment, demand, protest, notice or other requirement of any kind, all of which are hereby expressly waived, anything contained herein or in this Note to the contrary notwithstanding (except in the case of any event described in Sections ll(a)(iv) and (v) of this Note, the occurrence of which will automatically effect acceleration, regardless of any action or forbearance in respect of any prior or ongoing default or Event of Default which may be inconsistent with such automatic acceleration), (b) Lender may file suit against Company on this Note and/or seek specific performance or injunctive relief thereunder (whether or not a remedy exists at law or in equity); and (c) Lender will have the right to seek to exercise any and all remedies as it may determine in its discretion (without any requirement of marshalling of assets, or other such requirement) that may be available at law or in equity.

(ii) Lender's rights, remedies and powers, as provided in this Note and the Security Agreement are cumulative and concurrent and may be pursued singly, successively or together against this Company, the Collateral (as defined in the Security Agreement) and any other security given at any time to secure the payment of this Note, all at the sole discretion of Lender. Additionally, Lender may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender at any one time, for a period of time or on more than one occasion, to exercise any of its rights or remedies hereunder or at law or in equity will not constitute a waiver of the right to exercise the same right or remedy at any time thereafter. Any and all waivers must be in writing to be effective.

(iii) If any suit or action is instituted or attorneys are employed to enforce any of the obligations of this Note, the non-prevailing party hereby promises and agrees to pay all reasonable costs, including reasonable attorneys' fees and court costs incurred by the prevailing party.

12. Subordination. Lender and Company agree and acknowledge that the indebtedness evidenced by this Note is neither subordinate nor subject in right of payment to any other indebtedness issued to third parties.

13. Interest Rate Limitation. It is the intent of Company and Lender in the execution of this Note and all other instruments securing this Note that the loan evidenced hereby be exempt from the restrictions of the usury laws of the State of California. In the event that, for any reason, it should be determined that the California usury law is applicable to the Loan, Lender and Company stipulate and agree that none of the terms and provisions contained herein or in any of the other Credit Documents will ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of California. In such event, if any holder of this Note collects monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of California, all such sums deemed to constitute interest in excess of such maximum rate will, at the option of Lender, be credit.

14. Notices. All notices, requests, demands and other communications which are required to be or may be given under this Note to a party by the other party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express or UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the Party to whom the same is so given or made, or (d) upon confirmation of receipt, if by facsimile. Any notice or other communication

given hereunder will be addressed to the Company, at 200 N. Cobb Parkway, Suite 140, Marietta, Georgia 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424-8236, with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, Tennessee 38103, Fax (901) 579-4979, , or to Lender at the address indicated at the beginning of this document, Attention: General Counsel, Fax (661) 362-4712.

15. Counterparts. This Note may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

16. Headings. All headings are inserted for convenience of reference only and will not affect the meaning or interpretation of any such provisions or of this Note, taken as an entirety.

17. Severability. If and to the extent that any court of competent jurisdiction holds any provision (or any part thereof) of this Note to be invalid or unenforceable, such holding will in no way affect the validity of the remainder of this Note.

18. Changes, Waivers, Etc. Neither this Note nor any provision of this Note may be changed, waived, discharged or terminated orally, but rather may only be changed by a statement in writing signed by the Party against which enforcement of the change, waiver, discharge or termination is sought. It is agreed that a waiver by either Lender or Company of a breach of any provision of this Note will not operate, or be construed, as a waiver of any subsequent breach by that same party.

19. Governing Law. This Note will be governed by and construed in accordance with the laws of the State of California. The parties hereby agree that any dispute which may arise between them arising out of or in connection with this Note will be adjudicated before a court located in Los Angeles, California and they hereby submit to the exclusive jurisdiction of the courts of the State of California located in Los Angeles, California and of the federal courts in the Central District of California with respect to any action or legal proceeding commenced by any party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Note or any acts or omissions relating to the sale of the securities hereunder, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth below or such other address as the undersigned will furnish in writing to the other.

20. Entire Agreement. This Note, the Security Agreement, the Development Agreement, the License Agreement and the Other Agreements set forth the entire agreement and understanding between Lender and Company as to this subject matter and incorporates and supersedes all prior discussions, agreements and understandings of any and every nature among them.

21. Further Assurances. Lender and Company agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Note.

22. Successors and Assigns. The terms and conditions of this Note will inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Nothing in this Note, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Note, except as expressly provided in this Note, This Note is non-negotiable. Neither Company nor Lender may assign or otherwise transfer this Note without the prior written consent of the other party.

23. Relationship of Parties. In all matters relating to this Note, no party will have any right, power or authority to create any obligation, express or implied, on behalf of any other party. Nothing in this Note is intended to create or constitute a joint venture or a partnership between the parties hereto.

24. Amendment and Restatement. This Note constitutes an amendment and restatement of that certain Multiple Advance Secured Convertible Promissory Note dated December 30, 2005, made by Company in favor of Lender in the maximum principal amount of $1,500,000, and replaces and supersedes such promissory note in all respects.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, Company has signed this Note and delivered this Note to Lender as of the date first written above.

COMPANY:

SURGI- VISION, INC.,
a Delaware corporation

By: _____
Name:
Title:

SCHEDULE OF ADVANCES

Date	Amount of Principal Advanced	Unpaid Principal Balance	Amount Paid	Notation Made By
01/04/06	$250,000	$250,000	—	Initial Advance
01/31/06	$250,000	$500,000	—	
06/30/06	$250,000	$750,000	—	
09/30/06	$250,000	$1,000,000	—	
07/ /07	$500,000	$1,500,000	—	

EXHIBIT A
TO AMENDED AND RESTATED MULTIPLE ADVANCE SECURED CONVERTIBLE PROMISSORY NOTE

[FORM OF WARRANT]

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THIS WARRANT HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE. THIS WARRANT, AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF, MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

_____, 200_

SURGI-VISION, INC.

STOCK PURCHASE WARRANT

This Warrant is issued as of this day of 200 , by SURGI-VISION, INC., a Delaware corporation (the "Company"), to ADVANCED BIONICS CORPORATION, a Delaware corporation (the "Holder").

1. Issuance of Warrant; Term; Price.

(a) Issuance. This Warrant is issued pursuant to Section 4(b)(iii) of that certain Amended and Restated Multiple Advance Secured Convertible Promissory Note dated as of June 30, 2007, payable to the Holder by the Company (together with any and all replacements and renewals thereof, the "Note"). Reference also is made to that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006 and by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, and as further amended, supplemented or otherwise modified from time to time, the "Development Agreement"), by and between the Company and the Holder. Capitalized terms used herein without definition will have the meanings ascribed to such terms in the Development Agreement.

(b) Shares Issuable upon Exercise. The Company hereby grants to the Holder the right to purchase, upon the terms hereof and at the Warrant Price (as defined below), [ ] shares of common stock ("Common Stock") of the Company, subject to adjustment as set forth in Section 2 below (the "Warrant Shares"). [Note: The initial number of Warrant Shares will be determined according to the calculation set forth in Section 4(b)(iii) of the Note.]

(c) Term. This Warrant shall not be exercisable by the Holder unless (A) the Company and the Holder have not executed and delivered the Subsequent System License on or before the last day of the Negotiation Period or (B) at any time prior to the last day of the Negotiation Period, an Event of Default has occurred and is continuing (the 'Trigger Date"). If the Company and the Holder have executed and delivered the Subsequent System License on or before the Trigger Date, this Warrant shall expire automatically and become null and void. If the Company and the Holder have not executed and delivered the Subsequent System License on or before the Trigger Date, the Holder may exercise this Warrant at any time after the Trigger Date until 5:00 p.m. (Eastern Time) on the fifth business day following the Trigger Date, at which time this Warrant shall expire automatically and become null and void.

(d) Exercise Price. The exercise price (the "Warrant Price") per share for which all or any of the Warrant Shares may be purchased pursuant to the terms of this Warrant shall be equal to $0.01.

2. Adjustment of Number and Kind of Shares. The number and kind of securities issuable upon the exercise of this Warrant shall be subject to adjustment from time to time as follows:

(a) Dividends in Stock Adjustment. In case at any time or from time to time on or after the date hereof the holders of the Common Stock of the Company (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received, or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefore, other or additional securities or other property (other than cash) of the Company by way of dividend or distribution, then and in each case, the Holder shall, upon the exercise hereof, be entitled to receive, in addition to the number of Warrant Shares receivable thereupon, and without payment of any additional consideration therefore, the amount of such other or additional securities or other property (other than cash) of the Company which such Holder would hold on the date of such exercise had it been the holder of record of such Common Stock on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional securities or other property receivable by it as aforesaid during such period, giving effect to all adjustments called for during such period by this Section 2(a), Section 2(b) and Section 2(c).

(b) Reclassification or Reorganization Adjustment. In case of any reclassification or change of the outstanding securities of the Company or of any reorganization of the Company on or after the date hereof, the Holder, upon the exercise hereof at any time after the consummation of such reclassification, change or reorganization, shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise hereof prior to such consummation, the stock or other securities or property to which such Holder would have been entitled upon such consummation if such holder had exercised this Warrant immediately prior thereto, all subject to further adjustment as provided in Section 2(a) and Section 2(c).

(c) Stock Splits and Reverse Stock Splits. If at any time on or after the date hereof the Company shall subdivide its outstanding shares of Common Stock into a greater number of shares, the number of shares receivable upon exercise of this Warrant shall thereby be proportionately increased; and, conversely, if at any time on or after the date hereof the outstanding number of shares of Common Stock shall be combined into a smaller number of shares, the number of shares receivable upon exercise of this Warrant shall thereby be proportionately decreased.

3. No Fractional Shares. No fractional shares of Warrant Stock will be issued in connection with any subscription hereunder.

4. No Stockholder Rights. This Warrant as such shall not entitle the Holder to any of the rights of a stockholder of the Company until the Holder has exercised this Warrant in accordance with Section 6 hereof.

5. Reservation of Stock. The Company covenants that during the term of this Warrant, the Company will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of this Warrant. The Company agrees that its issuance of this Warrant constitutes full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for Warrant Shares upon the exercise of this Warrant.

6. Exercise of Warrant. This Warrant may be exercised by the Holder, during the term of this Warrant as provided in Section 1(c) above, by the surrender of this Warrant at the principal office of the Company, accompanied by payment in full of the Warrant Price of the shares purchased thereby. Notwithstanding any provision of the Development Agreement to the contrary, the Holder shall be entitled to offset against any amount owing to the Company under the Development Agreement the Warrant Price of any shares purchased by the Holder upon the exercise of this Warrant. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above, and the Holder shall be treated for all purposes as the holder of record of the Warrant Shares as of the close of business on such date. As promptly as practicable, the Company shall issue and deliver to the Holder a certificate or certificates for the number of Warrant Shares issuable upon such exercise. The Warrant Shares issuable upon exercise of this Warrant shall, upon their issuance, be fully paid and nonassessable.

7. Certificate of Adjustment. Whenever the number or type of securities issuable upon exercise of this Warrant is adjusted as herein provided, the Company shall deliver to the Holder a certificate of an officer of the Company setting forth the nature of such adjustment and a brief statement of the facts requiring such adjustment.

8. No Limitation on Corporate Action. No provisions of this Warrant and no right granted or conferred hereunder shall in any way limit, affect or abridge the exercise by the Company of any of its corporate rights or powers to recapitalize, amend its Certificate of Incorporation, reorganize, consolidate or merge with or into another corporation, to transfer all or any part of its property or assets, or to exercise any other corporate rights and powers.

9. Assignment of Warrant. The Holder may not assign or transfer this Warrant without the prior written consent of the Company. Any purported assignment or transfer of this Warrant in violation of this Section 9 shall be void abs initio.

10. Restrictive Legends. To the extent applicable, each certificate evidencing any of the Warrant Shares shall be endorsed with the legends set forth below, and Holder covenants that, except to the extent such restrictions are waived by the Company, Holder shall not transfer the Warrant Shares without complying with the restrictions on transfer described in such legends:

(a) The following legend under the Securities Act:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE "BLUE SKY" OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED, DISTRIBUTED OR OTHERWISE DISPOSED OF UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SALE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT IS AVAILABLE, AND IF AN EXEMPTION IS AVAILABLE, THE COMPANY RECEIVES AN OPINION OF COUNSEL AT THE HOLDER'S SOLE COST AND EXPENSE STATING THAT SUCH OFFER, SALE, TRANSFER, ASSIGNMENT, PLEDGE, HYPOTHECATION, DISTRIBUTION OR OTHER DISPOSITION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND OTHER LAWS. THE RESTRICTIONS CONTAINED HEREIN ARE BINDING ON THE HOLDER HEREOF AND ITS SUCCESSORS AND PERMITTED ASSIGNS."

(d) If required by the authorities of any state in connection with the issuance or sale of the Warrant Shares, the legend required by such state authority.

11. Replacement of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft or destruction of this Warrant, and on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company, the Company will execute and deliver to the Holder, in lieu thereof, a new Warrant of like tenor.

12. Miscellaneous. This Warrant shall be governed by the laws of the State of Delaware. The headings in this Warrant are for purposes of convenience of reference only, and shall not be deemed to constitute a part hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provisions.

13. Notices. All notices, requests, demands and other communications which are required to be or may be given under this Warrant to a party by the other party must be in writing and will be deemed to have been duly given (a) immediately if delivered in person, (b) the day following dispatch by a nationally recognized overnight courier service (such as Federal Express, UPS, etc.) for next day delivery, (c) five days after dispatch by certified or registered first class

mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made, or (d) upon confirmation of receipt if by facsimile. Any notice or other communication given hereunder will be addressed (x) to the Company at 200 N. Cobb Parkway, Suite 140, Marietta, Georgia 30062-3585, Attention: John C. Thomas, Jr., Fax (770) 424-8236, with a copy to Kimble L. Jenkins, 50 North Front St., 19th Floor, Memphis, Tennessee 38103, Fax (901) 579-4979, or (y) to the Holder at 25129 Rye Canyon Loop, Valencia, California 91355, Attention: General Counsel, Fax (661) 362-4712, or at such other address as one party shall have notified the other party hereto by notice given in conformity with this Section 13.

14. Taxes. The Company shall pay all issue taxes and other governmental charges (but not including any income taxes of the Holder) that may be imposed in respect of the issuance or delivery of the Warrant Shares or any portion thereof.

15. Amendment: Waiver. Any term of this Warrant may be amended or waived with the written consent of the Company and the Holder.

16. Representations by Holder. The Holder represents and warrants to the Company, as of the date hereof and as of the date of any exercise of this Warrant, that (a) the Holder is acquiring this Warrant and the Warrant Shares for its own account, for investment purposes, and not with a present view either to sell, distribute or transfer, or to offer for sale, distribution or transfer, this Warrant or the Warrant Shares, (b) the Holder is experienced in evaluating companies such as the Company, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the Holder's investment and has the ability to suffer the total loss of such investment, and (c) the Holder is an "accredited investor" within the meaning of Regulation D under the Securities Act.

SURGI- VISION, INC.

By: _____
Name: _____
Title: _____

AGREED TO AND ACCEPTED BY:

ADVANCED BIONICS CORPORATION

By: _____
Name: _____
Title: _____

NOTICE OF EXERCISE

To: Surgi-Vision, Inc.

The undersigned hereby elects to purchase "Warrant Shares" pursuant to the provisions of Section 6 of the attached Warrant, and tenders herewith payment of the purchase price for such shares in full. In exercising the attached Warrant, the undersigned hereby confirms and acknowledges its representations and warranties set forth in Section 16 of the attached Warrant.

ADVANCED BIONICS CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B
TO OMNIBUS AMENDMENT

SCHEDULE 10

TO THE SECURITY AGREEMENT

U.S. Copyright Registrations:

Title	Registration No.	Date of Issue	Registered Owner

None

Foreign Copyright Registrations:

Country	Title	Registration No.	Date of Issue

None

Pending U.S. Copyright Registration Applications:

Title	Appl. No.	Date of Application	Copyright Claimant

None

Pending Foreign Copyright Registration Applications:

Country	Title	Appl. No.	Date of Application

None

The Grantor has granted Secured Party certain licenses to the Intellectual Property pursuant to the Concurrent Agreements.

The Grantor is a party to the JHU Agreements.

Pursuant to the JHU Agreements, JHU has the retained right to make, have made, provide and use for its and The Johns Hopkins Health Systems' internal, non-commercial purposes "Licensed Products" and "Licensed Services" (as such terms are defined in the JHU Agreements).

Patents supported by federal funding are subject to the rights, conditions and limitations imposed by U.S. law.

The Grantor is a party to an option agreement with JHU. Pursuant to that option agreement, the Grantor has notified JHU that the Grantor will exercise its option on a "Microcapsule" patent application that was filed in May 2007. Such patent application is not related to the Lead or the System.

The Grantor is a party to an assignment agreement with [***] for [***].

The Grantor has a pending research collaboration/sponsorship agreement with UCSF.

The Grantor has a pending sponsorship agreement with the University of Utah and Dr. Marrouche (with an option for an exclusive license for any intellectual property arising from the sponsored work). Such intellectual property would not be related to the Lead or the System.

The Grantor has filed on a JHU case (funded by the Grantor) that has not yet been formally licensed from JHU. The case is directed to embolic procedures and is not related to the Lead or the System.

The Grantor is a party to various consulting agreements that include options/licenses/assignments of or to intellectual property or conceived ideas.

The Grantor knows of a third-party attempt to invoke an interference against U.S. 6,904,307.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

SCHEDULE 6.F
TO OMNIBUS AMENDMENT

1. With reference to the second sentence of Section 4.8 of the Development Agreement, the disclosure set forth in Schedule 4.8 to the Development Agreement is replaced and superseded by the following disclosure:

The Company has granted Bionics certain licenses to the Existing Intellectual Property pursuant to this Agreement and the Concurrent Agreements.

The Company is a party to the JHU Agreements.

Pursuant to the JHU Agreements, JHU has the retained right to make, have made, provide and use for its and The Johns Hopkins Health Systems' internal, non-commercial purposes "Licensed Products" and "Licensed Services" (as such terms are defined in the JHU Agreements).

Patents supported by federal funding are subject to the rights, conditions and limitations imposed by U.S. law.

2. With reference to the fourth sentence of Section 4.8 of the Development Agreement, the Company knows of a third-party attempt to invoke an interference against U.S. 6,904,307.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

OMNIBUS AMENDMENT #2
TO SYSTEM AND LEAD DEVELOPMENT AND TRANSFER AGREEMENT

This **AMENDMENT** (this **"Amendment")** is dated as of March 19, 2008 and entered into by and between Surgi-Vision, Inc., a Delaware corporation (the **"Company")** and Boston Scientific Neuromodulation Corporation (formerly known as Advanced Bionics Corporation), a Delaware corporation **("Bionics"),** and is made with reference to (i) that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006, as further amended by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, supplemented or otherwise modified from time to time, the **"Development Agreement"),** by and between the Company and Bionics, and (ii) that certain Technology License Agreement dated as of December 30, 2005, as amended by that certain Omnibus Amendment dated as of June 30, 2007 (as so amended, supplemented or otherwise modified from time to time, the **"License Agreement"),** by and between the Company and Bionics.

RECITALS

WHEREAS, the Company and Cardiac Pacemakers, Inc. ("CPI"), a wholly-owned indirect subsidiary of Boston Scientific Corporation and an affiliate of Bionics have, concurrent with this Amendment, entered into a Technology License Agreement (the **"CPI License Agreement")** and a Development Agreement (the **"CPI Development Agreement")** (collectively, the CPI License Agreement and the CPI Development Agreement are referred to as the **"CPI Agreements"),** which contain, among other things, certain provisions regarding Intellectual Property ownership, patent prosecution, enforcement and confidentiality;

WHEREAS, the Company and Bionics desire to amend the Development Agreement to be consistent with such Intellectual Property ownership, patent prosecution, enforcement and confidentiality provisions contained in the CPI Agreements; and

WHEREAS, the Company and Bionics desire to amend the License Agreement to reconcile the compensation provisions contained therein with those in the CPI License Agreement:

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. AMENDMENTS TO THE DEVELOPMENT AGREEMENT

1.1 Defined Terms.

Capitalized terms used in this Amendment without definition shall have the same meanings as set forth in the Development Agreement.

1.2 Amendments to Section 11: Intellectual Property Ownership and Protection.

A. Section 11.1 (a) of the Development Agreement is hereby amended by deleting the last sentence of such Section in its entirety and substituting the following in lieu thereof:

> "Notwithstanding any of the foregoing to the contrary, any Shared Future Intellectual Property shall be solely owned by CPI and Bionics. Bionics hereby grants to the Company an exclusive, fully paid, worldwide license, with right to sublicense, (a) under the Shared Future Intellectual Property for use within the SVI Grant-Back Field (as that term is defined in the CPI Development Agreement), to make, use, import, lease, and sell any system, method, or apparatus, and (b) under all Non-Shared Future Intellectual Property for use outside the field of neuromodulation, to make, use, import, lease, and sell any system, method, or apparatus. The term **"Shared Future Intellectual Property"** means any Future Intellectual Property that constitutes Development IP (as that term is defined in the CPI Development Agreement). The term **"Non-Shared Future Intellectual Property"** means any transferred Future Intellectual Property that does not constitute Development IP (as that term is defined in the CPI Development Agreement).

B. Section 11.1 (b) of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

> **(b) Intellectual Property Re-transfer and Cross-License.** Bionics hereby agrees to assign and transfer to the Company joint ownership for all countries in and to any transferred Non-Shared Future Intellectual Property promptly after the Loan Satisfaction Date **("Re-Transfer").** Upon Re-Transfer, the Non-Shared Future Intellectual Property will become Intellectual Property that is jointly owned by the Parties **("Joint Intellectual Property").** Effective immediately upon the date of Re-Transfer, (i) the Company hereby grants to Bionics an exclusive, fully paid, non-transferable, perpetual worldwide license under the Joint Intellectual Property within the field of neuromodulation, with right to sublicense, to make, use, import, lease, and sell any system, method, or apparatus thereunder, and (ii) Bionics hereby grants to the Company an exclusive, fully paid, non-transferable, perpetual worldwide license under the Joint Intellectual Property outside the field of neuromodulation (but subject to CPI's exclusivity as set forth in the CPI Agreements), with right to sublicense, to make, use, import, lease, and sell any system, method, or apparatus thereunder.

1.3 Amendment to Section 11.2: Patent Prosecution.

A. Section 11.2 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

11.2 Patent Prosecution.

(a) Costs. Bionics and its Affiliates will pay all Patent Prosecution costs and expenses for all Patents subject to their sole control, as set forth in Section 11.2(b) below (**"Prosecution Costs"**). The term **"Patent"** means all classes or types of patents, design patents, utility patents, including issued patents, published and non-published patent applications

(including inventors' certificates and utility models) in any country or jurisdiction or under any treaty, including all originals, provisionals, substitutions, continuations, continuations-in-part, divisionals, supplementary protection certificates, renewals, all letters patent granted thereon, and all reissues, reexaminations, extensions, confirmations, revalidations, registrations, patents of addition and foreign counterparts, as well as industrial design registrations. The term **"Prosecution"** means prosecution of any proceeding in the United States Patent and Trademark Office or in any other registration authority in any country, including regarding any application (whether ex parte or inter partes), including interference, reexamination and reissue. The terms **"Affiliate" and "Affiliates"** have the meanings ascribed thereto in the CPI Agreements.

(b) Intellectual Property Protection. Bionics and its Affiliates will jointly control the Prosecution of all Patents included in the Bionics Controlled IP, each at its own expense and with legal counsel of its own choice, and will take such other legal steps as Bionics and its Affiliates will determine in their sole discretion to be necessary to protect their rights for all Bionics Controlled IP. For the avoidance of doubt, neither Bionics nor its Affiliates will be obligated to pay any Prosecution Costs to protect any Intellectual Property if they determine, in their sole discretion, that those Prosecution Costs outweigh the likely benefits to Bionics or such Affiliate. The term **"Bionics Controlled IP"** means all Existing Intellectual Property, Joint Intellectual Property and Future Intellectual Property, except any Existing Intellectual Property that relates to the System.

(c) Company Cooperation. The Company will cooperate with Bionics and its Affiliates in filing, Prosecuting and maintaining Patents and taking such other legal steps as set forth in this Section 11.2 and will execute and deliver any documents and instruments in connection therewith which Bionics or its Affiliates may request at no additional cost or expense to Bionics or such Affiliate.

(d) Company Inspection and Intervention. The Company will have the right upon reasonable notice and reasonable request to inspect, at the Company's sole expense and discretion, the Prosecution documents and strategy of Bionics and its Affiliates with respect to any Bionics Controlled IP that does not constitute Shared Future Intellectual Property. The Parties agree that such information constitutes Confidential Information of Bionics and its Affiliates, and that the disclosure of such information is not intended to constitute a waiver of any privilege, including attorney-client privilege. Bionics (or its applicable Affiliate) will provide written notice to the Company prior to abandoning any patent application or issued Patent that is part of the Bionics Controlled IP. If the Company desires to file and Prosecute any patent application, or to pay maintenance fees or annuities to maintain any issued Patent, in any country that Bionics or its Affiliates determined was not worthwhile to protect Bionics' or such Affiliates' rights, the Company may provide Bionics with a reasonable written request to file and Prosecute or maintain such Patent **("Prosecution Request").** Bionics will have thirty (30) days to fulfill the Prosecution Request. If Bionics (or one of its Affiliates) fails to complete the Prosecution Request within thirty (30) days of receiving the Prosecution Request, then (i) the Company may independently file and Prosecute the patent application or maintain the issued Patent that was the subject of the Prosecution Request, (ii) the Company will bear all Prosecution Costs and will control the remainder of the Prosecution for such patent application or the maintenance of such issued Patent, and (iii) with respect to a Prosecution involving any Future Intellectual Property or Joint Intellectual Property, Bionics and its Affiliates will have the right

(but not the obligation) to participate in an advisory capacity in such Prosecution. The Parties acknowledge and agree that any action by the Company pursuant to this Section 11.2(d) will not confer or convey any ownership rights in the subject Patent to the Company, and will not otherwise adversely affect any of Bionics' or its Affiliates' rights in same.

1.4 Amendment to Section 11.4: Infringement.

A. Section 11.4 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

11.4 Infringement.

(a) Notice of Infringement. If either Party learns of any actual, alleged or threatened Infringement of any Bionics Controlled IP by a Third Party, such Party shall promptly notify the other Party and shall provide such other Party with all available evidence of such Infringement. The term **"Infringe"** means (as applicable, depending on the context of the subject or object of the word Infringe) to infringe, misappropriate, use or disclose without authorization or otherwise violate Intellectual Property rights (whether direct, indirect, contributory, inducement or otherwise). The words **"Infringement"** and **"Infringing"** have corresponding meanings. The term **"Third Party"** means one or more persons or entities other than SVI, Bionics and their respective Affiliates.

(b) Enforcement of Bionics Controlled IP. As between the Parties, [***] shall have the sole right (but not the obligation), each at its own expense and with legal counsel of its own choice, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened Infringement of the Bionics Controlled IP; provided, however, that [***] shall have the right (but, subject to Section 11.4(c) below, not the obligation) to participate in an advisory capacity only in the institution and prosecution of any such Infringement suit, (a) with respect to any Shared Future Intellectual Property only if and to the extent the accused product is related primarily to the [***] and (b) with respect to any other Bionics Controlled IP only if and to the extent the accused product is related primarily to [***].

(c) Join in Action. If either [***] brings any such action or proceeding hereunder, [***] agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and, at [***] expense, to give [***] reasonable assistance and authority to file and prosecute the suit; provided, however, that neither Party shall be required to transfer any right, title or interest in or to any property to other Party to confer standing on a Party hereunder.

(d) Costs. [***] will pay all costs, fees, and expenses associated with an Infringement action they have initiated and prosecuted. [***] will pay all costs, fees, and expenses associated with [***] participation in an advisory capacity under Section 11.4(b).

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(e) Recovery. Any recovery obtained in an action initiated and prosecuted solely by [***], and in which [***] does not participate in an advisory capacity, shall belong to [***]. Any recovery obtained in an action initiated and prosecuted by [***], and in which [***] participates in an advisory capacity, shall be allocated in a fair and equitable manner mutually determined by the Parties. For purposes of clarity, any recovery pursuant to this section will be net of litigation costs as provided in Section 11.4(d) above.

(f) Cooperation. [***] agrees to fully cooperate with [***] in the prosecution of any such suit at no additional expense to [***].

(g) Loss of Exclusive Rights Under CPI License Agreement. [***] acknowledges that, notwith-standing the foregoing to the contrary, in the event CPI exercises its Termination Option (as such term is defined in the CPI Development Agreement), [***] of the CPI License Agreement. Therefore, in the event of any conflict between the terms of this Section 11.4 and the terms of [***], the terms of the CPI License Agreement will control.

1.5 Amendment to Section 11.5: Publication and Authorship

A. Section 11.5 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

11.5 Publication and Authorship. Notwithstanding Section 11.6(e) below, the Company will have the right to author, to publish and to retain or transfer copyright to scientific reports describing the methods and results of any or all Bionics Controlled IP that does not constitute Shared Future Intellectual Property; provided that, if the studies were conducted with the financial and/or technical support of Bionics or any of its Affiliates, such reports shall include an acknowledgment to that effect. Prior to publishing any reports or submitting any manuscripts wherein the publication could adversely affect patent rights for any Bionics Controlled IP (i.e., new inventions for which patent applications have not been filed), (i) the Company shall make the manuscripts for such reports available to Bionics or one of Bionics' Affiliates, using reasonable efforts to provide Bionics or such Affiliate copies of such manuscripts at least thirty (30) days before submission to a journal or other publisher so that Bionics can take any steps it deems necessary to protect such Surgi-Vision IP disclosed in such manuscripts, (ii) Bionics will promptly review such manuscripts, and (iii) the Company will delay its submission to such journal or other publisher for up to one hundred eighty (180) days if Bionics, in its reasonable discretion, determines that it needs additional time to protect such Bionics Controlled IP.

1.6 Amendment to Section 11.6: Confidentiality

A. Section 11.6 of the Development Agreement is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

11.6 Confidentiality.

(a) Definition. "Confidential Information" means information which is disclosed or shared by one Party to the other Party, or generated or developed by one or both Parties, that the non-owning Party has a reasonable basis to believe is confidential to the owning Party or has been marked or orally designated by the owning Party as confidential.

(b) Ownership of Confidential Information. The Parties agree that (i) all Shared Future Intellectual Property and Non-Shared Future Intellectual Property will be deemed to be Confidential Information owned by Bionics (irrespective of which Party generated, developed or first shared or disclosed such information), (ii) all Joint Intellectual Property will be deemed to be Confidential Information owned by both Parties (irrespective of which Party generated, developed or first shared or disclosed such information), and (iii) the terms and existence of this Agreement are Confidential Information owned by both Parties. Except as otherwise expressly provided in this Section 11.6, neither Party is subject to the obligations of a "no-owning Party" with respect to Confidential Information that is owned by both Parties. Except as otherwise expressly provided in this Agreement, for all other Confidential Information, the "owning Party" is deemed to be the disclosing Party. Confidential Information shall remain the property of the owning Party, and the non-owning Party shall not be deemed by virtue of this Agreement or any access to the owning Party's Confidential Information to have acquired any right, title or interest in or to any Confidential Information, except the limited right to use such Confidential Information in accordance with the terms of this Agreement or other agreements between the Parties or their Affiliates.

(c) Non-Use and Non-Disclosure. Either Party may make available to the other Party or otherwise generate or develop Confidential Information. The non-owning Party will maintain the owning Party's Confidential Information in confidence and will not use such Confidential Information except as reasonably necessary to perform its obligations and exercise its rights under this Agreement or other agreements between the Parties or their Affiliates. Notwithstanding any provision to the contrary contained in the CPI Agreements, the Company agrees and acknowledges that Bionics and its Affiliates may share all of the Company's Confidential Information with and among each of their respective Affiliates for use solely within the Field (as that term is defined in the CPI Agreements), provided that (i) prior to any such sharing of the Company's Confidential Information such Affiliates are bound by obligations of confidentiality, non-disclosure and non-use substantially similar in scope to those in this Agreement and (ii) Bionics shall be responsible for any breach of confidentiality, non disclosure and non-use by any such Affiliate. Neither Party will disclose the other Party's Confidential Information without the prior written consent of the other Party, except as permissible in Section 11.6(e) below or in other agreements between the Parties or their Affiliates. All Confidential Information will be treated by the non-owning Party with the same care as it would exercise in the handling of its own Confidential Information, but not less than reasonable care. The limitations and undertakings specified in this Section 11.6 shall survive termination of this Agreement for a period of five (5) years.

(d) Standard Exceptions. The obligations of Sections 11.6(c), (f) and (g) do not apply to any of the other Party's Confidential Information: (i) which, other than

Shared Future Intellectual Property and Non-Shared Future Intellectual Property, is already known by the non-owning Party at the time of the disclosure; (ii) following such information becoming publicly known without the wrongful act or breach of this Agreement by the non-owning Party; (iii) following such information becoming rightfully received by the non-owning Party from a Third Party without breaching any confidentiality obligation owed by such Third Party to the owning Party; (iv) following such information becoming approved for release by written authorization of the owning Party; or (v) other than Shared Future Intellectual Property and Non-Shared Future Intellectual Property, following such information becoming subsequently and independently developed by employees or representatives of the non-owning Party without knowledge or use of the owning Party's Confidential Information. The burden of proving the existence of facts which would provide an exception under this Section 11.6(d) rests with the non-owning Party. Notwithstanding any provision herein to the contrary, to the extent required under the JHU Agreements, the Company shall be permitted to disclose the terms of this Agreement to JHU.

(e) Permitted Disclosures. Each Party may disclose the other Party's Confidential Information:

(i) to the extent reasonably necessary for a Party to prepare, file and Prosecute a Patent application under this Agreement or other agreements between the Parties or their Affiliates;

(ii) to the extent permissible under any other agreements between the Parties or their Affiliates;

(iii) to the extent reasonably necessary for a Party to develop or commercialize, directly or indirectly through one or more licensees, products related to or utilizing Intellectual Property within its allocated (or retained) field of rights pursuant to this Agreement or the License Agreement; provided that: (a) such disclosure may include the disclosure of this Agreement's and the License Agreement's existence and the scope of any license granted hereunder or thereunder; and (b) prior to making any such disclosure pursuant to this subsection, such Party will, if reasonably practical, take reasonable steps to limit the scope of such disclosure and its effect on confidentiality;

(iv) to the extent reasonably necessary for the purposes of this Agreement or other agreements between the Parties, to its respective Affiliates, consultants, agents, advisors, attorneys, outside contractors and clinical investigators, but only if those persons are bound by obligations of confidentiality, non-disclosure, and non-use substantially similar in scope to those in this Agreement; provided, such Party shall be responsible for any breaches of confidentiality, non-disclosure and non-use by any such Affiliate, consultant, agent, advisor, attorney, outside contractor or clinical investigator to whom disclosure is made;

(v) in connection with communications to such Party's stockholders and prospective investors; provided that unless otherwise agreed between the Parties: (a) such stockholders and prospective investors are subject to obligations of confidentiality no less stringent than those contained herein; and (b) such disclosure be expressly limited to the existence of this Agreement and the License Agreement and the scope of any license granted hereunder or thereunder;

(vi) to the extent reasonably necessary to enforce this Agreement or other agreements between the Parties or their Affiliates;

(vii) to the extent reasonably necessary to comply with a subpoena, court order, or administrative order. Before complying, the Party subject to such subpoena, court order or administrative order will notify the other Party, allow the other Party a reasonable time to oppose the disclosure, and reasonably cooperate with the other Party's efforts to do so; or

(viii) to the extent reasonably necessary to comply with an applicable law, rule, regulation of any governmental authority or securities exchange, including the FDA, the Securities and Exchange Commission and the New York Stock Exchange. Before complying, the Party subject to such law, rule or regulation will notify the other Party, allow the other Party a reasonable time to seek a protective order (if appropriate), and reasonably cooperate with the other Party's efforts to do so.

(f) Further Limitation on Use and Disclosure of Bionics Controlled IP. Notwithstanding the foregoing, while Bionics recognizes the Company's legitimate right (except to the extent limited by the CPI Agreements or the License Agreement) to commercialize the Bionics Controlled IP outside the Field (as that term is defined in the CPI Agreements), the Parties agree and acknowledge that, in order to give Bionics the full benefit of the exclusive license granted pursuant to the License Agreement, with respect to those portions of the Bionics Controlled IP that constitute Confidential Information owned by the Company, the Company will, if reasonably practical, take reasonable steps to limit the scope of any disclosure of such Bionics Controlled IP; provided, however, that the foregoing obligation on the Company will not apply with respect to disclosure of Bionics Controlled IP by the Company to CPI.

(g) Return of Information. Upon the request of the owning Party at any time after the Loan Satisfaction Date, the non-owning Party will promptly return or destroy (at the other Party's choice) all Confidential Information owned by such other Party then in its possession and, if applicable, provide a certification of such destruction; provided, however, that the foregoing will not apply to any Confidential Information that the non-owning Party needs to retain for purposes of meeting its obligations and exercising its rights under this Agreement and the License Agreement or expressly has the right to retain under this Agreement or the License Agreement. With the exception of the prototypes provided to Bionics, in accordance with this Agreement, each Party will retain custody and ownership of any specimens and original data disclosed to the other Party and will exercise due care in preserving such specimens and original data in a manner consistent with current standards of scientific conduct. The Company will provide Bionics with complete and timely reports and scientific analyses of such data and will make specimens and original data available for inspection by representatives of Bionics at Bionics' request.

(h) Injunctive Relief. Each Party acknowledges and agrees that the breach of this Section 11.6 would be likely to cause serious and irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Each Party therefore agrees that if the other Party breaches this Section 11.6 or if such Party has cause to believe that the other Party intends to or is about to breach such provisions, then such Party will be entitled to seek injunctive relief enjoining the breach and will have the right to specifically enforce this Agreement and the terms and provisions hereof in addition to any other remedy available at law or in equity.

(i) System Information. For the avoidance of any doubt, Bionics acknowledges and agrees that the Company is permitted to share its System information with third parties following the expiration of the Exclusivity Period if the Parties do not execute and deliver the Subsequent System License within the Exclusivity Period.

Section 2. AMENDMENT TO THE LICENSE AGREEMENT

Section 3.B of the License Agreement is hereby amended by adding the following sentence at the end thereof:

"In the event that a product simultaneously falls within the definition of "Licensed Product" under this Agreement and the definition of "Royalty Product" under the CPI License Agreement: (a) Licensor agrees that any sale of such product will only implicate the payment of fees under one of the two agreements, not both (e.g., Licensor will not receive royalty payments both under this Agreement and the CPI License Agreement with respect to the same sale); (b) the Parties will determine which agreement will govern the fees to be paid to Licensor primarily by reference to the product's actual intended use, and whether such use falls within the scope of the neuromodulation field of the Development Agreement or the "Implantable Cardiac Field" of the CPI License Agreement; and (c) if the Parties are unable to determine the governing agreement pursuant to clause (b) above, the Parties shall settle such disagreement pursuant to substantially the same mediation and arbitration provisions set forth in Section 4(E) and (F) of the CPI License Agreement with respect to a "Royalty Product Dispute" (as such term is defined in the CPI License Agreement) (it being understood and agreed that the scope of the arbitration will be limited to determining which agreement will govern the fees to be paid to the Company and that in no event will the Arbitrators have the power or authority to terminate this Agreement or the CPI License Agreement).

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

SURGI-VISION, INC	**BOSTON SCIENTIFIC NEUROMODULATION CORPORATION (formerly known as ADVANCED BIONICS CORPORATION)**
BY: /s/ Kim Jenkins	**BY: /s/ Michael Onuscheck**
NAME: Kim Jenkins	**NAME: Michael Onuscheck**
TITLE: Pres	**TITLE: President**

Exhibit 10.13

TECHNOLOGY LICENSE AGREEMENT

THIS TECHNOLOGY LICENSE AGREEMENT (this "Agreement") is made effective as of March 19, 2008 (the "Effective Date") and entered into by and between Surgi-Vision, Inc., a Delaware corporation ("SVI"), and Cardiac Pacemakers, Inc. ("CPI") (individually, a "Party" and collectively, the "Parties").

WHEREAS, the Parties have entered into a Development Agreement (the "Development Agreement") concurrent with this Agreement wherein the Parties have agreed to develop technology relating to implantable medical leads for cardiac applications;

WHEREAS, SVI is the sole owner or exclusive licensee in the Implantable Cardiac Field of the Surgi-Vision IP;

WHEREAS, SVI has previously entered into the Bionics Agreements with Bionics, pursuant to which Bionics has certain ownership and other exclusive rights to certain of SVI's Intellectual Property in the field of neuromodulation;

WHEREAS, SVI desires to have the Surgi-Vision IP further developed and commercialized and is willing to grant CPI a field-limited license to the Surgi-Vision IP in exchange for the license fee and royalty payments set forth in this Agreement; and

WHEREAS, CPI desires to acquire an exclusive license in the Implantable Cardiac Field under the Surgi-Vision IP.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. Definitions.

A. "Affiliate" of a Person is a Person controlling, controlled by or under common control with the Person specified. "Controlling", "controlled" or "control" means owning greater than 50% of the voting equity interests of a Person, either directly or indirectly through one or more intermediaries in which it has such an interest, or otherwise having the power to direct the management of that Person.

B. "Arbitrators" has the meaning ascribed thereto in Section 4(F)(iii).

C. "Billabong Patents" means (i) the Patents listed on Exhibit A, and (ii) any claims of any future Patent which claim and are entitled to claim (in whole but not in part, so long as neither CPI nor any of its Affiliates files any claims in a continuation-in-part Patent which require new matter for support for the primary purpose of avoiding, circumventing, evading or minimizing its payment obligations to SVI hereunder or pursuant to the Development Agreement) priority to a Patent covered by the preceding clause (i) (e.g., claims in a continuation-in-part Patent which require new

matter for support are not Billabong Patents, so long as neither CPI nor any of its Affiliates files any claims in a continuation-in-part Patent which require new matter for support for the primary purpose of avoiding, circumventing, evading or minimizing its payment obligations to SVI hereunder or pursuant to the Development Agreement).

D. "Bionics" means Boston Scientific Neuromodulation Corporation (formerly known as Advanced Bionics Corporation), a wholly-owned indirect subsidiary of Boston Scientific Corporation and an Affiliate of CPI.

E. "Bionics Agreements" means the following agreements: (i) the Bionics Lead Development Agreement, (ii) that certain Amended and Restated Multiple Advance Secured Convertible Promissory Note dated as of June 30, 2007 made by SVI and payable to Bionics (as may be further amended, restated, supplemented or otherwise modified from time to time), (iii) the Bionics License Agreement, and (iv) that certain Security Agreement dated as of December 30, 2005 by and between SVI and Bionics (as amended by that certain Omnibus Amendment dated as of June 30, 2007, and as may be further amended, supplemented, or otherwise modified from time to time).

F. "Bionics Amendment" means that certain Omnibus Amendment No. 2 to the Bionics Lead Development Agreement and Bionics License Agreement dated as of the date hereof by and between SVI and Bionics.

G. "Bionics Lead Development Agreement" means that certain System and Lead Development and Transfer Agreement dated as of December 30, 2005, as amended by that certain Amendment No. 1 dated as of May 31, 2006, as further amended by that certain Omnibus Amendment dated June 30, 2007, as further amended by the Bionics Amendment (as may be further amended, supplemented or otherwise modified from time to time).

H. "Bionics License Agreement" means that certain License Agreement dated as of December 30, 2005, as amended by that certain Omnibus Amendment dated June 30, 2007, as further amended by the Bionics Amendment (as may be further amended, supplemented or otherwise modified from time to time).

I. "Brady Lead" has the meaning ascribed thereto in the Project Plan attached as Exhibit A to the Development Agreement.

J. "BSC Controlled Surgi-Vision IP" means the Patents included in (i) the Surgi-Vision IP, (ii) the Existing Intellectual Property under which Bionics holds a license under the Bionics Agreements, and (iii) any Future Intellectual Property and Joint Intellectual Property conceived and reduced to practice prior to the Effective Date and under which Bionics holds a

license under the Bionics Agreements. For the avoidance of any doubt whatsoever, in no event shall BSC Controlled Surgi-Vision IP include any IPR in and to Intellectual Property owned by or licensed to SVI that is not related to the Field.

K. "BSC Core Product Information" means that core product information proprietary to CPI which is listed on Exhibit C hereto (as may be updated from time to time by CPI upon notice to SVI).

L. "Change in Control" means any transaction or series of transactions (whether or not related), including a merger, consolidation, exchange, sale of equity securities, recapitalization, sale of assets, dissolution or liquidation, pursuant to which any Person or group of Persons (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) acquires (directly or indirectly) (i) equity securities possessing the voting power to elect a majority of a Party's (or a successor's) board of directors (or equivalent body) or a majority of the voting equity interests in a Party (or a successor thereto) or (ii) all or substantially all of the assets of a Party.

M. "Claim" means any allegation, demand, investigation, suit, proceeding, claim, settlement or compromise.

N. "Commercial Sale" means sale by CPI or any of its Affiliates of a Royalty Product to a Third Party (including, without limitation, any of CPI's or its Affiliates' distributors), but specifically excludes (a) transfers to Third Parties for use during pre-clinical or clinical testing, or for physician preference testing, teaching or experimental purposes, provided that neither CPI or its Affiliates receive monetary consideration therefore, and (b) transfers of Royalty Products among CPI and its Affiliates prior to sales to Third Parties.

O. "Confidential Information" means information which, prior to or during the Term (including pursuant to the Earlier Confidentiality Agreement) is disclosed or shared by one Party to the other Party or generated or developed by one or both Parties, including information that was disclosed, shared, generated or developed under the Earlier Confidentiality Agreement, that the non-owning Party has a reasonable basis to believe is confidential to the owning Party or has been marked or orally designated by the owning Party as confidential.

P. "CPR" has the meaning ascribed thereto in Section 4(E)(ii).

Q. "Cure Period" has the meaning ascribed thereto in Section 7(B)(i).

R. "Damages" has the meaning ascribed thereto in Section 13(A).

S. "Definitive Agreements" means this Agreement and the Development Agreement, collectively.

T. "Development IP" has the meaning ascribed thereto in the Development Agreement.

U. "Earlier Confidentiality Agreement" means that certain Mutual Nondisclosure Agreement entered into by the Parties on August 20, 2006, as amended by the First Amendment to the Mutual Nondisclosure Agreement entered into by the Parties on September 5, 2007.

V. "Effective Date" is defined in the introductory paragraph.

W. "Existing Intellectual Property" has the meaning ascribed thereto in Section 4.8 of the Bionics Lead Development Agreement.

X. "Field" means the Implantable Cardiac Field and the Neuro Field, collectively.

Y. "Future Intellectual Property" has the meaning ascribed thereto in Section 7.6 of the Bionics Lead Development Agreement.

Z. "Governmental Authority" means any domestic or foreign, federal, national, state, multi-state, international, multinational or municipal or other local government, any subdivision, agency, commission or authority thereof, or any quasi-governmental or private body exercising any regulatory or taxing authority thereunder or any court or other tribunal or judicial authority.

AA. "Heart Failure Lead" has the meaning ascribed thereto in the Project Plan attached as Exhibit A to the Development Agreement.

BB. "Indemnified Party" has the meaning ascribed thereto in Section 13(A).

CC. "Indemnifying Party" has the meaning ascribed thereto in Section 13(A).

DD. "Implantable Cardiac Field" means the field of implantable medical leads for all cardiac applications (including nerve stimulation for intentionally affecting the heart), including implantable leads for cardiac rhythm management, heart failure and defibrillation, and all uses, applications, research, design, development, manufacturing, and marketing of such implantable leads and all products related to such implantable leads, including but not limited to adaptors and components, for all cardiac applications.

EE. "Infringe" means (as applicable, depending on the context of the subject or object of the word Infringe) to infringe, misappropriate, use or disclose without authorization or otherwise violate Intellectual Property Rights

(whether direct, indirect, contributory, inducement or otherwise). The words "Infringement" and "Infringing" have corresponding meanings.

FF. "Intellectual Property" means intangible property that is legally protectable, including inventions, improvements, discoveries, conceptions, algorithms, integrated circuits, ideas, techniques, processes, designs, products, developments, specifications, methods, drawings, diagrams, tooling, models, software programs (including object code, source code and commenting), data, data analysis, data interpretation, written reports, Know-How, Trade Secrets, Confidential Information, documentation and copyrightable material whether patentable or non-patentable.

GG. "Intellectual Property Rights" or "IPRs" means all rights under or to Intellectual Property.

HH. "JHU" means the Johns Hopkins University.

II. "JHU Agreements" means, collectively, (i) that certain License Agreement by and between SVI and JHU entered into on or around June 20, 1998, as amended by that certain Amendment to License Agreement dated as of January 15, 2000, and as further amended by that certain Addendum to License Agreement entered into on or around December 7, 2004, as in effect as of the Effective Date, (ii) that certain License Agreement by and between SVI and JHU entered into on or around December 7, 2006, as in effect as of the Effective Date; (iii) the consent letter dated December 27, 2005 signed by JHU, (iv) the consent letter dated August 7, 2007 signed by JHU, (v) the letter dated August 7, 2007 signed by Bionics, SVI and JHU, and (vi) the consent letter dated March 19, 2008 signed by SVI and JHU.

JJ. "Joint Intellectual Property" has the meaning ascribed thereto in Section 11.1(b) of the Bionics Lead Development Agreement.

KK. "Know-How" means all factual knowledge and information that gives a Person the ability to produce or market something that it otherwise would not have known how to produce or market with the same accuracy or precision, including all formulae, algorithms, processes, procedures, writings, data, protocols, techniques, proposals, designs, ideas, concepts, strategic, research and development information and related documentation business and other plans, research, inventions, and invention disclosure and all records of the foregoing.

LL. "License" has the meaning ascribed thereto in Section 2(A).

MM. "License Fee" has the meaning ascribed thereto in Section 3(E).

NN. "Licensed Product" means any product in the Implantable Cardiac Field, including but not limited to Royalty Products.

OO. "Net Sales" means the net sales from the Commercial Sale of Royalty Products recorded by CPI and its Affiliates in accordance with United States generally accepted accounting principles, consistently applied by CPI and its Affiliates across all similar product lines, in connection with the preparation of CPI's and its Affiliates' financial statements, and shall be determined in accordance with the procedure listed in Exhibit B hereto. For purposes of this definition, Royalty Products will be considered "sold" when and only when CPI or its Affiliate recognizes the revenue from sales to a Third Party purchaser.

PP. "Neuro Field" means the neuromodulation field of the Bionics Lead Development Agreement. For purposes of clarity, the Neuro Field does not encompass the Implantable Cardiac Field.

QQ. "Non-Billabong Royalty Product" means an implantable lead (alone or in combination with other devices) that if sold by CPI or one of its Affiliates in the Implantable Cardiac Field would (absent the License) Infringe a valid and enforceable claim of an issued Royalty Patent but would not (absent the License) Infringe a valid and enforceable claim of an issued Billabong Patent.

RR. "Opinion" has the meaning ascribed thereto in Section 4(D).

SS. "Patent" means all classes or types of patents, design patents, utility patents, including issued patents, published and non-published patent applications (including inventors' certificates and utility models) in any country or jurisdiction or under any treaty, including all originals, provisionals, substitutions, continuations, continuations-in-part, divisionals, supplementary protection certificates, renewals, all letters patent granted thereon, and all reissues, reexaminations, extensions, confirmations, revalidations, registrations, patents of addition and foreign counterparts, as well as industrial design registrations.

TT. "Person" means an individual, partnership, corporation, business trust, limited liability company, unincorporated association, trust, joint venture or any other entity or Governmental Authority.

UU. "Prosecution" means prosecution of any proceeding in the United States Patent and Trademark Office or in any other registration authority in any country, including regarding any application (whether ex parte or inter partes), including interference, reexamination and reissue.

VV. "Records" means written records sufficient in detail to enable the royalties and percentage of Sub-License Revenue payable under this Agreement by CPI to be determined and verified by SVI or its independent auditors.

WW. "Reduced Royalty Component" means a component of an implantable lead that (a) is either (i) purchased from a Third Party, or (ii) subject to a

royalty or other license payment (whether lump sum, periodic, percentage or otherwise) which CPI or one of its Affiliates pays to a Third Party, and (b) has a purpose related to MR safety.

XX. "Reduced Royalty Product" means a Non-Billabong Royalty Product that includes one or more Reduced Royalty Components.

YY. "Royalty Patent" means (i) a Patent to which SVI has and has granted to CPI exclusive commercial rights in the Implantable Cardiac Field and which is listed on Exhibit D hereto, (ii) any claims of any future Patent for which SVI has and has granted to CPI exclusive commercial rights in the Implantable Cardiac Field, which claim and are entitled to claim (in whole, but not in part) priority to a Patent covered by the preceding clause (i) (e.g., claims in a continuation-in-part Patent which require new matter for support are not Royalty Patents), and (iii) any of the Billabong Patents to which SVI has and has granted to CPI exclusive commercial rights in the Implantable Cardiac Field. For the avoidance of any doubt, CPI acknowledges and agrees that the following shall not be considered in determining whether SVI has and has granted to CPI exclusive commercial rights in the Implantable Cardiac Field with respect to any Patent: (a) any lien or security interest in such Patent; (b) any rights retained by JHU under the JHU Agreements; (c) to the extent the Patent was supported by federal funding obtained by JHU, any rights, conditions and limitations imposed by U.S. law (including any royalty-free nonexclusive license granted to the U.S. government pursuant to U.S. law and any requirement that products used or sold in the U.S. be manufactured substantially in the U.S.); and (d) any right to author, to publish and to retain or transfer copyright to scientific reports retained by SVI or SVI's collaborators or granted by SVI to Third Parties.

ZZ. "Royalty Product" means an implantable lead (alone or in combination with other devices) that if sold by CPI or one of its Affiliates in the Implantable Cardiac Field would (absent the License) Infringe a valid and enforceable claim of an issued Royalty Patent.

AAA. "Royalty Product Dispute" has the meaning ascribed thereto in Section 4.

BBB. "Royalty Product Notice" means a notice from CPI to SVI stating that CPI has determined that a Licensed Product is (or is not) a Royalty Product or will become (or will not become) a Royalty Product upon the issuance of any allowed claims of any pending application for a Royalty Patent.

CCC. "Short Form Registration Statement" means a short-form document suitable for recordation at a local patent office, sufficient to put persons on notice of the license to Patent rights granted pursuant to the Definitive Agreements.

DDD. "Sub-License Revenue" means the cash revenue payments that CPI and its Affiliates actually receive from the license or sub-license to Third Parties of the right to make, have made, import, use, promote, market, distribute, lease, sell, offer for sale or commercialize Royalty Products, recorded by CPI and such Affiliates in accordance with United States generally accepted accounting principles, consistently applied by CPI and such Affiliates across all similar product lines, in connection with the preparation of CPI's and its Affiliates' financial statements. Sub-License Revenue does not include non-monetary value that may be exchanged with any such Third Party *(e.g.,* via a cross license) or sales from such Third Party to CPI or its Affiliates so long as CPI or such Affiliate did not structure the arrangement for the sole purpose of avoiding, circumventing, evading or minimizing its payment obligations to SVI hereunder.

EEE. "Surgi-Vision IP" means all IPR in and to all Intellectual Property in the Implantable Cardiac Field now or hereinafter owned by or exclusively licensed to SVI, including the Billabong Patents.

FFF. "Tachy Lead" has the meaning ascribed thereto in the Project Plan attached as Exhibit A to the Development Agreement.

GGG. "Term" has the meaning ascribed thereto in Section 7(A).

HHH. "Termination Option" has the meaning ascribed thereto in Section 8.

III. "Third Party" and "Third Parties" mean one or more Persons other than SVI, CPI and their respective Affiliates.

JJJ. "Third Party Licensor" means any Third Party that has granted a Party a license to Intellectual Property.

KKK. "Trade Secret" means any Know-How or other information that generally facilitates the production, manufacturing, marketing, or sale of products or services, increases revenues, or provides an advantage over the competition, is not generally known, and is the subject of reasonable efforts to maintain its confidentiality.

2. Grant of Rights.

A. License. Subject to the terms and conditions of this Agreement, SVI hereby grants to CPI an exclusive, sublicensable, worldwide license under the Surgi-Vision IP, including but not limited to the Billabong Patents (the "License"), to make, have made, use, promote, market, import, distribute, lease, sell, offer for sale and commercialize the Licensed Products in the Implantable Cardiac Field for the term of this Agreement. SVI further grants CPI the right to adapt the Surgi-Vision IP to a commercial form suitable for incorporation into CPI's and its Affiliates' product(s) in the Implantable Cardiac Field. For the avoidance of doubt, the sole and

exclusive nature of the License herein granted being acknowledged, SVI, including any transferee, assignee or successor thereof or its Third Party Licensors, shall have no right to deal in any way with (or exercise any right herein granted to CPI with respect to) the Surgi-Vision IP or any Licensed Product (including to manufacture, promote, market, distribute, sell, offer for sale and/or commercialize Licensed Products) within the Implantable Cardiac Field, and any such purported right shall be null and void; provided, however, that the foregoing shall not apply with respect to: (a) any lien or security interest in the Surgi-Vision IP; (b) any rights retained by JHU under the JHU Agreements; (c) to the extent a Patent was supported by federal funding obtained by JHU, any rights, conditions and limitations imposed by U.S. law (including any royalty-free non-exclusive license granted to the U.S. government pursuant to U.S. law and any requirement that products used or sold in the U.S. be manufactured substantially in the U.S.); and (d) any right to author, to publish and to retain or transfer copyright to scientific reports retained by SVI or SVI's collaborators or granted by SVI to Third Parties. The Parties hereby further agree and confirm that the terms and conditions of the License granted herein, including the aforesaid exclusivity, shall survive any Change in Control of SVI or the assignment, transfer or sale of all or substantially all of its assets, by operation of law or otherwise.

B. Publication Rights. Subject to Section 9 ("Confidentiality") herein below, the License granted in Section 2(A) includes the right to disclose or make public any and all information, including results, based on the work or activities carried out by CPI in connection with the development of Licensed Products or their use within the Implantable Cardiac Field.

C. Recordation. SVI and CPI shall cooperate to prepare a Short Form Registration Statement and/or confirmatory assignment(s) and license(s) in any countries as to which either Party so desires. Each Party may, at its own expense, record such Short Form Registration Statements and/or confirmatory assignment(s) and license(s).

D. Reserved Rights. All rights and interests not expressly granted to CPI are reserved by SVI for itself, its Affiliates and other licensees and sublicensees (including Bionics), including, but not limited to, the rights to use and grant licenses under the Surgi-Vision IP to make, have made, import, use, promote, market, distribute, lease, sell, offer for sale or commercialize products (other than in the Implantable Cardiac Field for so long as CPI has an exclusive license in the Implantable Cardiac Field under this Agreement). For the avoidance of any doubt, without limiting the generality of the foregoing sentence, SVI reserves all rights to use and grant licenses under the Surgi-Vision IP to make, have made, import, use, promote, market, distribute, lease, sell, offer for sale or commercialize products in the non-chronically implanted, catheter-based cardiac

electrophysiology field; provided, that such products are not within the Field.

3. Compensation.

A. In consideration of the exclusive license in the Implantable Cardiac Field to the Surgi-Vision IP granted herein, CPI agrees to pay to SVI royalties on Net Sales of Royalty Products as follows: either (i) one and a half (1.5%) percent of the aggregate worldwide Net Sales of all Reduced Royalty Products; or (ii) three and a half (3.5%) percent of the aggregate worldwide Net Sales of Royalty Products which are not Reduced Royalty Products. After the aggregate royalty payments to SVI under this Agreement (which excludes the License Fee, as defined hereunder) reach one hundred million ($100,000,000.00) dollars, the royalty on Net Sales of all Royalty Products which are not Reduced Royalty Products will be reduced from three and a half (3.5%) percent to two (2%) percent.

B. CPI will make royalty payments to SVI on a quarterly basis for the preceding quarter sixty (60) days following the issuance of the consolidated financial statements of CPI and its Affiliates for such quarter, as publicly reported; provided, however, that (i) in no event shall CPI make such royalty payments to SVI later than one hundred twenty (120) days following the end of the quarter, and (ii) in the event such financial statements are no longer publicly reported, CPI will make such royalty payments to SVI within ninety (90) days following the end of the quarter.

C. For each of the first three (3) years following the first Commercial Sale of a Royalty Product (commencing with the first fiscal quarter following (but not including) the first Commercial Sale of a Royalty Product), CPI will pay SVI aggregate royalties (pursuant to Section 3(A) and Section 3(F), collectively) of no less than one hundred fifty thousand ($150,000.00) dollars, regardless of Net Sales of Royalty Products in such year.

D. For purposes of clarity, any Licensed Product that does not constitute a Royalty Product at the time of its Commercial Sale shall not be subject to any retroactive royalty or other payment (except as provided in the Development Agreement) in the event such Licensed Product subsequently becomes a Royalty Product.

E. In further consideration of the exclusive license in the Implantable Cardiac Field to the Billabong Patents granted hereunder, CPI shall pay SVI a one-time, non-refundable license fee of thirteen million ($13,000,000.00) dollars (the “License Fee”), paid in the following installments: (i) five million ($5,000,000.00) dollars paid upon execution of the Definitive Agreements; (ii) three million ($3,000,000.00) dollars paid no later than three (3) months after execution of the Definitive Agreements; (iii) three million ($3,000,000.00) dollars paid no later than six (6) months after

execution of the Definitive Agreements; and (iv) two million ($2,000,000.00) dollars paid no later than nine (9) months after execution of the Definitive Agreements.

F. CPI will pay SVI twenty-five (25%) percent of all Sub-License Revenue, which percentage will be paid on a quarterly basis for the preceding quarter sixty (60) days following the issuance of the consolidated financial statements of CPI and its Affiliates for such quarter, as publicly reported; provided, however, that (i) in no event shall CPI make such Sub-License Revenue payments to SVI later than one hundred twenty (120) days following the end of the quarter, and (ii) in the event such financial statements are no longer publicly reported, CPI will make such Sub-License Revenue payments to SVI within ninety (90) days following the end of the quarter. Examples of what types of transactions do and do not implicate Sub-License Revenue payments are listed in Exhibit E hereto. In keeping with the spirit of this Agreement, CPI agrees that it shall not (and it shall cause its Affiliates not to) structure any license or sub-license to Third Parties for the sole purpose of avoiding, circumvent, evading or minimizing its payment obligations to SVI hereunder.

G. Only one royalty will be paid hereunder for each Royalty Product whether such Royalty Product (i) constitutes more than one type of lead, or (ii) is covered by more than one claim of a Royalty Patent, by the claims of more than one of the Royalty Patents, or by the claims of Royalty Patents of more than one country. CPI has no obligation to pay royalties (and, although SVI will not be obligated to refund any royalties already paid, CPI will have the right to offset in future royalty payments the amounts of royalties already paid) on sales of Royalty Products that are later returned, rejected or recalled.

H. Simultaneously with its quarterly payment of royalties and Sub-License Revenue percentage, CPI will provide SVI with a written report setting forth in reasonable detail the amount of each type of Royalty Product sold during such quarter, the Net Sales for each such type of Royalty Product sold during such quarter, the Sub-License Revenue actually received by CPI and its Affiliates during such quarter, and the amount of the royalties due for such quarter.

I. In the event that a product simultaneously falls within the definition of “Royalty Product” under this Agreement and the definition of “Licensed Product” under the Bionics License Agreement: (a) SVI agrees that any sale of such product will only implicate the payment of fees under one of the two agreements, not both (e.g., SVI will not receive royalty payments both under this Agreement and the Bionics License Agreement with respect to the same sale); (b) the Parties will determine which agreement will govern the fees to be paid to SVI primarily by reference to the product’s actual intended use, and whether such use falls within the scope

of the neuromodulation field of the Bionics Lead Development Agreement or the Implantable Cardiac Field; and (c) if the Parties are unable to determine the governing agreement pursuant to clause (b) above, the Parties shall settle such disagreement pursuant to substantially the same mediation and arbitration provisions set forth in Section 4(E) and (F) below with respect to a Royalty Product Dispute (it being understood and agreed that scope of the arbitration will be limited to determining which agreement will govern the fees to be paid to SVI and that in no event will the Arbitrators have the power or authority to terminate this Agreement or the Bionics License Agreement).

4. Royalty Products Disputes.

A. Prior to the first Commercial Sale of any product which CPI reasonably believes constitutes a Licensed Product, CPI shall deliver to SVI a Royalty Product Notice regarding such Licensed Product. Notwithstanding the foregoing, any failure by CPI to deliver a Royalty Product Notice will not constitute a breach of this Agreement (it being understood, however, that any failure by CPI to deliver a timely Royalty Product Notice could result in SVI having additional time to assert that the Licensed Product is a Royalty Product in accordance with the procedures of this Section 4).

B. Within one hundred twenty (120) days of SVI's Chief Executive Officer, President or Chief Financial Officer obtaining actual knowledge of the first Commercial Sale of any product which SVI reasonably believes constitutes a Licensed Product and which was not previously the subject of a Royalty Product Notice, SVI shall deliver to CPI written notice requesting that CPI deliver a Royalty Product Notice for such product. Within sixty (60) days following CPI's receipt of such a request, CPI shall deliver to SVI a Royalty Product Notice regarding such Licensed Product. Notwithstanding the foregoing, any failure by SVI to deliver a request for Royalty Product Notice will not constitute a breach of this Agreement (it being understood, however, that any failure by SVI to deliver a timely request for Royalty Product Notice could result in SVI losing the opportunity to receive certain royalties or Sub-License Revenue payments otherwise payable hereunder).

C. To the extent there is any dispute between the Parties as to whether a Licensed Product constitutes (or will constitute) a Royalty Product (any such dispute being referred to herein as a "Royalty Product Dispute"), such Royalty Product Dispute shall be exclusively resolved pursuant to the provisions of this Section 4. SVI may deliver to CPI written notice of its intent to begin a Royalty Product Dispute within, and only within, the following timeframes. For the purposes of clarity, if SVI fails to deliver to CPI written notice of a Royalty Product Dispute within the applicable timeframes in subsections (i) or (ii) below, SVI waives its rights to challenge CPI's determination or to otherwise claim that the subject Licensed Product constitutes (or will constitute) a Royalty Product.

(i) If CPI has delivered a Royalty Product Notice for a particular Licensed Product, SVI's written notice of any Royalty Product Dispute regarding such Licensed Product must be delivered to CPI either (x) within thirty (30) days after receiving the applicable Royalty Product Notice, or (y) within thirty (30) days after issuance of a Royalty Patent with a different allowed claim scope than existed at the time of such Royalty Product Notice (in the case of (y), however, the Royalty Product Dispute must be limited to such different allowed claim scope).

(ii) If CPI failed to deliver a Royalty Product Notice for a particular Licensed Product following a written request from SVI pursuant to Section 4(B), SVI's written notice of any Royalty Product Dispute regarding such Licensed Product must be delivered to CPI within ninety (90) days after such written request was delivered to CPI.

(iii) If CPI did not deliver a Royalty Product Notice for a particular Licensed Product and SVI did not provide CPI with a written request for a Royalty Product Notice within the timeframe set forth in Section 4(B), then SVI waives its rights to receive royalties or Sub-License Revenue payments otherwise payable to SVI pursuant to Section 3(A) and Section 3(F), respectively, for that Licensed Product with respect to the period of time preceding SVI's actual delivery to CPI of written notice of a Royalty Product Dispute.

D. In the event the Parties are unable to resolve a Royalty Product Dispute informally within forty-five (45) days after delivery of SVI's written notice of such Royalty Product Dispute, the Parties shall hire an experienced patent attorney who is knowledgeable in the field of intellectual property law relating to medical devices and who (and whose firm) shall have no current or prior (within the preceding five year period) business relationships with the Parties or any of their respective Affiliates to offer an opinion, within a reasonable amount of time as mutually agreed upon by the Parties, as to whether the lead, product or device subject to the Royalty Product Dispute constitutes a Royalty Product (the "Opinion"). If either Party challenges the Opinion, resolution of the Royalty Product Dispute will proceed as follows under this Section 4. The cost of such patent attorney shall be shared equally between the Parties.

E. No Party hereto may invoke, demand, file or otherwise commence an arbitration pursuant to Section 4(F) until the Parties have completed a good faith mediation of the applicable Royalty Product Dispute in accordance with the following provisions:

(i) Within thirty (30) days after a Party receives notice from the other Party that such other Party challenges the Opinion, the Parties shall confer to jointly select a mediator.

(ii) If CPI and SVI cannot agree on a mediator pursuant to Section 4(E)(i) above, such Parties shall request the International Institute for Conflict Prevention & Resolution ("CPR") to provide, within ten (10) days of making such request, a list of ten

(10) neutral proposed mediators who are experienced patent attorneys or attorneys with substantial patent litigation experience, in each case who are knowledgeable in the field of intellectual property law relating to the development of medical devices and who (and whose firms) shall have no current or prior (within the preceding five year period) business relationships with either of the Parties or any of their respective Affiliates.

(iii) CPI and SVI each shall have fifteen (15) days to object to any proposed mediator due to a conflict of interest or other lack of qualifications, and any proposed mediator to which either CPI or SVI objects shall be removed from the list of proposed mediators provided by CPR. Within a period of five (5) days following the end of such fifteen (15) day objection period, CPI and SVI will then separately rank the remaining mediators, and deliver such ranking to the other Party, and the highest combined ranked mediator shall be selected. Any such mediation shall be completed within forty-five (45) days after the date on which the mediator is selected.

(iv) The cost of such mediator shall be shared equally between the Parties.

F. In the event that no agreement is reached by CPI and SVI as to a Royalty Product Dispute following a good faith mediation in accordance with Section 4(E) above, either CPI or SVI, acting alone, may deliver to the other Party written notice demanding arbitration within twenty (20) days following the completion of such mediation undertaken, in which case the following provisions shall apply:

(i) CPI and SVI hereby agree to use their reasonable best efforts to complete such arbitration within one hundred and eighty (180) days of receipt of notice demanding arbitration.

(ii) The arbitration shall be conducted in accordance with the then current CPR Rules for Nonadministered Arbitration, as such rules are modified by this Section 4(F) or by agreement of CPI and SVI.

(iii) The arbitration shall be conducted in Washington, D.C. by a panel of three (3) neutral arbitrators (the "Arbitrators") who shall be experienced patent attorneys or attorneys with substantial patent litigation experience, in each case who are knowledgeable in the field of intellectual property law relating to the development of medical devices and who (and whose firms) shall have no current or prior (within the preceding five year period) business relationships with either of the Parties or any of their respective Affiliates. Within fifteen (15) days after receipt of notice demanding arbitration, CPI and SVI shall request CPR to provide, within ten (10) days of making such request, a list of fifteen (15) qualified neutral proposed Arbitrators.

(iv) CPI and SVI each shall have fifteen (15) days to object to any proposed Arbitrator due to a conflict of interest or other lack of qualifications, and any proposed Arbitrator to which either CPI or SVI objects shall be removed from the list of proposed Arbitrators provided by CPR. Within a period of five (5) days following the end of such fifteen (15) day objection period, CPI and SVI will then separately rank the remaining

proposed Arbitrators, and deliver such ranking to the other Party, and the three (3) highest combined ranked proposed Arbitrators shall be selected to be the Arbitrators.

(v) The Arbitrators shall apply the substantive laws of the Federal Circuit Court of Appeals as to any Patents involved in the Royalty Product Dispute.

(vi) Discovery shall be limited to document requests, requests for admission and depositions. CPI and SVI each shall be entitled to present expert witness testimony regarding the issues of whether the lead, product or device at issue constitutes a Royalty Product pursuant to this Agreement. CPI and SVI each shall, within sixty (60) days after receipt of a written request by the other Party, make a reasonable search for and provide to the other Party documents reasonably relevant to the issues raised by any claim or counterclaim. CPI, on the one hand, and SVI, on the other hand, each shall be limited to twenty (20) hours of non-expert depositions and fourteen (14) hours of expert depositions.

(vii) CPI and SVI shall be entitled to a hearing and a post-hearing briefing, the scheduling and length of which shall be determined by the Arbitrators.

(viii) The arbitration of any Royalty Product Dispute pursuant to this Section 4(F) shall be final and binding upon the Parties and judgment upon the decision may be entered in any court of competent jurisdiction. The Arbitrators shall be entitled to render a determination of the disputed items in any Royalty Product Dispute only and shall not be entitled to award damages or other relief unless the Arbitrators determine that a Party has acted in bad faith with respect to the Royalty Product Dispute.

(ix) The cost of any arbitration pursuant to this Section 4(F), including the cost of the record or transcripts thereof, if any, administrative fees, and all other fees involved including reasonable attorneys' fees incurred by the Party determined by the Arbitrators to be the prevailing Party, shall be borne by the Party determined by the Arbitrators not to be the prevailing Party, or as otherwise determined by the Arbitrators.

(x) Any determinations made pursuant to this Section 4(F) shall, in the absence of fraud or intentional misconduct, be conclusive for all purposes of this Agreement, and CPI, SVI and any Arbitrators appointed pursuant to Section 4(F) each shall be free from any and all liability resultant from such.

5. Records; Audit. CPI will (and will cause its Affiliates to) keep accurate Records and retain such Records for a particular quarter for a period of not less than three (3) years after the end of the applicable quarter. Upon reasonable notice and during regular business hours, CPI will (and will cause its Affiliates to) make available from time to time (but no more frequently than once a year) the Records for audit at SVI's expense by independent representatives selected by SVI to verify the accuracy of the reports provided to SVI. Such representatives must execute a confidentiality agreement reasonably acceptable to CPI prior to conducting such audit. Such representatives may disclose to SVI only the results of their audit regarding the accuracy and completeness of royalty payments, payments of Sub-License Revenue and records related thereto, and will not disclose CPI's or its Affiliates' confidential business information to SVI without the prior written consent of CPI. In the event that such audit

reveals an underpayment by CPI of the actual royalties and/or Sub-License Revenue owed SVI, (i) CPI shall pay SVI the amount of the underpayment plus interest thereon at the lesser of (a) ten percent (10%) per annum or (b) the maximum rate allowed by law, accruing from the date such amounts should have been paid to SVI, and (ii) if such underpayment exceeds five percent (5%) of the actual royalties and/or Sub-License Revenue owed SVI, CPI shall reimburse SVI for all reasonable costs incurred to perform the audit. In the event that such audit reveals an overpayment by CPI of the actual royalties and/or Sub-License Revenue owed SVI, SVI shall refund the difference to CPI.

6. Development and Commercialization of Licensed Products.

A. Commercialization. Subject to Section 6(B) below, on and after the date hereof, CPI shall have full control, authority and discretion over any and all commercialization of Licensed Products, including: (i) all activities relating to the manufacture and supply of the Licensed Products; (ii) all marketing, promotion, sales, distribution, import and export activities relating to the Licensed Products; and (iii) all activities relating to any regulatory filings, registrations, applications and approvals relating to any of the foregoing; provided, that, as between the Parties, all such activities shall be at the sole cost and expense of CPI. Except as set forth in the Development Agreement, as between the Parties, CPI shall own all data, results and all other information arising from any such activities under this Agreement, including all regulatory filings, registrations, applications and approvals relating to Licensed Products, and all of the foregoing information, documentation and materials shall be considered Confidential Information owned solely by CPI.

B. No Obligation to Commercialize. It is hereby acknowledged and agreed that notwithstanding any and all rights herein granted to CPI pursuant to the License, CPI shall have no obligation whatsoever to exercise any such rights, and for greater certainty but without limiting the generality of the foregoing, CPI shall have no obligation to develop, commercialize, sell or otherwise deal with any of the Surgi-Vision IP or any Licensed Products, or to generate or maximize payments to SVI for royalties or Sub-License Revenue, the whole without in any way affecting, limiting or jeopardizing any of the rights herein granted to CPI.

7. Term and Termination.

A. Term. Unless sooner terminated pursuant to this Section 7, the term of this Agreement will begin as of the Effective Date and shall remain in full force and effect until, and shall expire upon, the expiry of the last to expire of the Royalty Patents (the "Term").

B. Termination by Either Party.

(i) *Termination for Breach.* Either Party may terminate this Agreement for cause on thirty (30) days' written notice (the "Cure Period") to the other Party in the

event of a breach of any material provision of this Agreement by such other Party; provided that, during the Cure Period, the breaching Party fails to cure such breach. In the event the noticed breach is incapable of cure, the non-breaching Party may terminate the Agreement immediately upon written notice to the other Party.

(ii) *Termination for Insolvency.* Either Party may terminate this Agreement without notice if the other Party becomes insolvent, makes or has made an assignment for the benefit of creditors, is the subject of proceedings in voluntary or involuntary bankruptcy instituted on behalf of or against such Party (except for involuntary bankruptcies which are dismissed within sixty (60) days), or has a receiver or trustee appointed for substantially all of its property.

(iii) *No Prejudice.* Any termination by any Party under this Section 7(C) shall be without prejudice to any damages or remedies to which it may be entitled from the other Party.

C. Effect of Termination.

(i) Upon expiration of this Agreement or termination of this Agreement by either Party, all rights and obligations under this Agreement shall terminate (except as provided in Section 7(D)) and all License rights arising out of this Agreement shall revert to SVI; provided that (x) with respect to any Licensed Product the Commercial Sale of which occurred prior to such termination, any license which may have attached to such Licensed Product that is already sold (whether explicit or implied) shall survive termination, (y) for one (1) year after such termination, CPI and its licensees may continue to manufacture Royalty Products that, at the time of such termination, were already in the production pipeline (provided that CPI shall bear the burden of establishing to SVI's reasonable satisfaction the type and quantity of Royalty Products that were in the production pipeline at the time of termination), and (z) for a period of two (2) years after such termination, CPI, its distributors and licensees may continue to sell Royalty Products in its existing inventory; provided that any sales pursuant to clause (z) above shall be subject to CPI's payment obligations in Section 3;

(ii) Upon expiration of this Agreement pursuant to Section 7(A), the License in the Implantable Cardiac Field will continue in effect with respect to the non-Patent portions of the Surgi-Vision IP; and

(iii) Upon any termination of this Agreement by either Party, each Party will comply with Section 9(F) ("Return of Information").

D. Survival. Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination. Without limiting the foregoing, the obligations pursuant t o Sections 1, 3 (including, without limitation, any unpaid installments of the License Fee) (it is understood, however, that Section 3 will survive without prejudice to any right that CPI may have to damages or offset), 5, 7(C), 7(D), 9, 10, 13, 14, 16 and 17 shall survive termination of this Agreement.

Notwithstanding the foregoing, no claim for breach of warranty or representation under Section 10 may be brought unless it is either (i) brought no later than two years following the latter of the termination or expiration of this Agreement or the Development Agreement, or (ii) brought anytime as a counterclaim or a defense.

8. Termination Option Under the Development Agreement. Under the Development Agreement, CPI has the option, within sixty (60) days after successful completion of the first of the lead feasibility studies identified therein, not to continue with further development under that agreement and to terminate that agreement (the "Termination Option"). In the event CPI exercises the Termination Option pursuant to the Development Agreement:

A. The License to CPI will automatically become non-exclusive for Surgi-Vision IP (other than the Billabong Patents) in the Implantable Cardiac Field existing as of the termination date of the Development Agreement, and CPI will not be obligated to make any Sub-License Revenue or royalty payments (including annual minimum royalty payments) based on sales of Licensed Products occurring thereafter.

B. The Billabong Patents will automatically be removed from the scope of the License and, subject to Section 8(C) below, CPI's rights with respect to the Billabong Patents under this Agreement will terminate. In addition, any and all Surgi-Vision IP invented, acquired or licensed to SVI after the termination date of the Development Agreement will automatically be removed from the scope of the License and CPI's rights with respect to such Surgi-Vision IP under this Agreement will terminate.

C. Any sublicenses granted by CPI with respect to the Billabong Patents pursuant to this Agreement will automatically terminate, provided, however, that with respect to any Licensed Product the Commercial Sale of which occurred prior to CPI's exercise of the Termination Option, any license which may have attached to such Licensed Product that is already sold (whether explicit or implied) shall survive such termination.

D. CPI's rights and obligations regarding enforcement of the BSC Controlled Surgi-Vision IP pursuant to Section 11(B) shall terminate (in which event Bionics will have the rights and obligations set forth in the Bionics Lead Development Agreement).

E. CPI's rights and obligations regarding patent Prosecution of the BSC Controlled Surgi-Vision IP pursuant to Section 12 shall terminate (in which event Bionics will have the rights and obligations set forth in the Bionics Lead Development Agreement).

F. CPI will be obligated to make any remaining installments of the License Fee, as scheduled, and such remaining installments (if any) will constitute

a license fee for the non-exclusive license in the Implantable Cardiac Field described in Section 8(A) above.

G. CPI's exercise of the Termination Option will have no effect on Bionics' rights and obligations under the Bionics Lead Development Agreement.

9. Confidentiality.

A. Ownership of Confidential Information. The Parties agree that (i) all BSC Core Product Information generated or developed by CPI, its Affiliates, or a Third Party on behalf of CPI or its Affiliates will be deemed to be Confidential Information owned by CPI, and (ii) the terms and existence of the Definitive Agreements are Confidential Information owned by both Parties. Except as otherwise expressly provided in this Section 9, neither Party is subject to the obligations of a "non-owning Party" with respect to Confidential Information that is owned by both Parties. Except as otherwise expressly provided in this Agreement, for all other Confidential Information, the "owning Party" is deemed to be the disclosing Party. Confidential Information shall remain the property of the owning Party, and the non-owning Party shall not be deemed by virtue of this Agreement or any access to the owning Party's Confidential Information to have acquired any right, title or interest in or to any Confidential Information, except the limited right to use such Confidential Information in accordance with the terms of the Definitive Agreements or other agreements between the Parties or their Affiliates.

B. Non-Use and Non-Disclosure. Prior to the commencement of the Term, certain Confidential Information was exchanged between the Parties under the terms of the Earlier Confidentiality Agreement. Likewise, from time to time during the Term, either Party may make available to the other Party or otherwise generate or develop Confidential Information. The non-owning Party will maintain the owning Party's Confidential Information in confidence and will not use such Confidential Information except as reasonably necessary to perform its obligations and exercise its rights under this Agreement or other agreements between the Parties or their Affiliates. Notwithstanding any provision to the contrary contained in the Bionics Lead Development Agreement, SVI agrees and acknowledges that CPI and its Affiliates may share all of SVI's Confidential Information with and among each of their respective Affiliates for use solely within the Field, provided that (i) prior to any such sharing of SVI's Confidential Information such Affiliates are bound by obligations of confidentiality, non-disclosure and non-use substantially similar in scope to those in this Agreement and (ii) CPI shall be responsible for any breach of confidentiality, non-disclosure and non-use by any such Affiliate. Neither Party will disclose the other Party's Confidential Information without the prior written consent of the other Party, except as permissible in Section 9(D) below or in other agreements

between the Parties or their Affiliates. All Confidential Information will be treated by the non-owning Party with the same care as it would exercise in the handling of its own Confidential Information, but not less than reasonable care. The limitations and undertakings specified in this Section 9 shall survive termination of this Agreement for a period of five (5) years.

C. Standard Exceptions. The obligations of Sections 9(B), (E) and (F) do not apply to any of the other Party's Confidential Information: (i) which, other than the Development IP, is already known by the non-owning Party at the time of the disclosure; (ii) following such information becoming publicly known without the wrongful act or breach of this Agreement by the non- owning Party; (iii) following such information becoming rightfully received by the non-owning Party from a Third Party without breaching any confidentiality obligation owed by such Third Party to the owning Party; (iv) following such information becoming approved for release by written authorization of the owning Party; or (v) other than the Development IP, following such information becoming subsequently and independently developed by employees or representatives of the non- owning Party without knowledge or use of the owning Party's Confidential Information. The burden of proving the existence of facts which would provide an exception under this Section 9(C) rests with the non-owning Party. Notwithstanding any provision herein to the contrary, to the extent required under the JHU Agreements, SVI shall be permitted to disclose the terms of this Agreement to JHU.

D. Permitted Disclosures. Each Party may disclose the other Party's Confidential Information:

(i) to the extent reasonably necessary for a Party to prepare, file and Prosecute a Patent application under this Agreement or other agreements between the Parties or their Affiliates;

(ii) to the extent permissible under any other agreements between the Parties or their Affiliates;

(iii) to the extent reasonably necessary for a Party to develop or commercialize, directly or indirectly through one or more licensees, products related to or utilizing Intellectual Property within its allocated (or retained) field of rights pursuant to this Agreement or the Development Agreement; provided that: (a) such disclosure may include the disclosure of this Agreement's existence and the scope of any license granted hereunder; (b) prior to making any such disclosure pursuant to this subsection, such Party will, if reasonably practical, take reasonable steps to limit the scope of such disclosure and its effect on confidentiality; and (c) this subsection will not apply to any BSC Core Product Information owned by CPI;

(iv) to the extent reasonably necessary for the purposes of this Agreement or other agreements between the Parties, to its respective Affiliates, consultants, agents,

advisors, attorneys, outside contractors and clinical investigators, but only if those Persons are bound by obligations of confidentiality, non-disclosure, and non-use substantially similar in scope to those in this Agreement; provided, such Party shall be responsible for any breaches of confidentiality, non-disclosure and non-use by any such Affiliate, consultant, agent, advisor, attorney, outside contractor or clinical investigator to whom disclosure is made;

(v) in connection with communications to such Party's stockholders and prospective investors; provided that, unless otherwise agreed between the Parties: (a) such stockholders and prospective investors are subject to obligations of confidentiality no less stringent than those contained herein; and (b) such disclosure be expressly limited to the existence of this Agreement and the scope of any license granted hereunder;

(vi) to the extent reasonably necessary to enforce this Agreement or other agreements between the Parties or their Affiliates;

(vii) to the extent reasonably necessary to comply with a subpoena, court order, or administrative order. Before complying, the Party subject to such subpoena, court order or administrative order will notify the other Party, allow the other Party a reasonable time to oppose the disclosure, and reasonably cooperate with the other Party's efforts to do so; or

(viii) to the extent reasonably necessary to comply with an applicable law, rule, regulation of any Governmental Authority or securities exchange, including the FDA, the Securities and Exchange Commission and the New York Stock Exchange. Before complying, the Party subject to such law, rule or regulation will notify the other Party, allow the other Party a reasonable time to seek a protective order (if appropriate), and reasonably cooperate with the other Party's efforts to do so.

E. Further Limitation on Use and Disclosure of Surgi-Vision IP. Notwithstanding the foregoing, while CPI recognizes SVI's legitimate right to commercialize the Surgi-Vision IP outside the Field, the Parties agree and acknowledge that, in order to give CPI the full benefit of the exclusive License granted herein, with respect to those portions of the Surgi-Vision IP that constitute Confidential Information owned by SVI, SVI will, if reasonably practical, take reasonable steps to limit the scope of any disclosure of such Surgi-Vision IP; provided, however, that the foregoing obligation on SVI will not apply with respect to disclosure of Surgi-Vision IP by SVI to Bionics. In the event CPI exercises its Termination Option under the Development Agreement and the License becomes non-exclusive, SVI's obligations under this Section 9(E) shall cease.

F. Return of Information. Upon termination or expiration of this Agreement for any reason, each Party will return or destroy (at the other Party's

choice) all Confidential Information owned by such other Party then in its possession and, if applicable, provide a certification of such destruction.

G. Publication and Authorship. Notwithstanding Section 9(E) above, SVI shall have the right to author, to publish and to retain or transfer copyright to scientific reports describing the methods and results of any or all Surgi-Vision IP licensed to CPI hereunder; provided that, if the studies were conducted with the financial and/or technical support of CPI or any of its Affiliates, such reports shall include an acknowledgment to that effect. Prior to publishing any reports or submitting any manuscripts wherein the publication could adversely affect patent rights for any Surgi-Vision IP (i.e., new inventions for which patent applications have not been filed), (i) SVI shall make the manuscripts for such reports available to CPI, using reasonable efforts to provide CPI copies of such manuscripts at least thirty (30) days before submission to a journal or other publisher so that CPI can take any steps it deems necessary to protect such Surgi-Vision IP disclosed in such manuscripts, (ii) CPI will promptly review such manuscripts, and (iii) SVI will delay its submission to such journal or other publisher for up to one hundred eighty (180) days if CPI, in its reasonable discretion, determines that it needs additional time to protect such Surgi-Vision IP.

H. Injunctive Relief. Each Party acknowledges and agrees that the breach of this Section 9 would be likely to cause serious and irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Each Party therefore agrees that if the other Party breaches this Section 9 or if such Party has cause to believe that the other Party intends to or is about to breach such provisions, then such Party will be entitled to seek injunctive relief enjoining the breach and will have the right to specifically enforce this Agreement and the terms and provisions hereof in addition to any other remedy available at law or in equity.

I. Termination of Earlier Confidentiality Agreement. The Parties agree that the Earlier Confidentiality Agreement will terminate as of the Effective Date, and that any and all Confidential Information exchanged or disclosed by the Parties pursuant to the Earlier Confidentiality Agreement will be subject solely to the terms of this Section 9 and Section 9 of the Development Agreement.

10. Representations, Warranties and Covenants.

A. No Conflicting Agreements. SVI represents, warrants and covenants that, after giving effect to the Bionics Amendment, it has not and will not enter into any agreement or commitment or obligation with any Third Party or Affiliate that conflicts in any way with its obligations under this Agreement. CPI represents, warrants and covenants that it has not and will

not enter into any agreement or commitment or obligation with any Third Party or Affiliate that conflicts in any way with its obligations under this Agreement.

B. Authority. Each Party represents and warrants that, as of the Effective Date and after giving effect to the Bionics Amendment: (i) it has the full right, power, and authority to execute and deliver this Agreement and to perform its terms; (ii) it has taken all required corporate actions to approve and adopt this Agreement; (iii) this Agreement is enforceable against it according to its terms, subject to bankruptcy, insolvency, and other laws relating to or affecting creditors' rights and to general equity principles; and (iv) the person or persons executing this Agreement on its behalf are duly authorized and empowered to do so. Without limiting the generality of the foregoing, SVI represents and warrants as of the Effective Date that, subject to the terms of the JHU Agreements, it has the authority to Prosecute all Patents which are part of the Surgi-Vision IP, including all Patents licensed to SVI under the JHU Agreements, and that SVI has the right to delegate or otherwise pass control of Prosecution to CPI and its Affiliates in the manner set forth in Section 12,

C. JHU Agreements. SVI represents and warrants that it has provided CPI with true and complete copies of the JHU Agreements and all appendices, addenda, amendments, waivers, consents or other agreements related thereto existing as of the Effective Date, and covenants that, subsequent to the Effective Date, it will not execute any appendices, addenda, amendments, waivers, consents or other agreements related to the JHU Agreements that adversely affect CPI's or its Affiliates' rights hereunder, without first obtaining CPI's prior written consent. SVI further represents and warrants that the JHU Agreements are the only license agreements SVI has entered into with respect to Patents in the Implantable Cardiac Field.

D. Sufficiency. SVI represents and warrants that Exhibit A and Exhibit D collectively set forth a true and complete list, as of the Effective Date, of all Patents related to the development of the Licensed Products pursuant to the Development Agreement which are (i) owned or co-owned by SVI, or (ii) licensed to SVI (complete with the name of the Third Party Licensor of each licensed Patent) in the Implantable Cardiac Field. SVI represents and warrants that all items required to be disclosed pursuant to clause (ii) are licensed exclusively to SVI and constitute Surgi-Vision IP.

E. Title. SVI represents, warrants and covenants that, except as provided in this Agreement, the Development Agreement, the Bionics Agreements or the JHU Agreements: (i) SVI owns, and during the Term will continue to own, all legally enforceable right, title and interest to all of the Surgi-Vision IP it purports to own, and SVI has an exclusive license in the Implantable Cardiac Field to all of the Surgi-Vision IP that it does not

purport to own, in each case free and clear of all liens, mortgages, charges, security interests and other encumbrances without an obligation to pay any royalties, license fees or other amounts to any Third Party; and (ii) SVI has and will retain all rights necessary to exclusively license the Surgi-Vision IP to CPI in the Implantable Cardiac Field.

F. Third-Party Infringement. SVI represents and warrants that, as of the Effective Date, to SVI's actual knowledge, (i) there is no Infringement by any Third Party (including any employee or former employee of SVI) of any Surgi-Vision IP, and (ii) there are no violations of any exclusive rights granted to SVI by its Third Party Licensors, except that SVI has filed a patent application (application number [***]) attempting to invoke an interference. SVI further represents and warrants that, as of the Effective Date, no Claims have been made by SVI or, to SVI's actual knowledge, by SVI's Third Party Licensors for any Infringement by others of any rights with respect to any Surgi-Vision IP, except that SVI has filed a patent application (application number [***]) attempting to invoke an interference.

G. Freedom-to-Operate. SVI represents and warrants that, as of the Effective Date, it has not received and has no knowledge of any Claim by a Third Party containing any express or implied allegation that SVI, its Third Party Licensors or the Surgi-Vision IP is or may be Infringing any of such Third Party's Intellectual Property Rights, except that (i) SVI knows of a Third Party's attempt to invoke an interference against U.S. 6,904,307, (ii) SVI has filed a re-issue with respect to U.S. 6,904,307, and (iii) SVI has filed a patent application (application number [***]) attempting to invoke an interference. If, at any time during the Term or thereafter, SVI receives or becomes aware of any such Claim, SVI shall promptly notify CPI of such Claim in writing, describing the Claim in reasonable detail (but, provided CPI has not exercised its Termination Option, performing and providing no written analysis regarding the Claim). Provided CPI has not exercised its Termination Option, upon such notice, CPI may, in its sole discretion, evaluate such Claim to determine whether a license of the Third Party's Intellectual Property is necessary or desirable, or whether such Third Party's Intellectual Property may otherwise have a material effect on the Surgi-Vision IP in the Implantable Cardiac Field. SVI further represents and warrants that, as of the Effective Date, it is not, and to SVI's actual knowledge its Third Party Licensors are not, currently evaluating any Intellectual Property of any Third Party (and neither SVI nor, to SVI's actual knowledge, its Third Party Licensors has conducted any such evaluations in the past three (3) years) to determine whether a license thereof is necessary or desirable, or whether such Intellectual Property may otherwise have a material effect on the Surgi-Vision IP in the Implantable Cardiac Field.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

H. Know-How and Trade Secrets. SVI represents, warrants and covenants that: (i) it has taken, and will continue to take, all actions that a reasonably prudent person would take to maintain its Trade Secrets as confidential and proprietary, and to protect against the loss, theft or unauthorized use of such Trade Secrets; (ii) its Trade Secrets are not in the public domain and have not been divulged or appropriated to the detriment of SVI; (iii) SVI, and to SVI's actual knowledge, its Third Party Licensors, have disclosed no confidential Surgi-Vision IP to any Third Party that was not, at the time of disclosure, under an obligation to maintain such Surgi-Vision IP in confidence, and, to SVI's actual knowledge, there have been no breaches of any such confidentiality obligations; and (iv) SVI's records do and will continue to include sufficient documentation of the Know-How and Trade Secrets, such as manufacturing and engineering plans, blueprints, designs, process instructions, formulae, quality assurance protocols and procedures and the like, to enable persons who are reasonably skilled and proficient in the relevant subject matter to continue the same in the ordinary course of business without unreasonable delay, expense, or reliance on the memory of any individual.

I. Licenses. SVI represents and warrants that, as of the Effective Date, it has not, and to its actual knowledge its Third Party Licensors have not: (i) granted any licenses or other rights, and have no obligation to grant any licenses or other rights, with respect to any Surgi-Vision IP in the Implantable Cardiac Field, except for (a) any rights retained by JHU under the JHU Agreements; and (b) to the extent a Patent was supported by federal funding obtained by JHU, any rights, conditions and limitations imposed by U.S. law (including any royalty-free non-exclusive license granted to the U.S. government pursuant to U.S. law and any requirement that products used or sold in the U.S. be manufactured substantially in the U.S.); or (ii) entered into any covenant not to compete or contract limiting or purporting to limit the ability of SVI to grant any licenses and assignments in fulfillment of its obligations herein. SVI further represents, warrants and covenants that none of the Surgi-Vision IP or Royalty Patents was or will be supported by federal funding obtained by SVI, and that there are and will be no rights, conditions and limitations imposed by U.S. law (including any royalty-free non-exclusive license granted to the U.S. government pursuant to U.S. law) with respect to same.

J. Validity. SVI represents and warrants as of the Effective Date that, to SVI's actual knowledge: (i) there have been no sales, public disclosures, or other events that create a bar to patentability of any Billabong Patents; (ii) none of the Billabong Patents has been abandoned, suppressed, or concealed; (iii) to SVI's actual knowledge, as of the Effective Date there are no impediments to patenting any of the Surgi-Vision IP (other than due to certain Surgi-Vision IP being non-patentable subject matter or as otherwise disclosed in the following clause (iv)); (iv) there is no

interference, opposition, cancellation, reexamination or other contest, proceeding, action, suit, hearing, investigation, charge, complaint, demand, notice, claim, dispute threatened or pending against SVI or its Third Party Licensors relating to the Surgi-Vision IP, except that (a) SVI knows of a Third Party's attempt to invoke an interference against U.S. 6,904,307, (b) SVI has filed a re-issue with respect to U.S. 6,904,307, and (c) SVI has filed a patent application (application number [***]) attempting to invoke an interference; (v) all material statements and representations made by SVI in any pending applications, filings or registrations relating to the Surgi-Vision IP were true in all material respects as of the time they were made, and are still believed to be true; and (vi) no Surgi-Vision IP consisting of Patents is subject to any injunction, judgment, order, decree, ruling or charge or is subject to any pending or threatened oppositions, interferences or other proceedings before the United States Patent and Trademark Office or in any other registration authority in any country, except that (a) SVI knows of a Thirs Party's attempt to invoke an interference against U.S. 6,904,307, (b) SVI has filed a re-issue with respect to U.S. 6,904,304, and (c) SVI has filed a patent application (application number [***]) attempting to invoke an interference.

K. Disclosure. SVI represents and warrants that in the course of diligence and negotiations leading up to the execution of this Agreement, SVI has not misrepresented to CPI any material information regarding the Surgi-Vision IP and the technology related thereto.

L. No Existing Infringement by CPI or CPI's Affiliates. SVI represents and warrants that, as of the Effective Date, it has no actual knowledge that any CPI or CPI Affiliate lead existing as of the Effective Date does or would Infringe (i) a valid and enforceable claim of an issued Royalty Patent or (ii) any allowed claims of a pending patent application for a Royalty Patent, upon the issuance of same.

11. Enforcement.

A. Notice of Infringement. If either Party learns of any actual, alleged or threatened Infringement of any BSC Controlled Surgi-Vision IP by a Third Party, such Party shall promptly notify the other Party and shall provide such other Party with all available evidence of such Infringement.

B. Enforcement [***]. As between the Parties, [***] shall have the sole right (but not the obligation), each at its own expense and with legal counsel of its own choice, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened Infringement of the [***]; provided, however, that [***] shall have the right (but, subject to Section 11(D) below, not the obligation) to participate in an advisory capacity only in the

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

institution and prosecution of any such Infringement suit, [***].

C. Enforcement Following a Loss of Exclusive Rights. Notwithstanding Section 11(B) above to the contrary, in the event [***], as between the Parties, [***] shall have the sole right (but not the obligation), at its own expense and with legal counsel of its own choice, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened Infringement of [***].

D. Join in Action. If a Party brings any such action or proceeding hereunder, the other Party agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and to give the Party bringing such action or proceeding reasonable assistance and authority to file and prosecute the suit; provided, however, that neither Party shall be required to transfer any right, title or interest in or to any property to the other Party or any Third Party to confer standing on a Party hereunder.

E. Costs. [***] will pay all costs, fees, and expenses associated with an Infringement action initiated and prosecuted solely by [***]. [***] will pay all costs, fees, and expenses associated with (i) an Infringement action initiated and prosecuted solely by [***], and (ii) [***] participation in an advisory capacity under Section 11(B).

F. Recovery. Any recovery obtained in an action initiated and prosecuted solely by [***], and in which [***] does not participate in an advisory capacity, shall belong to [***]. Any recovery obtained in an action initiated and prosecuted solely by [***] shall belong to [***]. Any recovery obtained in an action initiated and prosecuted by [***], and in which [***] participates in an advisory capacity, shall be allocated in a fair and equitable manner mutually determined by the Parties. For purposes of clarity, any recovery pursuant to this section will be net of litigation costs as provided in Section 11(E) above.

G. Cooperation. Each Party agrees to fully cooperate with the other in the prosecution of any such suit at no additional expense to that cooperating Party.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

12. Patent Prosecution.

A. Costs. CPI and its Affiliates will pay all Patent Prosecution costs and expenses for all Patents subject to their sole control, as set forth in Section 12(B) below ("Prosecution Costs").

B. Intellectual Property Protection. With respect to any BSC Controlled Surgi-Vision IP, CPI and its Affiliates will jointly control the Prosecution of all Patents, each at its own expense and with legal counsel of its own choice, and will take such other legal steps as CPI and its Affiliates will determine in their sole discretion to be necessary to protect their rights for all BSC Controlled Surgi-Vision IP. For the avoidance of doubt, neither CPI nor its Affiliates will be obligated to pay any Prosecution Costs to protect any Intellectual Property if they determine, in their sole discretion, that those Prosecution Costs outweigh the likely benefits to CPI or such Affiliate.

C. SVI Cooperation. SVI will cooperate with CPI and its Affiliates in filing, Prosecuting and maintaining Patents and taking such other legal steps as set forth in this Section 12 and will execute and deliver any documents and instruments in connection therewith which CPI or its Affiliates may request at no additional cost or expense to CPI or such Affiliate.

D. SVI Inspection and Intervention. SVI will have the right upon reasonable notice and reasonable request to inspect, at SVI's sole expense and discretion, the Prosecution documents and strategy of CPI and its Affiliates with respect to the BSC Controlled Surgi-Vision IP. The Parties agree that such information constitutes Confidential Information of CPI and its Affiliates, and that the disclosure of such information is not intended to constitute a waiver of any privilege, including attorney-client privilege. In addition, CPI (or its applicable Affiliate) will provide written notice to SVI prior to abandoning any patent application or issued Patent that is part of the BSC Controlled Surgi-Vision IP. If SVI desires to file and Prosecute any such patent application, or to pay maintenance fees or annuities to maintain any such issued Patent, in any country that CPI or its Affiliates determined was not worthwhile to protect CPI's or such Affiliates' rights, SVI may provide CPI with a reasonable written request to file and Prosecute or maintain such Patent ("Prosecution Request"). CPI will have 30 days to fulfill the Prosecution Request. If CPI or one of its Affiliates fails to complete the Prosecution Request within 30 days of receiving the Prosecution Request, SVI may independently file and Prosecute the patent application or maintain the issued Patent that was the subject of the Prosecution Request, and SVI will bear all Prosecution Costs and will control the remainder of the Prosecution for such patent application or the maintenance of such issued Patent.

13. Indemnification.

A. General Indemnification. Each Party (the "Indemnifying Party") will defend, indemnify and hold harmless the other Party (the "Indemnified Party") and all of such Party's Affiliates from and against any and all liabilities, losses, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys' fees) (collectively "Damages"), to the extent such Damages arise out of any Third Party claim based on allegations that, if true as alleged, would constitute (i) a breach of the representations and warranties made by it in this Agreement, or (ii) a material breach of its obligations pursuant to this Agreement.

B. Indemnification Procedures. An Indemnifying Party's duty to indemnify pursuant to Section 13(A) is subject to the Indemnified Party giving prompt written notice to such Indemnifying Party of any claim against the Indemnified Party covered by the Indemnifying Party's indemnification obligations hereunder; provided, however, that a delay in such notice to the Indemnifying Party shall not terminate indemnification obligations hereunder, unless such delay shall have materially impaired the defense of such claim. The Indemnifying Party shall have sole and exclusive control of the defense of any such claim, including the choice and direction of any legal counsel. The Indemnified Party may not settle or compromise any such claim without the written consent of the Indemnifying Party.

14. Disclaimer of Warranties. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

15. Intentionally Omitted.

16. Conflicts with Bionics Lead Development Agreement. The Parties agree that, in the event of any conflict between the terms or conditions of this Agreement and the Bionics Lead Development Agreement, this Agreement will control.

17. Miscellaneous.

A. Notices. Any notice or other communication in connection with this Agreement must be in writing, must be addressed as provided below and will be deemed delivered when (a) actually delivered in person or by facsimile, provided that delivery is made during normal business hours, (b) three business days have elapsed after deposit in the United States mail, postage prepaid and registered or certified, return receipt requested, or (c) two business days after sent by nationally recognized overnight receipted courier:

To CPI:

Cardiac Pacemakers, Inc. c/o
Boston Scientific Corporation
One Boston Scientific Place
Natick, MA 01760-1537
Attention: Chief Financial Officer
Phone: 508.650.8000
Fax: 508.650.8956

with copies to:

Boston Scientific Corporation
One Boston Scientific Place
Natick, MA 01760-1537
Attention: General Counsel
Phone: 508.650.8000
Fax: 508.650.8960

and

Cardiac Pacemakers,
Inc. 4100 Hamline Avenue North
St. Paul, MN 55112
Attention: Chief Patent Counsel
Phone: 651.582.7196
Fax: 651.582.2926

To SVI:

Kimble L. Jenkins
Surgi-Vision, Inc.
50 North Front Street
19th Floor

Memphis, TN 38103
Phone: 901.531.3236
Fax: 901.579.4979

with copies to:

John C. Thomas, Jr.
Surgi-Vision, Inc.
200 N. Cobb Parkway
Suite 140
Marietta, GA 30062-3585
Phone: 770.514.0077
Fax: 770.424.8236

and

Oscar L. Thomas
Bass, Berry & Sims PLC
100 Peabody Place
Suite 900
Memphis, TN 38103
Phone: 901.543.5905
Fax: 901.543.5999

and in any case at such other address as a Party may specify by written notice in accordance with this Section. All periods of notice will be measured from the date of deemed delivery as provided in this Section.

B. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties, their successors and permitted assigns. Neither this Agreement nor any right or obligation hereunder will be assignable by a Party without the prior written consent of the other Party and any purported assignment without such consent will be void; provided that, subject to CPI's exercise of its rights pursuant to Section 5(C)(iii) of the Development Agreement, either Party may, without such prior written consent, assign this Agreement to an Affiliate or in connection with a merger or consolidation (or other similar transaction) or the sale of all or substantially all of its assets in the realm of its respective field under this Agreement; provided, further, that such Party must give the other Party thirty (30) days prior written notice of such assignment. Any permitted assignee will assume all obligations of its assignor under this Agreement. No assignment will relieve any Party of responsibility for the performance of any accrued obligation that such Party then has hereunder.

C. Affiliates. To the extent that CPI allows its Affiliates to exercise rights pursuant to this Agreement (including under a sublicense from CPI), CPI agrees (i) to bind such Affiliates to the confidentiality, use restriction, records/audit, intellectual property enforcement and patent Prosecution provisions of this Agreement and (ii) to be responsible for any breaches by its Affiliates of such provisions. Notwithstanding anything to the contrary, but subject to the previous sentence, if and when CPI allows its Affiliates to exercise rights pursuant to this Agreement (including under a sublicense from CPI), CPI may do so under any form of permission or arrangement, whether written, oral or course of conduct, and if done pursuant to a written document irrespective of whether that particular written document contains within its four corners all of the restrictions and requirements set forth in this Agreement.

D. Force Majeure. If the performance of this Agreement or any obligations under this Agreement, except the making of required payments, is prevented, restricted, or interfered with by reason of fire, flood, earthquakes, explosion, or other casualty, accident, or act of God; strikes or labor disturbances; war, whether declared or not, or other violence; sabotage; any law, order, proclamation, regulation, ordinance, demand, or requirement of any government agency; or any other event beyond the reasonable control of the Parties, the affected Party, upon giving prompt notice to the other Party, will be excused from such performance to the extent of such prevention, restriction, or interference. The affected Party will use its reasonable efforts to avoid or remove such cause of non-performance or to limit the impact of the event on such Party's performance and will continue performance with the utmost dispatch whenever such causes are removed.

E. Export Controls. A recipient of technical data or products agrees to comply with all United States Department of Commerce and other United States export controls. Each Party agrees that, unless prior authorization is obtained from the Office of Export Administration, it will not knowingly ship or transfer technical data covered by this Agreement or any direct product of such technical data, directly or indirectly, to any country in contravention of any Office of Export Administration requirement.

F. Entire Agreement. This Agreement and its Exhibits, together with the Development Agreement, set forth the entire agreement between the Parties and supersede all previous agreements and understandings, whether oral or written, between the Parties with respect to the subject matter of this Agreement.

G. Amendment. This Agreement may not be modified, amended or discharged except as expressly stated in this Agreement or by a written agreement signed in ink by an authorized representative of each Party.

H. Separability. The provisions of this Agreement will be deemed separable. If any provision in this Agreement will be found or be held to be invalid or unenforceable in any jurisdiction in which this Agreement is performed, then the meaning of that provision will be construed, to the extent feasible, to render the provision enforceable, and if no feasible interpretation would save such provision, it will be severed from the remainder of this Agreement that will remain in full force and effect unless the provisions that are invalid or unenforceable substantially impair the value of the entire Agreement to either Party. In such event, the Parties will use their respective reasonable efforts to negotiate a substitute, valid and enforceable provision that most nearly reflects the Parties' intent in entering into this Agreement.

I. Waiver. No waiver of any term, provision or condition of this Agreement whether by conduct or otherwise in any one or more instances will be deemed to be or construed as a further or continuing waiver of any such term, provision or condition or of any other term, provision or condition of this Agreement.

J. Relationship of Parties. Each of the Parties hereto is an independent contractor and nothing herein will be deemed to constitute the relationship of partners, joint venturers, nor of principal and agent between the Parties hereto.

K. Counsel/Interpretation. The Parties and their respective counsel have negotiated this Agreement or have had an opportunity to review this Agreement. The Parties hereto acknowledge and agree that: (a) the rule of construction to the effect that any ambiguities are resolved against the drafting Party will not be employed in the interpretation of this Agreement; and (b) the terms and provisions of this Agreement will be construed fairly as to all Parties hereto and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement. When used in this Agreement, the words "including" or "includes" are deemed to be followed by the words "without limitation."

L. Governing Law. The construction, validity and performance of this Agreement will be governed exclusively by the laws of the State of Minnesota, U.S.A., without regard to the principles of conflicts of law. Each Party hereby submits itself for the sole purpose of this Agreement and any controversy arising hereunder to the non-exclusive jurisdiction of the federal and state courts located in the State of Minnesota, and any courts of appeal therefrom, and waives any objection (on the grounds of lack of jurisdiction, venue or forum non conveniens or otherwise) to the exercise of such non-exclusive jurisdiction over it by any such courts. With the exception of an arbitration pursuant to Section 4 above, any action brought by SVI against CPI in connection with this Agreement, must be instituted in the federal or state courts located in the State of Minnesota. A Party shall be entitled to seek within such jurisdiction whatever equitable relief it may be entitled to under applicable law.

M. Headings. The article and section headings in this Agreement are inserted for convenience only and will not constitute a part hereof.

N. No Third-Party Beneficiary Rights. Except with respect to CPI's Affiliates and to Persons receiving indemnification under Section 13, no person not a Party to this Agreement is an intended beneficiary of this Agreement, and no person not a Party to this Agreement will have any right to enforce any term of this Agreement.

O. Compliance with Laws. Each Party will comply in all material respects with all applicable U.S. and foreign statutes, laws, ordinances, rules, orders and regulations in all actions relating to this Agreement and its performance hereunder.

P. Counterparts. This Agreement may be executed in any number of counterparts each of which will be deemed to be an original but all of which together will constitute one and the same instrument, and all signatures need not appear on any one counterpart.

Q. Effect of Bankruptcy. No proceeding, or result or adjudication of a proceeding, in which either of the Parties is a debtor, defendant or party seeking an order for its own relief or reorganization, under any foreign, United States or state bankruptcy or insolvency law will (in and of itself) cause a termination of this Agreement or any of the licenses granted under this Agreement.

R. U.S. Dollars. All payments to SVI contemplated in this Agreement, including payments of the License Fee, all royalty payments and payments of Sub-License Revenue, shall be made in U.S. Dollars.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SURGI-VISION, INC.	CARDIAC PACEMAKERS, INC.
BY : /s/ Kim Jenkins	BY : /s/ Fred A. Colen
NAME: Kim Jenkins	NAME: Fred A. Colen
TITLE: PRES	TITLE: Executive Vice President, Operations and Technology CRM

ACKNOWLEDGEMENT BY BIONICS

Boston Scientific Neuromodulation Corporation (formerly known as Advanced Bionics Corporation) acknowledges that even though it is not a party to this Agreement, it hereby agrees that Section 16 of this Agreement shall be binding upon it.

BY: /s/ Michael Onuscheck
NAME: Michael Onuscheck
TITLE: President

EXHIBIT A

Billabong Patents

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT B

NET SALES

Cardiac Rhythm Management ("CRM") lead revenue, for purposes of determining a royalty payment for a given period is calculated by the product of:

The number of Royalty Product units sold in a given period, net of returns of Royalty Products made in that period, and

The weighted average selling price of Royalty Products sold in that period.

If a sale of a Royalty Product does not include an explicit sales price because the transaction included multiple products, a sale price for the Royalty Product will be calculated consistent with the methods used for management reporting of average selling prices for CRM leads.

In general, discounts exist when leads are bundled with other CRM components, such as pulse generators, and sold as a system, or when multiple products are sold in bulk quantities. For management reporting, these discounts are applied on a pro rata basis to all of the components in the system or bulk sale.

EXHIBIT C

BSC CORE PRODUCT INFORMATION

BSC Core Product Information is related to the design, development, manufacture, and commercialization of implantable medical leads for all cardiac applications. This includes but is not limited to:

1. Design and development documents, methods, and data
   a. Device specifications
   b. Assembly drawings, including tolerances
   c. Material and component specifications, including tolerances
   d. Material and component supplier capability requirements
   e. Computational design evaluation methods and results, including FEA methods and results
   f. Biomechanics parameters used in design evaluation
   g. Biocompatibility requirements and data
   h. Design verification and validation methods and results, including fatigue testing and biocompatibility testing
   i. Pre-clinical and pre-market human clinical trial methods and results
   j. MRI performance-related testing methods and results
2. Process development, manufacturing, and process control documents, methods, and data
   a. Manufacturing instructions and production methods, including connection methodologies and parameters, materials preparation and assembly techniques
   b. Supplier selection process, CPI's or its Affiliates' supplier identity and status of supplier relationship
   c. Supplier material and component qualification methods and results
   d. Process validation methods and results
   e. Process control methods and results including sampling plans, test and inspection methods and criteria
3. Regulatory submission documents, methods and data
   a. Any non-public information relating to regulatory approval strategy, and communications with regulatory agencies

EXHIBIT D

ROYALTY PATENTS

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT E

SUB-LICENSE REVENUE EXAMPLES

Transactions subject to Sub-License Revenue:

- A license or sublicense to a Third Party, granting such Third Party the right to make, have made, import, use or sell a Royalty Product
    - e.g., If CPI or its Affiliate(s) sells leads to a Third Party and also grants that Third Party a license/sublicense to make and sell devices which constitute Royalty Products, then CPI (for itself and/or on behalf of its Affiliate(s)) would make royalty payments for the sale of leads to that Third Party and will also make payments on the license/sublicense revenue CPI and/or its Affiliate(s) receives

Transactions not subject to Sub-License Revenue:

- Grant of an implied license accompanying a sale of a Royalty Product (e.g., pursuant to first sale doctrine)
- Grant of an explicit license accompanying a sale of a Royalty Product to use the product

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Exhibit 10.15

Cooperation and Development Agreement

by and between

SURGIVISION, INC., a corporation duly organized and existing under the laws of the state of Delaware (USA) and having offices at Memphis, Tennessee (USA)

(hereinafter referred to as "SURGIVISION")

and

Siemens Aktiengesellschaft, Healthcare Sector, a corporation duly organized and existing under the laws of Germany and having offices at Erlangen, Germany

(hereinafter referred to as "SIEMENS")

- together hereinafter separately referred to as "PARTY" or jointly as "PARTIES" respectively -

Preamble

SURGIVISION is a leading company developing, manufacturing and selling devices as well as developing treatment plans for various medical indications, such as deep brain stimulation or cardiac ablation.

SIEMENS is a leading company in developing, manufacturing and selling Magnetic Resonance ("MR") Imaging systems, which are used worldwide for diagnostics of a wide variety of medical indications. MR imaging is free of ionizing radiation and is therefore well-suited for continued supervision of treatment procedures.

The PARTIES wish to establish a Cooperation and Development Agreement aiming at a combination of the capabilities of Catheter Ablation and MR imaging in developing a product combination that allows performing the treatment of cardiac arrhythmias by catheter mediated ablation and catheter mediated cardiac electrophysiological mapping procedure under simultaneous MR imaging for worldwide marketing and sales. The PARTIES agree that this treatment consists of a procedure with the involvement of different medical devices, including catheters and mapping technology as well as MR imaging guidance. The PARTIES intend to develop an MR workflow with all required components integrated into the special requirements of the MR environment.

SIEMENS will be in charge of development, regulatory release and sales of the software used for MR imaging, localization and visualization of the mapping and ablation catheters, and resulting lesions. SURGIVISION will be in charge of development, regulatory release and sales of the mapping and ablation catheters as well as any other technology or component required for the application. SURGIVISION will also be in charge of the regulatory release of the different medical devices together as one certified product.

Therefore, having regard to the mutual obligations and covenants contained herein, the PARTIES agree as follows.

1. Definitions

1.1. "AFFILIATE" shall mean a company in which either of the PARTIES owns or controls, directly or indirectly, more than fifty percent (50%) of the stock or voting rights.

1.2. "APPLICATION" shall mean the treatment of cardiac arrhythmia by catheter mediated ablation under simultaneous MR imaging and catheter mediated cardiac electrophysiological mapping under simultaneous MR imaging by using the PRODUCT. In the event the width of an APPLICATION is specified through guidelines of regulatory bodies like SFDA, CE, FDA, such specification shall apply.

1.3. "BACKGROUND PATENTS" shall mean patent applications, patents, utility models and other statutory protection with regard to MR SYSTEM, APPLICATION, CATHETER

TECHNOLOGY, PERIPHERAL TECHNOLOGY, SOFTWARE, INTEGRATION or the PRODUCT under which one PARTY is the owner and/or has the right of determination at any time during the term of this Agreement and which are not a DEVELOPMENT RESULT.

1.4. "CATHETER TECHNOLOGY" shall mean and comprise the invasive medical devices (e.g. guidewire, catheters) supplied by SURGIVISION for the use in the PRODUCT and within and in close proximity to an MR SYSTEM and which are defined in more detail in the specifications set forth in ANNEX 2 to this Agreement. ANNEX 2 may upon mutual agreement be amended from time to time. The CATHETER TECHNOLOGY shall be provided by SURGIVISION as a medical product according to applicable local medical product regulations including, but not limited to, the EU and the USA.

1.5. "CATHETER TECHNOLOGY DEVELOPMENT" shall mean all work and activities related to the development of the CATHETER TECHNOLOGY compatible and safe for use with an MR SYSTEM and in the PRODUCT. The CATHETER TECHNOLOGY DEVELOPMENT is specified in more detail in ANNEX 1.

1.6. "CHANGE OF CONTROL" means with respect to SURGIVISION, in an event or series of related events: a) a sale of all or substantially all of SURGIVISION's assets, voting stock or securities or business relating to this Agreement; b) a merger, reorganization or consolidation involving SURGIVISION in which the stockholders of SURGIVISION immediately prior to such transaction cease to own collectively a majority of the voting equity securities of the successor entity; or c) a person or group of persons acting in concert acquire fifty percent (50%) or more of the voting equity securities of SURGIVISION, For purposes of clarity, the term "CHANGE OF CONTROL" does not intend to include (i) an underwritten public offering of SURGIVISION's common stock pursuant to an effective Registration Statement under the Securities Act of 1933, as amended, or (ii) any sale of share or capital stock of SURGIVISION, in a single transaction or series of related transactions principally for bona fide equity financing purposes in which SURGIVISION issues new securities to financial and/or venture capital investors primarily for cash or the cancellation or conversion of indebtedness of SURGIVISION or a combination thereof for the purpose of financing the operations and business of SURGIVISION.

1.7. "DEVELOPMENT WORK" means any and all work to be performed by SIEMENS and/or SURGIVISION in the frame of this Agreement.

1.8. "DEVELOPMENT RESULTS" means any and all results, whether patentable or not, in written or oral form, achieved or created by SIEMENS and/or SURGIVISION in the frame of this Agreement.

1.9. "DIRECT COMPETITOR" with respect to SIEMENS means an entity that (i) has an MR scanner product line; (ii) currently develops an MR scanner product line; or (iii) publicly

announces that it is in the process of acquiring or already acquired an MR scanner product line or an entity owning or developing an MR scanner product line. The company Medtronic Inc. or its affiliates or subsidiaries (hereinafter "Medtronic") shall not be deemed a DIRECT COMPETITOR under (i) and (ii) with regard to Medtronic's existing MR scanner product (ODIN, hereinafter "ODIN"), as long as Medtronic does neither use ODIN in the FIELD, nor develop ODIN for use in the FIELD, nor publicly announces that it intends to use or develop ODIN for use in the FIELD.

1.10. "FIELD" shall mean treatment of cardiac arrhythmia by catheter mediated ablation under simultaneous MR imaging and catheter mediated cardiac electrophysiological mapping under simultaneous MR imaging.

1.11. "INDIRECT COMPETITOR" in respect to SIEMENS means an entity that is not a DIRECT COMPETITOR but which has a product line that competes with the MR scanner product line of SIEMENS.

1.12. "INFLUENCE TEST" shall mean the testing process that determine the influence of an external system (CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGY) on an SIEMENS MR SYSTEM.

1.13. "INFORMATION" shall mean written and/or oral technical information with regard to MR SYSTEM, APPLICATION, CATHETER TECHNOLOGY, PERIPHERAL TECHNOLOGY, SOFTWARE, INTEGRATION or the PRODUCT, such information being available to one PARTY at any time during the term of this Agreement and not being a DEVELOPMENT RESULT. It is understood that the INFORMATION of SIEMENS shall be limited to information available at its Healthcare Magnetic Resonance (H IM MR) Business Unit; INFORMATION does not include BACKGROUND PATENTS.

1.14. "INTEGRATION WORK" shall mean the combination of the CATHETER TECHNOLOGY, MR SYSTEM, SOFTWARE and PERIPHERAL TECHNOLOGY to the PRODUCT, as well as all work and activities related to such combination and the creation of the PRODUCT.

1.15. "MR SYSTEM" shall mean any applicable SIEMENS MR system. Target MR SYSTEMS for the PRODUCT include the MAGNETOM Verio and the MAGNETOM Espree. Other MR SYSTEMS might be added after mutual agreement. The MR SYSTEM is currently provided by SIEMENS as a medical product according to applicable local medical product regulations in several countries, including, but not limited to, the EU, Canada and the USA.

1.16. "PERIPHERAL TECHNOLOGY" means hardware and software required by the user to perform the APPLICATION with the PRODUCT and which is not already included in CATHETER TECHNOLOGY or SOFTWARE or MR SYSTEM.

1.17. “PERIPHERAL TECHNOLOGY DEVELOPMENT” shall mean all work and activities related to the development of the PERIPHERAL TECHNOLOGY as specified in ANNEX 2 SECTIONS 2.7, 2.8, 2.9 AND APPENDIX A, including but not limited to compatibility and safety for use with the MR SYSTEM.

1.18. “PRODUCT” shall mean and comprise a combination of hardware, software and workflow procedures allowing the performance of the APPLICATION or parts thereof under simultaneous MR imaging, which the PARTIES wish to develop under this Agreement and which is defined in more detail in the specifications set forth in ANNEX 2 to this Agreement. ANNEX 2 may upon mutual agreement be amended from time to time. The PRODUCT shall be integrated and developed by SURGIVISION as a medical product according to applicable local medical product regulations including, but not limited to the EU and the USA, integrating and combining the SOFTWARE, MR SYSTEM, CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGY.

1.19. “SOFTWARE” means software and dedicated MR sequences, which are developed by SIEMENS according to requirement specifications by SURGIVISION. These specifications are defined in more detail in ANNEX 2 to this Agreement. For the avoidance of doubt, SOFTWARE does not include [***], or any further developments or future versions of [***], but only the dedicated plug in module dedicated to the workflow of the PRODUCT developed under this Agreement.

1.20. “SOFTWARE DEVELOPMENT WORK” shall mean all work and activities related to the development of the SOFTWARE.

2. Obligations of SIEMENS

2.1. SIEMENS shall perform the SOFTWARE DEVELOPMENT WORK, which shall be based on the specifications contained in ANNEX 2 and shall comprise the efforts and activities set forth in ANNEX 3 to this Agreement. SIEMENS will - at its sole discretion - perform developments and tests at SIEMENS’ or SIEMENS’ AFFILIATES premises or at hospital sites.

2.2. The SOFTWARE DEVELOPMENT WORK and the release of the SOFTWARE shall be generally carried out in accordance with the time schedule and milestones set forth in ANNEX 3 to this Agreement. Due to the fact that the release time of the SOFTWARE depends on SIEMENS’ internal software release maps, SIEMENS may need to modify the milestones of the SOFTWARE DEVELOPMENT WORK to reflect any necessities with regard to such software release map. In that event, SIEMENS shall give written notice to SURGIVISION of any anticipated modification, and the PARTIES shall then negotiate in good faith to appropriately amend the applicable milestone(s) in ANNEX 3.

2.3. SIEMENS shall make available to SURGIVISION INFORMATION for the term of this Agreement insofar as such INFORMATION is necessary for SURGIVISION for carrying out the INTEGRATION WORK. Disclosure of INFORMATION will be made without charge to SURGIVISION.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

2.4. SIEMENS, insofar as it lawfully may, shall make available to SURGIVISION SIEMENS' DEVELOPMENT RESULTS achieved during the SOFTWARE DEVELOPMENT WORK. Prototype versions of the SOFTWARE shall be made available to SURGIVISION according to the milestones set forth in ANNEX 3 and in accordance with Section 3.6.

Depending on the demands of the INTEGRATION WORK, INFORMATION and DEVELOPMENT RESULTS regarding the SOFTWARE can be submitted in writing and/or orally. INFORMATION and DEVELOPMENT RESULTS shall be submitted hereunder in the English language. The metric system shall be applied.

2.5. SIEMENS shall be responsible for the regulatory requirements to release the SOFTWARE as a medical device in the EU, Canada and the USA, both for use under clinical study regulations or for clinical use. Further countries may be added by mutual agreement of the PARTIES.

The PARTIES assume that the SOFTWARE will be released as a medical device class 2a in the European Union (CE) and as a class 2 device in Canada and in the USA (FDA). Its intended indication of use is the tracking of a device within a scanner bore. SIEMENS shall be responsible for the payment of the costs of regulatory approval of the SOFTWARE to the respective authorities. Such cost shall be reimbursed by SURGIVISION and are therefore included in the milestone payments according to ANNEX 3. If the SOFTWARE cannot be released in the EU as a medical class 2a device or in the USA and Canada as a class 2 device, the PARTIES will jointly consider in good faith how to proceed and how to share costs. The SOFTWARE shall initially be released for clinical use with the MAGNETOM Espree and MAGNETOM Verio. Other MR scanner platforms will be added as mutually agreed between the PARTIES.

2.6. SIEMENS shall - at SIEMENS reasonable discretion - provide SURGIVISION access to documentation about the SOFTWARE as may be required for regulatory approval of the PRODUCT for the EU, Canada or the USA.

2.7. When SIEMENS forwards to SURGIVISION parts, components, software - including SOFTWARE or any parts or versions thereof - and other articles for purposes of the INTEGRATION WORK, SIEMENS shall remain the owner of such material and the intellectual property embodied therein (except as otherwise provided in Section 14.7).

2.8. After productization of the SOFTWARE, SIEMENS shall pay a fix amount of thirty-five-thousand (35,000) US $ per sold licence for the SOFTWARE to SURGIVISION until a total amount has been paid to SURGIVISION equal to one hundred twenty percent (120%) of the total amount paid by SURGIVISION to SIEMENS pursuant to Section 3.6. If the price SIEMENS expects to receive for the SOFTWARE in the EU, Canada or the USA upon

execution of this Agreement is more than 10% higher than the price SIEMENS is able to receive at market launch of the SOFTWARE in the respective market, SIEMENS is entitled to detract a respective percentage from the aforementioned fix amount for the respective market. If - at any time thereafter - the price decreases more than 10%, SIEMENS is entitled to respectively reduce the aforementioned amount every twelve (12) months. If the price SIEMENS expects to receive for the SOFTWARE in EU, Canada or the USA upon execution of this Agreement is more than 10% lower than the price SIEMENS is able to receive at market launch of the SOFTWARE in the respective market, SIEMENS shall increase the aforementioned fix amount by a respective percentage for the respective market. If - at any time thereafter - the price increases more than 10%, SIEMENS shall respectively increase the aforementioned amount every twelve (12) months.

Until the total amount to be paid to SURGIVISION has been reached, SIEMENS will inform SURGIVISION within fourteen (14) days following each calendar quarter about the number of licenses sold by SIEMENS in the past quarter. Thereafter, SURGIVISION will issue a quarterly bill to SIEMENS. SIEMENS shall not be obliged to effect any payment prior to thirty (30) days following the receipt of the respective invoice.

The obligations under this Section 2.8 of SIEMENS shall end - irrespective, whether the aforementioned total amount had been reached - with the termination of this Agreement according to Sections 15.3.1(i) or 15.3.1 (iii) or 15.3.2(i) or 15.3.2(ii) or 15.3.2 (iv) or 15.3.2 (v) or 15.3.2 (vi) or 17.1.

If the Agreement is terminated according to Section 15.3.1(ii) or 15.3.2(iii) the obligations under this Section 2.8 of SIEMENS to pay SURGIVISION a fix amount based on sold licenses for the SOFTWARE will continue but only until a total amount has been paid to SURGIVISION equal to the amount actually paid by SURGIVISION to SIEMENS pursuant to Section 3.6. In case the Agreement is terminated according to Section 15.3.1(ii) or 15.3.2(iii) before the Release of the SOFTWARE in the specific market and if SIEMENS thereafter markets a software that is functionally equivalent to the SOFTWARE within 3 years from the date of termination of the Agreement in the FIELD, which software is substantially based on the DEVELOPMENT RESULTS, the obligations under this Section 2.8 of SIEMENS to pay SURGIVISION a fix amount based on sold licenses for the SOFTWARE will continue but only until a total amount has been paid to SURGIVISION equal to the amount actually paid by SURGIVISION to SIEMENS pursuant to Section 3.6.

SURGIVISION will have the right, upon reasonable prior notice and reasonable prior request at SURGIVISION's sole expense, to designate an independent certified public auditor (hereinafter referred to as "Auditor") who, upon executing a SIEMENS confidentiality agreement, shall be permitted to enter SIEMENS' premises during regular business hours and inspect SIEMENS relevant books and records with respect to ascertaining the amounts due to SURGIVISION under this Section 2.8. The Auditor shall not be allowed to disclose information obtained during such audits unless such

information relates to SIEMENS' breach of the payment obligations according to this Section 2.8. Any information disclosed pursuant to the foregoing is strictly confidential and may only be used to enforce the rights arising from such a breach. Such audits shall be permitted not more than once in a calendar year. Any unpaid amounts that are detected shall be paid by SIEMENS. SURGIVISION shall endeavor to minimize disruption of SIEMENS' business activities to the extent reasonably practicable.

2.9. The PARTIES agree that SIEMENS is entitled to provide a maximum of three (3) of its development partners with free licences including updates and upgrades of the SOFTWARE. With regard to these free licences SIEMENS is not obliged to make payments to SURGIVISION. The PARTIES will agree in good faith whether additional development partners will need to be provided with free licences of the SOFTWARE or about special conditions for sale for certain customers or development partners. The foregoing shall in no way obligate SURGIVISION to provide SIEMENS' development partners with CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY free of charge.

2.10. The SOFTWARE remains SIEMENS' property.

3. Obligations of SURGIVISION

3.1. SURGIVISION shall perform the CATHETER TECHNOLOGY DEVELOPMENT, the PERIPHERAL TECHNOLOGY DEVELOPMENT and the INTEGRATION WORK required to create and provide the PRODUCT and SURGIVISION shall be responsible for initiation and execution of any procedures in connection with all related regulatory requirements in the EU, Canada and the USA, both for use under clinical study regulations or for clinical use. Further countries may be added by mutual agreement of the PARTIES. This includes SURGIVISION's responsibility for the testing of risks and special requirements that arise from the joint clinical use of the MR SYSTEM, the SOFTWARE, the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY for use in the PRODUCT for the APPLICATION. The following MR SYSTEMS shall be covered in the INTEGRATION WORK: MAGNETOM Espree and MAGNETOM Verio.

3.2. SURGIVISION shall bear the costs incurred by SURGIVISION for its efforts under or in connection with the CATHETER TECHNOLOGY DEVELOPMENT, the PERIPHERAL TECHNOLOGY DEVELOPMENT and the INTEGRATION WORK and integration testing as well as the costs of regulatory approval of the PRODUCT.

3.3. SURGIVISION shall comply with all safety notices, risk assessments (if applicable), instruction, etc. as supplied by SIEMENS in the documentation of the SOFTWARE.

3.4. SURGIVISION, insofar as it lawfully may, shall make available to SIEMENS according to the milestones in ANNEX 3, SURGIVISION's INFORMATION and DEVELOPMENT RESULTS insofar as such INFORMATION and DEVELOPMENT RESULTS are

necessary for SIEMENS to carry out the SOFTWARE DEVELOPMENT WORK. The supply of all specifications and the disclosure of INFORMATION and DEVELOPMENT RESULTS is free of charge. INFORMATION and DEVELOPMENT RESULTS shall be submitted hereunder in the English language. The metric system shall be applied.

3.5. For SURGIVISION to be able to perform the INTEGRATION WORK, SIEMENS will provide engineering (prototype) releases of the SOFTWARE according to Section 2.4 clearly labeled and specified as “not for clinical use”. SIEMENS shall not safety test these releases, and shall only provide limited documentation and limited risk analysis information to SURGIVISION. SIEMENS does neither guarantee nor warrant the stability or reliability of this software release. SURGIVISION specifically agrees to use the engineering software at its own risk and to not use for clinical or human diagnosis and/or treatment. SURGIVISION shall indemnify, defend and hold harmless SIEMENS from any and all claim, liability, damage, loss, or expense imposed upon SIEMENS by third parties due to the use of such engineering (prototype) releases of the SOFTWARE. This provision is not subject to any limitation of liability under this Agreement.

3.6. SURGIVISION shall pay to SIEMENS an aggregate of two million four hundred seventy six thousand (2,476,000) US$ in installments according to the milestones reached by SIEMENS in the SOFTWARE DEVELOPMENT WORK and as specified in ANNEX 3. The payment is due thirty (30) days following SURGIVISION’s receipt of a respective invoice issued by SIEMENS. The invoice shall not be issued prior to the achievement of the respective milestone.

3.7. Upon the conclusion of each of the CATHETER TECHNOLOGY DEVELOPMENT and the PERIPHERAL TECHNOLOGY DEVELOPMENT SURGIVISION shall deliver to SIEMENS the respective DEVELOPMENT RESULTS for SIEMENS’ performance of the INFLUENCE TEST according to Section 6. Upon completion of the INTEGRATION WORK, SURGIVISION shall deliver to SIEMENS the information about the PRODUCT and the APPLICATION necessary for risk analysis according to Section 6.2 and fully cooperate with SIEMENS to obtain the risk analysis.

3.8. SURGIVISION shall establish or contract a marketing and sales force to make the CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGY in the PRODUCT commercially available to customers in the EU and the US.

3.9. SURGIVISION shall be responsible to perform or have performed by a third party customer training, service and support for the CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGY in the PRODUCT.

3.10. For the event SURGIVISION is not able to fulfill Sections 3.8 or 3.9 within 6 months after the completion of the INTEGRATION WORK required to create and provide the PRODUCT and the receipt of regulatory approval to release the PRODUCT in the applicable market, SIEMENS is herewith granted - and SIEMENS already accepts this grant - a 90-day option free of charge to

(i) terminate the exclusivity according to Section 9.2 in the countries SURGIVISION is not able to fulfill Sections 3.8 or 3.9, or

(ii) acquire a non-exclusive, sublicensable license in the FIELD for the countries SURGIVISION is not able to fulfil Sections 3.8 or 3.9 to use and exploit the CATHETER TECHNOLOGY, PERIPHERAL TECHNOLOGY or the PRODUCT, or any and all intellectual property rights related to CATHETER TECHNOLOGY, PERIPHERAL TECHNOLOGY or PRODUCT, to the extent related to the APPLICATION (hereinafter "OPTION TO LICENSE"). This license is granted upon execution of the OPTION TO LICENSE and already accepted by SIEMENS.

If SIEMENS exercises the OPTION TO LICENSE, SIEMENS is additionally granted - and SIEMENS already accepts - a non-exclusive, sublicensable licence in the FIELD for the countries SURGIVISION is not able to fulfill Sections 3.8 or 3.9 to use any BACKGROUND PATENTS necessary for the use and exploitation of the CATHETER TECHNOLOGY, PERIPHERAL TECHNOLOGY or PRODUCT to the extent related to the APPLICATION. Following the exercise of the OPTION TO LICENSE, SIEMENS shall no longer be bound by the exclusivity provisions according to Section 9.2 - 9.6 with respect to the countries SURGIVISION failed to fulfill Sections 3.8 or 3.9.

In return for the aforementioned grant of rights following SIEMENS exercise of the OPTION TO LICENSE, SIEMENS agrees to pay royalties to SURGIVISION of five percent (5%) of the NET SALES of CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY, beginning with market launch of such CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY provided the fact that the CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY contains the licensed intellectual property rights of SURGIVISION. As PERIPHERAL TECHNOLOGY may contain different technology components the obligation to pay royalties shall be limited and related to such components that contain the licensed intellectual property rights of SURGIVISION. Payment of royalties will be limited to the scope of protection of the respective intellectual property rights. "NET SALES" shall mean gross revenue from sales by SIEMENS and/or SIEMENS' AFFILIATES, SIEMENS' distributors, SIEMENS' sublicensees and other third parties sublicensing the aforementioned rights from SIEMENS, without value-added, consumption or other taxes imposed on the transaction. If SIEMENS exercises the OPTION TO LICENSE, the fifth paragraph of Section 2.8 shall apply analogously.

4. Communication, Contacts and Meetings

4.1. Each PARTY shall, within one (1) month after this Agreement is signed by the PARTIES, appoint a project manager who will act as a point of contact during the term of this Agreement.

4.2. SURGIVISION and SIEMENS shall schedule regular meetings. At these meetings, the project managers appointed as per Section 4.1 and any relevant other personnel of the PARTIES will review the status of the INTEGRATION WORK, the CATHETER TECHNOLOGY DEVELOPMENT, the PERIPHERAL TECHNOLOGY DEVELOPMENT and the SOFTWARE DEVELOPMENT WORK. The location of the meetings will be alternately appointed by the PARTIES or the PARTIES will jointly decide where the meeting will be held. Both PARTIES shall cover their own travel costs.

In addition, the PARTIES shall keep each other informed on any major progress achieved during the INTEGRATION WORK, the CATHETER TECHNOLOGY DEVELOPMENT, the PERIPHERAL TECHNOLOGY DEVELOPMENT and the SOFTWARE DEVELOPMENT WORK. Moreover, the PARTIES will inform each other of technical changes to the CATHETER TECHNOLOGY, PERIPHERAL TECHNOLOGY or SOFTWARE that might influence the INTEGRATION WORK or the PRODUCT.

4.3. In the event that either PARTY realizes that the SOFTWARE DEVELOPMENT WORK or the INTEGRATION WORK cannot be efficiently performed according to the milestones, time schedules and development plans, each PARTY shall immediately inform the other PARTY thereof. The PARTIES shall then review the situation and mutually agree on changes with respect to the further performance of the INTEGRATION WORK and the SOFTWARE DEVELOPMENT WORK. Section 2.2 shall remain unaffected.

4.4. SIEMENS and SURGIVISION intend to create a scientific advisory board consisting of at least two (2) clinical partners for preference testing of the PRODUCT. The creation of such advisory board shall be subject to separate agreements between SIEMENS and/or SURGIVISION and the respective clinical partner. The PARTIES agree that, prior to entering into any such agreement with a clinical partner, the PARTIES will confer with each other and agree on how all technical information and intellectual property rights created under such agreement will be handled (i.e., what rights SIEMENS and SURGIVISION, respectively, will have in and to such technical information and intellectual property). If the PARTIES cannot agree otherwise, SIEMENS shall at least be granted a non-exclusive, perpetual, worldwide, irrevocable, and unrestricted and royalty free right to use, have used or sublicense, in the FIELD, any and all technical information and intellectual property rights created by the clinical partner under such agreement that relates to the SOFTWARE.

The clinical partners will consult SIEMENS and SURGIVISON to a varying degree and level during the term of this Agreement, from early consulting to customer preference testing. Within the first two months after the execution of this Agreement, SIEMENS and SURGIVISION will agree upon the clinical partners and their level of involvement. At least one of the clinical partners should be based in Europe, preferably Germany. SIEMENS and SURGIVISON will share travel costs and expenses required for the clinical partners, as long as the clinical partners do not cover their travel costs themselves. It is intended to

create regular meetings with the advisory board to obtain differentiated user opinions about the PRODUCT. Depending on the level of involvement of the clinical partner, SIEMENS and SURGIVISON will provide them with loaned equipment at SIEMENS and SURGIVISION's own expenses according to Section 5.9.

5. Loaned Equipment

5.1. SIEMENS shall make available to SURGIVISION on loan medical equipment, items and software products listed in ANNEX 4 ("LOANED EQUIPMENT") for the purpose of performing the INTEGRATION WORK.

5.2. Shipment costs of the LOANED EQUIPMENT from SIEMENS premises to SURGIVISION shall be borne by SIEMENS.

5.3. LOANED EQUIPMENT provided by SIEMENS in accordance with Section 5.1 hereinabove shall exclusively be used for the performance of the INTEGRATION WORK and shall not be handed over or otherwise made available to any third party without SIEMENS' prior written consent. Insofar as software products are part of the LOANED EQUIPMENT, SURGIVISION shall have the right to use such software products on the systems or hardware identified in ANNEX 4 for the purpose of performing the DEVELOPMENT WORK. Unless and to the extent expressly authorized by SIEMENS in writing, SURGIVISION shall not be entitled to copy, redevelop, recompile, change or extract parts of any software products. SIEMENS may at any time replace LOANED EQUIPMENT by other equipment as deemed useful by SIEMENS, provided however, that such other equipment is substantially as suitable as the original LOANED EQUIPMENT to carry out the INTEGRATION WORK.

5.4. During the term of this agreement SIEMENS shall carry out service and maintenance of the LOANED EQUIPMENT. The incurred costs shall be borne by SIEMENS.

5.5. No additional costs shall be borne by SIEMENS in connection with the LOANED EQUIPMENT other than those explicitly mentioned herein. In particular, without limitation, infrastructure costs, such as costs for water or electricity shall be borne by SURGIVISION.

5.6. Within eight (8) weeks upon termination of this Agreement, the LOANED EQUIPMENT shall be returned to SIEMENS by SURGIVISION, unless otherwise agreed. Shipment costs from SURGIVISION to SIEMENS shall be borne by SURGIVISION.

5.7. Without prejudice to the terms and conditions stated in this Section 5, the loan conditions set forth in ANNEX 5 shall apply with respect to the loan of LOANED EQUIPMENT.

5.8. SURGIVISION shall provide SIEMENS with prototypes of the CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGY as defined in the milestones in ANNEX 3 for performing the SOFTWARE DEVELOPMENT WORK and for performing the

INFLUENCE TEST. The costs incurred shall be borne by SURGIVISION. Shipment costs from SURGIVISION to SIEMENS shall be borne by SURGIVISION.

5.9. The PARTIES agree that equipment of any of the PARTIES which should be loaned to clinical partners is, unless otherwise required by mandatory law, made available to such partners by SIEMENS or SURGIVISION without additional payment under and in connection with this Agreement and is subject to separate contracts between the respective PARTY and the clinical partner.

6. Compatibility Testing and Risk Analysis

6.1. SURGIVISION is responsible for risk analysis and testing of CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGY. SIEMENS is responsible for the INFLUENCE TEST and for a SIEMENS risk analysis.

6.2. SURGIVISION is responsible for the INTEGRATION WORK, the testing of all the components after the INTEGRATION WORK and the risk analysis that covers the complete PRODUCT after the INTEGRATION WORK. The mentioned testing and risk analysis are a subset of the requirements for regulatory approval in the EU, Canada and the USA for use under clinical study regulations or for clinical use (section 3.1).

6.3. SIEMENS shall perform an INFLUENCE TEST of the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY with the MR SYSTEM. SURGIVISION shall provide respective components and prototypes of the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY to SIEMENS as listed in ANNEX 3 and according to the timeline in ANNEX 3. The result of such an INFLUENCE TEST consists of INFORMATION on the proper functioning of the MR SYSTEM while the CATHETER TECHNOLOGY or the PERIPHERAL TECHNOLOGY is connected or in close proximity to the MR SYSTEM. SIEMENS shall provide the test results in a format that complies to the SIEMENS quality system.

6.4. Upon SURGIVISIONs request SIEMENS shall provide SURGIVISION with the results of such an INFLUENCE TEST that SURGIVISION may use for application to regulatory approval of the PRODUCT.

6.5. However, SIEMENS neither guarantees nor warrants that the result of such an INFLUENCE TEST or the result of the SIEMENS risk analysis will support or allow for a regulatory approval by the competent authorities.

6.6. SIEMENS shall neither cover any costs related to necessary changes to the CATHETER TECHNOLOGY nor PERIPHERAL TECHNOLOGY nor the PRODUCT as a result of the INFLUENCE TEST or the SIEMENS risk analysis nor perform or cover the costs for any changes to the MR SYSTEM.

6.7. SIEMENS shall define a location where the INFLUENCE TEST will be performed (e.g. Europe or USA or China). SURGIVISION shall cover the costs of shipping the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY to the defined location and back.

6.8. SURGIVISION shall bear the costs for the INFLUENCE TEST. SIEMENS will perform the INFLUENCE TEST as already reflected in ANNEX 3. The PARTIES may mutually agree on repeated INFLUENCE TEST not yet reflected in ANNEX 3. The fee for repeated INFLUENCE TESTS will be determined by SIEMENS on a time and material base. In the event INFLUENCE TESTS become necessary in future due to future porting of SOFTWARE or due to the involvement of other or future MR SYSTEMS involved, SURGIVISION shall bear all costs related to such INFLUENCE TESTS.

6.9. SURGIVISION shall be responsible for the performance of the compatibility tests to ensure that the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY is compatible with the MR SYSTEM, meaning the proper functioning of the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY in close proximity or in connection with the MR SYSTEM and in its intended use in the PRODUCT. SURGIVISION shall bear the costs of such tests.

6.10. Any payment according to this Section 6 becomes due thirty (30) days following SURGIVISIONS receipt of a respective invoice issued by SIEMENS. The invoice shall not be issued prior to the performance of the respective INFLUENCE TEST or SIEMENS risk analysis.

7. Completion

7.1. This Agreement is completed, if all SOFTWARE DEVELOPMENT WORK as per ANNEX 2 and all CATHETER TECHNOLOGY DEVELOPMENT, PERIPHERAL TECHNOLOGY DEVELOPMENT and INTEGRATION WORK - including compatibility testing or risk analysis according to Section 6 - have been successfully completed, SIEMENS obtained the approvals for the SOFTWARE according to Section 2.5 with respect to the USA, Canada, the EU and any further countries that may be mutually agreed by the PARTIES, SURGIVISION obtained the approvals for the PRODUCT according to Section 3.1 with respect to the USA, Canada, the EU and any further countries that may be mutually agreed by the PARTIES, and the PRODUCT is clinically released in the USA, Canada, the EU and the aforementioned further countries.

7.2. Later maintenance of SOFTWARE (including service, support, modifications and upgrades) by SIEMENS shall be subject to a separate marketing and sales agreement according to Section 10.

8. Changes of Specifications

8.1. The PARTIES will agree in good faith about changes in the SOFTWARE specifications as specified in ANNEX 2 during the SOFTWARE DEVELOPMENT WORK in accordance with this Section 8.

8.2. SURGIVISION shall inform SIEMENS in writing of any requested changes and/or amendments and specifying the requested changes (hereinafter referred to as "Change Request").

8.3. After receiving the Change Request, SIEMENS shall submit a written proposal (e-mail is sufficient) to SURGIVISION describing the work packages, required resource time, the costs and milestone changes to the SOFTWARE DEVELOPMENT WORK. Costs shall be based upon a calculation rate of four thousand seven hundred (4,700) US$ per man week. Small changes in the specifications (equalling a change on the time schedule of less than three (3) man days in addition) shall be borne by SIEMENS and shall be covered by the fixed payment from SURGIVISION as specified in Section 3.6. Other changes in the specifications equaling more than three (3) man days shall be borne by SURGIVISION in accordance with SIEMENS' proposal or any of its amendments during the negotiation of the Change Request.

8.4. The PARTIES shall mutually agree whether and by whom an analysis of the IP situation in regards to the specific Change Request will be performed (either by employees of the PARTIES or by an external specialist). If an analysis of the IP situation is mutually agreed upon, SURGIVISON will cover any costs related to the IP Analysis. If SURGIVISION unilaterally decides that the IP Analysis to a Change Request shall not be performed, section 13.5.2 (ii) applies.

8.5. SIEMENS is not obliged to submit such proposal, if - according to SIEMENS' reasonable determination - the preparation of such proposal takes more than one (1) man week or the performance of the Change Request probably causes a delay of the release of the SOFTWARE of more than two (2) men weeks. In these events SIEMENS is additionally entitled to reject the Change Request.

8.6. If SURGIVISION accepts the proposal, the Parties will execute a written change order (hereinafter referred to as "Change Order"). The Change Order will become part of this Agreement. Failure to accept the proposal within five (5) working days following SURGIVISION's receipt of the proposal shall be deemed as an abandoning of the Change Request, unless the Parties agreed otherwise.

9. Exclusivity

9.1. Until five (5) years after regulatory approval respectively in the EU, Canada, USA or other applicable region mutually agreed by the PARTIES (measured from the date of such approval of the PRODUCT for each respective region) SURGIVISION shall not, directly or indirectly through one or more Affiliates or other third parties, sell or offer any device,

product or other solution in the FIELD in the respective region that is combined or intended to be used with a non-SIEMENS MR scanner for medical procedures in the FIELD or officially communicate in the respective market that such device, product or solution that is combined or intended to be used with a non-SIEMENS MR scanner for procedures in the FIELD will be supplied in the respective region in the future. SURGIVISION's obligations in this Section 9.1 with respect to a particular region are subject to the condition that, once the INTEGRATION WORK is completed and the PRODUCT is commercially available in that region, SIEMENS thereafter continues to maintain the commercial availability of the SOFTWARE in the region.

9.2. Until five (5) years after regulatory approval respectively in the EU, Canada, USA or other applicable region mutually agreed by the PARTIES (measured from the date of such approval of the PRODUCT for each respective region) SIEMENS shall not, directly or indirectly through one or more Affiliates or other third parties, market or offer SOFTWARE or modified or copied versions of the SOFTWARE or software that is functionally similar to the SOFTWARE in the respective region with the intention of a combination of the SOFTWARE or modified or copied versions of the SOFTWARE or functionally similar software with non-SURGIVISION catheters, guidewires and/or other similar devices and products for medical procedures in the FIELD or officially communicate in the respective market that SOFTWARE or modified or copied versions of SOFTWARE or functionally similar software that is combined or can be used with any such non-SURGIVISION device or product for procedures in the FIELD will be supplied in the respective region in the future. SIEMENS' obligations in this Section 9.2 with respect to a particular region are subject to the condition that, once the INTEGRATION WORK is completed and the PRODUCT is commercially available in that region, SURGIVISION thereafter continues to maintain the commercial availability of the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY in the region. Notwithstanding the foregoing to the contrary, this Section 9.2 will not apply with respect to SIEMENS' [***] including further developments to, or future versions of, such base modules.

9.3. In case rumours arise in the market that one of the PARTIES may be violating the provisions of Section 9.1 or 9.2, as applicable, such PARTY shall confirm the exclusivity of the cooperation of the PARTIES in the FIELD with a public statement.

9.4. After the expiration of the exclusivity periods set forth in Sections 9.1 and 9.2, both PARTIES are generally free to enter into relationships with third parties. However, neither SIEMENS nor SURGIVISION shall enter into a development, sales, marketing or other similar relationship with a third party for a product or system in the FIELD generally excluding or preventing the other PARTY from sale, marketing or distribution of the PRODUCT, SOFTWARE, CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY for a further period of two (2) years beyond the aforementioned exclusivity periods (i.e., neither SURGIVISION nor SIEMENS may enter into any such relationship that excludes or prevents the use of SURGIVISION's CATHETER TECHNOLOGY/PERIPHERAL TECHNOLOGY with SIEMENS' SOFTWARE/ MR SYSTEM in the FIELD, and vice versa).

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

9.5. The exclusivity may expire or be terminated according to Sections 3.10, 15, 16 and 17.

9.6. The PARTIES acknowledge and understand that the FIELD is [***].

10. Marketing Support

After clinical release of the PRODUCT in the EU, Canada or the USA, the PARTIES shall support each other in marketing activities as seen appropriate by each PARTY. Within nine (9) months before the commercial availability of the PRODUCT in the EU, Canada or

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

the USA, the PARTIES shall enter into negotiations about a separate marketing and sales agreement in form and substance reasonably satisfactory to each PARTY. The PARTIES may agree to use the SIEMENS sales and distribution channels for sales activities of the CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGIES.

11. Secrecy

11.1. "Confidential Information" shall mean any information and data, including without limitation, any kind of business, commercial or technical information and data disclosed between the PARTIES in connection with the execution or performance of this Agreement, irrespective of the medium in which such information or data is embedded, which is-when disclosed in tangible form - marked "Confidential" by the disclosing PARTY or which is-when disclosed orally or visually - identified as such prior to disclosure and summarized in writing by the disclosing PARTY and said summary is given to the receiving PARTY within thirty (30) days after such disclosure marked "Confidential". In case of disagreement, the receiving PARTY must present its objections to the summary in writing within thirty (30) days of receipt. Confidential Information shall include any copies or abstracts made thereof as well as any apparatus, modules, samples, prototypes or parts thereof. INFORMATION and DEVELOPMENT RESULTS shall be deemed Confidential Information, even if not marked "Confidential". Each PARTY will maintain Confidential Information received by the other PARTY in confidence and will use such Confidential Information solely for the purposes of this Agreement, provided, however, that such PARTY may disclose such information to its officers, AFFILIATES, and those of its employees and subcontractors who need to know it for the purposes of this Agreement. Each PARTY shall impose on its officers, AFFILIATES, and its employees and subcontractors obligations no less stringent than such PARTY'S confidentiality obligations under this Agreement, and each PARTY will be responsible for any violation of such PARTY's confidentiality obligations under this Agreement by any of its officers, AFFILIATES, employees or subcontractors.

11.2. Neither PARTY shall be liable for disclosure and/or any use of Confidential Information as described in Section 11.1 above insofar as such information

- is in, or becomes part of, the public domain other than through a breach of this Agreement by such PARTY or such PARTY's officers, AFFILIATES, employees or subcontractors;
- is already known to such PARTY at or before the time it receives the same from the other PARTY or is disclosed to such PARTY by a third party as a matter of right;
- is lawfully obtained by the receiving PARTY from a third party without an obligation of confidentiality;

- is independently developed by such PARTY without the benefit of Confidential Information received from the other PARTY, unless received under the exceptions set out in this Section 11.2;
- is required to be disclosed by any ruling of a governmental or regulatory authority or court or by mandatory law, provided that written notice of such ruling is given without undue delay to the disclosing PARTY so as to give the disclosing PARTY an opportunity to intervene and further provided that the receiving PARTY uses reasonable efforts to obtain assurance that the Confidential Information will be treated confidentially; or
- is disclosed and/or used by such PARTY with the prior written consent of the other PARTY.

Notwithstanding the above, each PARTY has the right to disclose the other PARTY'S INFORMATION and/or DEVELOPMENT RESULTS which it received under this Agreement to its customers insofar and to the extent as is customary in the medical device industry (e.g., listing or identifying catheters in the SOFTWARE customer manual).

12. Warranties

12.1. SURGIVISION shall inform SIEMENS without delay in writing of any malfunction or defect of any LOANED EQUIPMENT. SIEMENS shall take appropriate steps in order to rectify any such malfunction or defect. However, if SIEMENS considers a malfunction or defect to be safety-relevant, SIEMENS shall be entitled to require that SURGIVISION immediately cease the use of affected equipment, components and/or software, and that SURGIVISION delete all copies of such affected software, in which event SIEMENS shall provide SURGIVISION substitute LOANED EQUIPMENT that is substantially as suitable as the affected LOANED EQUIPMENT to carry out the INTEGRATION WORK. Further rights against SIEMENS in the event of malfunction or defect of LOANED EQUIPMENT shall be excluded.

12.2. The PARTIES shall undertake reasonable efforts to ensure that their DEVELOPMENT WORK and DEVELOPMENT RESULTS do not infringe intellectual property rights of any third party. The PARTIES represent and warrant to conduct the DEVELOPMENT WORK in a lawful and professional manner utilizing generally accepted scientific methods and to use reasonable commercial efforts to achieve the tasks of this Agreement.

12.3. SIEMENS warrants using all reasonable efforts to ensure that the SOFTWARE meets the applicable specifications according to ANNEX 2 and all applicable regulatory requirements in the countries where SIEMENS uses the SOFTWARE for clinical studies on patients or for clinical use, and to use all reasonable efforts that the respective approvals can be achieved without undue delay.

12.4. SURGIVISION warrants using all reasonable efforts that the CATHETER TECHNOLOGY and the PERIPHERAL TECHNOLOGY meet the specifications according to the respective Annexes. SURGIVISION warrants performing the INTEGRATION WORK in a manner suitable to create the PRODUCT according to the specifications in ANNEX 2.

12.5. SURGIVISION warrants to use all reasonable efforts to ensure that the PRODUCT meets the specifications in ANNEX 2 and all applicable regulatory requirements in the countries where SURGIVISION uses the PRODUCT for clinical studies on patients or for clinical use, and to use all reasonable efforts that the respective approvals can be achieved without undue delay.

12.6. The sole obligation of each PARTY with respect to the aforementioned warranties shall be to correct or remedy any defects, errors, malfunctions or non-compliance with the warranties, especially with the respective specifications defined in the Annexes to this Agreement, (hereinafter "ERRORS") that might have occurred without undue delay after such ERRORS become known to the PARTY which provided the respective DEVELOPMENT RESULTS. Following the correction of the ERRORS, the correcting PARTY shall immediately provide the other PARTY with the corrected DEVELOPMENT RESULTS.

12.7. If INFORMATION is incorrect or incomplete, then the PARTY having provided such incorrect or incomplete INFORMATION (the "one PARTY") shall, as soon as the one PARTY becomes aware of such error or incompleteness or at the other PARTY's written request specifying the error or incompleteness, correct the error, if such is possible, or provide the missing INFORMATION to the extent such INFORMATION is available with the one PARTY. Other than correcting errors or incompleteness as set forth hereinbefore neither PARTY shall assume any warranty or liability with regard to INFORMATION.

12.8. The warranties set forth in this Section 12 shall be the sole warranties under this Agreement, and no other warranties shall apply, in particular, without limitation, with regard to INFORMATION, SOFTWARE, CATHETER TECHNOLOGY, PERIPHERAL TECHNOLOGY and the LOANED EQUIPMENT.

13. Liability and Indemnification

13.1. SURGIVISION shall in its sole responsibility ensure fulfillment of the instructions received from SIEMENS or its AFFILIATES pertaining to the LOANED EQUIPMENT and safe handling thereof. SURGIVISION shall indemnify, defend and hold harmless SIEMENS and its AFFILIATES from any and all claims, proceedings, costs, expenses, damages, penalties, and losses (including reasonable attorneys' fees) resulting from a nonfulfillment or breach of the aforesaid responsibilities.

13.2. SURGIVISION agrees to defend, indemnify and hold SIEMENS and its AFFILIATES harmless from any and all claims, proceedings, costs, expenses, damages, penalties, and

losses (including reasonable attorneys' fees) resulting from SIEMENS use or sale of the PRODUCT (other than the SOFTWARE or MR SYSTEM), CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY or SIEMENS or its AFFILIATES use of any of SURGIVISION's INFORMATION, DEVELOPMENT RESULTS or BACKGROUND PATENTS as permitted under the terms of this Agreement.

13.3. Unless provided otherwise in Section 13.4 below, each PARTY shall be liable for personal injury for which it can be held responsible in accordance with the applicable legal regulations. It will be liable for physical damage to the other PARTY'S property for which it can be held responsible up to a maximum amount of [***] per incident up to a maximum amount of [***] for all incidents in the aggregate.

13.4. Except as provided herein, any other claims for damages of the PARTIES shall be excluded, regardless of the legal grounds, in particular, but not limited to, any claims for damages arising from interruption of business, lost profits or loss of data. The aforesaid limitations and exclusions of liability shall also apply to subcontractors of the PARTIES, including, without limitation, AFFILIATES. This exclusion shall not apply with regard to Sections 13.1 and 13.2, if this Agreement excludes a limitation of liability or where mandatory law stipulates otherwise under applicable product liability law or in cases of willful misconduct, of gross negligence or of the non-performance of essential contractual obligations. However, liability for damages arising from non-performance of essential contractual obligations shall be limited to the foreseeable damage typical for this Agreement except for cases of willful misconduct and gross negligence.

13.5. Indemnification by SIEMENS

13.5.1. In the event a third party claims that SURGIVISION's use of SIEMENS' INFORMATION, SIEMENS' DEVELOPMENT RESULTS or SIEMENS' BACKGROUND PATENTS infringes the proprietary or intellectual property rights of such third party, SIEMENS shall, at its own choice and as SIEMENS' sole obligation with regard to such infringement, either procure at its own cost those licenses necessary for such use of the relevant INFORMATION, DEVELOPMENT RESULTS or BACKGROUND PATENTS as described above, or, with respect to DEVELOPMENT RESULTS, modify the relevant DEVELOPMENT RESULTS in a way that they remain functionally equivalent but become non-infringing.

13.5.2. However, the aforesaid obligations shall not be applicable insofar as the infringement arises in whole or in part out of SURGIVISION's responsibility, especially out of - without being limited to - (i) the acts or omissions of SURGIVISION; (ii) compliance with specifications provided by SURGIVISION, where SURGIVSION was informed following the respective IP Analysis according to ANNEX 3 that the underlying specifications contain risk to infringe intellectual property of third party; (iii) combination or use of the SOFTWARE with other

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

software, technology or products except when such combination or use is necessary for the INTEGRATION WORK and specified in an ANNEX to this Agreement, (iv) modification of the SOFTWARE by persons other than SIEMENS, or (v) with respect to infringement of patents or copyrights resulting from any use of the SOFTWARE outside of the EU, Canada and the US.

13.5.3. A prerequisite for the liability of SIEMENS under the terms of Section 13.5.1 shall be that SURGIVISION immediately notifies SIEMENS in writing of any third party claims on account of the infringement of their property or intellectual property rights, that the alleged infringement is not admitted by SURGIVISION and that SURGIVISION conducts no dispute resolution and reaches no out-of-court settlements other than with the consent of SIEMENS.

14. DEVELOPMENT RESULTS, INFORMATION and Rights Thereunder

14.1. SURGIVISION shall provide SIEMENS with no costs within fifteen (15) days after the signing of this Agreement with a thorough patent analysis demonstrating the patent protection of its CATHETER TECHNOLOGY and related patents by competitors. The patent analysis shall inter alia -without being limited to - include information about (i) the current owner/assignee; (ii) any and all of SURGIVISIONS' existing license agreements, transfer agreements or any other agreements regarding ownership of the patents with third party companies; as well as (iii) information about the abandoning of any of SURGIVISION's patents .

SIEMENS shall have the right to review the patent analysis for forty five (45) days. SIEMENS shall have the right to terminate this Agreement without further reasons and without any reimbursement made to SURGIVISION, if SIEMENS comes to the conclusion that information contained in the patent analysis will prevent a successful or economical reasonable fulfillment of the Agreement; provided, however, that SIEMENS shall reimburse SURGIVISION for any milestone payments already paid by SURGIVISION. SURGIVISION shall provide further clarification on the patent analysis upon request by SIEMENS.

If SURGIVISION intends to abandon a patent relating to its CATHETER TECHNOLOGY during the term of the Agreement and during the exclusivity periods according to Section 9, SURGIVISION shall inform SIEMENS thereof at least four (4) months prior to the date of the next renewal fee becoming due.

If SURGIVISION intends selling or transfering any patents relating to SURGIVISION's CATHETER TECHNOLOGY during the term of the Agreement and during the exclusivity periods according to Section 9, SURGIVISION shall inform SIEMENS duly in advance about such sale or transfer, at least four (4) weeks prior to the conclusion of the respective sale or transfer agreement. For the avoidance of any doubt, the foregoing does not apply to the grant of any non-exclusive license in the FIELD or the grant of any license outside the FIELD.

14.2. Each PARTY shall remain the owner of its INFORMATION, BACKGROUND PATENTS and DEVELOPMENT RESULTS (if applicable), and shall retain the ability to grant rights, licenses and submit patents at its discretion.

14.3. Each PARTY hereby grants to the other PARTY a non-exclusive, non-transferable, fully paid license in the FIELD to use its INFORMATION, BACKGROUND PATENTS and DEVELOPMENT RESULTS (if applicable) during the term of this Agreement for the purpose of carrying out the tasks of this Agreement. This license is sublicenseable solely to AFFILIATES of the respective licensee.

14.4. Insofar as SURGIVISION needs to make use of SIEMENS' BACKGROUND PATENTS in the course of the performance of its part of the DEVELOPMENT WORK, or SURGIVISION needs to make use of such BACKGROUND PATENTS in order to be able to use the DEVELOPMENT RESULTS in accordance with this Agreement, SURGIVISION is herewith granted a non-exclusive, non-transferable right in the FIELD to use such BACKGROUND PATENTS during the term of this Agreement free of charge for the performance of this Agreement, especially including the development of the PRODUCT and the performance of the INTEGRATION WORK, insofar as the DEVELOPMENT WORK relates to the creation of the PRODUCT and as long as the PRODUCT is using or including a MR SYSTEM by SIEMENS. This right is sublicensable solely to SURGIVISION AFFILIATES.

14.5. Insofar as SIEMENS needs to make use of SURGIVISION's BACKGROUND PATENTS in the course of the performance of its part of the DEVELOPMENT WORK, or SIEMENS needs to make use of such BACKGROUND PATENTS in order to be able to use the DEVELOPMENT RESULTS in accordance with this Agreement, SIEMENS is herewith granted a non-exclusive, non-transferable right in the FIELD to use such BACKGROUND PATENTS during the term of this Agreement free of charge for the performance of this Agreement, especially the development of the SOFTWARE insofar as the DEVELOPMENT WORK relates to the creation of the PRODUCT and as long as the PRODUCT is using or including SURGIVISION's CATHETER TECHNOLOGY and PERIPHERAL TECHNOLOGY. This right is sublicenseable solely to SIEMENS AFFILIATES.

14.6. Each PARTY shall be the sole owner of all rights and title to DEVELOPMENT RESULTS solely created during the execution of the DEVELOPMENT WORK in the course of this Agreement. For the avoidance of any doubt, any DEVELOPMENT RESULTS solely created by SURGIVISION that consist of software shall be solely owned by SURGIVISION, any DEVELOPMENT RESULTS solely created by SIEMENS that consist of catheter technology shall be solely owned by SIEMENS.

14.7. DEVELOPMENT RESULTS - including any and all rights contained therein – created jointly under this Agreement shall be jointly owned by both PARTIES. Any PARTY shall be free to use such DEVELOPMENT RESULTS as if they were solely created by such PARTY. Section 9 shall be applied. For such joint DEVELOPMENT RESULTS which are eligible for statutory protection, the PARTIES will agree upon the details for filing for such protection. For joint statutory protection rights each PARTY grants the other PARTY the non-exclusive, non-transferable, sublicenseable and fully paid right to use it at its own discretion.

For the avoidance of doubt, SOFTWARE shall not be regarded as a joint development but a sole development by SIEMENS, even if and insofar SOFTWARE is based on specifications provided by SURGIVISION. For the avoidance of any doubt, any other DEVELOPMENT RESULTS jointly created by SIEMENS and SURGIVISION that consist of software shall be jointly owned by SIEMENS and SURGIVISION.

14.8. Each PARTY hereby already grants to the other PARTY - and the other PARTY already accepts such grant - the non-exclusive, non-transferable and fully paid license in the FIELD to use and have used the other PARTY's INFORMATION, BACKGROUND PATENTS and DEVELOPMENT RESULTS during the exclusivity periods according to Section 9 as far as this is necessary for

(i) SIEMENS' sales of the SOFTWARE for the PRODUCT in each region in which the PRODUCT has received regulatory approval and has been clinically released, and

(ii) SURGIVISION's sales of CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY for the PRODUCT in each region in which the PRODUCT has received regulatory approval and has been clinically released.

Each PARTY hereby already grants to the other PARTY - and the other PARTY already accepts such grant - the non-exclusive, non-transferable and fully paid license in the FIELD to use and have used the other PARTY's INFORMATION, BACKROUND PATENTS and DEVELOPMENT RESULTS following expiration of the exclusivity periods according to Section 9 as far as this is necessary for

(i) SIEMENS' sales of the SOFTWARE for the PRODUCT in each region in which the PRODUCT has received regulatory approval, as such SOFTWARE exists as of the expiration of the exclusivity periods according to Section 9; and

(ii) SURGIVISION's sales of the CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY for the PRODUCT in each region in which the PRODUCT has received regulatory approval, as such CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY exists as of the expiration of the exclusivity periods according to Section 9.

For the avoidance of doubt, the foregoing license will not permit a PARTY to use or have used the other PARTY's INFORMATION, BACKGROUND RIGHTS or DEVELOPMENT RESULTS for any change, modification or improvement to the SOFTWARE or CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY, as applicable, following expiration of the exclusivity periods according to Section 9.

The licenses granted under this Section 14.8 shall be sublicensable solely to AFFILIATES of the respective licensee.

Any further regulations shall be agreed upon in the separate marketing and sales agreement according to Section 10.

15. Term and Termination

15.1. This Agreement shall become effective on the date it is signed by both PARTIES.

15.2. This Agreement (unless terminated earlier under a relevant provision set forth in this Agreement) shall terminate thirty (30) days after successful completion as per Section 7.

15.3.

15.3.1 This Agreement may be terminated by SURGIVISION without reimbursement to SIEMENS at any time by giving not less than four weeks' prior written notice to SIEMENS

(i) if SIEMENS is declared bankrupt or otherwise cannot fulfill its financial obligations;

(ii) if SIEMENS substantially defaults in the performance of this Agreement and does not remedy the default within 4 weeks after receipt of a relevant request of SURGIVISION;

(iii) if SURGIVISION reasonably comes to the conclusion that [***], the tasks of this Agreement cannot be carried out at all or would not be economically reasonable; provided, however, that before SURGIVISION may exercise this termination right (i.e., giving written notice of termination pursuant to this provision), SURGIVISION must have (1) notified SIEMENS in writing of SURGIVISION's technical, market or economic concerns and (2) exercised commercially reasonable efforts to work with SIEMENS to address or resolve those concerns, [***];

15.3.2 This Agreement may be terminated by SIEMENS without reimbursement to SURGIVISION at any time by giving not less than four weeks prior written notice to SURGIVISION

(i) if SURGIVISION is declared bankrupt or otherwise cannot fulfill its financial obligations;

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(ii) if SURGIVISION substantially defaults in the performance of this Agreement and does not remedy the default within four (4) weeks after receipt of a relevant request of SIEMENS;

(iii) if SIEMENS reasonably comes to the conclusion that due to [***], the tasks of this Agreement cannot be carried out at all or would not be economically reasonable; provided, however, that before SIEMENS may exercise this termination right (i.e., giving written notice of termination pursuant to this provision), SIEMENS must have (1) notified SURGIVISION in writing of SIEMENS' technical, market or economic concerns and (2) exercised commercially reasonable efforts to work with SURGIVISION to address or resolve those concerns, [***];

(iv) if SURGIVISION knowingly provides wrong or misleading information to SIEMENS according to Section 14.1 or purposefully omits information relevant for the FIELD or the PRODUCT that would prevent SIEMENS from making an informed decision according to Section 14.1;

(v) if SURGIVISION sells or transfers any of its patents relating to its CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY, as contemplated in Section 14.1, without the prior consent of SIEMENS;

(vi) If the CATHETER TECHNOLOGY is not completely developed on May 1st, 2010, as defined in ANNEX 3, and therefore the INTEGRATION WORK cannot be completed.

15.4. Except as expressly provided to the contrary in this Agreement, Sections 2.5, 2.7, 2.8, 3.2, 3.3, 3.6., 3.10, 9, 10, 11, 13, 14, 15, 16, 17.2, 17.3. 17.4, 18 and 19 shall survive any termination of this Agreement; provided, however, that Sections 2.5, 3.2 and 3.6 shall survive only to the extent of any obligation accruing prior to termination. During the exclusivity periods according to Section 9, Section 15.3 (other than 15.3.1(iii) and 15.3.2(iii)) shall apply analogously with regard to the termination of the exclusivity.

15.5. In the event this Agreement is terminated prior to the expiration of its term according to Section 15.2, (i) Section 9 shall not survive the termination of this Agreement with respect to any region in which the PRODUCT has not received regulatory approval and been clinically released as of the date of termination, and (ii) Section 14.8 shall survive the termination of this Agreement only for any region in which the PRODUCT has received regulatory approval and been clinically released as of the date of termination.

15.6. In case of termination of this Agreement according to Sections 15.3.1 (iii) or 15.3.2 (ii) SURGIVISION shall pay SIEMENS the actual costs accumulated after the last milestone payment. Costs include actual costs regarding SOFTWARE DEVELOPMENT WORK which are accumulated after the last milestone payment, additional SOFTWARE DEVELOPMENT WORK reimbursed according to Section 8.6, as well as other additional actual costs, if any, incurred by SIEMENS in the USA caused by the termination of this Agreement. SIEMENS will use all reasonable efforts to keep additional costs as low as possible. In case of termination of this Agreement according to Sections 15.3.1(i) or 15.3.1(ii) or 15.3.2(iii) SURGIVISION shall not be obliged to pay SIEMENS any upcoming milestone payments for the SOFTWARE DEVELOPMENT WORK according to ANNEX 3.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

16. Beneficial interest in case of Insolvency of SURGIVISION

16.1. Subject to the terms of Section 16.2 below, SURGIVISION already grants - and SIEMENS accepts this grant - a beneficial interest (*"NieBbrauch"*) in the FIELD with regard to the rights and title to the CATHETER TECHNOLOGY, the PERIPHERAL TECHNOLOGY, SURGIVISION's DEVELOPMENT RESULTS and the PRODUCT, including any BACKGROUND PATENTS in the FIELD necessary for the use and exploitation of the aforementioned rights and titles with respect to the APPLICATION. For the avoidance of doubt, this beneficial interest shall be a right of use and shall not convey to SIEMENS title to any of SURGIVISION's CATHETER TECHNOLOGY, PERIPHERAL TECHNOLOGY, DEVELOPMENT RESULTS or BACKGROUND PATENTS.

16.2 This beneficial interest is granted to secure SIEMENS' ability to use the CATHETER TECHNOLOGY, the PERIPHERAL TECHNOLOGY, SURGIVISION's DEVELOPMENT RESULTS and the PRODUCT, including any BACKGROUND PATENTS, in the FIELD for SIEMENS' purposes with regard to sale, marketing and distribution of the PRODUCT. SIEMENS' shall only be entitled to exercise this beneficial interest, if SURGIVISION becomes subject to an insolvency proceeding (other than an involuntary insolvency proceeding against SURGIVISION that is dismissed within ninety (90) days).

16.3 In the event that SIEMENS becomes entitled to exercise the beneficial interest according to Section 16.2, the provision of the second paragraph of Section 17.3 shall apply analogously. SIEMENS shall no longer be bound by the exclusivity provisions according to Section 9.

17. Change of Control

17.1. If SURGIVISION obligates itself with respect to a CHANGE of CONTROL with a third party that is an INDIRECT COMPETITOR of SIEMENS, the PARTIES will discuss in good faith within thirty (30) days after such CHANGE of CONTROL is publicly announced, how such CHANGE of CONTROL would impact the relationship contemplated by this Agreement, including whether SURGIVISION or such INDIRECT COMPETITOR will terminate this AGREEMENT after the closing of such CHANGE OF CONTROL transaction. SIEMENS shall be entitled to terminate this Agreement within a period of thirty (30) days following the receipt of such a notification and discussion if it is not reasonably assured that such CHANGE of CONTROL will not adversely affect the prospects for commercial success of the transactions contemplated by this Agreement. With respect to a CHANGE of CONTROL involving a DIRECT COMPETITOR, SIEMENS shall be entitled to terminate this Agreement within a period of thirty (30) days following the receipt of such a notification at its own discretion.

17.2. In case of termination of this Agreement by SURGIVISION following a CHANGE OF CONTROL involving a DIRECT COMPETITOR or INDIRECT COMPETITOR prior to the regular termination of this Agreement (other than an earlier termination permitted under Section 15.3.1(i) and 15.3.1(ii)), SURGIVISION shall pay SIEMENS the actual costs accumulated after the last milestone payment. Costs include actual costs regarding SOFTWARE DEVELOPMENT WORK which are accumulated after the last milestone payment, additional SOFTWARE DEVELOPMENT WORK reimbursed according to Section 8.6, as well as other additional actual costs, if any, incurred by SIEMENS in the USA caused by the termination of this Agreement.

17.3. For the event of a CHANGE OF CONTROL involving a DIRECT COMPETITOR during the term of this Agreement or during the exclusivity period according to Section 9, SIEMENS is herewith granted - and SIEMENS accepts this grant - a 90-day option - starting with the closing of the transaction or SIEMENS being informed about the transaction whichever is later - free of charge to acquire all rights and title to or - if and insofar this is not legally possible - a world-wide, sub-licensable, transferable licence in the FIELD to use and exploit, SURGIVISION's DEVELOPMENT RESULTS relating to the SOFTWARE and/or CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY. If SIEMENS exercises such option, (i) SIEMENS is additionally granted a non-exclusive, world-wide, sublicensable, non-transferable licence in the FIELD to use any BACKGROUND PATENTS necessary for the use and exploitation of the SOFTWARE and/or CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY, and (ii) to the extent SIEMENS acquires all rights and title to SURGIVISION's DEVELOPMENT RESULTS, SIEMENS hereby grants to SURGIVISION an exclusive, fully paid, world-wide, sublicensable, non-transferable license under such DEVELOPMENT RESULTS in all fields other than the FIELD. Insofar as the DEVELOPMENT RESULTS relate to SOFTWARE, (ii) is not applicable. Following the exercise of the option, SIEMENS shall no longer be bound by the exclusivity provisions according to Section 9.

In return for the aforementioned transfer of title and/or grant of rights following SIEMENS exercise of the option, SIEMENS agrees to pay royalties to SURGIVISION of five percent (5%) of the NET SALES of CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY, beginning with market launch of such CATHETER TECHNOLOGY or PERIPHERAL TECHNOLOGY, provided, however, that CATHETER TECHNOLOGY and/or PERIPHERAL TECHNOLOGY contain SURGIVISION DEVELOPMENT RESULTS or BACKGROUND PATENTS. The five percent (5%) royalty of the NET SALES does only refer to such NET SALES of CATHETER TECHNOLOGY or PERIPHERAL

TECHNOLOGY individual items (e.g. individual catheters or peripheral technology items) that contain SURGIVISION DEVELOPMENT RESULTS or BACKGROUND PATENTS. Payment of such royalties is limited to the scope of protection of the respective intellectual property rights. "NET SALES" shall mean gross revenue from sales by SIEMENS and/or SIEMENS' AFFILIATES, SIEMENS' distributors and other third parties sublicensing the aforementioned rights from SIEMENS, without value-added, consumption or other taxes imposed on the transaction. If SIEMENS exercises the option described in this Section 17.3, the fifth (5.) paragraph of Section 2.8 shall apply analogously.

17.4 If a CHANGE OF CONTROL occurs involving an INDIRECT COMPETITOR and SIEMENS thereafter terminates this Agreement, or thereafter SIEMENS terminates the exclusivity, according to Sections 3.10 or 15.3.1(iii) or 15.3.2(i) or 15.3.2(ii) or 15.3.2(iv) or 15.3.2(v) or 15.3.2(vi), SURGIVISION (including any successor in interest to SURGIVISION) shall pay to SIEMENS the amount equal to two million (2,000,000) US $ eight (8) weeks after such termination of the Agreement or the exclusivity.

18. Arbitration

18.1. Any differences or disputes arising from this Agreement or from agreements regarding its performance shall be settled by an amicable effort on the part of both PARTIES to the Agreement. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the PARTIES to the Agreement so notifies the other PARTY in writing.

18.2. If an attempt of settlement has failed, the disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce in Paris (the "Rules") by three arbitrators appointed in accordance with the Rules. The place of arbitration shall be Munich, Germany. The procedural law of this place shall apply where the Rules are silent.

18.3. The arbitration procedures shall be held in the English language. The arbitral tribunal shall decide on the matter of costs of the arbitration.

19. Substantive Law

All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in Germany, without reference to conflict of law rules. This Agreement will be executed in the English language, and the English version shall prevail if there is a dispute regarding the interpretation of a translated copy of this Agreement.

20. Miscellaneous

20.1. This Agreement together with its annexes and any regulation being based on this Agreement is the PARTIES' entire agreement relating to the subject matter herein. It

supersedes all prior or contemporaneous oral or written communications, proposals and representations with respect to its subject matter.

20.2. This Agreement may not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the PARTIES hereto by their duly authorized representatives.

20.3. Unless otherwise agreed upon or provided in this Agreement, neither PARTY shall, without the prior written consent of the other, transfer or assign to third parties this Agreement or any rights and obligations arising therefrom, except that SURGIVISION may assign this Agreement in connection with a CHANGE OF CONTROL transaction (subject to the provisions of Section 17). Consent hereto shall not be unreasonably withheld. However, AFFILIATES of SIEMENS or SURGIVISION shall not be regarded as third parties hereunder.

20.4. Failure of a PARTY to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any PARTY thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

20.5. All notices or other communications required or permitted hereunder with regard to the interpretation, validity etc. of the Agreement shall be in writing and shall be given by certified mail addressed,

if to SURGIVISION, to:
Kim Jenkins
SurgiVision, Inc.
One Commerce Square
Suite 2550
Memphis, TN (US) 38103

with a copy to:
Oscar Thomas
SurgiVision, Inc.
One Commerce Square

Suite 2550

Memphis, TN (US) 38103

and, if to SIEMENS, to:
Siemens Aktiengesellschaft
Healthcare Sector
Imaging & IT Division - MR Business Unit
Alle am Rothelheimpark 2
91052 Erlangen

or to such other address that the PARTIES might identify to each other for this purpose and with reference to this Agreement.

20.6. Except otherwise agreed herein, no PARTY hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without the prior approval of the other PARTY hereto.

20.7. This Agreement shall be binding upon and insure to the benefit of the PARTIES hereto and the successors or permitted assigns of the PARTIES hereto.

20.8. Titles and headings to Sections herein are inserted for the convenience or reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

20.9. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, the PARTIES hereto have caused this agreement to be executed by their duly authorized representatives:

place, date
SURGIVISION

Kim Jenkins, CEO
Name, Function

/s/ Kim Jenkins
Signature

place, date
Siemens Aktiengesellschaft
Healthcare Sector

Waller Maerfendorfer, CEO H/M MR
Name, Function

/s/ Waller Maerfendorfer
Signature

Holger Liebel, CFO H/M MR
Name, Function

/s/ Holger Liebel
Signature

ANNEX 1 CATHETER TECHNOLOGY DEVELOPMENT

SURGIVISION shall develop one prototype [***] that includes [***], and one prototype [***] (as described in ANNEX 2). The two prototype catheters shall be provided by SURGIVISION to SIEMENS by [***] (consistent with the dependency described in Prototype Phase 3 as described in detail in ANNEX 3).

SURGIVISION shall develop one final Prototype [***]* (one each) ("final" meaning in final development stage, so that further changes will not influence the implementation / functionality of the SOFTWARE). The final Prototype [***] shall be provided by SURGIVISION to SIEMENS by [***] (consistent with the dependency described in Prototype Phase 6A of the Development Milestones as described in detail in ANNEX 3).

SURGIVISION shall develop the final [***]*. The final [***] shall be provided by SURGIVISION to SIEMENS by [***] (or [***]**) (consistent with the dependencies described in Prototype Phase 9A of the Development Milestones as in ANNEX 3).

SURGIVISION shall develop the Final [***] and provide it to SIEMENS by a date that is [***]** (consistent with the dependencies described in Prototype Phase 9A of the Development Milestones attached in ANNEX 3).

SURGIVISION shall provide all catheters, equipment and RF room modifications according to final specifications as described in ANNEX 2 at one of the clinical test site by [***]** (consistent with the dependencies described in Prototype Phases 10A of the Development Milestones attached in ANNEX 3).

**As described in ANNEX 2*
**[***]
***Assumed start of project 15 May 2009 — all dates will shift in relation to actual start date.
[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ANNEX 2 Description of PRODUCT

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ANNEX 3 DEVELOPMENT MILESTONES

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

[***]

ANNEX 4 LOANED EQUIPMENT (SIEMENS to SURGIVISION)

Hardware

— Coil Connectors

Software

— Prototype versions of SOFTWARE as available

— XIP development environment

ANNEX 5 Loan Conditions (SIEMENS to SURGIVISION)

1. The delivery of the LOANED ITEMS to the installation site, installation, initial operation, possible dismantling and return of the loaned items to SIEMENS shall be performed by SIEMENS at its own expense. Taking the necessary measures, if any, for pre-installation preparations or post-removal restoration remains the responsibility of SURGIVISION. Changing the location of the LOANED ITEMS or connecting other equipment to them shall be conditional on SIEMENS ' prior consent, regardless of and without prejudice to the requirements of the laws on medical devices and other statutory regulations. SURGIVISION agrees to use the LOANED ITEMS in the proper manner and with appropriate care, pursuant to the instructions set forth in the user manuals.

2. Should a third party, in connection with the loan or the use of LOANED ITEMS by SURGIVISION under the Agreement, advance justified claims arising out of industrial property rights, then SIEMENS shall have the right to terminate the loan and/or use of such LOANED ITEMS under this Agreement at any time with immediate effect.

3. SURGIVISION shall be responsible for complying with the relevant radiation protection regulations where applicable. SURGIVISION will also be responsible for obtaining any licenses and other approvals which may be required for the use or operation of the LOANED ITEMS in its facility.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Exhibit 10.19

PUBLIC HEALTH SERVICE

PATENT LICENSE AGREEMENT-*NONEXCLUSIVE*

COVER PAGE

For PHS internal use only:

License Number:

License Application Number: A-067-2009

Serial Number(s) of Licensed Patent(s) or Patent Application(s):

[***]

Licensee: SurgiVision, Inc.

Cooperative Research and Development Agreement (CRADA) Number (if a subject invention):

N/A

Additional Remarks: none

Public Benefit(s): Minimally invasive medical procedures

This Patent License Agreement, hereinafter referred to as the "**Agreement**", consists of this Cover Page, an attached **Agreement**, a Signature Page, Appendix A (List of Patent(s) or Patent Application(s)), Appendix B (Fields of Use and Territory), Appendix C (Royalties), Appendix D ((Benchmarks and Performance), Appendix E (Commercial Development Plan), Appendix F (Example Royalty Report), and Appendix G (Royalty Payment Options). The Parties to this **Agreement** are:

1) The National Institutes of Health ("**NIH**") or the Food and Drug Administration ("**FDA**"), hereinafter singly or collectively referred to as "**PHS**", agencies of (he United States Public Health Service within the Department of Health and Human Services ("**HHS**"); and

2) The person, corporation, or institution identified above and on the Signature Page, having offices at the address indicated on the Signature Page, hereinafter referred to as "**Company**." **Company** and its **Affiliates** are hereinafter referred to as "**Licensee**."

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

PHS PATENT LICENSE AGREEMENT-*NONEXCLUSIVE*

PHS and **Licensee** agree as follows:

1. BACKGROUND

1.1 In the course of conducting biomedical and behavioral research, **PHS** investigators made inventions that may have commercial applicability.

1.2 By assignment of rights from **PHS** employees and other inventors, **HHS**, on behalf of the **Government**, owns intellectual property rights claimed in any United States or foreign patent applications or patents corresponding to the assigned inventions. **HHS** also owns any tangible embodiments of these inventions actually reduced to practice by **PHS**.

1.3 The Secretary of **HHS** has delegated to **PHS** the authority to enter into this **Agreement** for the licensing of rights to these inventions under 35 U.S.C. §§200-212, the Federal Technology Transfer Act of 1986, 15 U.S.C. §3710(a), and the regulations governing the licensing of Government-owned inventions, 37 CFR Part 404.

1.4 **PHS** desires to transfer these inventions to the private sector through commercialization licenses to facilitate the commercial development of products and processes for public use and benefit.

1.5 **Licensee** desires to acquire commercialization rights to certain of these inventions in order to develop processes, methods, or marketable products for public use and benefit.

2. DEFINITIONS

2.1 "**Affiliate(s)**" means a corporation or other business entity, which directly or indirectly is controlled by or controls, or is under common control with **Licensee**. For this purpose, the term "control" shall mean (a) having ownership of more than fifty percent (50%) of the voting stock or other ownership interest of the corporation or other business entity, (b) having the power to elect or appoint more than fifty percent (50%) of the members of the governing body of the corporation or other business entity, or (c) otherwise having the power to direct the management of the corporation or other business entity.

2.2 "**Benchmarks**" mean the performance milestones that are set forth in Appendix D.

2.3 "**Commercial Development Plan**" means the written commercialization plan attached as Appendix E.

2.4 "**First Commercial Sale**" means the initial transfer by or on behalf of **Licensee** or its sublicensees of **Licensed Products** or the initial practice of a **Licensed Process** by or on behalf of **Licensee** or its sublicensees in exchange for cash or some equivalent to which value can be assigned for the purpose of determining **Net Sales.**

2.5 "**Government**" means the Government of the United States of America.

2.6 "**Licensed Fields of Use**" means the fields of use identified in Appendix B.

2.7 **"Licensed Patent Rights"** shall mean:

(a) Patent applications (including provisional patent applications and PCT patent applications) or patents listed in Appendix A, all divisions and continuations of these applications, all patents issuing from these applications, divisions, and continuations, and any reissues, reexaminations, and extensions of all these patents;

(b) to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 2.7(a):

(i) continuations-in-part of 2.7(a);

(ii) all divisions and continuations of these continuations-in-part;

(iii) all patents issuing from these continuations-in-part, divisions, and continuations;

(iv) priority patent application(s) of 2.7(a); and

(v) any reissues, reexaminations, and extensions of all these patents;

(c) to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 2.7(a): all counterpart foreign and U.S. patent applications and patents to 2.7(a) and 2.7(b), including those listed in Appendix A; and

(d) **Licensed Patent Rights** shall *not* include 2.7(b) or 2.7(c) to the extent that they contain one or more claims directed to new matter which is not the subject matter disclosed in 2.7(a).

2.8 "**Licensed Process(es)**" means methods, processes or software implementations thereof, which in the course of being practiced, would be or derived from the **Materials** or would be within the scope of one or more claims of the **Licensed Patent Rights** that have not been held unpatentable, invalid or unenforceable by an unappealed or unappealable judgment of a court of competent jurisdiction.

2.9 "**Licensed Product(s)**" means tangible materials, products, or systems or devices which in the course of manufacture, use, sale, or importation, enable the **Licensed Process(es)** derived from the **Materials** or would be within the scope of one or more claims of the **Licensed Patent Rights** that have not been held unpatentable, invalid or unenforceable by an unappealed or unappealable judgment of a court of competent jurisdiction.

2.10 "**Material(s)**" means documentation and software, including without limitation, any computer readable or executable object or source code, that enable, carry out or support a **Licensed Process** or that is used to produce or operate a **Licensed Product**. For the avoidance of any doubt, the **Materials** include, without limitation, any software that enables, carries out or supports (a) the inventions included in the **Licensed Patent Rights**, (b) the invention(s) disclosed and described in [***] and (c) the invention(s) disclosed and described in [***]

2.11 "**Licensed Territory**" means the geographical areas identified in Appendix B.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

2.12 "**Net Sales**" means the total gross receipts for sales **of Licensed Products,** unmodified **Materials** or the practice **of Licensed Processes** by or on behalf of **Licensee** or its sublicensees, and from leasing, renting, or otherwise making **Licensed Products** available to others without sale or other dispositions, whether invoiced or not, less returns and allowances, packing costs, insurance costs, freight out, taxes or excise duties imposed on the transaction (if separately invoiced), and wholesaler and cash discounts in amounts customary in the trade to the extent actually granted. No deductions shall be made for commissions paid to individuals, whether they are with independent sales agencies or regularly employed by **Licensee,** or sublicensees and on its payroll, or for the cost of collections. Transactions excluded from **Net Sales** are the transfer **of Licensed Products** or the practice of a **Licensed Process** for the purpose of obtaining regulatory approval thereof or for use in non-commercial research by **Licensee.**

2.13 "Practical Application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and in each case, under these conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or **Government** regulations available to the public on reasonable terms.

3. GRANT OF RIGHTS

3.1 **PHS** hereby grants and **Licensee** accepts, subject to the terms and conditions of this **Agreement,** a nonexclusive license under the **Licensed Patent Rights** in the **Licensed Territory** as set forth in Appendix B(II)(a) and in the **Materials** in the **Licensed Territory** as set forth in Appendix B(II)(b); to make and have made, to use and have used, to sell and have sold, to offer to sell, and to import any **Licensed Products** and **Materials** in the **Licensed Fields of Use** and to practice and have practiced any **Licensed Processes** and **Materials** in the **Licensed Fields of Use.**

3.2 This **Agreement** confers no license or rights by implication, estoppel, or otherwise under any patent applications or patents of **PHS** other than the **Licensed Patent Rights** regardless of whether these patents are dominant or subordinate to the **Licensed Patent Rights.**

3.3 Upon receipt by **PHS** of the license issue royalty herein set forth in Article 6 and Appendix C and the verification of this royalty, **PHS** agrees to provide **Licensee** with copies of the **Materials** in a computer readable format, as available, and to replace these **Materials,** as available, at reasonable cost, in the event of their unintentional destruction.

3.4 It is understood that any improvements, enhancements, modifications, or derivative works made to the **Materials** by **Licensee** shall be owned by **Licensee** and maybe subject to the **Government's** right to use to the extent provided by applicable law.

4. SUBLICENSING

4.1 Upon written approval, which shall include prior review of any sublicense agreement by **PHS** and which shall not be unreasonably withheld, **Licensee** may enter into sublicensing agreements under the **Licensed Patent Rights** only when it concurrently licenses proprietary or in-licensed intellectual property rights. For the avoidance of doubt, **Licensee** does not have the right to solely sublicense the **Licensed Patent Rights** or the **Materials.**

4.2 **Licensee** agrees that any sublicenses granted by it shall provide that the obligations to **PHS** of Paragraphs 5.1,8.1, 10.1, 10.2, 12.5, and 13.7-13.9 of this **Agreement** shall be binding upon the sublicensee as if it were a party to this **Agreement Licensee** further agrees to attach copies of these Paragraphs to all sublicense agreements.

4.3 Any sublicenses granted by **Licensee** shall provide for the termination of the sublicense, or the conversion to a license directly between the sublicensees and **PHS,** at the option of the sublicensee, upon termination of this **Agreement** under Article 13. This conversion is subject to **PHS** approval and contingent upon acceptance by the sublicensee of the remaining provisions of this **Agreement.**

4.4 **Licensee** agrees to forward to **PHS** a complete copy of each fully executed sublicense agreement postmarked within thirty (30) days of the execution of the agreement. To the extent permitted by law, **PHS** agrees to maintain each sublicense agreement in confidence.

5. STATUTORY AND PHS REQUIREMENTS AND RESERVED GOVERNMENT RIGHTS

5.1 **Licensee** agrees that products used or sold in the United States embodying **Licensed Products** or produced through use **of Licensed Processes** shall be manufactured substantially in the United States, unless a written waiver is obtained in advance from **PHS**.

6. ROYALTIES AND REIMBURSEMENT

6.1 **Licensee** agrees to pay **PHS** a noncreditable and nonrefundable amount as reimbursement for patent expenses associated with obtaining the **Licensed Patent Rights** as set forth in Appendix C.

6.2 **Licensee** agrees to pay **PHS** a minimum annual royalty as set forth in Appendix C.

6.3 **Licensee** agrees to pay **PHS** earned royalties as set forth in Appendix C.

6.4 **Licensee** agrees to pay **PHS** benchmark royalties as set forth in Appendix C.

6.5 **Licensee** agrees to pay **PHS** sublicensing royalties as set forth in Appendix C.

6.6 A patent or patent application licensed under this **Agreement** shall cease to fall within the **Licensed Patent Rights** for the purpose of computing earned royalty payments in any given country on the earliest of the dates that:

(a) the application has been abandoned and not continued;

(b) the patent expires or irrevocably lapses; or

(c) the patent has been held to be invalid or unenforceable by an unappealed or unappealable decision of a court of competent jurisdiction or administrative agency.

6.7 No multiple royalties shall be payable because any **Licensed Products** or **Licensed Processes** are covered by more than one of the **Licensed Patent Rights.**

6.8 On sales of **Licensed Products** by **Licensee** to sublicensees or on sales made in other than an arms-length transaction, the value of the **Net Sales** attributed under this Article 6 to this transaction shall be that which would have been received in an arms-length transaction, based on sales of like quantity and quality products on or about the time of this transaction.

6.9 **Licensee** may elect to surrender its rights in any country of the **Licensed Territory** under any of the **Licensed Patent Rights** upon sixty (60) days written notice to **PHS** and owe no payment obligation under Paragraph 6.9 for patent-related expenses incurred in that country after the effective date of the written notice.

6.10 **PHS** agrees that the royalty terms in any third party license of the **Licensed Patent Rights** and **Materials** in a field of use that includes all or a substantial portion of the **Licensed Fields of Use** executed after the effective date of this **Agreement** will be at least equal to the royalty terms set forth in this **Agreement** under Article 6 and Appendix C. During the term of this **Agreement**, **PHS** will advise **Licensee** about terms granted in any third party licenses to the **Licensed Patent Rights** or **Materials** in a field of use that includes all or a substantial portion of the **Licensed Fields of Use** that are more favorable to the third party licensee than those agreed to herein. During the term of this **Agreement, PHS** will consider the views of **Licensee** in determining whether the terms granted to said third party licensee under the **Licensed Patent Rights** and **Materials** in the **Licensed Fields of Use** are more favorable than those granted to **Licensee** herein, and **Licensee** shall be entitled, upon written notice to **PHS** within sixty (60) days after receipt, to have this **Agreement** amended to substitute those terms, in their entirety, as of the date those terms became effective with the third party.

7. PATENT FILING. PROSECUTION. AND MAINTENANCE

7.1 **PHS** agrees to take responsibility for the preparation, filing, prosecution, and maintenance of any and all patent applications or patents included in the **Licensed Patent Rights**. **PHS** (a) will cause its patent counsel to timely copy **Licensee** on all official actions and written correspondence with any patent office and timely provide **Licensee** advance written notice of any filing deadline, (b) allow **Licensee** an opportunity to comment and advise **PHS**, and (c) consider and reasonably incorporate comments and advice from **Licensee**. The extent to which the comments and advice will be incorporated may be affected by third party licenses, if any, executed by **PHS** for the **Licensed Patent Rights.**

8. RECORD KEEPING

8.1 **Licensee** agrees to keep accurate and correct records of **Licensed Products** made, used, sold, or imported and **Licensed Processes** practiced under this **Agreement** appropriate to determine the amount of royalties due **PHS**. These records shall be retained for at least three (3) years following a given reporting period and shall be available during normal business hours for inspection, at the expense of **PHS**, by an accountant or other designated auditor selected by **PHS** for the sole purpose of verifying reports and royalty payments hereunder. The accountant or auditor shall only disclose to **PHS** information relating to the accuracy of reports and royalty payments made under this **Agreement**. If an inspection shows an underreporting or underpayment in excess of five percent (5%) for any twelve (12) month period, then **Licensee** shall reimburse **PHS** for the cost of the inspection at the time **Licensee** pays the unreported royalties, including any additional royalties as required by Paragraph 9.7. All royalty payments required under this Paragraph shall be due within sixty (60) days of the date **PHS** provides **Licensee** notice of the payment due.

8.2 **Licensee** agrees to have an audit of sales and royalties conducted by an independent auditor at least every two (2) years if annual **Net Sales** of the **Licensed Products** or **Licensed Processes** are over ten (10) million dollars. The audit shall address, at a minimum, the amount of gross sales by or on behalf of **Licensee** during the audit period, the amount of royalties owed to the **Government** under this **Agreement,** and whether the royalties owed have been paid to the **Government** and is reflected in the records of the **Licensee.** The audit shall also indicate the **PHS** license number, product, and the time period being audited. A report certified by the auditor shall be submitted promptly by the auditor directly to **PHS** on completion. **Licensee** shall pay for the entire cost of the audit.

9. REPORTS ON PROGRESS. BENCHMARKS. SALES. AND PAYMENTS

9.1 Prior to signing this **Agreement, Licensee** has provided **PHS** with the **Commercial Development Plan** in Appendix E, under which **Licensee** intends to bring the subject matter of the **Licensed Patent Rights** to the point of **Practical Application.** This **Commercial Development Plan** is hereby incorporated by reference into this **Agreement.** Based on this plan, performance **Benchmarks** are determined as specified in Appendix D.

9.2 **Licensee** shall provide written annual reports on its product development progress or efforts to commercialize under the **Commercial Development Plan** for each of the **Licensed Fields of Use** within sixty (60) days after December 31 of each calendar year. These progress reports shall include, but not be limited to: progress on research and development, status of applications for regulatory approvals, manufacturing, marketing, importing, and sales during the preceding calendar year, as well as, plans for the present calendar year. **PHS** also encourages these reports to include information on any of **Licensee's** public service activities that relate to the **Licensed Patent Rights.** If reported progress differs from that projected in the **Commercial Development Plan** and **Benchmarks, Licensee** shall explain the reasons for such differences. In any annual report, **Licensee** may propose amendments to the **Commercial Development Plan,** acceptance of which by **PHS** may not be denied unreasonably. **Licensee** agrees to provide any additional information reasonably required by **PHS** to evaluate **Licensee's** performance under this **Agreement Licensee** may amend the **Benchmarks** at any time upon written approval by **PHS. PHS** shall not unreasonably withhold approval of any request of **Licensee** to extend the time periods of this schedule if the request is supported by a reasonable showing by **Licensee** of diligence in its performance under the **Commercial Development Plan** and toward bringing the **Licensed Products** to the point of **Practical Application.**

9.3 **Licensee** shall report to **PHS** the dates for achieving **Benchmarks** specified in Appendix D and the **First Commercial Sale** in each country in the **Licensed Territory** within thirty (30) days of such occurrences.

9.4 **Licensee** shall submit to **PHS**, within sixty (60) days after each calendar half-year ending June 30 and December 31, beginning the year of the **First Commercial Sale,** a royalty report, as described in the example in Appendix F, setting forth for the preceding half-year period the amount of the **Licensed Products** sold or **Licensed Processes** practiced by or on behalf of **Licensee** or its sublicensees in each country within the **Licensed Territory,** the **Net Sales**, and the amount of royalty accordingly due. With each royalty report, **Licensee** shall submit payment of earned royalties due. If no earned royalties are due to **PHS** for any reporting period, the written report shall so state. The royalty report shall be certified as correct by an authorized officer of **Licensee** and shall include a detailed listing of all deductions made under Paragraph 2.11 to determine **Net Sales** made under Article 6 to determine royalties due.

9.5 Royalties due under Article 6 shall be paid in U.S. dollars and payment options are listed in Appendix G. For conversion of foreign currency to U.S. dollars, the conversion rate shall be the New York foreign exchange rate quoted in *The Wall Street Journal* on the day that the payment is due, and any loss of exchange, value, taxes, or other expenses incurred in the transfer or conversion to U.S. dollars shall be paid entirely by **Licensee**. The royalty report required by Paragraph 9.4 shall be mailed to **PHS** at its address for **Agreement** Notices indicated on the Signature Page.

9.6 **Licensee** agrees to forward semi-annually to **PHS** a copy of these reports received by **Licensee** from its sublicensees during the preceding half-year period as shall be pertinent to a royalty accounting to **PHS** by **Licensee** for activities under the sublicense.

9.7 **Licensee** shall be solely responsible for determining if any tax on royalty income is owed outside the United States and shall pay this tax and be responsible for all filings with appropriate agencies of foreign governments.

9.8 Additional royalties may be assessed by **PHS** on any payment that is more than ninety (90) days overdue at the rate of one percent (1%) per month. This one percent (1%) per month rate may be applied retroactively from the original due date until the date of receipt by **PHS** of the overdue payment and additional royalties. The payment of any additional royalties shall not prevent **PHS** from exercising any other rights it may have as a consequence of the lateness of any payment.

9.9 All plans and reports required by this Article 9 and marked "confidential" by **Licensee** shall, to the extent permitted by law, be treated by **PHS** as commercial and financial information obtained from a person and as privileged and confidential, and any proposed disclosure of these records by the **PHS** under the Freedom of Information Act (FOIA), 5 U.S.C. §552 shall be subject to the pre-disclosure notification requirements of 45 CFR §5.65(d).

10. PERFORMANCE

10.1 **Licensee** shall use its reasonable commercial efforts to bring the **Licensed Products** and **Licensed Processes** to **Practical Application**. "Reasonable commercial efforts" for the purposes of this provision shall include adherence to the **Commercial Development Plan** in Appendix E and taking reasonable commercial efforts to achieve the **Benchmarks** in Appendix D.

10.2 Upon the **First Commercial Sale**, until the expiration or termination of this **Agreement**, **Licensee** shall use its reasonable commercial efforts to make **Licensed Products** and **Licensed Processes** reasonably accessible to the United States public.

10.3 **Licensee** agrees, after its **First Commercial Sale** and as part of its marketing and product promotion, to develop educational materials (e.g., brochures, website, etc.) directed to patients and physicians detailing the **Licensed Products** or medical aspects of the prophylactic and therapeutic uses of the **Licensed Products.**

10.4 **Licensee** agrees to retain control over the **Materials**, and not to distribute them to third parties without the prior written consent of **PHS** except as provided in Article 4.

11. INFRINGEMENT AND PATENT ENFORCEMENT

11.1 **PHS** and **Licensee** agree to notify each other promptly of each infringement or possible infringement of the **Licensed Patent Rights,** as well as, any facts which may affect the validity, scope, or enforceability of the **Licensed Patent Rights** of which either Party becomes aware. Subject to Paragraph 11.2 below, **Licensee** will have the right, but not the obligation, at its own expense and with legal counsel of its own choice, to bring suit against any actual, alleged or threatened infringement of the **Licensed Patent Rights.** In any action brought under this Paragraph 11.2 the expenses including costs, fees, attorney fees, and disbursements, shall be paid by **Licensee**. The value of any recovery made by **Licensee** through court judgment or settlement shall be treated as **Net Sales** and subject to earned royalties.

11.2 In the event that a declaratory judgment action alleging invalidity of any of the **Licensed Patent Rights s**hall be brought against **PHS**, **PHS** agrees to notify **Licensee** that an action alleging invalidity has been brought. **PHS** does not represent that it shall commence legal action to defend against a declaratory action alleging invalidity. **Licensee** shall take no action to compel the **Government** either to initiate or to join in any declaratory judgment action. Should the **Government** be made a party to any suit by motion or any other action of **Licensee**, **Licensee** shall reimburse the **Government** for any costs, expenses, or fees, which the **Government** incurs as a result of the motion or other action. Upon **Licensee's** payment of all costs incurred by the **Government** as a result of **Licensee's** joinder motion or other action, these actions by **Licensee** shall not be considered a default in the performance of any material obligation under this Agreement.

12. NEGATION OF WARRANTIES AND INDEMNIFICATION

12.1 **PHS** offers no warranties other than those specified in Article 1.

12.2 **PHS** does not warrant the validity of the **Licensed Patent Rights** and makes no representations whatsoever with regard to the scope of the **Licensed Patent Rights,** or that the **Licensed Patent Rights** may be exploited without infringing other patents or other intellectual property rights of third parties.

12.3 **PHS** MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE **MATERIALS** OR SUBJECT MATTER DEFINED BY THE CLAIMS OF THE **LICENSED PATENT RIGHTS.**

12.4 **PHS** does not represent that it shall commence legal actions against third parties infringing the **Licensed Patent Rights.**

12.5 **Licensee** shall indemnify and hold **PHS**, its employees, students, fellows, agents, and consultants harmless from and against all liability, demands, damages, expenses, and losses, including but not limited to death, personal injury, illness, or property damage in connection with or arising out of:

(a) the use by or on behalf of Licensee, its sublicensees, its directors, employees, or third parties of any **Licensed Patent Rights**; or

(b) the design, manufacture, distribution, or use of any **Licensed Products, Licensed Processes** or **Materials** by **Licensee,** or other products or processes developed in connection with or arising out of the **Licensed Patent Rights.**

12.6 **Licensee** agrees to maintain a liability insurance program consistent with sound business practice.

13. TERM, TERMINATION, AND MODIFICATION OF RIGHTS

13.1 This **Agreement** is effective when signed by all parties, unless the provisions of Paragraph 14.15 are not fulfilled, and shall extend to the expiration of the last to expire of the **Licensed Patent Rights** or if no patents issue then for twenty (20) years from the effective date of this **Agreement,** unless sooner terminated as provided in this Article 13. Upon expiration of the term of this **Agreement,** the license granted hereunder to make and have made, to use and have used, to sell and have sold, to offer to sell, and to import the **Materials** shall be a royalty-free and paid up license.

13.2 In the event that **Licensee** is in default in the performance of any material obligations under this **Agreement**, including but not limited to the obligations listed in Paragraph 13.5, and if the default has not been remedied within ninety (90) days after the date of notice in writing of the default, **PHS** may terminate this **Agreement** by written notice and pursue outstanding royalties owed through procedures provided by the Federal Debt Collection Act.

13.3 In the event that **Licensee** becomes insolvent, files a petition in bankruptcy, has such a petition filed against it, determines to file a petition in bankruptcy, or receives notice of a third party's intention to file an involuntary petition in bankruptcy, **Licensee** shall immediately notify **PHS** in writing. Furthermore, **PHS** shall have the right to terminate this **Agreement** immediately upon **Licensee's** receipt of written notice upon the occurrence of any of the foregoing events.

13.4 **Licensee** shall have a unilateral right to terminate this **Agreement** in its entirety by giving **PHS** sixty (60) days written notice to that effect. In addition, **Licensee** shall have a unilateral right to terminate this **Agreement** with respect to any country or territory by giving **PHS** sixty (60) days written notice to that effect.

13.5 **PHS** shall specifically have the right to terminate or modify, at its option, this **Agreement,** if **PHS** determines that the **Licensee:**

(a) is not executing the **Commercial Development Plan** submitted with its request for a license and the **Licensee** cannot otherwise demonstrate to **PHS'** satisfaction that the **Licensee** has taken, or can be expected to take within a reasonable time, commercially reasonable steps to achieve **Practical Application** of the **Licensed Products** or **Licensed Processes;**

(b) has not exercised commercially reasonable efforts toward achieving the **Benchmarks** as may be modified under Paragraph 9.2;

(c) has willfully made a false statement of, or willfully omitted, a material fact in the license application or in any report required by this **Agreement;**

(d) has committed a material breach of a covenant or agreement contained in this **Agreement;**

(e) is not keeping **Licensed Products** or **Licensed Processes** reasonably available to the public after commercial use commences;

(f) cannot reasonably satisfy unmet health and safety needs; or

(g) cannot reasonably justify a failure to comply with the domestic production requirement of Paragraph 5.2, unless waived.

13.6 In making the determination referenced in Paragraph 13.5, **PHS** shall take into account the normal course of such commercial development programs conducted with sound and reasonable business practices and judgment and the annual reports submitted by **Licensee** under Paragraph 9.2. Prior to invoking termination or modification of this **Agreement** under Paragraph 13.5, **PHS** shall give written notice to **Licensee** providing **Licensee** specific notice of, and a ninety (90) day opportunity to respond to, **PHS'** concerns as to the items referenced in 13.5(a)-13.5(g). If **Licensee** fails to alleviate **PHS'** concerns as to the items referenced in 13.5(a)-13.5(g) or fails to initiate corrective action to **PHS'** satisfaction, **PHS** may terminate this **Agreement.**

13.7 **PHS** reserves the right according to 35 U.S.C. §209(d)(3) to terminate or modify this **Agreement** if it is determined that the action is necessary to meet the requirements for public use specified by federal regulations issued after the date of the license and these requirements are not reasonably satisfied by **Licensee.**

13.8 Within thirty (30) days of receipt of written notice of **PHS'** unilateral decision to modify or terminate this **Agreement, Licensee** may, consistent with the provisions of 37 CFR §404.11, appeal the decision by written submission to the designated **PHS** official. The decision of the designated **PHS** official shall be the final agency decision. **Licensee** may thereafter exercise any and all administrative or judicial remedies that may be available.

13.9 Within ninety (90) days of expiration or termination of this **Agreement** under this Article 13, a final report shall be submitted by **Licensee.** Any royalty payments, including those incurred but not yet paid (such as the full minimum annual royalty), and those related to patent expense, due to **PHS** shall become immediately due and payable upon termination or expiration. If terminated under this Article 13, sublicensees may elect to convert their sublicenses to the **Licensed Patent Rights** to direct licenses with **PHS** pursuant to Paragraph 4.3.

14. GENERAL PROVISIONS

14.1 Neither party may waive or release any of its rights or interests in this **Agreement** except in writing. The failure of the **Government** or **Licensee** to assert a right hereunder or to insist upon compliance with any term or condition of this **Agreement** shall not constitute a waiver of that right by the **Government** or **Licensee,** as applicable, or excuse a similar subsequent failure to perform any of these terms or conditions by **Licensee** or the **Government,** as applicable.

14.2 This **Agreement** constitutes the entire agreement between the Parties relating to the subject matter of the **Licensed Patent Rights, Licensed Products** and **Licensed Processes,** and all prior negotiations, representations, agreements, and understandings are merged into, extinguished by, and completely expressed by this **Agreement.**

14.3 The provisions of this **Agreement** are severable, and in the event that any provision of this **Agreement** shall be determined to be invalid or unenforceable under any controlling body of law, this determination shall not in any way affect the validity or enforceability of the remaining provisions of this **Agreement.**

14.4 If either party desires a modification to this **Agreement,** the parties shall, upon reasonable notice of the proposed modification by the party desiring the change, confer in good faith to determine the desirability of the modification. No modification shall be effective until a written amendment is signed by the parties hereto.

14.5 The construction, validity, performance, and effect of this **Agreement** shall be governed by Federal law as applied by the Federal courts in the District of Columbia.

14.6 All **Agreement** notices required or permitted by this **Agreement** shall be given by prepaid, first class, registered or certified mail or by an express/overnight delivery service provided by a commercial carrier, properly addressed to the other party at the address designated on the Signature Page, or to any other address as may be designated in writing by such other party. **Agreement** notices shall be considered timely if such notices are received on or before the established deadline date or sent on or before the deadline date as verifiable by U.S. Postal Service postmark or dated receipt from a commercial carrier. Parties should request a legibly dated U.S. Postal Service postmark or obtain a dated receipt from a commercial carrier or the U.S. Postal Service. Private metered postmarks shall not be acceptable as proof of timely mailing.

14.7 This **Agreement** shall not be assigned or otherwise transferred (including any transfer by legal process or by operation of law, and any transfer in bankruptcy or insolvency, or in any other compulsory procedure or order of court) except to **Licensee's Affiliate(s)** without the prior written consent of **PHS**, which shall not be unreasonably withheld, conditioned or delayed. The parties agree that the identity of the parties is material to the formation of this **Agreement** and that the obligations under this **Agreement** are nondelegable

14.8 **Licensee** agrees in its use of any **PHS**-supplied materials to comply with all applicable statutes, regulations, and guidelines, including **PHS** and **HHS** regulations and guidelines. **Licensee** agrees not to use the materials for research involving human subjects or clinical trials in the United States without complying with 21 CFR Part 50 and 45 CFR Part 46. **Licensee** agrees not to use the materials for research involving human subjects or clinical trials outside of the United States without notifying **PHS**, in writing, of the research or trials and complying with the applicable regulations of the appropriate national control authorities. Written notification to **PHS** of research involving human subjects or clinical trials outside of the United States shall be given no later than sixty (60) days prior to commencement of the research or trials.

14.9 **Licensee** acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological materials, and other commodities. The transfer of these items may require a license from the appropriate agency of the **Government** or written assurances by **Licensee** that it shall not export these items to certain foreign countries without prior approval of the agency. **PHS** neither represents that a license is or is not required or that, if required, it shall be issued.

14.10 **Licensee** agrees to mark the **Licensed Products** or their packaging sold in the United States with all applicable U.S. patent numbers and similarly to indicate "Patent Pending" status, if appropriate. All **Licensed Products** manufactured in, shipped to, or sold in other countries shall be marked in a manner to preserve **PHS** patent rights in those countries, if any.

14.11 By entering into this **Agreement, PHS** does not directly or indirectly endorse any product or service provided, or to be provided, by **Licensee** whether directly or indirectly related to this **Agreement. Licensee** shall not state or imply that this **Agreement** is an endorsement by the **Government, PHS,** any other **Government** organizational unit, or any **Government** employee. Additionally, **Licensee** shall not use the names of **NIH**, **PHS, FDA** or **HHS** or the **Government** or their employees in any advertising, promotional, or sales literature without the prior written approval of **PHS**.

14.12 The Parties agree to attempt to settle amicably any controversy or claim arising under this **Agreement** or a breach of this **Agreement,** except for appeals of modifications or termination decisions provided for in Article 13. **Licensee** agrees first to appeal any unsettled claims or controversies to the designated **PHS** official, or designee, whose decision shall be considered the final agency decision. Thereafter, **Licensee** may exercise any administrative or judicial remedies that may be available.

14.13 Nothing relating to the grant of a license, nor the grant itself, shall be construed to confer upon any person any immunity from or defenses under the antitrust laws or from a charge of patent misuse, and the acquisition and use of rights pursuant to 37 CFR Part 404 shall not be immunized from the operation of state or Federal law by reason of the source of the grant.

14.14 Paragraphs 3.4, 8.1, 9.7-9.9, 12.1-12.5, 13.1, 13.8, 13.9, 14.12 and 14.14 of this **Agreement** shall survive termination of this **Agreement.**

14.15 The terms and conditions of this **Agreement** shall, at **PHS**' sole option, be considered by **PHS** to be withdrawn from **Licensee's** consideration and the terms and conditions of this **Agreement,** and the **Agreement** itself to be null and void, unless this **Agreement** is executed by the **Licensee** and a fully executed original is received by **PHS** within sixty (60) days from the date of **PHS** signature found at the Signature Page.

SIGNATURES BEGIN ON NEXT PAGE

PHS PATENT LICENSE AGREEMENT - *NONEXCLUSIVE*

SIGNATURE PAGE

For PHS:

/s/ Richard U. Rodriguez — 4.22.09
Richard U. Rodriguez — Date
Director, Division of Technology Development and Transfer
Office of Technology Transfer
National Institutes of Health

Mailing Address for **Agreement** notices:

Chief, Monitoring & Enforcement Branch
Office of Technology Transfer
National Institutes of Health
6011 Executive Boulevard, Suite 325
Rockville, Maryland 20852-3804 U.S.A.

For **Licensee** (Upon, information and belief, the undersigned expressly certifies or affirms that the contents of any statements of **Licensee** made or referred to in this document are truthful and accurate.):

By:
/s/ Oscar Thomas — 4-27-09
Signature of Authorized Official — Date

Oscar Thomas
Printed Name

VICE PRESIDENT, BUSINESS AFFAIRS
Title

I. Official and Mailing Address for **Agreement** notices:

Oscar Thomas
Name

Vice President, Business Affairs
Title

Mailing Address

One Commerce Square
Suite 2550
Memphis, TN 38103

Email Address: othomas@surgivision.com

Phone: (901)522-9344

Fax: (901)522-9400

II. Official and Mailing Address for Financial notices **(Licensee's** contact person for royalty payments)

Oscar Thomas
Name

Vice President, Business Affairs
Title

Mailing Address:

One Commerce Square

Suite 2550

Memphis, TN 38103

Email Address: othomas@surgivision.com

Phone: (901)522-9344

Fax: (901)522-9400

Any false or misleading statements made, presented, or submitted to the **Government,** including any relevant omissions, under this **Agreement** and during the course of negotiation of this **Agreement** are subject to all applicable civil and criminal statutes including Federal statutes 31 U.S.C. §§3801-3812 (civil liability) and 18 U.S.C. §1001 (criminal liability including fine(s) and/or imprisonment).

APPENDIX A - PATENT(S) OR PATENT APPLICATION(S)

Patent(s) or Patent Application(s):

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

APPENDIX B - LICENSED FIELDS OF USE AND TERRITORY

I. Licensed Fields of Use:

Devices and systems for MRI-guided medical procedures

II. Licensed Territory:

(a) United States, Commonwealths, Territories and Possessions

(b) Europe, Canada, China, Japan, Israel, Australia

APPENDIX C - ROYALTIES

Royalties:

I. With regard to unreimbursed expenses associated with the preparation, filing and prosecution of the U.S. patent applications specifically identified in Appendix A and incurred by **PHS** prior to the effective date of this **Agreement, Licensee** shall pay **PHS,** Thirty Four Thousand Nine Hundred Fifty U.S. Dollars (USD $34,950) as an additional royalty, within sixty (60) days of **PHS'** submission of a statement and request for payment to **Licensee.**

II. **Licensee** agrees to pay to **PHS** a nonrefundable minimum annual royalty in the amount of Three Thousand U.S. Dollars (USD $3,000) beginning on January 1st of the year following the date of the **First Commercial Sale.** Minimum annual royalties paid pursuant to this Paragraph may be credited against any earned royalties due for sales made in the year in which the minimum annual royalty is paid.

III. **Licensee** agrees to pay **PHS** earned royalties of Three percent (3%) on **Net Sales** by or on behalf of **Licensee** or a sublicensee.

IV. **Licensee** agrees to pay **PHS** a one-time **Benchmark** royalty within sixty (60) days as set forth below:

One Hundred Fifty Thousand U.S. Dollars (USD $150,000) within sixty (60) days of obtaining the initial regulatory approval, from the appropriate U.S. or foreign regulatory authority, for the commencements of sales of a **Licensed Product** or the practice **of a Licensed Process**.

V. **Licensee** agrees to pay **PHS** additional sublicensing royalties of Ten Percent (10%) on the fair market value of any consideration received for granting each sublicense, except for royalties received on sales of a **Licensed Product** or a **Licensed Process** sold by a sublicense, within sixty (60) days of the execution of each sublicense.

VI. With regard to unreimbursed expenses associated with the preparation, filing, prosecution, and maintenance of all patent applications and patents included within the **Licensed Patent Rights** and incurred by **PHS** on or after the effective date of this **Agreement, PHS,** at its sole option, may require **Licensee** to pay **PHS** on an annual basis, within sixty (60) days of **PHS'** submission of a statement and request for payment, a royalty amount equivalent to a pro rata share, based on the number of licensees of the **Licensed Patent Rights,** of these unreimbursed expenses incurred during the previous calendar year(s). Any payments made under Paragraph VI, at the time of the request for payment under this Paragraph VII shall be factored into **Licensee's** pro rata share.

VII. **PHS** agrees, upon written request, to provide **Licensee** with summaries of patent prosecution invoices for which **PHS** has requested payment from the **Licensee** under Paragraph 6.8 and this Appendix C. **Licensee** agrees that all information provided by **PHS** related to patent prosecution costs shall be treated as confidential commercial information and shall not be released to a third party except as required by law or a court of competent jurisdiction or with the consent of **PHS**.

APPENDIX D - BENCHMARKS AND PERFORMANCE

Licensee agrees to the following **Benchmarks** for its performance under this **Agreement** and, within sixty (60) days of achieving a **Benchmark,** shall notify **PHS** that the **Benchmark** has been achieved.

I. [***]

II. [***]

III. [***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

APPENDIX E - COMMERCIAL DEVELOPMENT PLAN

Licensee is a Delaware corporation formed in 1998. The **Licensee's** mission is to harness the power of MRI to drive the next generation of minimally invasive surgical procedures.

Licensee currently has 20 employees and offices situated in three (3) states. The company's development, manufacturing and distribution facility is located in Irvine, California, its advanced research and development facility is located in Baltimore, Maryland, and its corporate offices are centrally located in Memphis, Tennessee.

From 1998 to 2002, **Licensee** deployed significant resources to fund research and product development efforts. During that period, among other accomplishments, **Licensee**

- developed a series of miniature, disposable catheter-based coils that, that when used in conjunction with standard MRI technology, were capable of generating breakthrough images,
- filed numerous patent applications,
- received multiple FDA approvals, and
- designed, developed and manufactured a range of devices (such as intravascular guidewire coils, esophageal coils, urethral coils, mapping and ablation catheters and MRI-active needles) that incorporated the company's proprietary loopless and loop MRI antenna technology.

Licensee's coils have been used for numerous research studies at sites across the U.S., including Johns Hopkins University and the NIH. In 2003, **Licensee's** focus shifted to identifying and building out commercial applications for the technologies the company developed in the prior years. **Licensee** first identified the field of neuromodulation for the application of its technologies. **Licensee** anticipates commencing the commercial launch of its comprehensive interventional MRI system (designed to address the major hurdles associated with the current deep brain stimulation (DBS) lead placement procedure) in 2009.

In addition, **Licensee** is also focused on MRI-guided therapeutic interventions for cardiac electrophysiology, biopsies, tumor ablation, cell therapy and other biologics (such as gene therapy) and highly localized drug delivery, as well as MRI-safety for implantable medical devices.

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

APPENDIX F - EXAMPLE ROYALTY REPORT

Required royalty report information includes:

- OTT license reference number (L-XXX-200X/0)
- Reporting period
- Catalog number and units sold of each Licensed Product (domestic and foreign)
- Gross Sales per catalog number per country
- Total Gross Sales
- Itemized deductions from Gross Sales
- Total Net Sales
- Earned Royalty Rate and associated calculations
- Gross Earned Royalty
- Adjustments for Minimum Annual Royalty (MAR) and other creditable payments made
- Net Earned Royalty due

Example

Catalog Number	Product Name	Country	Units Sold	Gross Sales (US$)
1	A	US	250	62,500
1	A	UK	32	16,500
1	A	France	25	15,625
2	B	US	0	0
3	C	US	57	57,125
4	D	US	12	1,500

Total Gross Sales	153,250
Less Deductions:	
Freight	3,000
Returns	7,000
Total Net Sales	143,250
Royalty Rate	8%
Royalty Due	11,460
Less Creditable Payments	10,000
Net Royalty Due	**1,460**

APPENDIX G - ROYALTY PAYMENT OPTIONS

NIH/PHS License Agreements

****In order to process payment via Electronic Funds Transfer sender MUST supply the following information:***

Procedure for Transfer of Electronic Funds to NIH for Royalty Payments
[***]

NOTE: Only U.S. banks can wire directly to the Federal Reserve Bank. Foreign banks cannot wire directly to the Federal Reserve Bank, but must go through an intermediary U.S. bank. Foreign banks may send the wire transfer to the U.S. bank of their choice, who, in turn forwards the wire transfer to the Federal Reserve Bank.

Checks drawn on a U.S. bank account should be sent directly to the following address:

National Institutes of Health (NIH)
P.O. Box 979071
St. Louis, MO 63197-9000

Overnight or courier deliveries should be sent to the following address:

US Bank
Government Lockbox SL-MO-C2GL
1005 Convention Plaza
St. Louis, MO 63101
Phone:314-418-4087

Checks drawn on a foreign bank account should be sent directly to the following address:

National Institutes of Health (NIH)
Office of Technology Transfer
Royalties Administration Unit
6011 Executive Boulevard
Suite 325, MSC 7660
Rockville, Maryland 20852
Phone: 301-496-7057

All checks should be made payable to "NIH Patent Licensing".

The OTT Reference Number MUST appear on checks, reports and correspondence

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Exhibit 10.20

MASTER SERVICES AND LICENSING AGREEMENT

BETWEEN

CEDARA SOFTWARE CORP., an Ontario corporation,

(hereinafter referred to as "**Cedara**")

and

SURGI-VISION, INC., a Delaware corporation,

(hereinafter referred to as "**Surgi-Vision**")

RECITALS

WHEREAS, Cedara develops and distributes software applications for use in diagnostic imaging;

AND WHEREAS, Surgi-Vision has developed a set of products and technologies that enable various MRI-guided procedures and therapeutic interventions (the "**Surgi-Vision Technology**");

AND WHEREAS, Surgi-Vision and Cedara wish to establish a legal relationship under which Cedara will develop software to support the Surgi-Vision technology;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto have decided to enter into this Master Services and Licensing agreement (this "**Agreement**"), dated and effective from the 20th day of July, 2007 (the "**Effective Date**"), under the terms and conditions set forth below;

1. STANDARD DEFINITIONS

1.1 Definitions

(a) "**Agreement**" means this Agreement, including the Schedules to this Agreement, and any Statements of Work made hereunder, as it or they may be amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and to any particular Section or other portion of this Agreement.

(b) "**Business Day**" means Monday to Friday except any statutory holiday observed in the Province of Ontario and "**Business Hour**" means each hour from 9:00 am to 5:00 pm E.S.T. during a Business Day.

(c) "**Cedara Software**" means software, in object code form, used to develop the Solution that is owned by or in possession of Cedara prior to the Effective Date or developed or acquired by Cedara during the Term independent of this Agreement or that is developed pursuant to this Agreement and determined to be owned by Cedara in accordance with Section 5.2.

(d) "**Change Request**" means a written request for changes to any Custom Engineering Services.

(e) "**Confidential Information**" has the meaning attributed to it in Section 11.1.

(f) "**Custom Engineering Services**" means the custom engineering services offered by Cedara to Surgi-Vision in accordance with Section 2.

(g) "**Documentation**" means the documentation which facilitates the use of the Cedara Software and that is provided to Surgi-Vision under the terms of this Agreement.

(h) "**Effective Date**" has the meaning attributed to it in the Recitals.

(i) "**End User**" means any person or organization that is granted rights to a Solution for use in processing its own data in the normal course of its business activities.

(j) "**Engineering Team**" means the team of custom engineering resources assigned by Cedara to Surgi-Vision in accordance with the terms of this Agreement.

(k) "**Initial Term**" has the meaning attributed to it in Section 6.1.

(l) "**Off-shore Engineer**" means an engineer located outside North America.

(m) "**On-shore Engineer**" means an engineer located in North America.

(n) "**Parties**" means Cedara and Surgi-Vision and "**Party**" means either of them.

(o) "**Professional Services**" means the professional support services offered by Cedara to Surgi-Vision in accordance with Schedule B.

(p) "**Project(s)**" means the specific Custom Engineering Services projects undertaken by Cedara at Surgi-Vision's request from time to time.

(q) "**Renewal Term**" has the meaning attributed to it in Section 6.1.

(r) "**Solution**" means a customized viewer software solution, Incorporating the Cedara Software, which supports the Surgi-Vision Technology.

(s) "**Statement of Work**" or "**SOW**" means any work order made between the Parties which references and incorporates the terms of this Agreement, and sets out the details of a particular Project including, without limitation, any applicable (i) Solution requirements; (ii) methodologies; (iii) project responsibilities; (iii) delivery milestones; (iv) support; and (v) costs.

(t) "**Surgi-Vision Technology**" has the meaning attributed to it in the Recitals.

(u) "**Term**" means the period specified in Section 6 of this Agreement.

2. BUSINESS TERMS

2.1 Custom Engineering Services

2.1.1 General

Surgi-Vision shall engage Cedara in various Custom Engineering Services Projects throughout the Term. Each Project shall be defined by a Statement of Work signed by both Parties and numbered sequentially. Statement of Work No.1, covering the initial Project of defining the functional requirements for development of the Solution, is attached hereto as Schedule A. The development of such Solution shall be based on the results of Statement of Work No.1 and shall be covered under a separate SOW.

2.1.2 Engineering Team

The Engineering Team shall consist of a combination of On-shore Engineers and Off-shore Engineers. The composition of On-shore Engineers and Off-shore Engineers for any particular Project shall be specified in the applicable SOW.

2.1.3 Project Management

For each Project, each Party shall assign a project manager who shall be responsible for their respective Party's deliverables as defined by the Statement of Work. It is acknowledged and agreed that Cedara's ability to meet Project milestone dates and deliverable requirements may, in whole or in part, be dependant upon Surgi-Vision's timely response to Cedara's reasonable requests for co-operation made from time to time.

2.1.4 Change Requests

(a) Proposed changes to any Custom Engineering Services may be initiated by Surgi-Vision by giving a Change Request to Cedara. Once a change is initiated by Surgi-Vision, Cedara shall add a description of the following to the applicable Change Request: (i) the proposed changes to the Solution; (ii) any associated changes to the fees or estimated fees, and any changes to the dates set out in the applicable SOW; and (iii) any other applicable terms and conditions. Surgi-Vision acknowledges that time required by Cedara to respond to Change Requests may cause delays in achieving milestones.

(b) Cedara may initiate a change to any Custom Engineering Services by giving Surgi-Vision a Change Request that includes a description of: (i) the proposed changes to the Custom Engineering Services; (ii) any associated changes to the fees or estimated fees, and any changes to the dates set out in the applicable SOW; and (iii) any other applicable terms and conditions.

(c) Once any Change Request is signed by both Parties, it becomes a "**Change Order**". The changes set out in any Change Order shall constitute amendments to this Agreement and any applicable SOWs. Subject to subsection (d) below, if any Change Request is not signed by both Parties within 10 days of its submission by either Party, it is deemed to be withdrawn. Subject to the provisions of this Agreement, the Parties shall continue to be bound by the terms and conditions of any SOW made hereunder without regard to the provisions of any Change Request until such time as a Change Order is executed by both Parties.

(d) If a Change Request is delivered by Cedara and indicates that the change(s) are related to unforeseeable deficiencies in the original specifications, or errors on the part of the Surgi-Vision, and the Change Request is rejected by Surgi-Vision, Cedara may, in its sole discretion, either:

  (i) immediately terminate the applicable SOW; or

  (ii) complete the delivery of the SOW, provided that Surgi-Vision shall be deemed to have waived its rights to all warranties and support otherwise applicable to any part of the Custom Engineering Services directly affected by the specified changes.

2.1.5 Ongoing Management

All disputes which may arise with respect to any matter related to any Custom Engineering Services shall, to the extent possible, be resolved by the project managers for each Party, as soon as practicable and in any event within 10 Business Days of when it arises. If the project managers fail to resolve the dispute within 10 Business Days of when it arises, then their respective supervisors or other senior executives designated by the Parties shall work to resolve

the dispute, as soon as practicable and in any event within 10 Business Days of when it was referred to them. Each Party shall ensure that its representative for such discussions has the necessary authority to resolve any dispute on behalf of that Party.

2.1.6 Fees and Payment

Surgi-Vision shall pay Cedara for Custom Engineering Services according to an [***]. Surgi-Vision shall also reimburse Cedara for all pre-approved travel and living expenses incurred by Cedara that are necessary to enable Cedara to perform the Custom Engineering Services. Unless otherwise specified in the applicable SOW, Cedara shall invoice Surgi-Vision on a monthly basis for Custom Engineering Services.

2.1.7 [***]

2.2 Licensing Terms and Conditions

2.2.1 License Terms

Cedara grants to Surgi-Vision a non-exclusive, worldwide license during the Term to use, make copies of, distribute, market and sell licenses to the Cedara Software to End Users for use as an integrated component of the Solution and under Surgi-Vision's trademarks and service marks, and to use the Documentation in support of the foregoing grant of rights.

2.2.2 Restrictions With Respect to Cedara Software

The rights to the Cedara Software granted by Cedara to Surgi-Vision herein are subject to the following restrictions:

(a) Surgi-Vision shall not modify, adapt, alter, translate, copy or otherwise use the Cedara Software or Documentation except as expressly permitted in this Agreement;

(b) Surgi-Vision shall not attempt to reverse engineer, decompile, disassemble or otherwise render the Cedara Software into human readable form in order to gain access to the source code in any way, or to produce any work derived from the Cedara Software;

(c) the Solution may only be distributed subject to the terms and conditions of an End User agreement as specified in Section 2.1.3, and, except as otherwise expressly permitted in this Agreement, Surgi-Vision shall not transfer the rights granted to it under this Agreement;

(d) Surgi-Vision shall take all necessary measures to ensure that persons under its direction and control abide by the terms and conditions of this Agreement;

(e) Surgi-Vision shall only represent the performance of the Cedara Software as stated in the most current Documentation provided to Surgi-Vision by Cedara from time to time; and

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(f) Surgi-vision shall obtain any governmental approvals required to discharge Surgi-Vision's obligations in this Agreement. In addition, Surgi-Vision shall obtain any required qualifications as soon as practicable under the applicable governmental requirements. Cedara agrees to use reasonable efforts to assist Surgi-Vision in obtaining such approvals or qualification and to institute such design changes as may be required for such qualification.

2.2.3 End User Agreements

Surgi-Vision shall enter into an agreement with each End User, and shall include provisions in such agreement that are at a minimum as protective to Cedara as the following:

(a) each license to the Solution shall be valid only for a single workstation identified by a serial number. The license may be transferred to another identified workstation upon prior written consent of Cedara;

(b) End Users may use the Cedara Software only as integrated component of the Solution and strictly for their own internal business purposes, and may not sell, rent, lease, license, time share or otherwise transfer or provide access to the Cedara Software to any third parties;

(c) End Users, may not reproduce, modify, adapt, alter, translate, reverse engineer, decompile, disassemble or otherwise render the Cedara Software into human readable form in order to gain access to the Cedara Software source code in any way, or to produce any work derived from the Cedara Software or translate or create other versions of the Cedara Software;

(d) End Users shall not modify or remove any copyright or other proprietary rights notices in or on the Cedara Software or Documentation; and

(e) Cedara shall have no liability to the End User for any express or implied warranties or any indirect, incidental, special or consequential damages.

Surgi-Vision's failure to enforce the terms of the End User agreement shall constitute a breach of this Agreement

2.2.4 License Fees and Minimum Commitment

Surgi-Vision shall pay to Cedara a run-time license fee of [***] for each Solution distributed by Surgi-Vision, provided that the [***] shall be at no charge. Surgi-Vision agrees to purchase a minimum of [***] licenses during the second year of this Agreement (in addition to the [***] granted at no charge) and [***] during each of the last 3 years of the initial Term for an annual commitment during the second year of $175,000 and an annual commitment during each of the last 3 years of $525,000 (each, an "**Annual Minimum Commitment**"). Within 30 days following the end of each of the last 4 years of the initial Term, Cedara will invoice Surgi-Vision for the difference, if any, between the actual license fees paid and the Annual Minimum Commitment for that year.

2.3 Professional Services

Surgi-Vision may purchase Professional Services for the fees set forth in Schedule B.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

2.4 Training

Cedara shall provide technical and applications training to Surgi-Vision which may require Surgi-Vision to send one or more persons to Toronto, Canada. All training programs offered by Cedara are designed as "train-the-trainer" courses and are intended for deployment and application specialists as well as the first-line support staff.

Surgi-Vision shall submit training requests to Cedara through the CustServ@cedara.com email address.

The fees for training are set out in Schedule B.

3. PAYMENT TERMS

3.1 Taxes

Fees do not include applicable taxes or import duties. Surgi-Vision shall pay such taxes or duties either directly or when invoiced by Cedara, or shall supply appropriate tax exemption certificates in a form satisfactory to Cedara.

3.2 Payment

Unless otherwise indicated, Cedara invoices shall be due and payable to Cedara within 15 days of receipt of invoice by Surgi-Vision. Any undisputed payment not paid within such 15-day period shall bear interest from the date payment is due until paid at the lesser of either a monthly compounded interest rate of 1.5% (19.56% per annum) or the highest interest rate allowed at law. If a dispute over an invoice is not resolved within 30 days of receipt of such invoice by Surgi-Vision, Cedara may suspend all services and licensing rights provided for under this Agreement until such dispute is resolved to the mutual satisfaction of the Parties. Surgi-vision agrees to reimburse Cedara for all reasonable costs and expenses incurred by Cedara in enforcing payment.

Payments are to be made by wire transfer or electronic payment through the Automated Clearing House (ACH) to Cedara according to the terms specified herein, using all of the following banking information exactly as shown:

First Deposit to:

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

[***]

Alternatively, payment can be made by Cheque payable to Cedara Software Corp.

Cheques shall be mailed or couriered to: Cedara Software Corp.
6509 Airport Road, Mississauga,
Ontario, L4V 1S7, Canada
Attention: Finance Department

3.3 Currency

All monetary amounts in this Agreement shall be in US dollars, unless expressly stated to the contrary.

4. RECORDS AND AUDIT

Surgi-Vision shall maintain written records ("**Records**") of all copies made by Surgi-Vision of the Cedara Software, or any portions thereof, and of all sublicenses of the Cedara Software and on written notice by Cedara, Surgi-Vision shall provide a copy of the Records to Cedara for inspection.

Cedara shall have the right to direct a qualified agent to audit Surgi-Vision's compliance with the terms of this Agreement. The audit shall occur during normal business hours and at Cedara's expanse, unless the audit reveals that Surgi-Vision is not in material compliance with this Agreement, in which case Surgi-Vision shall pay all expenses associated with the audit and shall immediately pay to Cedara the fees for any unauthorized copies of the Cedara Software based on Cedara's product transfer price list from the later of the date of the last audit or the Effective Date of this Agreement.

5. PROPRIETARY RIGHTS

5.1 Cedara Software

The Cedara Software owned by or in possession of Cedara prior to the Effective Date or developed or acquired independent of this Agreement during the Term, and any enhancements or modifications thereto or derivatives thereof, shall be owned exclusively by Cedara or its suppliers, as applicable, and except as expressly provided for in this Agreement, all rights, title and interest therein are reserved by Cedara or its suppliers, as indicated by Cedara.

5.2 Software Development

Cedara acknowledges and agrees that any and all work product and intellectual property developed or created by Cedara at the direction of Surgi-Vision and accepted by Cedara or otherwise using Surgi-Vision's Confidential Information or intellectual property, that is developed specifically for Surgi-Vision and has unique application to the Surgi-Vision Technology ("Surgi-Vision Work Product"), is the sole and exclusive property of Surgi-Vision and are "works made for hire" within the meaning of the United States Copyright Act of 1976, 17 U.S.C. $101 *et seq*. To the extent any Surgi-Vision Work Product does not constitute a "work made for hire" under the United States Copyright Act, Cedara hereby irrevocably assigns, transfers and sets over absolutely to Surgi-Vision, and shall cause each of its employees to assign to Surgi-Vision, all right, title and interest (whether now in existence or hereafter arising) in and to any Surgi-Vision

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Work Product and any intellectual property related thereto. For greater certainty, the Surgi-Vision Work Product shall not include any components of the Cedara Software.

6. TERM AND TERMINATION

6.1 Term of the Agreement

The initial term of this Agreement is for 5 years commencing on the Effective Date (the "**Initial Term**"). Thereafter, this Agreement shall automatically renew for up to 3 successive periods of 12 months (each, a "**Renewal Term**"), unless Surgi-Vision gives written notice to Cedara of its intention not renew a minimum of 30 days prior to the expiry of the Initial Term or the then current Renewal Term, as applicable, provided that Cedara may amend the Custom Engineering Services fees and/or Professional Services fees during any Renewal Term with a minimum of 30 days prior written notice to Surgi-Vision. The Initial Term and any Renewal Terms shall collectively comprise the **"Term**.

6.2 Termination

6.2.1 Termination for Cause

Notwithstanding the foregoing provisions of Section 6.1, this Agreement and any SOW made hereunder may be terminated immediately by either Party if:

(a) the other Party ceases to carry on business in the normal course, becomes or is declared insolvent or bankrupt, is subject to any proceeding relating to its liquidation, insolvency or for the appointment of a receiver or similar officer for it, makes a general assignment for the benefit of all or substantially all of its creditors, or enters into an agreement for the composition, extension or readjustment of all or substantially all of its obligations; or

(b) the other Party breaches any material obligation under this Agreement and such breach has continued uncured for a period of 20 days after receiving written notice of the breach.

6.2.2 Procedure on Termination

Upon expiration or termination of this Agreement for any reason:

(a) Surgi-Vision shall promptly cease representing, quoting, selling, sublicensing or otherwise using the Cedara Software (including as part of the Solutions);

(b) Surgi-Vision shall promptly return to Cedara all copies of the Cedara Software. Documentation or data originally provided by Cedara and which are the property of Cedara;

(c) Surgi-Vision shall pay all outstanding invoices or amounts owing to Cedara which shall become immediately due and payable on notice of termination: and

(d) Cedara shall deliver any specifications, designs, technical materials and other instructions developed or provided by Surgi-Vision to Cedara, which the parties acknowledge and agree are exclusively owned by Surgi-Vision.

Termination and the foregoing remedies shall be in addition to, and not in lieu of, any other remedies that either Party may have at law or in equity and shall not relieve either Party of liability for any breach of contract occurring prior to the effective date of termination.

6.2.3 Non- Termination of End User Licenses

Notwithstanding the termination or expiry of this Agreement, all End User licenses granted by Surgi-Vision prior to such termination or expiry shall continue to be in full force and effect, subject to their terms.

7. BRANDING

Surgi-Vision shall market the Solutions using its own trademarks, logos, symbols, designs and other designations or brands. Notwithstanding the foregoing, Surgi-Vision shall not alter, remove or obscure any Cedara copyright, trade-mark or other proprietary rights notices which are incorporated in or on the Cedara Software or Documentation.

8. INDEMNITIES

8.1 Intellectual Property Rights Indemnities

Cedara shall defend, indemnity and hold harmless Surgi-Vision, and its directors, officers, employees, contractors, agents and suppliers, from any claims, losses, damages, penalties, judgments and liabilities, including all reasonable related costs and expenses, arising in connection with any action or claim that the Cedara Software infringes any Canadian or United States patent or any other intellectual property and/or proprietary right of a third party, provided that (i) Surgi-Vision cooperates with Cedara's reasonable requests for assistance in the defence; and (ii) Cedara controls the defence, negotiation and settlement of any such claim; provided, that Cedara shall not settle or compromise any claim that would adversely affect the rights of Surgi-Vision without the prior written consent of Surgi-Vision, such consent not to be unreasonably withheld.

8.2 Surgi-Vision Remedies

In addition to any and all remedies provided under Section 8.1 above, it Surgi-Vision cannot use the Cedara Software because a court of final appeal has held that its use constitutes an infringement of a third party's intellectual property rights, Cedara shall, in its sole discretion and as Surgi-Vision's sole recourse, provide Surgi-Vision with one of the following remedies:

(a) without impairing Cedara Software functionality or performance in any material adverse way, (i) modify the infringing portion of the Cedara Software so that it is non-infringing or (ii) replace the Cedara Software with equally suitable, non -infringing components; or

(b) procure for Surgi-Vision the right to continue to use the infringing Cedara Software.

8.3 Exclusion

Cedara shall have no liability to Surgi-Vision with respect to any claim of intellectual property rights infringement caused by (i) Surgi-Vision's modifications to the Cedara Software or combination of the Cedara Software with non-Cedara products; (ii) Surgi-Vision's continued use of the infringing Cedara Software after having been notified of the alleged infringement; (iii) Surgi-

Vision's failure to use modifications to the Cedara Software supplied by Cedara that would have avoided the infringement; or (iv) modifications made to the Cedara Software by any person or entity other than Cedara or by Cedara at the Surgi-Vision's directions or specifications.

8.4 Distribution of Solutions

Surgi-Vision agrees to defend, indemnify and hold harmless Cedara and its affiliates, and each of their respective directors, officers, employees, contractors, agents and suppliers, from any claims, liabilities or damages, and related costs and expenses, arising out of or related to Surgi-Vision's use or distribution of the Cedara Software that is in breach of the terms and conditions of this Agreement or any claim that the Surgi-Vision Technology infringes any Canadian or United States patent or any other intellectual property and/or proprietary right of a third party, provided that (i) Cedara cooperates with Surg-Vision's reasonable requests for assistance in the defence; and (ii) Surgi-Vision controls the defence, negotiation and settlement of any such claim; provided, that Surgi-Vision shall not settle or compromise any claim that would adversely affect the rights of Cedara without the prior written consent of Cedara. such consent not to be unreasonably withheld.

8.5 Notice

Each Party shall promptly provide the other with written notice of any claim or information that might lead to a claim for indemnity under this Section 8. Failure by the Party seeking indemnity to notify the indemnifying Party of such claim or information, which results in the indemnifying Party being materially prejudiced, shall relieve the Indemnifying Party of its liability under this indemnity provision.

9. NON- SOLICITATION

Until this Agreement is terminated, and for a period of 1 year following, neither Party shall hire, employ, retain or solicit any person who is an employee, officer, director of full-time independent contractor of the other Party and who, but for this Agreement, would otherwise be unknown to that Party. The Parties acknowledge that in view of the recruitment difficulties, costs of training staff in the computer industry and the highly sensitive nature of Intellectual property rights of both Parties, this restriction is reasonable.

10. LEGAL RISK MANAGEMENT

10.1 Advisory Device

IN CIRCUMSTANCES WHERE THE CEDARA SOFTWARE SHIPPED TO SURGI-VISION HAS NOT BEEN MADE COMMERCIALLY GENERALLY AVAILABLE ("PRE-GMA") (FOR EXAMPLE, EVALUATION SOFTWARE PRODUCTS), SURGI-VISION ACKNOWLEDGES AND AGREES THAT SUCH PRE-GMA CEDARA SOFTWARE HAS NOT BEEN TESTED OR APPROVED FOR COMMERCIAL OR OPERATIONAL RELEASE OTHER THAN FOR CLINICAL EVALUATION (WHERE APPLICABLE) IN A CONTROLLED ENVIRONMENT AND THAT IT IS TO BE USED FOR EVALUATION PURPOSES ONLY WITH THE HIGHEST POSSIBLE STANDARD OF CARE.

SURGI-VISION ACKNOWLEDGES THAT THE CEDARA SOFTWARE AND THE SOLUTION ARE ADVISORY DEVICES AND NOT DESIGNED TO SUBSTITUTE FOR THE PRIMARY DEFENCES AGAINST DEATH OR INJURY DURING SURGICAL, MEDICAL LIFE SUPPORT OR OTHER POTENTIALLY HAZARDOUS APPLICATIONS WHICH SHALL CONTINUE TO BE

THE SKILL, KNOWLEDGE AND EXPERIENCE OF THE USERS OF THE CEDARA SOFTWARE AND SOLUTION.

10.2 Notice to End-Users

SURGI-VISION AGREES THAT IT SHALL NOT USE, MARKET, DISTRIBUTE OR RESELL THE CEDARA SOFTWARE OR SOLUTION AS A SUBSTITUTE FOR THE DEFENCES IDENTIFIED ABOVE IN THIS SECTION 10 OR WITH UNAPPROVED DICOM CONNECTIONS. SURGI-VISION SHALL PROVIDE END USERS WITH A PROMINENT NOTICE, IN THEIR LOCAL LANGUAGE, TO THAT EFFECT.

10.3 Legal Risk Management

EACH OF THE PARTIES AGREES THAT THE LIMITATIONS OF LIABILITY SET OUT IN THIS SECTION ARE FAIR AND REASONABLE IN THE COMMERCIAL CIRCUMSTANCES OF THIS AGREEMENT AND THAT IT WOULD NOT HAVE ENTERED INTO THIS AGREEMENT BUT FOR THE OTHER PARTY'S AGREEMENT TO LIMIT ITS LIABILITY IN THE MANNER, AND TO THE EXTENT, PROVIDED FOR HEREIN. SAVE AND EXCEPT FOR CLAIMS ARISING FROM BREACH OF RESTRICTIONS ON USE AND DISTRIBUTION OF THE CEDARA SOFTWARE, BREACH OF THE PAYMENT OBLIGATIONS, BREACH OF THE CONFIDENTIALITY OBLIGATIONS OR CLAIMS FOR WHICH AN INDEMNITY HAS BEEN PROVIDED UNDER THIS AGREEMENT, GROSS NEGLIGENCE, FRAUD, OR WILLFUL OR INTENTIONAL MISCONDUCT, THE PARTIES AGREE THAT EACH OF THE PARTIES' AND THEIR RESPECTIVE SUPPLIERS' LIABILITY TO THE OTHER FOR ANY AND ALL DIRECT, COMPENSATORY LOSS OR DAMAGES, UNDER ANY THEORY OF LAW OR EQUITY, WHETHER FOR BREACH OF CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE INTENDED FULFILLMENT OF ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT, SHALL BE STRICTLY LIMITED IN THE AGGREGATE TO $1,000,000. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOSS OR INJURIES TO EARNINGS, PROFITS OR GOODWILL, OR FOR ANY INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY PERSON OR ENTITY WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, EVEN IF EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS SECTION SHALL APPLY EVEN IN THE EVENT OF A BREACH OF CONDITION, A BREACH OF AN ESSENTIAL OR FUNDAMENTAL TERM. OR AN ESSENTIAL OR FUNDAMENTAL BREACH OF THIS AGREEMENT.

10.4 Exclusion

THE OBLIGATIONS OF CEDARA EXPRESSLY STATED IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS EXPRESS OR IMPLIED. WITHOUT LIMITATION, TO THE FULLEST EXTENT ALLOWABLE BY LAW, THIS EXCLUSION OF ALL OTHER WARRANTIES AND CONDITIONS EXTENDS TO IMPLIED WARRANTIES OR CONDITIONS OF SATISFACTORY QUALITY, MERCHANTABLE QUALITY AND FITNESS FOR A PARTICULAR PURPOSE, AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW, OR FROM A COURSE OF DEALING OR USAGE OF TRADE. CEDARA MAKES NO GUARANTEES REGARDING NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS OR THAT USE OF THE CEDARA SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE.

11. CONFIDENTIALITY

11.1 Definition

In this Section. **"Confidential Information"** means all information that the disclosing Party designates as confidential or which ought to be considered as confidential from its nature or from the circumstances surrounding its disclosure, including without limitation all regulatory, commercial, financial, administrative and technological information of either Party and any information concerning this Agreement, but does not Include information which:

(a) is known to the receiving Party before receipt from the other Party, as substantiated by cogent and reliable evidence;

(b) is disclosed to the receiving Party in good faith by a third party who had a right to make such disclosure;

(c) is made public by the originating Party, or is established to be a part of the public domain otherwise than as a consequence of a breach by the receiving Party of Its obligations hereunder; or

(d) can be substantiated, based on cogent and reliable evidence, to have been independently developed by the receiving Party.

11.2 Limited Use

All Confidential Information of each Party shall be used by the other Party strictly and only for the purposes in this Agreement.

11.3 Reasonable Care

Each Party shall hold all Confidential Information of the other Party in confidence strictly for. and on behalf of the other Party and treat the Confidential Information of the other Party as it does its own valuable and sensitive information of a similar nature and, in any event, with not less than a reasonable degree of care.

11.4 Obligations of the Parties

Each Party shall have an obligation to prevent the other Party's Confidential Information in its possession or control from being misappropriated, or wrongfully communicated by any employee, consultant or other person under the obliged Party's control. If the receiving Party is required by a court or government authority to disclose Confidential Information, the receiving Party shall provide the disclosing Party with prompt notice, including the circumstances of such requirement, so that the disclosing Party may seek an appropriate protective order, and shall reasonably cooperate with the disclosing Party in an action by the disclosing Party to obtain an appropriate protective order. Upon termination of this Agreement, the Parties shall promptly return or destroy the other Party's Confidential Information.

12. GENERAL

12.1 Governing Law

The construction, validity and performance of this Agreement shall be governed by the laws of the State of New York without reference to conflict of laws principles.

12.2 Sale of Goods Act

This Agreement shall not be governed by either the provisions of the International Sale of Goods Act or the United Nation's Convention for Contracts on the International Sale of Goods, regardless of that Convention's legal or statutory adoption by any jurisdiction.

12.3 Assignment

Neither party may assign or otherwise transfer rights or obligations under this Agreement whether in whole or in part, except with the prior written consent of the other party. Notwithstanding the foregoing, either party may assign this Agreement in its entirety in the event of a merger, change of control, corporate reorganization, or a sale of all or substantially all of the assets of such party.

12.4 Notices

Any notices provided for under this Agreement shall be deemed received when delivered in person, on the first Business Day following electronic transmission by facsimile or five (5) days after being mailed by registered mail or reputable courier service:

To Cedara:

Cedara Software Corp.
6509 Airport Road
Mississauga. Ontario
L4V 1S7 CANADA
Fax: (905) 671-7955
Attention: VP Sales

To Surgi-Vision:

Surgi-Vision, Inc.
1101 East 33rd Street, Suite B307
Baltimore, Maryland
21218l USA
Fax; (901) 579-4979
Attention: Kimble L. Jenkins

12.5 Public Notices

The Parties agree to issue a press release publicizing this Agreement subject to mutual agreement, to be evidenced in writing, on appropriate content and timing of said release. Subject to the foregoing, neither Party will use the other Party's name in any publicity, publication,

announcement, marketing or press release or otherwise make use of its association with the other Party or this Agreement, without the other Party's written consent.

12.6 Case Study

Upon Surgi-Vision's prior written consent in each Instance, Cedara may devise a case-study of any Custom Engineering Services Projects, and may use such case-study for marketing of its engineering services to third parties.

12.7 Entire Agreement

This Agreement, including the Schedules listed below and any Statements of Work made hereunder, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings, collateral, oral, or otherwise. No modification of this Agreement shall be binding upon the Parties to this Agreement unless in writing and executed by an authorized signing officer for each of the Parties.

In the event of conflict or inconsistency between the provisions of this Agreement and any of the Schedules or Statements of Work made hereunder, or any other document incorporated by reference herein, the terms of this Agreement shall prevail, unless in the case of any Statement of Work, the Parties expressly state that any terms contained therein are to prevail over any inconsistent terms contained in the provisions of this Agreement.

The Schedules to this Agreement Are:

Schedule A: Statement of Work No. 1

Schedule B: Professional Services

12.8 Amendments

Any amendment or modification of any provision of this Agreement must be in writing, dated and signed by a duty authorized representative of each Party hereto.

12.9 Successors and Assigns

All successors, receivers, managers, trustees and permitted assigns of the Parties shall be bound by the rights and liabilities set out in this Agreement.

12.10 Force Majeure

Neither Party shall be liable for any failure or delay in its performance under this Agreement due to causes of *force majeure*, including without limitation, tires, floods, storms, earthquakes, civil disturbances, or labour matters, provided that Surgi-Vision shall continue to be obligated to pay any fees that have accrued up until the event of *force majeure*. If a party is so delayed or prevented from performing its obligations under this Agreement for a period of thirty (30) consecutive days, the other party shall have the immediate right to terminate this Agreement at the end of such thirty (30) consecutive-day period, without any right of cure on the party so delayed.

12.11 Amicable Resolution

All controversies or claims arising out or relating to this Agreement, or any breath thereof, shall be finally settled amicably, if possible, by negotiation between the Parties.

12.12 No Waiver

No failure on the part of any Party to this Agreement to exercise, and no delay in exercising any right, power or single or partial exercise of any right, power or remedy by any Party shall preclude any other or further exercise thereof of the exercise of any other right, power or remedy.

12.13 Counterparts and Delivery

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Delivery of this Agreement by fax shall constitute valid and effective delivery.

12.14 Severability

If any provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, that provision shall bo deemed to be severed from the Agreement, and the remaining provisions shall not be affected.

12.15 Legal Relationship

The Parties to this Agreement are independent contractors and separate entities. No other legal relationship is intended or implied. Except as specifically specified in this Agreement, neither Party shall be responsible for acts of the other Party or its agents or employees and neither Party shall assume or create any obligation in the name of or on behalf of the other Party.

12.16 Export Control

Surgi-Vision agrees to comply with the export laws and regulations of Canada and the United States of America in exercising the rights granted to it under this Agreement in respect of the Cedara Software.

12.17 Survival

Sections 1, 3, 4, 5, 6.2.2, 6.2.3, 8, 9, 10, 11 and 12 shall survive termination of this Agreement.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement by their duly authorized representatives.

SURGI-VISION INC:	**CEDARA SOFTWARE CORP:**
/s/ Kim Jenkins	/s/ Antonia Wells
Signature	Signature
KIM JENKINS	ANTONIA WELLS
Name	Name
Pres / CEO	U.P. CUSTOMER OPERATIONS
Title	Title
July 20, 2007	July 20, 2007
Date	Date

SCHEDULE A
STATEMENT OF WORK NO.1

This Statement of Work is entered into pursuant to and forms part of the Master Services and Licensing Agreement between Cedara Software Corp. and Surgi-Vision Inc. effective July 20, 2007 (the "Agreement"). Capitalized terms used in this Statement of Work and not otherwise defined herein shall have the meanings assigned to them in the Agreement. In the event of conflict or inconsistency between the terms of this Statement of Work and the Agreement, the terms of this Statement of Work shall prevail.

Introduction

This Statement of Work No. 1 describes the objectives and deliverables of the initial development phase (Phase 1) for the Solution.

Goals

The objective of Phase 1 is to investigate Surgi-Vision's needs and requirements, and to develop a detailed specification and project plan for the ensuing project phases pursuant to the following planning guidelines:

1. A development phase, including alpha and beta periods, for the first version extending from the end of this Phase 1 to March 31st 2008.
2. A rapid prototyping phase extending from 1st April 2008 to June 30th 2008 for the purposes of responding to feedback and making follow-on software releases.
3. To investigate and plan using the preliminary list of requirements given below:

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Activities

- Consultation. Discuss and consult with Surgi-Vision to understand Surgi-Vision's business goals; Surgi-Vision's interventional procedure, interventional devices and hardware, clinical workflow, imaging integration needs, and end-user needs, Cedara staff may visit Surgi-Vision's offices or collaborating clinical sites as mutually agreed and as may be helpful to these goals,
- Prototypes. During Phase 1 Cedara staff may develop mock-ups, prototypes, or demonstrators as they determine may best help achieve the goals of the phase.

Deliverables

The purpose of Phase 1 is to develop a detailed specification and project plan:

[***]

Duration

Phase 1 is expected to be completed within 2 months of the Effective Date of the Agreement,

AGREED:

SURGI-VISION INC:	**CEDARA SOFTWARE CORP;**
/s/ Kim Jenkins	/s/ Antonia Wells
Signature	Signature
KIM JENKINS	ANTONIA WELLS
Name	Name
Pres / CEO	V.P. CUSTOMER OPERATIONS
Title	Title
July 20, 2007	July 20, 2007
Date	Date

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

SCHEDULE B
PROFESSIONAL SERVICES SCOPE AND FEE SCHEDULE

Professional Services				
Consulting	Presales	Implementation	Connectivity & integration	Training
Technical - Site Survey Assessment - Develop Architecture Design - Reengineering Technical Workflow - Cost/benefits analysis	Sales - Demo - Sales support - Reference Site Setup - Demo Licenses	Project Management - Implementation Plan - Training Plan - Acceptance Criteria	Connectivity - Scanner DICOM V & V - Printer V &V - Acceptance Plan & Testing - Networking - Node setup & configuration	Techincal - Installation & Continuation - Troubleshooting
Clinical - Needs Analysis - Reengineering Clinical Workflow - HIPPA requirements - Cost/benefits analysis		Installation & Configuration - On site Technical - On site Applications - Pre-staging site	Integration - HIS/RIS - PAC's interface - 3rd Party Application Integration - System Engineering Services	Application - Instruction & Configuration - Viewing Protocols Advanced 2D Functionality - Clinical Packages 3D Ortho
		Scalability - Product upgrades - System upgrades - Hardware upgrades		Sales - Applications - Production Positioning Refresher Web - Technical updates & upgrades - Application updates & upgrades -Sale updates
Pricing - [***] per day - Travel days included as part of daily rate Default Hourly Rates -9x5 EST - [***] per hour Default overtime Rates - [***] per hour - 5:00 PM to 8:00 AM; Weekends & Holidays				Pricing [***] per day Travel days included in day rate Capacity/Facility Max 6 person(s) attend once Cedara's Training facility See notice for more information
Notice: - A Cancellation Surcharge of [***] will be applied to any support request cancelled without (7) Business Days notice. In addition any un-recoverable expenses arising due to the cancellation will be the responsibility of Surgi-Vision. - Travel, accommodation & extraordinary expenses are the responsibility of Surgi-Vision unless otherwise agreed to by Cedara.				

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

SCHEDULE C
STATEMENT OF WORK NO. 2

2009-02573

SOW for CED solution for SurgiVision

MERGE ™
Healthcare

STATEMENT OF WORK NO.2

This Statement of Work No.2 is entered into pursuant to and forms part of the Master Services and Licensing Agreement between Cedara Software Corp. d/b/a Merge OEM and Surgi-Vision Inc. effective July 20, 2007 (the "Agreement"). Capitalized terms used in this Statement of Work and not otherwise defined herein shall have the meanings assigned to them in the Agreement. In the event of conflict or inconsistency between the terms of this Statement of Work and the Agreement, the terms of this Statement of Work shall prevail.

1 Project Scope

1.1 *Background and Requirements*

Merge has recently built an MRi based deep brain navigation package for SurgiVision that is marketed under the ClearPoint trade mark. The ClearPoint solution is used for planning and placement of electrodes into deep brain structures.

In an effort to expand the offerings in this sector, SurgiVision is exploring new areas of deep brain surgical navigation, drug delivery applications in particular. This statement of work presents the details associated with the development activities needed to deliver such a solution.

[***]

This document is prepared to outline the scope of work, deliverables and schedules for the development work needed to create a tool that could aid in the navigation and tracking component associated with this procedure.

1.2 *Solution and Scope of Work*

The solution is expected to contain multiple phases:

- Prototype phase –[***]
- Enhanced phase – [***]
- Wide market solution – [***]
- Improvements – [***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

[***]

1.3 *Implementation model*

The solution will be licensed using a node locked licensing model similar to the current ClearPoint solution where installations will require a MAC address specific license file that can be generated on demand.

The solution presented in this SOW is scoped out to be developed using a team of:

i. One full time Merge OEM engineer,

ii. One part time Merge OEM segmentation expert - on demand,

iii. One full time architect,

iv. One full time test resource for the test and validation phase

v. 10% part time project manager.

vi. 5% part time system administrator responsible for release activities

The solution includes complete development, documentation and engineering validation activities. Product validation activities (Alpha and Beta) are not included in this scope because of the unknowns associated with the timing and potential regulatory requirements associated with the market launch of this product.

2 Deliverables

Deliverable	Description

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

3 Assumptions

[***]

4 Delivery schedule

4.1 Delivery Schedule for Prototype Solution

Project Duration: [***]

Delivery Schedule:

Timeline	**Deliverable**

[***]

4.2 ***Delivery Schedule for additional solutions***

Project Duration: [***]

Delivery Schedule:

Timeline	**Deliverable**

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

5 Summary

5.1 ***Standard Solution:***

- estimated effort: [***]
- estimated project duration: [***]

5.2 ***Additional Solutions:***

- estimated additional effort: [***]
- estimated project duration: [***]

Note:

The estimate is based on correctness of the assumptions made above, if these are not correct, the price and/or delivery dates might be affected

6 Fees and Pricing Summary

6.1 ***Consulting Engineering Fees***

The project is proposed to be executed on a time and materials basis at [***] to be invoiced on a monthly basis.

6.2 ***Payment Schedule***

Monthly billing of the actual time spent on the project.

6.3 ***Run-Time License fees***

Quotes for run-time licenses associated with the resulting application will need to be negotiated before the product will be market launched.

6.4 ***Professional Services***

Additional services required by SurgiVision for installation, training and onsite technical support shall be provided in accordance with the Agreement at a rate of [***] not including travel and accommodation. Professional Services will be billed within the same calendar quarter as they are provided.

AGREED:

SURGI-VISION INC.:	**CEDARA SOFTWARE CORP. D/B/A MERGE OEM:**
/s/ Peter Piferi	/s/ Justin Dearborn
Signature	Signature
Peter Piferi	Justin Dearborn
Name	Name
COO	CEO
Title	Title
11-13-09	11-16-09
Date	Date

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Exhibit 10.21

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") is entered into by and between THE JOHNS HOPKINS UNIVERSITY, a Maryland corporation having an address at 3400 N. Charles Street, Baltimore, Maryland, 21218-2695 ("JHU") and Surgi-Vision, Inc., a Delaware corporation having an address at One Commerce Square, Suite 2550, Memphis, Tennessee 38103 ("Company"), with respect to the following:

RECITALS

WHEREAS, as a center for research and education, JHU is interested in licensing PATENT RIGHTS (hereinafter defined) in a manner that will benefit the public by facilitating the distribution of useful products and the utilization of new processes, but is without capacity to commercially develop, manufacture, and distribute any such products or processes; and

WHEREAS, a valuable invention entitled [***] was developed during the course of research conducted by [***] (all hereinafter, "Inventors"); and

WHEREAS, JHU has acquired through assignment all rights, title and interest, with the exception of certain retained rights by the United States Government, in its interest in said valuable inventions; and

WHEREAS, Company desires to obtain certain rights in such inventions as herein provided, and to commercially develop, manufacture, use and distribute products and processes based upon or embodying said valuable inventions throughout the world;

NOW THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

All references to particular Exhibits, Articles or Paragraphs shall mean the Exhibits to, and Paragraphs and Articles of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits hereto, the following words and phrases shall have the following meanings:

1.1 "AFFILIATED COMPANY" as used herein in either singular or plural shall mean any corporation, company, partnership, joint venture or other entity, which controls, is controlled by or is under common control with Company. For purposes of this Paragraph 1.1, control shall mean the direct or indirect ownership of at least fifty- percent (50%).

1.2 "EFFECTIVE DATE" of this License Agreement shall mean the date the last party hereto has executed this Agreement.

1.3 "EXCLUSIVE LICENSE" shall mean a grant by JHU to Company of its entire right and interest in the PATENT RIGHTS subject to rights retained by the United States Government, if any, in accordance with the Bayh-Dole Act of 1980 (established by P.L. 96-517 and amended by P.L. 98-620, codified at 35 USC § 200 et. seq. and implemented according to 37 CFR Part 401), and subject to the retained right of JHU to make, have made, provide and use for its and The Johns Hopkins Health Systems' non-commercial purposes LICENSED PRODUCT(S) and LICENSED SERVICE(S), including the ability to distribute any biological material disclosed and/or claimed in PATENT RIGHTS for nonprofit academic research use to non-commercial entities as is customary in the scientific community.

1.4 "LICENSED FIELD" shall mean all fields.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

1.5 "LICENSED PRODUCT(S)" as used herein in either singular or plural shall mean any process or method, material, compositions, drug, or other product, the manufacture, use or sale of which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of PATENT RIGHTS (infringement shall include, but is not limited to, direct, contributory, or inducement to infringe).

1.6 "LICENSED SERVICE(S)" as used herein in either singular or plural shall mean the performance on behalf of a third party of any method or the manufacture of any product or the use of any product or composition which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of the PATENT RIGHTS, (infringement shall include, but not be limited to, direct, contributory or inducement to infringe).

1.7 "NET SALES" shall mean gross sales revenues and fees billed by Company or any AFFILIATED COMPANY from the sale of LICENSED PRODUCT(S) less trade discounts allowed, refunds, returns and recalls, freight and delivery costs, sales, use and other similar taxes, and rebates accrued, incurred or paid to federal or state agencies (such as Medicare or Medicaid) or other payors. In the event that Company or any AFFILIATED COMPANY sells a LICENSED PRODUCT(S) in combination with other ingredients or substances or as part of a kit, the NET SALES for purposes of royalty payments shall be based on that portion of the sales revenue and fees derived from that component of the combination or kit which could independently be sold as a LICENSED PRODUCT.

1.8 "NET SERVICE REVENUES" shall mean gross service revenues and fees billed by Company or any AFFILIATED COMPANY for the performance of LICENSED SERVICE(S) less sales, use or other similar taxes imposed upon and with specific reference to the LICENSED SERVICE(S), but only where LICENSED SERVICES are sold or used separately from the manufacture or sale of a LICENSED PRODUCT. In the event that Company or any AFFILIATED COMPANY sells a LICENSED SERVICE(S) in combination with other services or substances or as part of a kit that does not include a LICENSED PRODUCT, the NET SERVICE REVENUES for purposes of royalty payments shall be based on that portion of the sales revenues and fees derived from that component of the combination or kit which could independently be sold as a LICENSED SERVICE.

1.9 "PATENT RIGHTS" shall mean the U.S. patent application Serial No. [***] filed on[***], and assigned to JHU entitled [***] and the invention disclosed and claimed therein, and all continuations, divisions, and reissues based thereof, and any corresponding foreign patent applications, and any patents, or other equivalent foreign PATENT RIGHTS issuing, granted or registered thereon.

1.10 "SUBLICENSEE(S)" as used herein in either singular or plural shall mean any person or entity other than an AFFILIATED COMPANY to which Company has granted a sublicense under this Agreement.

ARTICLE 2
LICENSE GRANT

2.1 Grant. Subject to the terms and conditions of this Agreement, JHU hereby grants to Company an EXCLUSIVE LICENSE to make, have made, use, import, offer for sale and sell the LICENSED PRODUCT(S) and to provide the LICENSED SERVICE(S) in the United States and worldwide under the PATENT RIGHTS in the LICENSED FIELD. This Grant shall apply to the Company and any AFFILIATED COMPANY, except that any AFFILIATED COMPANY shall not have the right to sublicense others without the prior written approval of JHU as set forth in Paragraph 2.2 below. If any AFFILIATED COMPANY exercises rights under this Agreement, such AFFILIATED COMPANY shall be bound by all terms and conditions of this Agreement, including but not limited to indemnity and insurance provisions and royalty payments, which shall apply to the exercise of the rights, to the same extent as would apply had this Agreement been directly between JHU and the AFFILIATED COMPANY. In addition, Company shall remain fully liable to JHU for all acts and obligations of AFFILIATED COMPANY such that acts of the AFFILIATED COMPANY shall be considered acts of the Company.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

2.2 Sublicense. Company may sublicense to others under this Agreement, subject to the terms and conditions of this Paragraph 2.2 and subject to JHU's prior written approval of the sublicense agreement. Such approval shall not be unreasonably withheld. As a condition to its validity and enforceability, each sublicense agreement shall: (a) incorporate by reference the terms and conditions of this Agreement, (b) be consistent with the terms, conditions and limitations of this Agreement, (c) prohibit SUBLICENSEE's further sublicense of the rights delivered hereunder without JHU's prior written approval, (d) name JHU as an intended third party beneficiary of the obligations of SUBLICENSEE without imposition of obligation or liability on the part of JHU or its Inventors to the SUBLICENSEE, (e) specifically incorporate Paragraphs 6.2 "Representations by JHU", 7.1 "Indemnification", 10.1 "Use of Name", 10.4 "Product Liability" into the body of the sublicense agreement, and cause the terms used in therein to have the same meaning as in this Agreement, and, (f) bear signature from JHU indicating JHU's review and approval of the sublicense agreement. Company shall provide to JHU each proposed sublicense agreement, executed by both Company and proposed SUBLICENSEE, for review, approval and signature by JHU. To the extent that any terms, conditions or limitations of any sublicense agreement are inconsistent with this Agreement, those terms, conditions and limitations are null and void against JHU, unless JHU has approved the sublicense in writing.

2.3 Government Rights. The United States Government may have acquired a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the inventions described in PATENT RIGHTS throughout the world. The rights granted herein are additionally subject to: (i) the requirement that any LICENSED PRODUCT(S) produced for use or sale within the United States shall be substantially manufactured in the United States (unless a waiver under 35 USC § 204 or equivalent is granted by the appropriate United States government agency), (ii) the right of the United States government to require JHU, or its licensees, including Company, to grant sublicenses to responsible applicants on reasonable terms when necessary to fulfill health or safety needs, and, (iii) other rights acquired by the United States government under the laws and regulations applicable to the grant/contract award under which the inventions were made.

ARTICLE 3
FEES, ROYALTIES, & PAYMENTS

3.1 License Fee. Company shall pay to JHU within thirty (30) days of the EFFECTIVE DATE of this Agreement the initial license fee as set forth in Exhibit A. JHU will not submit an invoice for the license fee, which is nonrefundable and shall not be credited against royalties or other fees.

3.2 Minimum Annual Royalties. Company shall pay to JHU minimum annual royalties as set forth in Exhibit A. These minimum annual royalties shall be due, without invoice from JHU, within thirty (30) days of each anniversary of the EFFECTIVE DATE beginning with the first anniversary. Running royalties and sublicense consideration accrued under Paragraphs 3.3 and 3.4, respectively, and paid to JHU during the one year period preceding an anniversary of the EFFECTIVE DATE shall be credited against the minimum annual royalties due on that anniversary date.

3.3 Running Royalties. Company shall pay to JHU a running royalty as set forth in Exhibit A, for each LICENSED PRODUCT(S) sold, and for each LICENSED SERVICE(S) provided, by Company or AFFILIATED COMPANIES, based on NET SALES and NET SERVICE REVENUES for the term of this Agreement. Such payments shall be made quarterly. All non-US taxes related to LICENSED PRODUCT(S) or LICENSED SERVICE(S) sold under this Agreement shall be paid by Company and shall not be deducted from royalty or other payments due to JHU.

In order to insure JHU the full royalty payments contemplated hereunder, Company agrees that in the event any LICENSED PRODUCT(S) shall be sold to an AFFILIATED COMPANY or SUBLICENSEE(S) or to a corporation, firm or association with which Company shall have any agreement, understanding or arrangement with respect to consideration (such as, among other things, an option to purchase stock or actual stock ownership, or an arrangement involving division of profits or special rebates or allowances) the royalties to be paid hereunder for such LICENSED PRODUCT(S) shall be based upon the greater of: 1) the net selling price (per NET SALES) at which the purchaser of LICENSED PRODUCT(S) resells such product to the end user, 2) the NET SERVICE REVENUES received from using the LICENSED PRODUCT(S) in providing a service, or 3) the net selling price (per NET SALES) of LICENSED PRODUCT(S) paid by the purchaser.

No multiple royalties shall be due or payable because any LICENSED PRODUCT(S) or LICENSED SERVICE(S) is covered by more than one claim of the PATENT RIGHTS or by claims of both the PATENT RIGHTS under this Agreement and "PATENT RIGHTS" under any other license agreement between Company and JHU. The royalty shall not be cumulative based on the number of patents or claims covering a product or service, but rather shall be capped at the rate set forth in Exhibit A.

3.4 Sublicense Consideration. Company shall pay to JHU a percentage of consideration received for sublicenses under this Agreement as set forth in Exhibit A. This sublicense consideration shall be due, without the need for invoice from JHU, within forty-five (45) days of Company's receipt. Such consideration shall mean consideration of any kind received by the Company or AFFILIATED COMPANIES from a SUBLICENSEE(S) for the grant of a sublicense under this Agreement, such as upfront fees or milestone fees, running royalties and including any premium paid by the SUBLICENSEE(S) over Fair Market Value for stock of the Company or an AFFILIATED COMPANY in consideration for such sublicense. However, not included in such sublicense consideration are amounts paid to the Company or an AFFILIATED COMPANY by the SUBLICENSEE(S) for product development, research work, clinical studies and regulatory approvals performed by or for the Company or AFFILIATED COMPANIES (including third parties on their behalf), each pursuant to a specific agreement including a performance plan and commensurate budget. The term "Fair Market Value" shall mean the average price that the stock in question is publicly trading at for twenty (20) days prior to the announcement of its purchase by the SUBLICENSEE(S) or if the stock is not publicly traded, the greater of (a) the value of such stock as determined by the most recent private financing through a financial investor (an entity whose sole interest in the Company or AFFILIATED COMPANY is financial) of the Company or AFFILIATED COMPANY that issued the shares, or (b) the value of such stock as determined by the most recent appraisal conducted by an independent appraiser regularly engaged in the business of valuing businesses of the nature of Company or AFFILIATED COMPANY, as applicable.

In the event of a sublicense under both this Agreement and any other license agreement between Company and JHU, the sublicensing consideration payable to JHU under this Agreement and such other license agreement(s) shall be capped such that the aggregate amount payable to JHU shall not exceed the percentage set forth in Exhibit A of all sublicensing consideration.

3.5 Patent Reimbursement. Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU on or before the EFFECTIVE DATE of this Agreement, which costs will not exceed[***]. In accordance with Paragraph 4.1 below, Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU subsequent to the EFFECTIVE DATE of this Agreement.

3.6 Form of Payment. All payments under this Agreement shall be made in U.S. Dollars by either check or wire transfer.

3.7 Payment Information. All check payments from Company to JHU shall be sent to:

Director
Johns Hopkins Technology Transfer
The Johns Hopkins University
100 N. Charles Street, 5th Floor
Baltimore, MD 21201

Attn: JHU Agrmt# A13611

or such other addresses which JHU may designate in writing from time to time. Checks are to be made payable to "The Johns Hopkins University". Wire transfers may be made through:

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Company shall be responsible for any and all costs associated with wire transfers.

3.7 Late Payments. In the event that any payment due hereunder is not made when due, the payment shall accrue interest beginning on the tenth day following the due date thereof, calculated at the annual rate of the sum of (a) two percent (2%) plus (b) the prime interest rate quoted by The Wall Street Journal on the date said payment is due, the interest being compounded on the last day of each calendar quarter, provided however, that in no event shall said annual interest rate exceed the maximum legal interest rate for corporations. Each such payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of JHU to seek any other remedy, legal or equitable, to which it may be entitled because of the delinquency of any payment including, but not limited to termination of this Agreement as set forth in Paragraph 9.2.

ARTICLE 4
PATENT PROSECUTION, MAINTENANCE, & INFRINGEMENT

4.1 Prosecution & Maintenance. JHU, at Company's expense, shall file, prosecute and maintain all patents and patent applications specified under PATENT RIGHTS and, subject to the terms and conditions of this Agreement, Company shall be licensed thereunder. Title to all such patents and patent applications shall reside in JHU. JHU shall have full and complete control over all patent matters in connection therewith under the PATENT RIGHTS, provided however, that JHU shall (a) cause its patent counsel to timely copy Company on all official actions and written correspondence with any patent office and timely provide Company advance notification of any filing deadline, and (b) allow Company an opportunity to comment and advise JHU. JHU shall consider and reasonably incorporate all comments and advice from Company and JHU shall comply with foreign filing decisions provided by Company. Upon request by Company, JHU shall consider allowing Company's patent counsel to prosecute patent applications relating to the PATENT RIGHTS. By concurrent written notification to JHU and its patent counsel at least thirty (30) days in advance (or later at JHU's discretion) of any filing or response deadline, or fee due date, Company may elect not to have a patent application filed in any particular country or region or not to pay expenses associated with prosecuting or maintaining any patent application or patent, provided that Company pays for all costs incurred up to JHU's receipt of such notification. Failure to provide such notification can be considered by JHU to be Company's authorization to proceed at Company's expense. Upon such notification, JHU may file, prosecute, and/or maintain such patent applications or patent at its own expense and for its own benefit, and any rights or license granted hereunder held by Company, AFFILIATED COMPANIES or SUBLICENSEE(S) relating to the PATENT RIGHTS which comprise the subject of such patent applications or patent solely with respect to the particular country or region, shall terminate. For the avoidance of any doubt, such termination shall not affect any rights or license granted hereunder held by Company, AFFILIATED COMPANIES or SUBLICENSEE(S) relating to the PATENT RIGHTS which comprise the subject of patent applications or patents in any other country or region.

4.2 Notification. Each party will notify the other promptly in writing when any infringement by another is uncovered or suspected.

4.3 Infringement. Company shall have the first right to enforce any patent within PATENT RIGHTS against any infringement or alleged infringement thereof, and shall at all times keep JHU informed as to the status thereof. Before Company commences an action with respect to any infringement of such patents, Company shall give careful consideration to the views of JHU and to potential effects on the public interest in making its decision whether or not to sue. Thereafter, Company may, at its own expense, institute suit against any such infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Paragraph 4.5. However, no settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the prior written consent of JHU which consent shall not be unreasonably withheld. This right to sue for infringement shall not be used in an arbitrary or capricious manner. JHU shall reasonably cooperate in any such litigation at Company's expense.

If Company elects not to enforce any patent within the PATENT RIGHTS, then it shall so notify JHU in writing within ninety (90) days of receiving notice that an infringement exists, and JHU may, in its sole judgment and at its own expense, take steps to enforce any patent and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover, for its own account, any damages, awards or settlements resulting therefrom.

4.4 Patent Invalidity Suit. If a declaratory judgment action is brought naming Company as a defendant and alleging invalidity of any of the PATENT RIGHTS, JHU may elect to take over the sole defense of the action at its own expense. Company shall cooperate fully with JHU in connection with any such action.

4.5 Recovery. Any recovery by Company under Paragraph 4.3 shall be deemed to reflect loss of commercial sales, and Company shall pay to JHU [***] of the recovery net of all reasonable costs and expenses associated with each suit or settlement. If the cost and expenses exceed the recovery, then [***] of the excess shall be credited against royalties payable by Company to JHU hereunder in connection with sales of LICENSED PRODUCT covered in the PATENT RIGHTS which are the subject of the infringement suit, in the country of such legal proceedings, provided, however, that any such credit under this Paragraph shall not exceed [***] of the royalties otherwise payable to JHU with regard to sales in the country of such action in any one calendar year, with any excess credit being carried forward to future calendar years.

ARTICLE 5
OBLIGATIONS OF THE PARTIES

5.1 Reports. Company shall provide to JHU the following written reports according to the following schedules.

(a) Company shall provide quarterly Royalty Reports, substantially in the format of Exhibit B and due within thirty (30) days of the end of each calendar quarter following the EFFECTIVE DATE of this Agreement. Royalty Reports shall disclose the amount of LICENSED PRODUCT(S) and LICENSED SERVICE(S) sold, the total NET SALES and NET SERVICE REVENUES of such LICENSED PRODUCT(S) and LICENSED SERVICE(S), and the running royalties due to JHU as a result of NET SALES and NET SERVICE REVENUES by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) thereof. Payment of any such royalties due shall accompany such Royalty Reports.

(b) Until Company, an AFFILIATED COMPANY or a SUBLICENSEE(S) has achieved a first commercial sale of a LICENSED PRODUCT or LICENSED SERVICE, or received FDA market approval, Company shall provide semiannual Diligence Reports, due within thirty (30) days of the end of every June and December following the EFFECTIVE DATE of this Agreement. These Diligence Reports shall describe Company's, AFFILIATED COMPANIES or any SUBLICENSEE(S)'s technical efforts towards meeting its obligations under the terms of this Agreement.

(c) Company shall provide Annual Reports within thirty (30) days of the end of every December following the EFFECTIVE DATE of this Agreement. Annual Reports shall include:

(i) evidence of insurance as required under Paragraph 10.4, or, a statement of why such insurance is not currently required, and

(ii) identification of all AFFILIATED COMPANIES which have exercised rights pursuant to Paragraph 2.1, or, a statement that no AFFILIATED COMPANY has exercised such rights, and

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(iii) notice of all FDA approvals of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) obtained by COMPANY, AFFILIATED COMPANY or SUBLICENSEE, the patent(s) or patent application(s) licensed under this Agreement upon which such product or service is based, and the commercial name of such product or service, or, in the alternative, a statement that no FDA approvals have been obtained.

5.2 Records. Company shall make and retain, for a period of three (3) years following the period of each report required by Paragraph 5.1, true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of sales and other information required in Paragraph 5.1. Such books and records shall be in accordance with generally accepted accounting principles consistently applied. Company shall permit the inspection and copying of such records, files and books of account by JHU or its agents during regular business hours upon ten (10) business days' written notice to Company. Such inspection shall not be made more than once each calendar year. All costs of such inspection and copying shall be paid by JHU, provided that if any such inspection shall reveal that an error has been made in the amount equal to five percent (5%) or more of such payment, such costs shall be borne by Company. As a condition to entering into any such agreement, Company shall include in any agreement with its AFFILIATED COMPANIES or its SUBLICENSEE(S) which permits such party to make, use, sell or import the LICENSED PRODUCT(S) or provide LICENSED SERVICE(S), a provision requiring such party to retain records of sales of LICENSED PRODUCT(S) and records of LICENSED SERVICE(S) and other information as required in Paragraph 5.1 and permit JHU to inspect such records as required by this Paragraph.

5.3 Reasonable Efforts. Company shall exercise commercially reasonable efforts to develop and to introduce the LICENSED PRODUCT(S) and LICENSED SERVICE(S) into the commercial market as soon as practicable, consistent with sound and reasonable business practice and judgement; thereafter, until the expiration or termination of this Agreement, Company shall endeavor to keep LICENSED PRODUCT(S) and LICENSED SERVICE(S) reasonably available to the public.

5.4 Other Products. After clinical or other evidence, provided in writing [***] to Company, demonstrating the practicality of a particular market or use within the LICENSED FIELD which is not being developed or commercialized by Company, Company shall either provide JHU with a reasonable development plan and start development or attempt to reasonably sublicense the particular market or use to a third party. If within six (6) months of such notification [***] Company has not initiated such development efforts or sublicensed that particular market or use, JHU may terminate this license for such particular market or use. This Paragraph shall not be applicable if Company reasonably demonstrates to JHU that commercializing such LICENSED PRODUCT(S) or LICENSED SERVICE(S) or granting such a sublicense in said market or use would have a potentially adverse commercial effect upon marketing or sales of the LICENSED PRODUCT(S) developed and being sold by Company.

5.5 Patent Acknowledgement. Company agrees that all packaging containing individual LICENSED PRODUCT(S) sold by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) of Company will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws.

ARTICLE 6
REPRESENTATIONS

6.1 Duties of the Parties. JHU is not a commercial organization. It is an institute of research and education. Therefore, JHU has no ability to evaluate the commercial potential of any PATENT RIGHTS or LICENSED PRODUCT or other license or rights granted in this Agreement. It is therefore incumbent upon Company to evaluate the rights and products in question, to examine the materials and information provided by JHU, and to determine for itself the validity of any PATENT RIGHTS, its freedom to operate, and the value of any LICENSED PRODUCTS or SERVICES or other rights granted.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

6.2 Representations by JHU. JHU warrants that it has good and marketable title to its interest in the inventions claimed under PATENT RIGHTS with the exception of certain retained rights of the United States Government, which may apply if any part of the JHU research was funded in whole or in part by the United States Government. JHU does not warrant the validity of any patents or that practice under such patents shall be free of infringement. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 6.2, COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) AGREE THAT THE PATENT RIGHTS ARE PROVIDED "AS IS", AND THAT JHU MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE PERFORMANCE OF LICENSED PRODUCT(S) AND LICENSED SERVICE(S) INCLUDING THEIR SAFETY, EFFECTIVENESS, OR COMMERCIAL VIABILITY. JHU DISCLAIMS ALL WARRANTIES WITH REGARD TO PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, JHU ADDITIONALLY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES ON THE PART OF JHU AND INVENTORS, FOR DAMAGES, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, SPECIAL, AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF JHU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FEES OR COSTS), ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, USE, OR SALE OF THE PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT. COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) ASSUME ALL RESPONSIBILITY AND LIABILITY FOR LOSS OR DAMAGE CAUSED BY A PRODUCT AND/OR SERVICE MANUFACTURED, USED, OR SOLD BY COMPANY, ITS SUBLICENSEE(S) AND AFFILIATED COMPANIES WHICH IS A LICENSED PRODUCT(S) OR LICENSED SERVICE(S) AS DEFINED IN THIS AGREEMENT.

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification. JHU and the Inventors will have no legal liability exposure to third parties if JHU does not license the LICENSED PRODUCT(S) and LICENSED SERVICE(S), and any royalties JHU and the Inventors may receive is not adequate compensation for such legal liability exposure. Therefore, JHU requires Company to protect JHU and Inventors from such exposure to the same manner and extent to which insurance, if available, would protect JHU and Inventors. Furthermore, JHU and the Inventors will not, under the provisions of this Agreement or otherwise, have control over the manner in which Company or its AFFILIATED COMPANIES or its SUBLICENSEE(S) or those operating for its account or third parties who purchase LICENSED PRODUCT(S) or LICENSED SERVICE(S) from any of the foregoing entities, develop, manufacture, market or practice the inventions of LICENSED PRODUCT(S) and LICENSED SERVICE(S). Therefore, Company, AFFILIATED COMPANY and SUBLICENSEE shall indemnify, defend with counsel reasonably acceptable to JHU, and hold JHU, The Johns Hopkins Health Systems, their present and former trustees, officers, Inventors of PATENT RIGHTS, agents, faculty, employees and students harmless as against any judgments, fees, expenses, or other costs arising from or incidental to any product liability or other lawsuit, claim, demand or other action brought as a consequence of the practice of said inventions by any of the foregoing entities, whether or not JHU or said Inventors, either jointly or severally, is named as a party defendant in any such lawsuit and whether or not JHU or the Inventors are alleged to be negligent or otherwise responsible for any injuries to persons or property. Practice of the inventions covered by LICENSED PRODUCT(S) and LICENSED SERVICE(S), by an AFFILIATED COMPANY or an agent or a SUBLICENSEE(S) or a third party on behalf of or for the account of Company or by a third party who purchases LICENSED PRODUCT(S) and LICENSED SERVICE(S) from Company, shall be considered Company's practice of said inventions for purposes of this Paragraph. The obligation of Company to defend and indemnify as set out in this Paragraph shall survive the termination of this Agreement, shall continue even after assignment of rights and responsibilities to an affiliate or sublicensee, and shall not be limited by any other limitation of liability elsewhere in this Agreement.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. If necessary, the parties will exchange information, which they consider to be confidential. The recipient of such information agrees to accept the disclosure of said information which is marked as confidential at the time it is sent to the recipient, and to employ all reasonable efforts to maintain the information secret and confidential, such

efforts to be no less than the degree of care employed by the recipient to preserve and safeguard its own confidential information. The Information shall not be disclosed or revealed to anyone except employees of the recipient who have a need to know the information and who have entered into a secrecy agreement with the recipient under which such employees are required to maintain confidential the proprietary information of the recipient and such employees shall be advised by the recipient of the confidential nature of the information and that the information shall be treated accordingly.

The obligations of this Paragraph 8.1 shall also apply to AFFILIATED COMPANIES and/or SUBLICENSEE(S) provided such information by Company. JHU's, Company's, AFFILIATED COMPANIES, and SUBLICENSEES' obligations under this Paragraph 8.1 shall extend until three (3) years after the termination of this Agreement.

8.2 Exceptions. The recipient's obligations under Paragraph 8.1 shall not extend to any part of the information:

a. that can be demonstrated to have been in the public domain or publicly known and readily available to the trade or the public prior to the date of the disclosure; or

b. that can be demonstrated from written records to have been in the recipient's possession or readily available to the recipient from another source not under obligation of secrecy to the disclosing party prior to the disclosure; or

c. that becomes part of the public domain or publicly known by publication or otherwise, not due to any unauthorized act by the recipient; or

d. that is demonstrated from written records to have been developed by or for the receiving party without reference to confidential information disclosed by the disclosing party.

e. that is required to be disclosed by law, government regulation or court order.

8.3 Right to Publish. JHU may publish manuscripts, abstracts or the like describing the PATENT RIGHTS and inventions contained therein provided confidential information of Company as defined in Paragraph 8.1, is not included or without first obtaining approval from Company to include such confidential information. Otherwise, JHU and the Inventors shall be free to publish manuscripts and abstracts or the like directed to the work done at JHU related to the licensed technology without prior approval.

ARTICLE 9
TERM & TERMINATION

9.1 Term. The term of this Agreement shall commence on the EFFECTIVE DATE and shall continue, in each country, until the date of expiration of the last to expire patent included within PATENT RIGHTS in that country or if no patents issue then for a term of twenty (20) years from the EFFECTIVE DATE of this Agreement.

9.2 Termination By Either Party. This Agreement may be terminated by either party, in the event that the other party (a) files or has filed against it a petition under the Bankruptcy Act, makes an assignment for the benefit of creditors, has a receiver appointed for it or a substantial part of its assets, or otherwise takes advantage of any statute or law designed for relief of debtors or (b) fails to perform or otherwise breaches any of its obligations hereunder, if, following the giving of notice by the terminating party of its intent to terminate and stating the grounds therefor, the party receiving such notice shall not have cured the failure or breach within thirty (30) days. In no event, however, shall such notice or intention to terminate be deemed to waive any rights to damages or any other remedy which the party giving notice of breach may have as a consequence of such failure or breach.

9.3 Termination by Company. Company may terminate this Agreement and the license granted herein, for any reason, upon giving JHU ninety (90) days written notice.

9.4 Obligations and Duties upon Termination. If this Agreement is terminated, both parties shall be released from all obligations and duties imposed or assumed hereunder to the extent so terminated, except as expressly provided to the contrary in this Agreement. Upon termination, both parties shall cease any further use of the confidential information disclosed to the receiving party by the other party. Termination of this Agreement, for whatever reason, shall not affect the

obligation of either party to make any payments for which it is liable prior to or upon such termination. Termination shall not affect JHU's right to recover unpaid royalties, fees, reimbursement for patent expenses, or other forms of financial compensation incurred prior to termination. Upon termination Company shall submit a final royalty report to JHU and any royalty payments, fees, unreimbursed patent expenses and other financial compensation due JHU shall become immediately payable. Furthermore, upon termination of this Agreement, all rights in and to the licensed technology shall revert immediately to JHU at no cost to JHU. Upon termination of this Agreement, any SUBLICENSEE(S) shall become a direct licensee of JHU, provided that JHU's obligations to SUBLICENSEE(S) are no greater than JHU's obligations to Company under this Agreement. Company shall provide written notice of such to each SUBLICENSEE(S) with a copy of such notice provided to JHU.

ARTICLE 10
MISCELLANEOUS

10.1 Use of Name. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall not use the name of The Johns Hopkins University or The Johns Hopkins Health System or any of its constituent parts, such as the Johns Hopkins Hospital or any contraction thereof or the name of Inventors in any advertising, promotional, sales literature or fundraising documents without prior written consent from an authorized representative of JHU. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall allow at least seven (7) business days notice of any proposed public disclosure for JHU's review and comment or to provide written consent.

10.2 No Partnership. Nothing in this Agreement shall be construed to create any agency, employment, partnership, joint venture or similar relationship between the parties other than that of a licensor/licensee. Neither party shall have any right or authority whatsoever to incur any liability or obligation (express or implied) or otherwise act in any manner in the name or on the behalf of the other, or to make any promise, warranty or representation binding on the other.

10.3 Notice of Claim. Each party shall give the other or its representative immediate notice of any suit or action filed, or prompt notice of any claim made, against them arising out of the performance of this Agreement or arising out of the practice of the inventions licensed hereunder.

10.4 Product Liability. Prior to initial human testing or first commercial sale of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) as the case may be in any particular country, Company shall establish and maintain, in each country in which Company, an AFFILIATED COMPANY or SUBLICENSEE(S) shall test or sell LICENSED PRODUCT(S) and LICENSED SERVICE(S), product liability or other appropriate insurance coverage in the minimum amount of five million dollars ($5,000,000) per claim and will annually present evidence to JHU that such coverage is being maintained. Upon JHU's request, Company will furnish JHU with a Certificate of Insurance of each product liability insurance policy obtained. JHU shall be listed as an additional insured in Company's said insurance policies. If such Product Liability insurance is underwritten on a 'claims made' basis, Company agrees that any change in underwriters during the term of this Agreement will require the purchase of 'prior acts' coverage to ensure that coverage will be continuous throughout the term of this Agreement.

10.5 Governing Law. This Agreement shall be construed, and legal relations between the parties hereto shall be determined, in accordance with the laws of the State of Maryland applicable to contracts solely executed and wholly to be performed within the State of Maryland without giving effect to the principles of conflicts of laws. Any disputes between the parties to the Agreement shall be brought in the state or federal courts of Maryland. Both parties agree to waive their right to a jury trial.

10.6 Notice. All notices or communication required or permitted to be given by either party hereunder shall be deemed sufficiently given if mailed by registered mail or certified mail, return receipt requested, or sent by overnight courier, such as Federal Express, to the other party at its respective address set forth below or to such other address as one party shall give notice of to the other from time to time hereunder. Mailed notices shall be deemed to be received on the third business day following the date of mailing. Notices sent by overnight courier shall be deemed received the following business day.

If to Company: Attn: Mr. Kim Jenkins
Surgi-Vision, Inc.
One Commerce Square
Suite 2550
Memphis, TN 38103

with a copy to: Attn: Oscar Thomas
Surgi-Vision, Inc.
One Commerce Square
Suite 2550
Memphis, TN 38103

and

Attn: Julie H. Richardson
Myers Bigel Sibley & Sajovec, P.A.
4140 Parklake Ave.
Suite 600
Raleigh, NC 27612

If to JHU: Director
Technology Transfer
Johns Hopkins University
100 N. Charles Street
5th Floor
Baltimore, MD 21201
Attn: JHU Agrmt# A13611

10.7 Compliance with All Laws. In all activities undertaken pursuant to this Agreement, both JHU and Company covenant and agree that each will in all material respects comply with such Federal, state and local laws and statutes, as may be in effect at the time of performance and all valid rules, regulations and orders thereof regulating such activities.

10.8 Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein, except for the right to receive any remuneration hereunder, may be assigned by either party, in whole or in part, without the prior written consent of the other party, except that either party shall be free to assign this Agreement in connection with any merger in which it is not the surviving entity or any sale of substantially all of its assets, in either case without the consent of the other. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the parties hereto.

10.9 No Waivers; Severability. No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or other provision of this Agreement, and no waiver shall be effective unless made in writing. Any provision hereof prohibited by or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held by any governmental agency or court of competent jurisdiction to be void, illegal and unenforceable, the parties shall negotiate in good faith for a substitute term or provision which carries out the original intent of the parties.

10.10 Entire Agreement; Amendment. Company and JHU acknowledge that they have read this entire Agreement and that this Agreement, including the attached Exhibits constitutes the entire understanding and contract between the parties hereto and supersedes any and all prior or contemporaneous oral or written communications with respect to the subject matter hereof, all of which communications are merged herein. It is expressly understood and agreed that (i) there being no expectations to the contrary between the parties hereto, no usage of trade, verbal agreement or another regular

practice or method dealing within any industry or between the parties hereto shall be used to modify, interpret, supplement or alter in any manner the express terms of this Agreement; and (ii) this Agreement shall not be modified, amended or in any way altered except by an instrument in writing signed by both of the parties hereto.

10.11 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party hereto, shall impair any such right, power or remedy to such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

10.12 Force Majeure. If either party fails to fulfill its obligations hereunder (other than an obligation for the payment of money), when such failure is due to an act of God, or other circumstances beyond its reasonable control, including but not limited to fire, flood, civil commotion, riot, war (declared and undeclared), revolution, or embargoes, then said failure shall be excused for the duration of such event and for such a time thereafter as is reasonable to enable the parties to resume performance under this Agreement, provided however, that in no event shall such time extend for a period of more than one hundred eighty (180) days.

10.13 Further Assurances. Each party shall, at any time, and from time to time, prior to or after the EFFECTIVE DATE of this Agreement, at reasonable request of the other party, execute and deliver to the other such instruments and documents and shall take such actions as may be required to more effectively carry out the terms of this Agreement.

10.14 Survival All representations, warranties, covenants and agreements made herein and which by their express terms or by implication are to be performed after the execution and/or termination hereof, or are prospective in nature, shall survive such execution and/or termination, as the case may be. This shall include Paragraphs 3.7 (Late Payments), 5.2 (Records), and Articles 6, 7, 8, 9, and 10.

10.15 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

10.16 Headings. Article headings are for convenient reference and not a part of this Agreement. All Exhibits are incorporated herein by this reference.

10.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall be deemed but one instrument.

IN WITNESS WHEREOF, this Agreement shall take effect as of the EFFECTIVE DATE when it has been executed below by the duly authorized representatives of the parties.

THE JOHNS HOPKINS UNIVERSITY

/s/ Wesley D. Blakeslee
Wesley D. Blakeslee
Executive Director
Johns Hopkins Technology Transfer
6/27/08
(Date)

SURGI-VISION, INC.

/s/ K. Jenkins
Name: K. Jenkins
Title: CEO

6/30/08
(Date)

EXHIBIT A. LICENSE FEE & ROYALITIES.
EXHIBIT B. SALES & ROYALTY REPORT FORM.

Admin Reviewed 6/27/08 /s/ MKC

EXHIBIT A

LICENSE FEE & ROYALTIES

1. **Initial License Fee:** The license fee due under Paragraph 3.1 is twenty thousand dollars ($20,000).
2. **Contingent License Fee.** Upon the issuance of the U.S. patent under patent application Serial No.[***], an additional license fee of twenty thousand dollars ($20,000) will be due. Company shall pay to JHU such contingent license fee within thirty (30) days following the issuance of such U.S. patent.
3. **Minimum Annual Royalties:** The minimum annual royalties pursuant to Paragraph 3.2 are:

   1st year: five thousand dollars ($5,000).

   2nd year: ten thousand dollars ($10,000).

   3rd year, etc. twenty thousand dollars ($20,000).
4. **Royalties:** The running royalty rate payable under Paragraph 3.3 is five percent (5%).
5. **Sublicense consideration:** The percent sublicense consideration payable under Paragraph 3.4 is twenty five percent (25%).

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT B

QUARTERLY SALES & ROYALTY REPORT

FOR LICENSE AGREEMENT BETWEEN _____ AND

THE JOHNS HOPKINS UNIVERSITY DATED

_____

FOR PERIOD OF _____ TO _____

TOTAL ROYALTIES DUE FOR THIS PERIOD $_____

PRODUCT ID	PRODUCT NAME	*JHU REFERENCE	1st COMMERCIAL SALE DATE	TOTAL NET SALES/SERVICES	ROYALTY RATE	AMOUNT DUE

* Please provide the JHU Reference Number or Patent Reference

This report format is to be used to report quarterly royalty statements to JHU. It should be placed on Company letterhead and accompany any royalty payments due for the reporting period. This report shall be submitted even if no sales are reported.

Exhibit 10.22

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") is entered into by and between THE JOHNS HOPKINS UNIVERSITY, a Maryland corporation having an address at 3400 N. Charles Street, Baltimore, Maryland, 21218-2695 ("JHU") and Surgi-Vision, Inc., a Delaware corporation having an address at One Commerce Square, Suite 2550, Memphis, Tennessee 38103 ("Company"), with respect to the following:

RECITALS

WHEREAS, as a center for research and education, JHU is interested in licensing PATENT RIGHTS (hereinafter defined) in a manner that will benefit the public by facilitating the distribution of useful products and the utilization of new processes, but is without capacity to commercially develop, manufacture, and distribute any such products or processes; and

WHEREAS, a valuable invention entitled [***] was developed during the course of research conducted by [***] (all hereinafter, "Inventors"); and

WHEREAS, JHU has acquired through assignment all rights, title and interest, with the exception of certain retained rights by the United States Government, in its interest in said valuable inventions; and

WHEREAS, Company desires to obtain certain rights in such inventions as herein provided, and to commercially develop, manufacture, use and distribute products and processes based upon or embodying said valuable inventions throughout the world;

NOW THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

All references to particular Exhibits, Articles or Paragraphs shall mean the Exhibits to, and Paragraphs and Articles of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits hereto, the following words and phrases shall have the following meanings:

1.1 "AFFILIATED COMPANY" as used herein in either singular or plural shall mean any corporation, company, partnership, joint venture or other entity, which controls, is controlled by or is under common control with Company. For purposes of this Paragraph 1.1, control shall mean the direct or indirect ownership of at least fifty- percent (50%).

1.2 "EFFECTIVE DATE" of this License Agreement shall mean the date the last party hereto has executed this Agreement.

1.3 "EXCLUSIVE LICENSE" shall mean a grant by JHU to Company of its entire right and interest in the PATENT RIGHTS subject to rights retained by the United States Government, if any, in accordance with the Bayh-Dole Act of 1980 (established by P.L. 96-517 and amended by P.L. 98-620, codified at 35 USC § 200 et. seq. and implemented according to 37 CFR Part 401), and subject to the retained right of JHU to make, have made, provide and use for its and The Johns Hopkins Health Systems' non-commercial purposes LICENSED PRODUCT(S) and LICENSED SERVICE(S), including the ability to distribute any biological material disclosed and/or claimed in PATENT RIGHTS for nonprofit academic research use to non-commercial entities as is customary in the scientific community.

1.4 "LICENSED FIELD" shall mean all fields.

1.5 "LICENSED PRODUCT(S)" as used herein in either singular or plural shall mean any process or method, material, compositions, drug, or other product, the manufacture, use or sale of which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of PATENT RIGHTS (infringement shall include, but is not limited to, direct, contributory, or inducement to infringe).

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

1.6 "LICENSED SERVICE(S)" as used herein in either singular or plural shall mean the performance on behalf of a third party of any method or the manufacture of any product or the use of any product or composition which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of the PATENT RIGHTS, (infringement shall include, but not be limited to, direct, contributory or inducement to infringe).

1.7 "NET SALES" shall mean gross sales revenues and fees billed by Company or any AFFILIATED COMPANY from the sale of LICENSED PRODUCT(S) less trade discounts allowed, refunds, returns and recalls, freight and delivery costs, sales, use or other similar taxes, and rebates accrued, incurred or paid to federal or state agencies (such as Medicare or Medicaid)) or other payors. In the event that Company or any AFFILIATED COMPANY sells a LICENSED PRODUCT(S) in combination with other ingredients or substances or as part of a kit, the NET SALES for purposes of royalty payments shall be based on that portion of the sales revenues and fees derived from that component of the combination or kit which could independently be sold as a LICENSED PRODUCT.

1.8 "NET SERVICE REVENUES" shall mean gross service revenues and fees billed by Company or any AFFILIATED COMPANY for the performance of LICENSED SERVICE(S) less sales, use or other similar taxes imposed upon and with specific reference to the LICENSED SERVICE(S), but only where LICENSED SERVICES are sold or used separately from the manufacture or sale of a LICENSED PRODUCT. In the event that Company or any AFFILIATED COMPANY sells a LICENSED SERVICE(S) in combination with other services or substances or as part of a kit that does not include a LICENSED PRODUCT, the NET SERVICE REVENUES for purposes of royalty payments shall be based on that portion of the sales revenues and fees derived from that component of the combination or kit which could independently be sold as a LICENSED SERVICE.

1.9 "PATENT RIGHTS" shall mean the U.S. provisional patent application Serial No. [***] filed on[***], and assigned to JHU entitled [***] and the invention disclosed and claimed therein, and all continuations, divisions, and reissues based thereof, and any corresponding foreign patent applications, and any patents, or other equivalent foreign PATENT RIGHTS issuing, granted or registered thereon.

1.10 "SUBLICENSEE(S)" as used herein in either singular or plural shall mean any person or entity other than an AFFILIATED COMPANY to which Company has granted a sublicense under this Agreement.

ARTICLE 2
LICENSE GRANT

2.1 Grant. Subject to the terms and conditions of this Agreement, JHU hereby grants to Company an EXCLUSIVE LICENSE to make, have made, use, import, offer for sale and sell the LICENSED PRODUCT(S) and to provide the LICENSED SERVICE(S) in the United States and worldwide under the PATENT RIGHTS in the LICENSED FIELD. This Grant shall apply to the Company and any AFFILIATED COMPANY, except that any AFFILIATED COMPANY shall not have the right to sublicense others without the prior written approval of JHU as set forth in Paragraph 2.2 below. If any AFFILIATED COMPANY exercises rights under this Agreement, such AFFILIATED COMPANY shall be bound by all terms and conditions of this Agreement, including but not limited to indemnity and insurance provisions and royalty payments, which shall apply to the exercise of the rights, to the same extent as would apply had this Agreement been directly between JHU and the AFFILIATED COMPANY. In addition, Company shall remain fully liable to JHU for all acts and obligations of AFFILIATED COMPANY such that acts of the AFFILIATED COMPANY shall be considered acts of the Company.

2.2 Sublicense. Company may sublicense to others under this Agreement, subject to the terms and conditions of this Paragraph 2.2 and subject to JHU's prior written approval of the sublicense agreement. Such approval shall not be unreasonably withheld. As a condition to its validity and enforceability, each sublicense agreement shall: (a) incorporate by reference the terms and conditions of this Agreement, (b) be consistent with the terms, conditions and limitations of this Agreement, (c) prohibit SUBLICENSEE'S further sublicense of the rights delivered hereunder without JHU's prior written approval, (d) name JHU as an intended third party beneficiary of the obligations of SUBLICENSEE without imposition of obligation or liability on the part of JHU or its Inventors to the SUBLICENSEE, (e) specifically incorporate Paragraphs 6.2 "Representations by JHU", 7.1 "Indemnification", 10.1 "Use of Name", 10.4 "Product Liability" into the body of the sublicense agreement, and cause the terms used in therein to have the same meaning as in this Agreement, and, (f) bear signature from JHU indicating JHU's review and approval of the sublicense agreement. Company shall provide to JHU each

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

proposed sublicense agreement, executed by both Company and proposed SUBLICENSEE, for review, approval and signature by JHU. To the extent that any terms, conditions or limitations of any sublicense agreement are inconsistent with this Agreement, those terms, conditions and limitations are null and void against JHU, unless JHU has approved the sublicense in writing.

2.3 Government Rights. The United States Government may have acquired a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the inventions described in PATENT RIGHTS throughout the world. The rights granted herein are additionally subject to: (i) the requirement that any LICENSED PRODUCT(S) produced for use or sale within the United States shall be substantially manufactured in the United States (unless a waiver under 35 USC § 204 or equivalent is granted by the appropriate United States government agency), (ii) the right of the United States government to require JHU, or its licensees, including Company, to grant sublicenses to responsible applicants on reasonable terms when necessary to fulfill health or safety needs, and, (iii) other rights acquired by the United States government under the laws and regulations applicable to the grant/contract award under which the inventions were made.

ARTICLE 3
FEES, ROYALTIES, & PAYMENTS

3.1 License Fee. Company shall pay to JHU within thirty (30) days of the EFFECTIVE DATE of this Agreement a license fee as set forth in Exhibit A. JHU will not submit an invoice for the license fee, which is nonrefundable and shall not be credited against royalties or other fees.

3.2 Minimum Annual Royalties. Company shall pay to JHU minimum annual royalties as set forth in Exhibit A. These minimum annual royalties shall be due, without invoice from JHU, within thirty (30) days of each anniversary of the EFFECTIVE DATE beginning with the first anniversary. Running royalties and sublicense consideration accrued under Paragraphs 3.3 and 3.4, respectively, and paid to JHU during the one year period preceding an anniversary of the EFFECTIVE DATE shall be credited against the minimum annual royalties due on that anniversary date.

3.3 Running Royalties. Company shall pay to JHU a running royalty as set forth in Exhibit A, for each LICENSED PRODUCT(S) sold, and for each LICENSED SERVICE(S) provided, by Company or AFFILIATED COMPANIES , based on NET SALES and NET SERVICE REVENUES for the term of this Agreement. Such payments shall be made quarterly. All non-US taxes related to LICENSED PRODUCT(S) or LICENSED SERVICE(S) sold under this Agreement shall be paid by Company and shall not be deducted from royalty or other payments due to JHU.

In order to insure JHU the full royalty payments contemplated hereunder, Company agrees that in the event any LICENSED PRODUCT(S) shall be sold to an AFFILIATED COMPANY or SUBLICENSEE(S) or to a corporation, firm or association with which Company shall have any agreement, understanding or arrangement with respect to consideration (such as, among other things, an option to purchase stock or actual stock ownership, or an arrangement involving division of profits or special rebates or allowances) the royalties to be paid hereunder for such LICENSED PRODUCT(S) shall be based upon the greater of: 1) the net selling price (per NET SALES) at which the purchaser of LICENSED PRODUCT(S) resells such product to the end user, 2) the NET SERVICE REVENUES received from using the LICENSED PRODUCT(S) in providing a service, or 3) the net selling price (per NET SALES) of LICENSED PRODUCT(S) paid by the purchaser.

No multiple royalties shall be due or payable because any LICENSED PRODUCT(S) or LICENSED SERVICE(S) is covered by more than one claim of the PATENT RIGHTS or by claims of both the PATENT RIGHTS under this Agreement and "PATENT RIGHTS" under any other license agreement between Company and JHU. The royalty shall not be cumulative based on the number of patents or claims covering a product or service, but rather shall be capped at the rate set forth in Exhibit A.

3.4 Sublicense Consideration. Company shall pay to JHU a percentage of consideration received for sublicenses under this Agreement as set forth in Exhibit A. This sublicense consideration shall be due, without the need for invoice from JHU, within forty-five (45) days of Company's receipt. Such consideration shall mean consideration of any kind received by the Company or AFFILIATED COMPANIES from a SUBLICENSEE(S) for the grant of a sublicense under this Agreement, such as upfront fees or milestone fees, running royalties and including any premium paid by the SUBLICENSEE(S) over Fair Market Value for stock of the Company or an AFFILIATED COMPANY in consideration for such sublicense. However, not included in such sublicense consideration are amounts paid to the Company or an AFFILIATED COMPANY by the

SUBLICENSEE(S) for product development, research work, clinical studies and regulatory approvals performed by or for the Company or AFFILIATED COMPANIES (including third parties on their behalf), each pursuant to a specific agreement including a performance plan and commensurate budget. The term "Fair Market Value" shall mean the average price that the stock in question is publicly trading at for twenty (20) days prior to the announcement of its purchase by the SUBLICENSEE(S) or if the stock is not publicly traded, the greater of (a) the value of such stock as determined by the most recent private financing through a financial investor (an entity whose sole interest in the Company or AFFILIATED COMPANY is financial) of the Company or AFFILIATED COMPANY that issued the shares, or (b) the value of such stock as determined by the most recent appraisal conducted by an independent appraiser regularly engaged in the business of valuing businesses of the nature of Company or AFFILIATED COMPANY, as applicable.

In the event of a sublicense under both this Agreement and any other license agreement between Company and JHU, the sublicensing consideration payable to JHU under this Agreement and such other license agreement(s) shall be capped such that the aggregate amount payable to JHU shall not exceed the percentage set forth in Exhibit A of all sublicensing consideration.

3.5 Patent Reimbursement. Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU on or before the EFFECTIVE DATE of this Agreement, which costs will not exceed [***]. In accordance with Paragraph 4.1 below, Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU subsequent to the EFFECTIVE DATE of this Agreement.

3.6 Form of Payment. All payments under this Agreement shall be made in U.S. Dollars by either check or wire transfer.

3.7 Payment Information. All check payments from Company to JHU shall be sent to:

Director
Johns Hopkins Technology Transfer
The Johns Hopkins University
100 N. Charles Street, 5th Floor
Baltimore, MD 21201
Attn: JHU Agrmt# A13609

or such other addresses which JHU may designate in writing from time to time. Checks are to be made payable to "The Johns Hopkins University". Wire transfers may be made through:

[***]

Company shall be responsible for any and all costs associated with wire transfers.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

3.7 Late Payments. In the event that any payment due hereunder is not made when due, the payment shall accrue interest beginning on the tenth day following the due date thereof, calculated at the annual rate of the sum of (a) two percent (2%) plus (b) the prime interest rate quoted by The Wall Street Journal on the date said payment is due, the interest being compounded on the last day of each calendar quarter, provided however, that in no event shall said annual interest rate exceed the maximum legal interest rate for corporations. Each such payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of JHU to seek any other remedy, legal or equitable, to which it may be entitled because of the delinquency of any payment including, but not limited to termination of this Agreement as set forth in Paragraph 9.2.

ARTICLE 4
PATENT PROSECUTION, MAINTENANCE, & INFRINGEMENT

4.1 Prosecution & Maintenance. JHU, at Company's expense, shall file, prosecute and maintain all patents and patent applications specified under PATENT RIGHTS and, subject to the terms and conditions of this Agreement, Company shall be licensed thereunder. Title to all such patents and patent applications shall reside in JHU. JHU shall have full and complete control over all patent matters in connection therewith under the PATENT RIGHTS, provided however, that JHU shall (a) cause its patent counsel to timely copy Company on all official actions and written correspondence with any patent office and timely provide Company advance notification of any filing deadline, and (b) allow Company an opportunity to comment and advise JHU. JHU shall consider and reasonably incorporate all comments and advice from Company and JHU shall comply with foreign filing decisions provided by Company. Upon request by Company, JHU shall consider allowing Company's patent counsel to prosecute patent applications relating to the PATENT RIGHTS. By concurrent written notification to JHU and its patent counsel at least thirty (30) days in advance (or later at JHU's discretion) of any filing or response deadline, or fee due date, Company may elect not to have a patent application filed in any particular country or region or not to pay expenses associated with prosecuting or maintaining any patent application or patent, provided that Company pays for all costs incurred up to JHU's receipt of such notification. Failure to provide such notification can be considered by JHU to be Company's authorization to proceed at Company's expense. Upon such notification, JHU may file, prosecute, and/or maintain such patent applications or patent at its own expense and for its own benefit, and any rights or license granted hereunder held by Company, AFFILIATED COMPANIES or SUBLICENSEE(S) relating to the PATENT RIGHTS which comprise the subject of such patent applications or patent solely with respect to the particular country, shall terminate. For the avoidance of any doubt, such termination shall not affect any rights or license granted hereunder held by Company, AFFILIATED COMPANIES or SUBLICENSEE(S) relating to the PATENT RIGHTS which comprise the subject of patent applications or patents in any other country or region.

4.2 Notification. Each party will notify the other promptly in writing when any infringement by another is uncovered or suspected.

4.3 Infringement. Company shall have the first right to enforce any patent within PATENT RIGHTS against any infringement or alleged infringement thereof, and shall at all times keep JHU informed as to the status thereof. Before Company commences an action with respect to any infringement of such patents, Company shall give careful consideration to the views of JHU and to potential effects on the public interest in making its decision whether or not to sue. Thereafter, Company may, at its own expense, institute suit against any such infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Paragraph 4.5. However, no settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the prior written consent of JHU which consent shall not be unreasonably withheld. This right to sue for infringement shall not be used in an arbitrary or capricious manner. JHU shall reasonably cooperate in any such litigation at Company's expense.

If Company elects not to enforce any patent within the PATENT RIGHTS, then it shall so notify JHU in writing within ninety (90) days of receiving notice that an infringement exists, and JHU may, in its sole judgment and at its own expense, take steps to enforce any patent and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover, for its own account, any damages, awards or settlements resulting therefrom.

4.4 Patent Invalidity Suit. If a declaratory judgment action is brought naming Company as a defendant and alleging invalidity of any of the PATENT RIGHTS, JHU may elect to take over the sole defense of the action at its own expense. Company shall cooperate fully with JHU in connection with any such action.

4.5 Recovery. Any recovery by Company under Paragraph 4.3 shall be deemed to reflect loss of commercial sales, and Company shall pay to JHU [***] of the recovery net of all reasonable costs and expenses associated with each suit or settlement. If the cost and expenses exceed the recovery, then [***] of the excess shall be credited against royalties payable by Company to JHU hereunder in connection with sales of LICENSED PRODUCT covered in the PATENT RIGHTS which are the subject of the infringement suit, in the country of such legal proceedings, provided, however, that any such credit under this Paragraph shall not exceed [***] of the royalties otherwise payable to JHU with regard to sales in the country of such action in any one calendar year, with any excess credit being carried forward to future calendar years.

ARTICLE 5
OBLIGATIONS OF THE PARTIES

5.1 Reports. Company shall provide to JHU the following written reports according to the following schedules.

(a) Company shall provide quarterly Royalty Reports, substantially in the format of Exhibit B and due within thirty (30) days of the end of each calendar quarter following the EFFECTIVE DATE of this Agreement. Royalty Reports shall disclose the amount of LICENSED PRODUCT(S) and LICENSED SERVICE(S) sold, the total NET SALES and NET SERVICE REVENUES of such LICENSED PRODUCT(S) and LICENSED SERVICE(S), and the running royalties due to JHU as a result of NET SALES and NET SERVICE REVENUES by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) thereof. Payment of any such royalties due shall accompany such Royalty Reports.

(b) Until Company, an AFFILIATED COMPANY or a SUBLICENSEE(S) has achieved a first commercial sale of a LICENSED PRODUCT or LICENSED SERVICE, or received FDA market approval, Company shall provide semiannual Diligence Reports, due within thirty (30) days of the end of every June and December following the EFFECTIVE DATE of this Agreement. These Diligence Reports shall describe Company's, AFFILIATED COMPANIES or any SUBLICENSEE(S)'s technical efforts towards meeting its obligations under the terms of this Agreement.

(c) Company shall provide Annual Reports within thirty (30) days of the end of every December following the EFFECTIVE DATE of this Agreement. Annual Reports shall include:

(i) evidence of insurance as required under Paragraph 10.4, or, a statement of why such insurance is not currently required, and

(ii) identification of all AFFILIATED COMPANIES which have exercised rights pursuant to Paragraph 2.1, or, a statement that no AFFILIATED COMPANY has exercised such rights, and

(iii) notice of all FDA approvals of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) obtained by COMPANY, AFFILIATED COMPANY or SUBLICENSEE, the patent(s) or patent application(s) licensed under this Agreement upon which such product or service is based, and the commercial name of such product or service, or, in the alternative, a statement that no FDA approvals have been obtained.

5.2 Records. Company shall make and retain, for a period of three (3) years following the period of each report required by Paragraph 5.1, true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of sales and other information required in Paragraph 5.1. Such books and records shall be in accordance with generally accepted accounting principles consistently applied. Company shall permit the inspection and copying of such records, files and books of account by JHU or its agents during regular business hours upon ten (10) business days' written notice to Company. Such inspection shall not be made more than once each calendar year. All costs of such inspection and copying shall be paid by JHU, provided that if any such inspection shall reveal that an error has been made in the amount equal to five percent (5%) or more of such payment, such costs shall be borne by Company. As a condition to entering into any such agreement, Company shall include in any agreement with its AFFILIATED COMPANIES or its SUBLICENSEE(S) which permits such party to make, use, sell or import the LICENSED PRODUCT(S) or provide LICENSED SERVICE(S), a provision requiring such party to retain records of sales of LICENSED PRODUCT(S) and records of LICENSED SERVICE(S) and other information as required in Paragraph 5.1 and permit JHU to inspect such records as required by this Paragraph.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

5.3 Reasonable Efforts. Company shall exercise commercially reasonable efforts to develop and to introduce the LICENSED PRODUCT(S) and LICENSED SERVICE(S) into the commercial market as soon as practicable, consistent with sound and reasonable business practice and judgement; thereafter, until the expiration or termination of this Agreement, Company shall endeavor to keep LICENSED PRODUCT(S) and LICENSED SERVICE(S) reasonably available to the public.

5.4 Other Products. After clinical or other evidence, provided in writing [***] to Company, demonstrating the practicality of a particular market or use within the LICENSED FIELD which is not being developed or commercialized by Company, Company shall either provide JHU with a reasonable development plan and start development or attempt to reasonably sublicense the particular market or use to a third party. If within six (6) months of such notification [***] Company has not initiated such development efforts or sublicensed that particular market or use, JHU may terminate this license for such particular market or use. This Paragraph shall not be applicable if Company reasonably demonstrates to JHU that commercializing such LICENSED PRODUCT(S) or LICENSED SERVICE(S) or granting such a sublicense in said market or use would have a potentially adverse commercial effect upon marketing or sales of the LICENSED PRODUCT(S) developed and being sold by Company.

5.5 Patent Acknowledgement. Company agrees that all packaging containing individual LICENSED PRODUCT(S) sold by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) of Company will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws.

ARTICLE 6
REPRESENTATIONS

6.1 Duties of the Parties. JHU is not a commercial organization. It is an institute of research and education. Therefore, JHU has no ability to evaluate the commercial potential of any PATENT RIGHTS or LICENSED PRODUCT or other license or rights granted in this Agreement. It is therefore incumbent upon Company to evaluate the rights and products in question, to examine the materials and information provided by JHU, and to determine for itself the validity of any PATENT RIGHTS, its freedom to operate, and the value of any LICENSED PRODUCTS or SERVICES or other rights granted.

6.2 Representations by JHU. JHU warrants that it has good and marketable title to its interest in the inventions claimed under PATENT RIGHTS with the exception of certain retained rights of the United States Government, which may apply if any part of the JHU research was funded in whole or in part by the United States Government. JHU does not warrant the validity of any patents or that practice under such patents shall be free of infringement. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 6.2, COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) AGREE THAT THE PATENT RIGHTS ARE PROVIDED "AS IS", AND THAT JHU MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE PERFORMANCE OF LICENSED PRODUCT(S) AND LICENSED SERVICE(S) INCLUDING THEIR SAFETY, EFFECTIVENESS, OR COMMERCIAL VIABILITY. JHU DISCLAIMS ALL WARRANTIES WITH REGARD TO PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, JHU ADDITIONALLY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES ON THE PART OF JHU AND INVENTORS, FOR DAMAGES, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, SPECIAL, AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF JHU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FEES OR COSTS), ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, USE, OR SALE OF THE PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT. COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) ASSUME ALL RESPONSIBILITY AND LIABILITY FOR LOSS OR DAMAGE CAUSED BY A PRODUCT AND/OR SERVICE MANUFACTURED, USED, OR SOLD BY COMPANY, ITS SUBLICENSEE(S) AND AFFILIATED COMPANIES WHICH IS A LICENSED PRODUCT(S) OR LICENSED SERVICE(S) AS DEFINED IN THIS AGREEMENT.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification. JHU and the Inventors will have no legal liability exposure to third parties if JHU does not license the LICENSED PRODUCT(S) and LICENSED SERVICE(S), and any royalties JHU and the Inventors may receive is not adequate compensation for such legal liability exposure. Therefore, JHU requires Company to protect JHU and Inventors from such exposure to the same manner and extent to which insurance, if available, would protect JHU and Inventors. Furthermore, JHU and the Inventors will not, under the provisions of this Agreement or otherwise, have control over the manner in which Company or its AFFILIATED COMPANIES or its SUBLICENSEE(S) or those operating for its account or third parties who purchase LICENSED PRODUCT(S) or LICENSED SERVICE(S) from any of the foregoing entities, develop, manufacture, market or practice the inventions of LICENSED PRODUCT(S) and LICENSED SERVICE(S). Therefore, Company, AFFILIATED COMPANY and SUBLICENSEE shall indemnify, defend with counsel reasonably acceptable to JHU, and hold JHU, The Johns Hopkins Health Systems, their present and former trustees, officers, Inventors of PATENT RIGHTS, agents, faculty, employees and students harmless as against any judgments, fees, expenses, or other costs arising from or incidental to any product liability or other lawsuit, claim, demand or other action brought as a consequence of the practice of said inventions by any of the foregoing entities, whether or not JHU or said Inventors, either jointly or severally, is named as a party defendant in any such lawsuit and whether or not JHU or the Inventors are alleged to be negligent or otherwise responsible for any injuries to persons or property. Practice of the inventions covered by LICENSED PRODUCT(S) and LICENSED SERVICE(S), by an AFFILIATED COMPANY or an agent or a SUBLICENSEE(S) or a third party on behalf of or for the account of Company or by a third party who purchases LICENSED PRODUCT(S) and LICENSED SERVICE(S) from Company, shall be considered Company's practice of said inventions for purposes of this Paragraph. The obligation of Company to defend and indemnify as set out in this Paragraph shall survive the termination of this Agreement, shall continue even after assignment of rights and responsibilities to an affiliate or sublicensee, and shall not be limited by any other limitation of liability elsewhere in this Agreement.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. If necessary, the parties will exchange information, which they consider to be confidential. The recipient of such information agrees to accept the disclosure of said information which is marked as confidential at the time it is sent to the recipient, and to employ all reasonable efforts to maintain the information secret and confidential, such efforts to be no less than the degree of care employed by the recipient to preserve and safeguard its own confidential information. The information shall not be disclosed or revealed to anyone except employees of the recipient who have a need to know the information and who have entered into a secrecy agreement with the recipient under which such employees are required to maintain confidential the proprietary information of the recipient and such employees shall be advised by the recipient of the confidential nature of the information and that the information shall be treated accordingly.

The obligations of this Paragraph 8.1 shall also apply to AFFILIATED COMPANIES and/or SUBLICENSEE(S) provided such information by Company. JHU's, Company's, AFFILIATED COMPANIES, and SUBLICENSEES' obligations under this Paragraph 8.1 shall extend until three (3) years after the termination of this Agreement.

8.2 Exceptions. The recipient's obligations under Paragraph 8.1 shall not extend to any part of the information:

- **a.** that can be demonstrated to have been in the public domain or publicly known and readily available to the trade or the public prior to the date of the disclosure; or
- **b.** that can be demonstrated from written records to have been in the recipient's possession or readily available to the recipient from another source not under obligation of secrecy to the disclosing party prior to the disclosure; or
- **c.** that becomes part of the public domain or publicly known by publication or otherwise, not due to any unauthorized act by the recipient; or

d. that is demonstrated from written records to have been developed by or for the receiving party without reference to confidential information disclosed by the disclosing party.

e. that is required to be disclosed by law, government regulation or court order.

8.3 Right to Publish. JHU may publish manuscripts, abstracts or the like describing the PATENT RIGHTS and inventions contained therein provided confidential information of Company as defined in Paragraph 8.1, is not included or without first obtaining approval from Company to include such confidential information. Otherwise, JHU and the Inventors shall be free to publish manuscripts and abstracts or the like directed to the work done at JHU related to the licensed technology without prior approval.

ARTICLE 9
TERM & TERMINATION

9.1 Term. The term of this Agreement shall commence on the EFFECTIVE DATE and shall continue, in each country, until the date of expiration of the last to expire patent included within PATENT RIGHTS in that country or if no patents issue then for a term of twenty (20) years from the EFFECTIVE DATE of this Agreement.

9.2 Termination By Either Party. This Agreement may be terminated by either party, in the event that the other party (a) files or has filed against it a petition under the Bankruptcy Act, makes an assignment for the benefit of creditors, has a receiver appointed for it or a substantial part of its assets, or otherwise takes advantage of any statute or law designed for relief of debtors or (b) fails to perform or otherwise breaches any of its obligations hereunder, if, following the giving of notice by the terminating party of its intent to terminate and stating the grounds therefor, the party receiving such notice shall not have cured the failure or breach within thirty (30) days. In no event, however, shall such notice or intention to terminate be deemed to waive any rights to damages or any other remedy which the party giving notice of breach may have as a consequence of such failure or breach.

9.3 Termination by Company. Company may terminate this Agreement and the license granted herein, for any reason, upon giving JHU ninety (90) days written notice.

9.4 Obligations and Duties upon Termination. If this Agreement is terminated, both parties shall be released from all obligations and duties imposed or assumed hereunder to the extent so terminated, except as expressly provided to the contrary in this Agreement. Upon termination, both parties shall cease any further use of the confidential information disclosed to the receiving party by the other party. Termination of this Agreement, for whatever reason, shall not affect the obligation of either party to make any payments for which it is liable prior to or upon such termination. Termination shall not affect JHU's right to recover unpaid royalties, fees, reimbursement for patent expenses, or other forms of financial compensation incurred prior to termination. Upon termination Company shall submit a final royalty report to JHU and any royalty payments, fees, unreimbursed patent expenses and other financial compensation due JHU shall become immediately payable. Furthermore, upon termination of this Agreement, all rights in and to the licensed technology shall revert immediately to JHU at no cost to JHU. Upon termination of this Agreement, any SUBLICENSEE(S) shall become a direct licensee of JHU, provided that JHU's obligations to SUBLICENSEE(S) are no greater than JHU's obligations to Company under this Agreement. Company shall provide written notice of such to each SUBLICENSEE(S) with a copy of such notice provided to JHU.

ARTICLE 10
MISCELLANEOUS

10.1 Use of Name. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall not use the name of The Johns Hopkins University or The Johns Hopkins Health System or any of its constituent parts, such as the Johns Hopkins Hospital or any contraction thereof or the name of Inventors in any advertising, promotional, sales literature or fundraising documents without prior written consent from an authorized representative of JHU. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall allow at least seven (7) business days notice of any proposed public disclosure for JHU's review and comment or to provide written consent.

10.2 No Partnership. Nothing in this Agreement shall be construed to create any agency, employment, partnership, joint venture or similar relationship between the parties other than that of a licensor/licensee. Neither party shall have any right or authority whatsoever to incur any liability or obligation (express or implied) or otherwise act in any manner in the name or on the behalf of the other, or to make any promise, warranty or representation binding on the other.

10.3 Notice of Claim. Each party shall give the other or its representative immediate notice of any suit or action filed, or prompt notice of any claim made, against them arising out of the performance of this Agreement or arising out of the practice of the inventions licensed hereunder.

10.4 Product Liability. Prior to initial human testing or first commercial sale of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) as the case may be in any particular country, Company shall establish and maintain, in each country in which Company, an AFFILIATED COMPANY or SUBLICENSEE(S) shall test or sell LICENSED PRODUCT(S) and LICENSED SERVICE(S), product liability or other appropriate insurance coverage in the minimum amount of five million dollars ($5,000,000) per claim and will annually present evidence to JHU that such coverage is being maintained. Upon JHU's request, Company will furnish JHU with a Certificate of Insurance of each product liability insurance policy obtained. JHU shall be listed as an additional insured in Company's said insurance policies. If such Product Liability insurance is underwritten on a 'claims made' basis, Company agrees that any change in underwriters during the term of this Agreement will require the purchase of 'prior acts' coverage to ensure that coverage will be continuous throughout the term of this Agreement.

10.5 Governing Law. This Agreement shall be construed, and legal relations between the parties hereto shall be determined, in accordance with the laws of the State of Maryland applicable to contracts solely executed and wholly to be performed within the State of Maryland without giving effect to the principles of conflicts of laws. Any disputes between the parties to the Agreement shall be brought in the state or federal courts of Maryland. Both parties agree to waive their right to a jury trial.

10.6 Notice. All notices or communication required or permitted to be given by either party hereunder shall be deemed sufficiently given if mailed by registered mail or certified mail, return receipt requested, or sent by overnight courier, such as Federal Express, to the other party at its respective address set forth below or to such other address as one party shall give notice of to the other from time to time hereunder. Mailed notices shall be deemed to be received on the third business day following the date of mailing. Notices sent by overnight courier shall be deemed received the following business day.

If to Company: Attn: Mr. Kim Jenkins
Surgi-Vision, Inc.
One Commerce Square
Suite 3550
Memphis, TN 38103

with a copy to: Attn: Oscar Thomas
Surgi-Vision, Inc.
One Commerce Square
Suite 2550
Memphis, TN 38103

and

Attn: Julie H. Richardson
Myers Bigel Sibley & Sajovec, P.A.
4140 Parklake Ave.
Suite 600
Raleigh, NC 27612

If to JHU:

Director
Technology Transfer
Johns Hopkins University
100 N. Charles Street
5th Floor
Baltimore, MD 21201
Attn: JHU Agrmt# A13609

10.7 Compliance with All Laws. In all activities undertaken pursuant to this Agreement, both JHU and Company covenant and agree that each will in all material respects comply with such Federal, state and local laws and statutes, as may be in effect at the time of performance and all valid rules, regulations and orders thereof regulating such activities.

10.8 Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein, except for the right to receive any remuneration hereunder, may be assigned by either party, in whole or in part, without the prior written consent of the other party, except that either party shall be free to assign this Agreement in connection with any merger in which it is not the surviving entity or any sale of substantially all of its assets, in either case without the consent of the other. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the parties hereto.

10.9 No Waivers; Severability. No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or other provision of this Agreement, and no waiver shall be effective unless made in writing. Any provision hereof prohibited by or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held by any governmental agency or court of competent jurisdiction to be void, illegal and unenforceable, the parties shall negotiate in good faith for a substitute term or provision which carries out the original intent of the parties.

10.10 Entire Agreement; Amendment. Company and JHU acknowledge that they have read this entire Agreement and that this Agreement, including the attached Exhibits constitutes the entire understanding and contract between the parties hereto and supersedes any and all prior or contemporaneous oral or written communications with respect to the subject matter hereof, all of which communications are merged herein. It is expressly understood and agreed that (i) there being no expectations to the contrary between the parties hereto, no usage of trade, verbal agreement or another regular practice or method dealing within any industry or between the parties hereto shall be used to modify, interpret, supplement or alter in any manner the express terms of this Agreement; and (ii) this Agreement shall not be modified, amended or in any way altered except by an instrument in writing signed by both of the parties hereto.

10.11 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party hereto, shall impair any such right, power or remedy to such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

10.12 Force Majeure. If either party fails to fulfill its obligations hereunder (other than an obligation for the payment of money), when such failure is due to an act of God, or other circumstances beyond its reasonable control, including but not limited to fire, flood, civil commotion, riot, war (declared and undeclared), revolution, or embargoes, then said failure shall be excused for the duration of such event and for such a time thereafter as is reasonable to enable the parties to resume performance under this Agreement, provided however, that in no event shall such time extend for a period of more than one hundred eighty (180) days.

10.13 Further Assurances. Each party shall, at any time, and from time to time, prior to or after the EFFECTIVE DATE of this Agreement, at reasonable request of the other party, execute and deliver to the other such instruments and documents and shall take such actions as may be required to more effectively carry out the terms of this Agreement.

10.14 Survival. All representations, warranties, covenants and agreements made herein and which by their express terms or by implication are to be performed after the execution and/or termination hereof, or are prospective in nature, shall survive such execution and/or termination, as the case may be. This shall include Paragraphs 3.7 (Late Payments), 5.2 (Records), and Articles 6, 7, 8, 9, and 10.

10.15 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

10.16 Headings. Article headings are for convenient reference and not a part of this Agreement. All Exhibits are incorporated herein by this reference.

10.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall be deemed but one instrument.

IN WITNESS WHEREOF, this Agreement shall take effect as of the EFFECTIVE DATE when it has been executed below by the duly authorized representatives of the parties.

THE JOHNS HOPKINS UNIVERSITY	**SURGI-VISION, INC.**
/s/ Wesley D. Blakeslee	/s/ K. Jenkins
Wesley D. Blakeslee Executive Director Johns Hopkins Technology Transfer	Name: K. Jenkins Title: CEO
6/27/08	6/30/08
(Date)	(Date)

EXHIBIT A. LICENSE FEE & ROYALITIES.
EXHIBIT B. SALES & ROYALTY REPORT FORM.

Admin 6/27/08
Reviewed MKC

EXHIBIT A

LICENSE FEE & ROYALTIES

1. **License Fee:** The license fee due under Paragraph 3.1 is twenty thousand dollars ($20,000).
2. **Minimum Annual Royalties:** The minimum annual royalties pursuant to Paragraph 3.2 are:

   1st year: five thousand dollars ($5,000).

   2nd year: five thousand dollars ($5,000).

   3rd year etc. five thousand dollars ($5,000).
3. **Royalties:** The running royalty rate payable under Paragraph 3.3 is five percent (5%).
4. **Sublicense consideration:** The percent sublicense consideration payable under Paragraph 3.4 is twenty five percent (25%).

EXHIBIT B

QUARTERLY SALES & ROYALTY REPORT

FOR LICENSE AGREEMENT BETWEEN _____ AND

THE JOHNS HOPKINS UNIVERSITY DATED

_____

FOR PERIOD OF _____ TO _____

TOTAL ROYALTIES DUE FOR THIS PERIOD $_____

PRODUCT ID	PRODUCT NAME	*JHU REFERENCE	1st COMMERCIAL SALE DATE	TOTAL NET SALES/SERVICES	ROYALTY RATE	AMOUNT DUE

* Please provide the JHU Reference Number or Patent Reference

This report format is to be used to report quarterly royalty statements to JHU. It should be placed on Company letterhead and accompany any royalty payments due for the reporting period. This report shall be submitted even if no sales are reported.

Exhibit 10.23

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") is entered into by and between THE JOHNS HOPKINS UNIVERSITY, a Maryland corporation having an address at 3400 N. Charles Street, Baltimore, Maryland, 21218-2695 ("JHU") and Surgi-Vision, Inc., a Delaware corporation having an address at One Commerce Square, Suite 2550, Memphis, Tennessee 38103 ("Company"), with respect to the following:

RECITALS

WHEREAS, as a center for research and education, JHU is interested in licensing PATENT RIGHTS (hereinafter defined) in a manner that will benefit the public by facilitating the distribution of useful products and the utilization of new processes, but is without capacity to commercially develop, manufacture, and distribute any such products or processes; and

WHEREAS, a valuable invention entitled [***] was developed during the course of research conducted by [***] and [***] (all hereinafter, "Inventors"); and

WHEREAS, JHU has acquired through assignment all rights, title and interest, with the exception of certain retained rights by the United States Government, in its interest in said valuable invention; and

WHEREAS, Company desires to obtain certain rights in such invention as herein provided, and to commercially develop, manufacture, use and distribute products and processes based upon or embodying said valuable invention throughout the world;

NOW THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

All references to particular Exhibits, Articles or Paragraphs shall mean the Exhibits to, and Paragraphs and Articles of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits hereto, the following words and phrases shall have the following meanings:

1.1 "AFFILIATED COMPANY" as used herein in either singular or plural shall mean any corporation, company, partnership, joint venture or other entity, which controls, is controlled by or is under common control with Company. For purposes of this Paragraph 1.1, control shall mean the direct or indirect ownership of at least fifty-percent (50%).

1.2 "EFFECTIVE DATE" of this License Agreement shall mean the date the last party hereto has executed this Agreement.

1.3 "EXCLUSIVE LICENSE" shall mean a grant by JHU to Company of its entire right and interest in the PATENT RIGHTS subject to rights retained by the United States Government, if any, in accordance with the Bayh-Dole Act of 1980 (established by P.L. 96-517 and amended by P.L. 98-620, codified at 35 USC § 200 et. seq. and implemented according to 37 CFR Part 401), and subject to the retained right of JHU to make, have made, provide and use for its and The Johns Hopkins Health Systems' non-commercial purposes LICENSED PRODUCT(S) and LICENSED SERVICE(S), including the ability to distribute any biological material disclosed and/or claimed in PATENT RIGHTS for nonprofit academic research use to non-commercial entities as is customary in the scientific community.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

1.4 "LICENSED FIELD" shall mean all fields.

1.5 "LICENSED PRODUCT(S)" as used herein in either singular or plural shall mean any process or method, material, compositions, drug, or other product, the manufacture, use or sale of which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of PATENT RIGHTS (infringement shall include, but is not limited to, direct, contributory, or inducement to infringe).

1.6 "LICENSED SERVICE(S)" as used herein in either singular or plural shall mean the performance on behalf of a third party of any method or the manufacture of any product or the use of any product or composition which would constitute, but for the license granted to Company pursuant to this Agreement, an infringement of a claim of the PATENT RIGHTS, (infringement shall include, but not be limited to, direct, contributory or inducement to infringe).

1.7 "NET SALES" shall mean gross sales revenues and fees billed by Company or any AFFILIATED COMPANY from the sale of LICENSED PRODUCT(S) less trade discounts allowed, refunds, returns and recalls, freight and delivery costs, sales, use and other similar taxes, and rebates accrued, incurred or paid to federal or state agencies (such as Medicare or Medicaid) or other payors. In the event that Company or any AFFILIATED COMPANY sells a LICENSED PRODUCT(S) in combination with other ingredients or substances or as part of a kit, the NET SALES for purposes of royalty payments shall be based on that portion of the sales revenue and fees derived from that component of the combination or kit which could independently be sold as a LICENSED PRODUCT.

1.8 "NET SERVICE REVENUES" shall mean gross service revenues and fees billed by Company or any AFFILIATED COMPANY for the performance of LICENSED SERVICE(S) less sales, use or other similar taxes imposed upon and with specific reference to the LICENSED SERVICE(S), but only where LICENSED SERVICES are sold or used separately from the manufacture or sale of a LICENSED PRODUCT. In the event that Company or any AFFILIATED COMPANY sells a LICENSED SERVICE(S) in combination with other services or substances or as part of a kit that does not include a LICENSED PRODUCT, the NET SERVICE REVENUES for purposes of royalty payments shall be based on that portion of the sales revenues and fees derived from that component of the combination or kit which could independently be sold as a LICENSED SERVICE.

1.9 "PATENT RIGHTS" shall mean the PCT patent application Serial No. [***] filed on [***], and assigned to JHU entitled [***] and the invention disclosed and claimed therein, and all continuations, divisions, and reissues based thereof, and any corresponding foreign patent applications, and any patents, or other equivalent foreign PATENT RIGHTS issuing, granted or registered thereon.

1.10 "SUBLICENSEE(S)" as used herein in either singular or plural shall mean any person or entity other than an AFFILIATED COMPANY to which Company has granted a sublicense under this Agreement.

ARTICLE 2
LICENSE GRANT

2.1 Grant. Subject to the terms and conditions of this Agreement, JHU hereby grants to Company an EXCLUSIVE LICENSE to make, have made, use, import, offer for sale and sell the LICENSED PRODUCT(S) and to provide the LICENSED SERVICE(S) in the United States and worldwide under the PATENT RIGHTS in the LICENSED FIELD. This Grant shall apply to the Company and any AFFILIATED COMPANY, except that any AFFILIATED COMPANY shall not have the right to sublicense others without the prior written approval of JHU as set forth in Paragraph 2.2 below. If any AFFILIATED COMPANY exercises rights under this Agreement, such AFFILIATED COMPANY shall be bound by all terms and conditions of this Agreement, including but not limited to indemnity and insurance provisions and royalty payments, which shall apply to the exercise of the rights, to the same extent as would apply had this Agreement been directly between JHU and the AFFILIATED COMPANY. In addition, Company shall remain fully liable to JHU for all acts and obligations of AFFILIATED COMPANY such that acts of the AFFILIATED COMPANY shall be considered acts of the Company.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

2.2 Sublicense. Company may sublicense to others under this Agreement, subject to the terms and conditions of this Paragraph 2.2 and subject to JHU's prior written approval of the sublicense agreement. Such approval shall not be unreasonably withheld. As a condition to its validity and enforceability, each sublicense agreement shall: (a) incorporate by reference the terms and conditions of this Agreement, (b) be consistent with the terms, conditions and limitations of this Agreement, (c) prohibit SUBLICENSEE's further sublicense of the rights delivered hereunder without JHU's prior written approval, (d) name JHU as an intended third party beneficiary of the obligations of SUBLICENSEE without imposition of obligation or liability on the part of JHU or its Inventors to the SUBLICENSEE, (e) specifically incorporate Paragraphs 6.2 "Representations by JHU", 7.1 "Indemnification", 10.1 "Use of Name", 10.4 "Product Liability" into the body of the sublicense agreement, and cause the terms used in therein to have the same meaning as in this Agreement, and, (f) bear signature from JHU indicating JHU's review and approval of the sublicense agreement. Company shall provide to JHU each proposed sublicense agreement, executed by both Company and proposed SUBLICENSEE, for review, approval and signature by JHU. To the extent that any terms, conditions or limitations of any sublicense agreement are inconsistent with this Agreement, those terms, conditions and limitations are null and void against JHU, unless JHU has approved the sublicense in writing.

2.3 Government Rights. The United States Government may have acquired a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the inventions described in PATENT RIGHTS throughout the world. The rights granted herein are additionally subject to: (i) the requirement that any LICENSED PRODUCT(S) produced for use or sale within the United States shall be substantially manufactured in the United States (unless a waiver under 35 USC § 204 or equivalent is granted by the appropriate United States government agency), (ii) the right of the United States government to require JHU, or its licensees, including Company, to grant sublicenses to responsible applicants on reasonable terms when necessary to fulfill health or safety needs, and, (iii) other rights acquired by the United States government under the laws and regulations applicable to the grant/contract award under which the inventions were made.

ARTICLE 3
FEES, ROYALTIES, & PAYMENTS

3.1 License Fee. Company shall pay to JHU within thirty (30) days of the EFFECTIVE DATE of this Agreement the initial license fee as set forth in Exhibit A. JHU will not submit an invoice for the license fee, which is nonrefundable and shall not be credited against royalties or other fees.

3.2 Minimum Annual Royalties. Company shall pay to JHU minimum annual royalties as set forth in Exhibit A. These minimum annual royalties shall be due, without invoice from JHU, within thirty (30) days of each anniversary of the EFFECTIVE DATE beginning with the first anniversary. Running royalties and sublicense consideration accrued under Paragraphs 3.3 and 3.4, respectively, and paid to JHU during the one year period preceding an anniversary of the EFFECTIVE DATE shall be credited against the minimum annual royalties due on that anniversary date.

3.3 Running Royalties. Company shall pay to JHU a running royalty as set forth in Exhibit A, for each LICENSED PRODUCT(S) sold, and for each LICENSED SERVICE(S) provided, by Company or AFFILIATED COMPANIES, based on NET SALES and NET SERVICE REVENUES for the term of this Agreement. Such payments shall be made quarterly. All non-US taxes related to LICENSED PRODUCT(S) or LICENSED SERVICE(S) sold under this Agreement shall be paid by Company and shall not be deducted from royalty or other payments due to JHU.

In order to insure JHU the full royalty payments contemplated hereunder, Company agrees that in the event any LICENSED PRODUCT(S) shall be sold to an AFFILIATED COMPANY or SUBLICENSEE(S) or to a corporation, firm or association with which Company shall have any agreement, understanding or arrangement with respect to consideration (such as, among other things, an option to purchase stock or actual stock ownership, or an arrangement involving division of profits or special rebates or allowances) the royalties to be paid hereunder for such LICENSED PRODUCT(S) shall be based upon the greater of: 1) the net selling price (per NET SALES) at which the purchaser of LICENSED PRODUCT(S) resells such product to the end user, 2) the NET SERVICE REVENUES received from using the LICENSED PRODUCT(S) in providing a service, or 3) the net selling price (per NET SALES) of LICENSED PRODUCT(S) paid by the purchaser.

No multiple royalties shall be due or payable because any LICENSED PRODUCT(S) or LICENSED SERVICE(S) is covered by more than one claim of the PATENT RIGHTS or by claims of both the PATENT RIGHTS under this Agreement and "PATENT RIGHTS" under any other license agreement between Company and JHU. The royalty shall not be cumulative based on the number of patents or claims covering a product or service, but rather shall be capped at the rate set forth in Exhibit A.

3.4 Sublicense Consideration. Company shall pay to JHU a percentage of consideration received for sublicenses under this Agreement as set forth in Exhibit A. This sublicense consideration shall be due, without the need for invoice from JHU, within forty-five (45) days of Company's receipt. Such consideration shall mean consideration of any kind received by the Company or AFFILIATED COMPANIES from a SUBLICENSEE(S) for the grant of a sublicense under this Agreement, such as upfront fees or milestone fees, running royalties and including any premium paid by the SUBLICENSEE(S) over Fair Market Value for stock of the Company or an AFFILIATED COMPANY in consideration for such sublicense. However, not included in such sublicense consideration are amounts paid to the Company or an AFFILIATED COMPANY by the SUBLICENSEE(S) for product development, research work, clinical studies and regulatory approvals performed by or for the Company or AFFILIATED COMPANIES (including third parties on their behalf), each pursuant to a specific agreement including a performance plan and commensurate budget. The term "Fair Market Value" shall mean the average price that the stock in question is publicly trading at for twenty (20) days prior to the announcement of its purchase by the SUBLICENSEE(S) or if the stock is not publicly traded, the greater of (a) the value of such stock as determined by the most recent private financing through a financial investor (an entity whose sole interest in the Company or AFFILIATED COMPANY is financial) of the Company or AFFILIATED COMPANY that issued the shares, or (b) the value of such stock as determined by the most recent appraisal conducted by an independent appraiser regularly engaged in the business of valuing businesses of the nature of Company or AFFILIATED COMPANY, as applicable.

In the event of a sublicense under both this Agreement and any other license agreement between Company and JHU, the sublicensing consideration payable to JHU under this Agreement and such other license agreement(s) shall be capped such that the aggregate amount payable to JHU shall not exceed the percentage set forth in Exhibit A of all sublicensing consideration.

3.5 Patent Reimbursement. Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU on or before the EFFECTIVE DATE of this Agreement, which costs will not exceed [***]. In accordance with Paragraph 4.1 below, Company will reimburse JHU, within thirty (30) days of the receipt of an invoice from JHU, for all costs associated with the preparation, filing, maintenance, and prosecution of PATENT RIGHTS incurred by JHU subsequent to the EFFECTIVE DATE of this Agreement.

3.6 Form of Payment. All payments under this Agreement shall be made in U.S. Dollars by either check or wire transfer.

3.7 Payment Information. All check payments from Company to JHU shall be sent to:

Director
Johns Hopkins Technology Transfer
The Johns Hopkins University
100 N. Charles Street, 5 th Floor
Baltimore, MD 21201
Attn: JHU Agrmt# A13599

or such other addresses which JHU may designate in writing from time to time. Checks are to be made payable to "The Johns Hopkins University". Wire transfers may be made through:

[***]

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Company shall be responsible for any and all costs associated with wire transfers.

3.7 Late Payments. In the event that any payment due hereunder is not made when due, the payment shall accrue interest beginning on the tenth day following the due date thereof, calculated at the annual rate of the sum of (a) two percent (2%) plus (b) the prime interest rate quoted by The Wall Street Journal on the date said payment is due, the interest being compounded on the last day of each calendar quarter, provided however, that in no event shall said annual interest rate exceed the maximum legal interest rate for corporations. Each such payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of JHU to seek any other remedy, legal or equitable, to which it may be entitled because of the delinquency of any payment including, but not limited to termination of this Agreement as set forth in Paragraph 9.2.

ARTICLE 4
PATENT PROSECUTION, MAINTENANCE, & INFRINGEMENT

4.1 Prosecution & Maintenance. JHU, at Company's expense, shall file, prosecute and maintain all patents and patent applications specified under PATENT RIGHTS and, subject to the terms and conditions of this Agreement, Company shall be licensed thereunder. Title to all such patents and patent applications shall reside in JHU. JHU shall have full and complete control over all patent matters in connection therewith under the PATENT RIGHTS, provided however, that JHU shall (a) cause its patent counsel to timely copy Company on all official actions and written correspondence with any patent office and timely provide Company advance notification of any filing deadline, and (b) allow Company an opportunity to comment and advise JHU. JHU shall consider and reasonably incorporate all comments and advice from Company and JHU shall comply with foreign filing decisions provided by Company. Upon request by Company, JHU shall consider allowing Company's patent counsel to prosecute patent applications relating to the PATENT RIGHTS. By concurrent written notification to JHU and its patent counsel at least thirty (30) days in advance (or later at JHU's discretion) of any filing or response deadline, or fee due date, Company may elect not to have a patent application filed in any particular country or region or not to pay expenses associated with prosecuting or maintaining any patent application or patent, provided that Company pays for all costs incurred up to JHU's receipt of such notification. Failure to provide such notification can be considered by JHU to be Company's authorization to proceed at Company's expense. Upon such notification, JHU may file, prosecute, and/or maintain such patent applications or patent at its own expense and for its own benefit, and any rights or license granted hereunder held by Company, AFFILIATED COMPANIES or SUBLICENSEE(S) relating to the PATENT RIGHTS which comprise the subject of such patent applications or patent solely with respect to the particular country or region, shall terminate. For the avoidance of any doubt, such termination shall not affect any rights or license granted hereunder held by Company, AFFILIATED COMPANIES or SUBLICENSEE(S) relating to the PATENT RIGHTS which comprise the subject of patent applications or patents in any other country or region.

4.2 Notification. Each party will notify the other promptly in writing when any infringement by another is uncovered or suspected.

4.3 Infringement. Company shall have the first right to enforce any patent within PATENT RIGHTS against any infringement or alleged infringement thereof, and shall at all times keep JHU informed as to the status thereof. Before Company commences an action with respect to any infringement of such patents, Company shall give

careful consideration to the views of JHU and to potential effects on the public interest in making its decision whether or not to sue. Thereafter, Company may, at its own expense, institute suit against any such infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Paragraph 4.5. However, no settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the prior written consent of JHU which consent shall not be unreasonably withheld. This right to sue for infringement shall not be used in an arbitrary or capricious manner. JHU shall reasonably cooperate in any such litigation at Company's expense.

If Company elects not to enforce any patent within the PATENT RIGHTS, then it shall so notify JHU in writing within ninety (90) days of receiving notice that an infringement exists, and JHU may, in its sole judgment and at its own expense, take steps to enforce any patent and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover, for its own account, any damages, awards or settlements resulting therefrom.

4.4 Patent Invalidity Suit. If a declaratory judgment action is brought naming Company as a defendant and alleging invalidity of any of the PATENT RIGHTS, JHU may elect to take over the sole defense of the action at its own expense. Company shall cooperate fully with JHU in connection with any such action.

4.5 Recovery. Any recovery by Company under Paragraph 4.3 shall be deemed to reflect loss of commercial sales, and Company shall pay to JHU [***] of the recovery net of all reasonable costs and expenses associated with each suit or settlement. If the cost and expenses exceed the recovery, then [***] of the excess shall be credited against royalties payable by Company to JHU hereunder in connection with sales of LICENSED PRODUCT covered in the PATENT RIGHTS which are the subject of the infringement suit, in the country of such legal proceedings, provided, however, that any such credit under this Paragraph shall not exceed [***] of the royalties otherwise payable to JHU with regard to sales in the country of such action in any one calendar year, with any excess credit being carried forward to future calendar years.

ARTICLE 5
OBLIGATIONS OF THE PARTIES

5.1 Reports. Company shall provide to JHU the following written reports according to the following schedules.

(a) Company shall provide quarterly Royalty Reports, substantially in the format of Exhibit B and due within thirty (30) days of the end of each calendar quarter following the EFFECTIVE DATE of this Agreement. Royalty Reports shall disclose the amount of LICENSED PRODUCT(S) and LICENSED SERVICE(S) sold, the total NET SALES and NET SERVICE REVENUES of such LICENSED PRODUCT(S) and LICENSED SERVICE(S), and the running royalties due to JHU as a result of NET SALES and NET SERVICE REVENUES by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) thereof. Payment of any such royalties due shall accompany such Royalty Reports.

(b) Until Company, an AFFILIATED COMPANY or a SUBLICENSEE(S) has achieved a first commercial sale of a LICENSED PRODUCT or LICENSED SERVICE, or received FDA market approval, Company shall provide semiannual Diligence Reports, due within thirty (30) days of the end of every June and December following the EFFECTIVE DATE of this Agreement. These Diligence Reports shall describe Company's, AFFILIATED COMPANIES or any SUBLICENSEE(S)'s technical efforts towards meeting its obligations under the terms of this Agreement.

(c) Company shall provide Annual Reports within thirty (30) days of the end of every December following the EFFECTIVE DATE of this Agreement. Annual Reports shall include:

(i) evidence of insurance as required under Paragraph 10.4, or, a statement of why such insurance is not currently required, and

(ii) identification of all AFFILIATED COMPANIES which have exercised rights pursuant to Paragraph 2.1, or, a statement that no AFFILIATED COMPANY has exercised such rights, and

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(iii) notice of all FDA approvals of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) obtained by COMPANY, AFFILIATED COMPANY or SUBLICENSEE, the patent(s) or patent application(s) licensed under this Agreement upon which such product or service is based, and the commercial name of such product or service, or, in the alternative, a statement that no FDA approvals have been obtained.

5.2 Records. Company shall make and retain, for a period of three (3) years following the period of each report required by Paragraph 5.1, true and accurate records, files and books of account containing all the data reasonably required for the full computation and verification of sales and other information required in Paragraph 5.1. Such books and records shall be in accordance with generally accepted accounting principles consistently applied. Company shall permit the inspection and copying of such records, files and books of account by JHU or its agents during regular business hours upon ten (10) business days' written notice to Company. Such inspection shall not be made more than once each calendar year. All costs of such inspection and copying shall be paid by JHU, provided that if any such inspection shall reveal that an error has been made in the amount equal to five percent (5%) or more of such payment, such costs shall be borne by Company. As a condition to entering into any such agreement, Company shall include in any agreement with its AFFILIATED COMPANIES or its SUBLICENSEE(S) which permits such party to make, use, sell or import the LICENSED PRODUCT(S) or provide LICENSED SERVICE(S), a provision requiring such party to retain records of sales of LICENSED PRODUCT(S) and records of LICENSED SERVICE(S) and other information as required in Paragraph 5.1 and permit JHU to inspect such records as required by this Paragraph.

5.3 Reasonable Efforts. Company shall exercise commercially reasonable efforts to develop and to introduce the LICENSED PRODUCT(S) and LICENSED SERVICE(S) into the commercial market as soon as practicable, consistent with sound and reasonable business practice and judgement, however if the first commercial sale does not occur by the fourth (4th) year anniversary of EFFECTIVE DATE of this Agreement, JHU will have the option to terminate this agreement, so alternative commercialization means can be sought; thereafter, until the expiration or termination of this Agreement, Company shall endeavor to keep LICENSED PRODUCT(S) and LICENSED SERVICE(S) reasonably available to the public.

5.4 Other Products. After clinical or other evidence, provided in writing [***] to Company, demonstrating the practicality of a particular market or use within the LICENSED FIELD which is not being developed or commercialized by Company, Company shall either provide JHU with a reasonable development plan and start development or attempt to reasonably sublicense the particular market or use to a third party. If within six (6) months of such notification [***] Company has not initiated such development efforts or sublicensed that particular market or use, JHU may terminate this license for such particular market or use. This Paragraph shall not be applicable if Company reasonably demonstrates to JHU that commercializing such LICENSED PRODUCT(S) or LICENSED SERVICE(S) or granting such a sublicense in said market or use would have a potentially adverse commercial effect upon marketing or sales of the LICENSED PRODUCT(S) developed and being sold by Company.

5.5 Patent Acknowledgement. Company agrees that all packaging containing individual LICENSED PRODUCT(S) sold by Company, AFFILIATED COMPANIES and SUBLICENSEE(S) of Company will be marked with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws.

ARTICLE 6
REPRESENTATIONS

6.1 Duties of the Parties. JHU is not a commercial organization. It is an institute of research and education. Therefore, JHU has no ability to evaluate the commercial potential of any PATENT RIGHTS or LICENSED PRODUCT or other license or rights granted in this Agreement. It is therefore incumbent upon Company to evaluate the rights and products in question, to examine the materials and information provided by JHU, and to determine for itself the validity of any PATENT RIGHTS, its freedom to operate, and the value of any LICENSED PRODUCTS or SERVICES or other rights granted.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

6.2 Representations by JHU. JHU warrants that it has good and marketable title to its interest in the inventions claimed under PATENT RIGHTS with the exception of certain retained rights of the United States Government, which may apply if any part of the JHU research was funded in whole or in part by the United States Government. JHU does not warrant the validity of any patents or that practice under such patents shall be free of infringement. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 6.2, COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) AGREE THAT THE PATENT RIGHTS ARE PROVIDED "AS IS", AND THAT JHU MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE PERFORMANCE OF LICENSED PRODUCT(S) AND LICENSED SERVICE(S) INCLUDING THEIR SAFETY, EFFECTIVENESS, OR COMMERCIAL VIABILITY. JHU DISCLAIMS ALL WARRANTIES WITH REGARD TO PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, JHU ADDITIONALLY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES ON THE PART OF JHU AND INVENTORS, FOR DAMAGES, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, SPECIAL, AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF JHU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FEES OR COSTS), ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, USE, OR SALE OF THE PRODUCT(S) AND SERVICE(S) LICENSED UNDER THIS AGREEMENT. COMPANY, AFFILIATED COMPANIES AND SUBLICENSEE(S) ASSUME ALL RESPONSIBILITY AND LIABILITY FOR LOSS OR DAMAGE CAUSED BY A PRODUCT AND/OR SERVICE MANUFACTURED, USED, OR SOLD BY COMPANY, ITS SUBLICENSEE(S) AND AFFILIATED COMPANIES WHICH IS A LICENSED PRODUCT(S) OR LICENSED SERVICE(S) AS DEFINED IN THIS AGREEMENT.

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification. JHU and the Inventors will have no legal liability exposure to third parties if JHU does not license the LICENSED PRODUCT(S) and LICENSED SERVICE(S), and any royalties JHU and the Inventors may receive is not adequate compensation for such legal liability exposure. Therefore, JHU requires Company to protect JHU and Inventors from such exposure to the same manner and extent to which insurance, if available, would protect JHU and Inventors. Furthermore, JHU and the Inventors will not, under the provisions of this Agreement or otherwise, have control over the manner in which Company or its AFFILIATED COMPANIES or its SUBLICENSEE(S) or those operating for its account or third parties who purchase LICENSED PRODUCT(S) or LICENSED SERVICE(S) from any of the foregoing entities, develop, manufacture, market or practice the inventions of LICENSED PRODUCT(S) and LICENSED SERVICE(S). Therefore, Company, AFFILIATED COMPANY and SUBLICENSEE shall indemnify, defend with counsel reasonably acceptable to JHU, and hold JHU, The Johns Hopkins Health Systems, their present and former trustees, officers, Inventors of PATENT RIGHTS, agents, faculty, employees and students harmless as against any judgments, fees, expenses, or other costs arising from or incidental to any product liability or other lawsuit, claim, demand or other action brought as a consequence of the practice of said inventions by any of the foregoing entities, whether or not JHU or said Inventors, either jointly or severally, is named as a party defendant in any such lawsuit and whether or not JHU or the Inventors are alleged to be negligent or otherwise responsible for any injuries to persons or property. Practice of the inventions covered by LICENSED PRODUCT(S) and LICENSED SERVICE(S), by an AFFILIATED COMPANY or an agent or a SUBLICENSEE(S) or a third party on behalf of or for the account of Company or by a third party who purchases LICENSED PRODUCT(S) and LICENSED SERVICE(S) from Company, shall be considered Company's practice of said inventions for purposes of this Paragraph. The obligation of Company to defend and indemnify as set out in this Paragraph shall survive the termination of this Agreement, shall continue even after assignment of rights and responsibilities to an affiliate or sublicensee, and shall not be limited by any other limitation of liability elsewhere in this Agreement.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. If necessary, the parties will exchange information, which they consider to be confidential. The recipient of such information agrees to accept the disclosure of said information which is marked as confidential at the time it is sent to the recipient, and to employ all reasonable efforts to maintain the information secret and confidential, such efforts to be no less than the degree of care employed by the recipient to preserve and safeguard its own confidential information. The information shall not be disclosed or revealed to anyone except employees of the recipient who have a need to know the information and who have entered into a secrecy agreement with the recipient under which such employees are required to maintain confidential the proprietary information of the recipient and such employees shall be advised by the recipient of the confidential nature of the information and that the information shall be treated accordingly.

The obligations of this Paragraph 8.1 shall also apply to AFFILIATED COMPANIES and/or SUBLICENSEE(S) provided such information by Company. JHU's, Company's, AFFILIATED COMPANIES, and SUBLICENSEES' obligations under this Paragraph 8.1 shall extend until three (3) years after the termination of this Agreement.

8.2 Exceptions. The recipient's obligations under Paragraph 8.1 shall not extend to any part of the information:

a. that can be demonstrated to have been in the public domain or publicly known and readily available to the trade or the public prior to the date of the disclosure; or

b. that can be demonstrated from written records to have been in the recipient's possession or readily available to the recipient from another source not under obligation of secrecy to the disclosing party prior to the disclosure; or

c. that becomes part of the public domain or publicly known by publication or otherwise, not due to any unauthorized act by the recipient; or

d. that is demonstrated from written records to have been developed by or for the receiving party without reference to confidential information disclosed by the disclosing party.

e. that is required to be disclosed by law, government regulation or court order.

8.3 Right to Publish. JHU may publish manuscripts, abstracts or the like describing the PATENT RIGHTS and inventions contained therein provided confidential information of Company as defined in Paragraph 8.1, is not included or without first obtaining approval from Company to include such confidential information. Otherwise, JHU and the Inventors shall be free to publish manuscripts and abstracts or the like directed to the work done at JHU related to the licensed technology without prior approval.

ARTICLE 9
TERM & TERMINATION

9.1 Term. The term of this Agreement shall commence on the EFFECTIVE DATE and shall continue, in each country, until the date of expiration of the last to expire patent included within PATENT RIGHTS in that country or if no patents issue then for a term of twenty (20) years from the EFFECTIVE DATE of this Agreement.

9.2 Termination By Either Party. This Agreement may be terminated by either party, in the event that the other party (a) files or has filed against it a petition under the Bankruptcy Act, makes an assignment for the benefit of creditors, has a receiver appointed for it or a substantial part of its assets, or otherwise takes advantage of any statute or law designed for relief of debtors or (b) fails to perform or otherwise breaches any of its obligations hereunder, if, following the giving of notice by the terminating party of its intent to terminate and stating the grounds therefor, the party receiving such notice shall not have cured the failure or breach within thirty (30) days. In no event, however, shall such notice or intention to terminate be deemed to waive any rights to damages or any other remedy which the party giving notice of breach may have as a consequence of such failure or breach.

9.3 Termination by Company. Company may terminate this Agreement and the license granted herein, for any reason, upon giving JHU ninety (90) days written notice.

9.4 Obligations and Duties upon Termination. If this Agreement is terminated, both parties shall be released from all obligations and duties imposed or assumed hereunder to the extent so terminated, except as expressly provided to the contrary in this Agreement. Upon termination, both parties shall cease any further use of the confidential information disclosed to the receiving party by the other party. Termination of this Agreement, for whatever reason, shall not affect the obligation of either party to make any payments for which it is liable prior to or upon such termination. Termination shall not affect JHU's right to recover unpaid royalties, fees, reimbursement for patent expenses, or other forms of financial compensation incurred prior to termination. Upon termination Company shall submit a final royalty report to JHU and any royalty payments, fees, unreimbursed patent expenses and other financial compensation due JHU shall become immediately payable. Furthermore, upon termination of this Agreement, all rights in and to the licensed technology shall revert immediately to JHU at no cost to JHU. Upon termination of this Agreement, any SUBLICENSEE(S) shall become a direct licensee of JHU, provided that JHU's obligations to SUBLICENSEE(S) are no greater than JHU's obligations to Company under this Agreement. Company shall provide written notice of such to each SUBLICENSEE(S) with a copy of such notice provided to JHU.

ARTICLE 10
MISCELLANEOUS

10.1 Use of Name. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall not use the name of The Johns Hopkins University or The Johns Hopkins Health System or any of its constituent parts, such as the Johns Hopkins Hospital or any contraction thereof or the name of Inventors in any advertising, promotional, sales literature or fundraising documents without prior written consent from an authorized representative of JHU. Company, AFFILIATED COMPANIES and SUBLICENSEE(S) shall allow at least seven (7) business days notice of any proposed public disclosure for JHU's review and comment or to provide written consent.

10.2 No Partnership. Nothing in this Agreement shall be construed to create any agency, employment, partnership, joint venture or similar relationship between the parties other than that of a licensor/licensee. Neither party shall have any right or authority whatsoever to incur any liability or obligation (express or implied) or otherwise act in any manner in the name or on the behalf of the other, or to make any promise, warranty or representation binding on the other.

10.3 Notice of Claim. Each party shall give the other or its representative immediate notice of any suit or action filed, or prompt notice of any claim made, against them arising out of the performance of this Agreement or arising out of the practice of the inventions licensed hereunder.

10.4 Product Liability. Prior to initial human testing or first commercial sale of any LICENSED PRODUCT(S) or LICENSED SERVICE(S) as the case may be in any particular country, Company shall establish and maintain, in each country in which Company, an AFFILIATED COMPANY or SUBLICENSEE(S) shall test or sell LICENSED PRODUCT(S) and LICENSED SERVICE(S), product liability or other appropriate insurance coverage in the minimum amount of five million dollars ($5,000,000) per claim and will annually present evidence to JHU that such coverage is being maintained. Upon JHU's request, Company will furnish JHU with a Certificate of Insurance of each product liability insurance policy obtained. JHU shall be listed as an additional insured in Company's said insurance policies. If such Product Liability insurance is underwritten on a 'claims made' basis, Company agrees that any change in underwriters during the term of this Agreement will require the purchase of 'prior acts' coverage to ensure that coverage will be continuous throughout the term of this Agreement.

10.5 Governing Law. This Agreement shall be construed, and legal relations between the parties hereto shall be determined, in accordance with the laws of the State of Maryland applicable to contracts solely executed and wholly to be performed within the State of Maryland without giving effect to the principles of conflicts of laws. Any disputes between the parties to the Agreement shall be brought in the state or federal courts of Maryland. Both parties agree to waive their right to a jury trial.

10.6 Notice. All notices or communication required or permitted to be given by either party hereunder shall be deemed sufficiently given if mailed by registered mail or certified mail, return receipt requested, or sent by overnight courier,

such as Federal Express, to the other party at its respective address set forth below or to such other address as one party shall give notice of to the other from time to time hereunder. Mailed notices shall be deemed to be received on the third business day following the date of mailing. Notices sent by overnight courier shall be deemed received the following business day.

If to Company:

Attn: Mr. Kim Jenkins
Surgi-Vision, Inc.
One Commerce Square
Suite 2550
Memphis, TN 38103

with a copy to:

Attn: Oscar Thomas
Surgi-Vision, Inc.
One Commerce Square
Suite 2550
Memphis, TN 38103

and

Attn: Julie H. Richardson
Myers Bigel Sibley & Sajovec, P.A.
4140 Parklake Ave.
Suite 600
Raleigh, NC 27612

If to JHU:

Director
Technology Transfer
Johns Hopkins University
100 N. Charles Street
5th Floor
Baltimore, MD 21201
Attn: JHU Agrmt# A13599

10.7 Compliance with All Laws. In all activities undertaken pursuant to this Agreement, both JHU and Company covenant and agree that each will in all material respects comply with such Federal, state and local laws and statutes, as may be in effect at the time of performance and all valid rules, regulations and orders thereof regulating such activities.

10.8 Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein, except for the right to receive any remuneration hereunder, may be assigned by either party, in whole or in part, without the prior written consent of the other party, except that either party shall be free to assign this Agreement in connection with any merger in which it is not the surviving entity or any sale of substantially all of its assets, in either case without the consent of the other. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the parties hereto.

10.9 No Waivers; Severability. No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or other provision of this Agreement, and no waiver shall be effective unless made in writing. Any provision hereof prohibited by or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held by any governmental agency or court of competent jurisdiction to be void, illegal and unenforceable, the parties shall negotiate in good faith for a substitute term or provision which carries out the original intent of the parties.

10.10 Entire Agreement; Amendment. Company and JHU acknowledge that they have read this entire Agreement and that this Agreement, including the attached Exhibits constitutes the entire understanding and contract between the parties hereto and supersedes any and all prior or contemporaneous oral or written communications with respect to the subject matter hereof, all of which communications are merged herein. It is expressly understood and agreed that (i) there being no expectations to the contrary between the parties hereto, no usage of trade, verbal agreement or another regular practice or method dealing within any industry or between the parties hereto shall be used to modify, interpret, supplement or alter in any manner the express terms of this Agreement; and (ii) this Agreement shall not be modified, amended or in any way altered except by an instrument in writing signed by both of the parties hereto.

10.11 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party hereto, shall impair any such right, power or remedy to such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

10.12 Force Majeure. If either party fails to fulfill its obligations hereunder (other than an obligation for the payment of money), when such failure is due to an act of God, or other circumstances beyond its reasonable control, including but not limited to fire, flood, civil commotion, riot, war (declared and undeclared), revolution, or embargoes, then said failure shall be excused for the duration of such event and for such a time thereafter as is reasonable to enable the parties to resume performance under this Agreement, provided however, that in no event shall such time extend for a period of more than one hundred eighty (180) days.

10.13 Further Assurances. Each party shall, at any time, and from time to time, prior to or after the EFFECTIVE DATE of this Agreement, at reasonable request of the other party, execute and deliver to the other such instruments and documents and shall take such actions as may be required to more effectively carry out the terms of this Agreement.

10.14 Survival. All representations, warranties, covenants and agreements made herein and which by their express terms or by implication are to be performed after the execution and/or termination hereof, or are prospective in nature, shall survive such execution and/or termination, as the case may be. This shall include Paragraphs 3.7 (Late Payments), 5.2 (Records), and Articles 6, 7, 8, 9, and 10.

10.15 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

10.16 Headings. Article headings are for convenient reference and not a part of this Agreement. All Exhibits are incorporated herein by this reference.

10.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall be deemed but one instrument.

IN WITNESS WHEREOF, this Agreement shall take effect as of the EFFECTIVE DATE when it has been executed below by the duly authorized representatives of the parties.

THE JOHNS HOPKINS UNIVERSITY	**SURGI-VISION, INC.**
/s/ Wesley D. Blakeslee	/s/ K. Jenkins
Wesley D. Blakeslee Executive Director Johns Hopkins Technology Transfer	Name: K. Jenkins Title: CEO
2/27/08	6/30/08
(Date)	(Date)

EXHIBIT A. LICENSE FEE & ROYALITIES.
EXHIBIT B. SALES & ROYALTY REPORT FORM.

Admin 6/27/08
Reviewed MKC

EXHIBIT A

LICENSE FEE & ROYALTIES

1. **Initial License Fee:** The license fee due under Paragraph 3.1 is Fifty Thousand Dollars ($50,000).
2. **Contingent License Fee.** Upon the issuance of the U.S. patent under patent application Serial No. [***], an additional license fee of Forty Thousand Dollars ($40,000) will be due. Company shall pay to JHU such contingent license fee within thirty (30) days following the issuance of such U.S. patent.
3. **Minimum Annual Royalties:** The minimum annual royalties pursuant to Paragraph 3.2 are:

   1st year: ten thousand dollars ($10,000).

   2nd year: ten thousand dollars ($10,000).

   3rd year: twenty five thousand dollars ($25,000).

   4th year: twenty five thousand dollars ($25,000).

   5th year, etc.: fifty thousand dollars (50,000).
4. **Royalties:** The running royalty rate payable under Paragraph 3.3 is five percent (5%).
5. **Sublicense consideration:** The percent sublicense consideration payable under Paragraph 3.4 is twenty five percent (25%).
6. **Commercialization due diligence:** If first commercial sales does not occur by the fourth anniversary of the EFFECTIVE DATE of this Agreement, JHU has the option to terminate this license so that alternative commercialization options can be pursued.

[***] Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT B

QUARTERLY SALES & ROYALTY REPORT

FOR LICENSE AGREEMENT BETWEEN _____ AND

THE JOHNS HOPKINS UNIVERSITY DATED

_____

FOR PERIOD OF _____ TO _____

TOTAL ROYALTIES DUE FOR THIS PERIOD $_____

PRODUCT ID	PRODUCT NAME	*JHU REFERENCE	1st COMMERCIAL SALE DATE	TOTAL NET SALES/SERVICES	ROYALTY RATE	AMOUNT DUE

* Please provide the JHU Reference Number or Patent Reference

This report format is to be used to report quarterly royalty statements to JHU. It should be placed on Company letterhead and accompany any royalty payments due for the reporting period. This report shall be submitted even if no sales are reported.

Exhibit 10.29

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (the "Agreement") is made effective as of this 30th day of April, 2010, by and between John Thomas, a natural person resident in Cobb County, Georgia and his heirs, assigns, executors, agents and representatives (the "Executive"), and SurgiVision, Inc., a Delaware corporation ("SurgiVision").

W I T N E S S E T H:

WHEREAS, the Executive has been employed as the Chief Financial Officer of SurgiVision;

WHEREAS, the Executive is irrevocably separating from employment with SurgiVision effective April 30, 2010 (the "Employment Termination Date");

WHEREAS, SurgiVision wishes to secure Executive's cooperation to assist in the transition of duties to SurgiVision's new Chief Financial Officer for a period;

WHEREAS, it is the desire of SurgiVision and the Executive to set forth herein their mutual agreement with respect to all matters relating to (i) the Executive's separation from employment with SurgiVision; and (ii) the Executive's release of claims, all upon the terms set forth herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein, the parties hereby agree as follows:

1. Separation from Employment. Effective as of the Employment Termination Date, the Executive irrevocably separates from all positions of employment with SurgiVision and its affiliates. This Agreement relates solely to Executive's status as an employee and not as a director of SurgiVision and/or any of its affiliates. The Executive's employment with SurgiVision will continue until the close of business on the Employment Termination Date, at which time his employment with SurgiVision shall terminate. Following the Employment Termination Date, the respective rights and obligations of the parties shall be governed by the terms of this Agreement.

2. Cooperation. The Executive shall make himself available to consult and cooperate with SurgiVision representatives in connection with the orderly transition of his business responsibilities, and, in connection therewith, the Executive shall exercise reasonable efforts to respond diligently to inquiries related to SurgiVision's business. However, in no event will Executive's consultation and cooperation services for SurgiVision after the Employment Termination Date exceed twenty percent (20%) of Executive's average level of services for SurgiVision for the thirty-six (36) month period prior to the Employment Termination Date.

3. Payments and Benefits.

(a) Provided that, prior to June 15, 2010, Executive has executed and delivered to SurgiVision, and has not revoked, the general release referred to in Section 8 hereof (the "Release") and the seven (7) day revocation period explained in Attachment A entitled

"General Release" has expired, then SurgiVision will pay Executive the sum of Eighty Seven Thousand and 00/100 Dollars ($87,000.00), payable in twenty-four (24) semi-monthly installments of Three Thousand Six Hundred Twenty Five and 00/100 Dollars ($3,625.00) each, subject to applicable withholdings and taxes, commencing June 15, 2010. Executive acknowledges that the payments referenced herein are consideration to which he would not otherwise be entitled.

(b) The Executive acknowledges and agrees that the payments under this Agreement are compensation and will be subject to the Executive's usual withholding and included in the Executive's W-2 earnings statement.

4. Application of Code Section 409A. The provisions of this Agreement will be construed and applied in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury guidance issued thereunder to the extent applicable. SurgiVision shall report all payments and other benefits paid or provided pursuant to Section 2 and Section 3 of this Agreement to the extent required by, and in accordance with, Section 409A of the Code ("Section 409A"). In the event that SurgiVision or the Executive reasonably and in good faith determines that any payment to be made or benefit to be provided to the Executive hereunder would result in the application of Section 409A, SurgiVision shall, in consultation with the Executive, modify the Agreement to the extent possible and in the least restrictive manner reasonably available in order to exclude such compensation from the definition of "deferred compensation" within the meaning of such Section 409A or in order to comply with the provisions of Section 409A and/or any rules, regulations or other regulatory guidance issued under such statutory provision and without any diminution in the value of the payments to the Executive. Notwithstanding the foregoing, under no circumstance shall SurgiVision be responsible for any taxes, penalties, interest or other losses or expenses incurred by the Executive due to any failure to comply with Section 409A, or for any interest on account of any delay in payment deemed necessary to comply with Section 409A.

5. Acknowledgment. The Executive agrees that none of SurgiVision or any of its predecessors, successors (by merger or otherwise), parents, subsidiaries, affiliated entities, divisions and assigns, together with each and every of their present, past and future officers, directors, stockholders, general partners, limited partners, employees and agents and the heirs and executors of same (herein collectively referred to as the "Company Group"), has breached any oral or written contract that may have existed between the Executive and SurgiVision or any member of the Company Group with respect to the Executive's employment or termination of employment nor has SurgiVision or any member of the Company Group violated any law, statute, rule regulation or ordinance of any governmental authority relating to the Executive's employment. The Executive acknowledges that the payments and other consideration paid hereunder cannot and shall not be construed as any admission of liability or wrongdoing on the part of either SurgiVision or any member of the Company Group. The Executive further acknowledges and agrees that the payments and other benefits being received by him pursuant to this Agreement satisfy any claim that he might have had under any SurgiVision policy or practice. The Executive understands that the release provided for in Attachment A entitled "General Release" extends to all of the aforementioned claims and potential claims described therein which arose on or before the date of the execution of this Agreement and that may arise on or before the Employment Termination Date, whether now known or unknown, suspected or

unsuspected, and his participation as a member of any class asserting any such claims, and that this acknowledgement and release constitute essential terms of this Agreement. The Executive understands and acknowledges the significance and consequence of this Agreement and of each specific release and waiver, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected claims, demands, obligations, and causes of action, if any, as well as those relating to any other claims, demands, obligations or causes of action herein above-specified.

6. Reinstatement. The Executive hereby waives any right or claim he may have to employment, re-instatement, re-assignment or re-employment with SurgiVision or any member of the Company Group. The Executive's acknowledgement and agreement as to these matters are material inducements for SurgiVision to make certain of its agreements, including, without limitation, the agreement to make the payments in Section 3.

7. Non-Disclosure and Non-Competition Agreement. The Executive acknowledges and agrees that the Non-Disclosure and Non-Competition Agreement made by the Executive dated September 1,2004 (the "NDA") shall remain in full force and effect and that the terms of such NDA are incorporated herein and made a part of this Agreement. The Executive agrees to comply with his continuing obligations under the NDA.

8. Release. The Executive and SurgiVision shall execute and deliver a General Release in the form attached hereto as Attachment A.

9. Successors. This Agreement shall inure to the benefit of and be enforceable by the Executive and by the Executive's personal or legal representatives, executors and administrators and by SurgiVision and its successors and assigns.

10. No Admissions. Neither the execution of this Agreement by SurgiVision nor the terms hereof constitutes an admission by SurgiVision, or by any agent or employee of SurgiVision or any member of the Company Group, of liability or unlawful conduct in any manner.

11. Entire Agreement. Except with respect to the Executive's continuing obligations pursuant to the NDA, this Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and shall be binding upon their respective heirs, executors, administrators, successors and assigns.

12. Severability. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, then such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms or provisions hereof, and such term or provision shall be deemed modified to the extent necessary to make it enforceable.

13. Advice of Counsel. Executive represents and warrants that he has carefully read this Agreement, and understands its contents, meaning and intent. SurgiVision hereby advises the Executive to consult with such advisors, including legal counsel, as seem appropriate to the Executive before signing this Agreement and Attachment A to this Agreement entitled "General Release." Understanding this document, the Executive has freely and voluntarily executed it, without compulsion, coercion or duress.

14. Amendments. Neither this Agreement nor any term hereof may be orally changed, waived, discharged, or terminated, and may be amended only by a written agreement signed by both of the parties hereto.

15. Governing Law. This Agreement shall be governed by the laws of the State of Tennessee without regard to the conflict of law principles of any jurisdiction.

16. Legally Binding. The terms of this Agreement contained herein are contractual and not mere recitals.

[The next page is the signature page]

IN WITNESS WHEREOF, the parties acknowledging that they are acting of their own free will have voluntarily caused the execution of this Agreement as of this day and year written below.

EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND IS VOLUNTARILY ENTERING INTO IT.

PLEASE READ THIS AGREEMENT CAREFULLY. IT CONTAINS A RELEASE OF ANY AND ALL KNOWN AND UNKNOWN CLAIMS.

SurgiVision, Inc.

By: /s/ Kimble Jenkins
Name: Kimble Jenkins
Title: President and Chief Executive Officer

/s/ John Thomas
John Thomas

ATTACHMENT A

GENERAL RELEASE

SurgiVision, Inc., a Delaware corporation ("SurgiVision"), and John Thomas (the "Executive") enter into this Release (this "Release") on the __ day of _____, 2010.

WITNESSETH

WHEREAS, SurgiVision and the Executive are parties to a Separation Agreement made effective as of April 30, 2010 (the "Separation Agreement");

WHEREAS, as a condition to the receipt of certain benefits to be paid following the date of this Release (the "Benefits") under the Separation Agreement and in consideration for the execution and delivery of this Release by SurgiVision, the Executive has agreed to execute and deliver this Release; and

WHEREAS, in consideration for the agreements and covenants of the Executive contained in the Separation Agreement and the execution and delivery of this Release by the Executive, SurgiVision has agreed to execute and deliver this Release.

NOW THEREFORE, in consideration of the covenants and mutual promises herein contained, it is agreed as follows:

1. Release. The Executive, on behalf of himself and anyone claiming through the Executive, represents that he has not filed or caused to be filed any lawsuit, complaint, or charge with respect to any claim this Release purports to waive. Executive hereby agrees not to sue SurgiVision or any of its divisions, subsidiaries, affiliates or other related entities of the above specified entities (whether or not such entities are wholly owned) or any of the past, present or future directors, officers, administrators, trustees, fiduciaries, employees, agents or attorneys of SurgiVision or any of such other entities, or the predecessors, successors or assigns of any of them (hereinafter referred to as the "Released Parties"), and hereby releases and discharges, fully, finally and forever, the Released Parties from any and all claims, causes of action, lawsuits, liabilities, debts, accounts, covenants, contracts, controversies, agreements, promises, sums of money, damages, judgments and demands of any nature whatsoever, in law or in equity, both known and unknown, asserted or not asserted, foreseen or unforeseen, which the Executive ever had or may presently have against any of the Released Parties arising from the beginning of time up to and including the date on which this Release is signed and delivered to SurgiVision, in any way related to the Executive's employment by SurgiVision, including, without limitation, any and all claims arising under:

(a) Anti-discrimination statutes, such as the Age Discrimination in Employment Act ("ADEA"), and the Older Workers Benefit Protection Act, which prohibit age discrimination in employment; Title VII of the Civil Rights Act of 1964, which prohibits discrimination or harassment based on race, color, national origin, religion, or sex; the Equal Pay Act and/or the Lilly Ledbetter Fair Pay Act, which prohibit paying men and women unequal pay for equal work; the Americans With Disabilities Act and/or the Americans with Disabilities Act Amendments Act, which prohibit discrimination based on disability; the Georgia Fair Employment Practices Act and any other federal, state or local law prohibiting employment discrimination, harassment, or retaliation of any kind.

(b) Other laws, such as the Family and Medical Leave Act of 1993 ("FMLA"); any federal, state or local laws restricting an employer's right to terminate an employee, or otherwise regulating employment; any federal, state or local laws enforcing express or implied employment contracts or requiring an employer to deal with an employee fairly or in good faith; and any wage payment and collection law.

(c) Tort and contract claims, such as claims for wrongful or constructive discharge, negligence, physical or personal injury, emotional distress, fraud, fraud in the inducement, negligent misrepresentation, defamation, invasion of privacy, interference with contract or with prospective economic advantage, breach of oral, express or implied contract, breach of covenants of good faith and fair dealing, and similar or related claims.

(d) Other released claims, including, without limitation, claims: (i) under the Employee Retirement Income Security Act of 1974; (ii) for compensation, stock options, bonuses, or lost wages; (iii) in any way related to design or administration of any employee benefits program; (iv) for severance or similar benefits or for post-employment health or group insurance benefits; or (v) for fees, costs or expenses of any attorneys who represent or have represented Executive.

(e) Unknown claims: Executive understands that he is releasing the Released Parties from claims that he may not know about as of the date hereof and that this is his knowing and voluntary intent even though someday he might learn that some or all of the facts he currently believes to be true are untrue and even though he might then regret having signed this Release. Executive is expressly assuming that risk and agrees that this Release shall remain effective in all respects in any such case. Executive expressly waives all rights he might have under any law that is intended to protect him from waiving unknown claims, and Executive understands the significance of doing so.

(f) Nothing contained in this Release shall apply to, or release SurgiVision from any obligation (i) contained in the Separation Agreement or this Release, (ii) to indemnify Executive as required by §145 of the Delaware General Corporation Law and SurgiVision's bylaws or (iii) with respect to any vested benefit with respect to the Executive pursuant to any employee benefit or equity plan of SurgiVision other than any severance or retention program or practice.

(g) The Executive acknowledges that the consideration offered in connection with the Separation Agreement was and is in part for this Release and such portion of such consideration is accepted by the Executive as being in full accord, satisfaction, compromise and settlement of any and all claims or potential claims, and the Executive expressly agrees that the Executive is not entitled to, and shall not receive, any further recovery of any kind from SurgiVision or any of the other Released Parties, and that in the event of any further proceedings whatsoever based upon any matter released herein, neither SurgiVision nor any of the other Released Parties shall have any further monetary or other obligation of any kind to the Executive, including any obligation for any costs, expenses or attorneys' fees incurred by or on behalf of the Executive, except as provided in the Separation Agreement or in this Release.

2. FMLA and FLSA Rights Honored. Executive acknowledges that he has received all of the leave from work for family and/or personal medical reasons and/or other benefits to which he believes he is entitled under SurgiVision's policy and FMLA. Executive has no pending request for FMLA leave. SurgiVision has not mistreated Executive in any way because of any illness or injury to Executive or any member of his family. Executive has received all monetary compensation, including hourly wages, salary and/or overtime compensation, to which he believes he is entitled under the Fair Labor Standards Act ("FLSA").

3. ADEA Release Requirements Satisfied. Executive understands that this Release has to meet certain requirements to validly release any ADEA claims Executive might have had, and Executive represents and warrants that all such requirements have been satisfied. ***SurgiVision hereby advises Executive that before signing this Release, he may take twenty-one (21) days to consider this Release***. Executive acknowledges that: (1) he took advantage of as much of this period to consider this Release as he wished before signing; (2) he carefully read this Release; (3) he fully understands it; (4) he entered into this Release knowingly and voluntarily (free from fraud, duress, coercion, or mistake of fact); (5) this Release is in writing and is understandable; (6) in this Release, he waives current ADEA claims; (7) he has not waived future ADEA claims; (8) he is receiving valuable consideration in exchange for execution of this Release that he would not otherwise be entitled to receive; and (9) SurgiVision hereby advises Executive in writing to discuss this Release with his attorney (at his own expense) prior to execution, and he has done so to the extent he deemed appropriate.

4. Review & Revocation.

(a) Review: ***Before executing this Release, Executive may take twenty one (21) days to consider this Release***. Executive acknowledges and agrees that his waiver of rights under this Release is knowing and voluntary and complies in full with all criteria of the regulations promulgated under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, and any and all federal, state and local laws, regulations and orders. ***SurgiVision hereby advises Executive in writing to consult with an attorney prior to executing this Release***. In the event that Executive executes this Release prior to the expiration of the twenty-one (21) day period, he acknowledges that his execution was knowing and voluntary and not induced in any way by SurgiVision or any other person.

(b) Revocation: For a period of seven (7) days following his execution of this Release, Executive may revoke this Release. If he wishes to revoke this Release, he must revoke in writing delivered by hand or confirmed facsimile prior to the end of the seventh (7th) day of the revocation period to Oscar Thomas, One Commerce Square, Suite 2550, Memphis, TN 38103, (901) 522-9400 (fax) or the revocation will not be effective. If Executive timely revokes this Release, all provisions hereof will be null and void, including any and all payments referenced in the Separation Agreement to which this Release is attached. If Executive does not advise Oscar Thomas in writing that he revokes this Release within seven (7) days of his execution of it, this Release shall be forever enforceable. The eighth (8th) day following Executive's execution of this Release shall be the Effective Date of this Release. ***This Release is not effective or enforceable until the revocation period has expired.***

5. No Assignment of Claims. The Executive expressly represents and warrants that he is the sole owner of the actual and alleged claims, demands, rights, causes of action and other matters that are released herein, that the same have not been transferred or assigned or caused to be transferred or assigned to any other person, firm, corporation or other legal entity, and that he has the full right and power to grant, execute and deliver the general release, undertakings and agreements contained herein.

6. Release by SurgiVision. SurgiVision hereby releases the Executive from any and all claims, demands or causes of action of any kind that it now has against the Executive arising out of or related to the Executive's employment with SurgiVision, with the exception of claims, demands or causes of action arising out of or related to criminal acts, fraud or knowing wrongful conduct, that arise out of or relate to any occurrences prior to the date of this Release; provided, however, that nothing contained in this Release shall apply to, or release the Executive from, any obligation contained in the Separation Agreement, the NDA (as that term is defined in the Separation Agreement) or this Release.

7. Entire Agreement. The Separation Agreement, the NDA and this Release constitute the entire agreement and understanding between the parties. The Executive has not relied on any oral statements that are not expressly stated in the Separation Agreement or this Release.

8. Governing Law. This Release shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Tennessee without regard to the principle of conflicts of laws.

SurgiVision, Inc.

By: _____
Name: _____
Title: _____

_____
John Thomas

Exhibit 10.30

SURGIVISION, INC.

CARDIAC EP BUSINESS PARTICIPATION PLAN

INTRODUCTION

The SurgiVision, Inc. Cardiac EP Business Participation Plan (the "Plan") provides a key product development advisor and consultant to the Company (as defined herein) with the opportunity to receive a payment (a "Liquidity Payout") upon consummation of a Liquidity Event (as defined herein) in accordance with the terms and conditions set forth herein.

1. DEFINITIONS

Whenever used herein, the following words and phrases shall have the meanings set forth below:

"AAA" shall have the meaning as set forth in Section 6.5 herein.

"Affiliate" of a Person shall mean any other Person that controls, is controlled by, or is under common control with, such Person.

"Award Agreement" shall mean that certain letter agreement entered into between the Company and Participant pursuant to the Plan, as described in Section 3.1 below, as the same may be amended or modified.

"Board" shall mean the board of directors of the Company.

"Cardiac EP Business Unit" shall mean and include that segment of the Company's business operations relating to catheter-based MRI-guided cardiac EP to treat cardiac arrhythmias. For the avoidance of doubt, (a) the Cardiac EP Business Unit includes the Company's operations relating to the ClearTrace Cardiac Intervention System for MRI-guided cardiac EP to treat cardiac arrhythmias; and (b) the Cardiac EP Business Unit does not include the Company's operations relating to the ClearPoint Neuro Intervention System, the SafeLead Development Program or any other Company products or product candidates.

"Company" shall mean SurgiVision, Inc., a Delaware corporation, including its successor in interest by merger, consolidation or otherwise.

"Competing Activities" shall have the meaning as set forth in Section 4.2 herein.

"Contingent Payments" shall have the meaning as set forth in Section 3.3 herein.

"Dilution Factor" shall have the meaning as set forth in Section 3.4(c) herein.

"Dispute" shall have the meaning as set forth in Section 6.5 herein.

"Expiration Date" shall mean June 2, 2025.

"Field" shall mean the field of MRI-guided, catheter-based cardiac EP to treat cardiac arrhythmias. For the avoidance of any doubt, the field of MRI-guided, catheter-based EP to treat cardiac arrhythmias includes not only the actual MRI-guided cardiac intervention but also the pre-operative and post-operative planning and/or assessment directly associated with the MRI-guided cardiac intervention; however, it does not include diagnostic, assessment, and triage activity not directly associated with the MRI-guided cardiac intervention (e.g., diagnostic devices and services to assist healthcare professionals and patients evaluate treatment options).

"Good Standing" shall mean that Participant: (a) continues to comply in all material respects with the policies of any hospital at which he is granted admitting and clinical privileges and any university at which he is member of the faculty; and (b) is not debarred, excluded, suspended or otherwise determined to be ineligible to participate in any federal healthcare program as a result of Participant's affirmative act of malfeasance (e.g., not because of Participant ceasing to work or losing his work status in the United States or any other reason unrelated to malfeasance).

"Liquidity Event" shall mean (a) in the case of the Cardiac EP Business Unit, the sale or other disposition of all or substantially all of (i) the Company's interest in or (ii) the assets of the Company used in the operation of, the Cardiac EP Business Unit to another Person (other than a transfer to the Company's Affiliate); and (b) in the case of the Company as a whole, any of the following events:

(i) the sale or other disposition of all or substantially all of the assets of the Company to any Person (other than a transfer to the Company's Affiliate); or

(ii) a share exchange, merger, takeover (hostile or friendly) or other business combination transaction, wherein less than a majority of the combined voting power of the then outstanding securities of the surviving entity immediately after such transaction are held in the aggregate by the holders of the Company's securities entitled to vote generally in the election of directors of the Company immediately prior to such transaction.

"Liquidity Payout" shall have the meaning as set forth in the Introduction herein.

"Participant" shall mean Dr. Nassir F. Marrouche.

"Participation Interest" shall mean the percentage set forth in Participant's Award Agreement and used to determine the amount of any Liquidity Payout, which percentage shall be subject to adjustment as provided in Section 3.4 herein.

"Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Qualified Financing" shall have the meaning as set forth in Section 3.4(b) herein.

"Rules" shall have the meaning as set forth in Section 6.5 herein.

"Transaction Value" shall have the meaning set forth in Section 3.2(a) or 3.2(b) herein, as the case may be.

2. ADMINISTRATION

The Plan shall be administered by the Board. The Board shall have the authority, consistent with the terms of the Plan: (a) to calculate and determine the amount of the Transaction Value; (b) to interpret the terms and provisions of the Plan and Participant's Award Agreement; and (c) to supervise the administration of the Plan as described herein or otherwise. Subject to the foregoing, all decisions made by the Board pursuant to the provisions of the Plan shall be made in the Board's sole discretion and in good faith and shall be final and binding on all Persons.

3. LIQUIDITY PAYOUT AMOUNTS

3.1 Award Agreement. Participant's award under the Plan, shall be evidenced by the Award Agreement entered into between the Company and Participant.

3.2 Liquidity Payout Following Liquidity Event. Upon the occurrence of a Liquidity Event with respect to the Cardiac EP Business Unit or the Company, the Participant's right to a payment will vest and the Company or its successor in interest, as applicable, will pay to Participant a Liquidity Payout as follows:

(a) If the Liquidity Event occurs solely with respect to the Cardiac EP Business Unit, a Liquidity Payout will be made to Participant based on the following calculation: (i) the transaction value paid to the Company or its stockholders upon closing of the Liquidity Event ("Transaction Value"), multiplied by (ii) the Participant's then current Participation Interest.

(b) If the Liquidity Event occurs with respect to the Company, as a whole, the Board will determine, in consultation with the Company's financial advisors and Participant, a reasonable allocation of transaction value to the Cardiac EP Business Unit. Based on that allocation to the Cardiac EP Business Unit, a Liquidity Payout will be made to the Participant based on the following calculation: (i) Transaction Value allocated to the Cardiac EP Business Unit, multiplied by (ii) the Participant's then current Participation Interest.

(c) If the Company and/or its stockholders receive non-cash consideration in connection with the Liquidity Event, then the Company or its successor in interest, as applicable, may, without obligation, fund the Liquidity Payout with cash and/or such non-cash consideration in the same proportion that the Company and/or its stockholders receive such consideration in connection with the Liquidity Event. Non-cash consideration shall be valued in good faith by the Board, in consultation with the Company's financial advisors and Participant.

3.3 Payment. A Liquidity Payout resulting from the occurrence of a Liquidity Event will be made within thirty (30) days following the Liquidity Event. In the event that the Company or its stockholders may receive any payments ("Contingent Payments") after the closing of the Liquidity Event which payments are subject to any substantial contingencies as of the closing which are not within the control of the Company, its stockholders or Participant, then for purposes of computing the Liquidity Payout due within thirty (30) days of the Liquidity Event, the Transaction Value shall not include such Contingent Payments or any estimated value thereof, but the removal of the contingencies to the right of the Company or its stockholders to a Contingent Payment shall be considered a separate vesting event for Participant and shall entitle Participant to a Liquidity Payout within sixty (60) days of such event based on the amount of the Contingent Payment then no longer subject to contingencies.

3.4 Dilution of Participation Interest.

(a) Participant's Participation Interest will be equitably reduced to take into account and reflect any direct investment into, or any direct financing of, the Cardiac EP Business Unit (i.e., not an investment in or financing of the Company as a whole). For the avoidance of any doubt, this would include a monetary investment in the Cardiac EP Business Unit by the Company in lieu of third-party financing.

(b) Participant's Participation Interest will be subject to dilution in the event of a Qualified Financing of the Company. A "Qualified Financing" means a financing transaction occurring after the effective date of the Plan in which the Company issues shares of its common stock, or securities convertible (directly or indirectly) into shares of its common stock, in exchange for cash proceeds. Solely as an example and without limiting the generality of the foregoing definition, the initial public offering of shares of the Company's common stock will constitute a Qualified Financing.

(c) Following each Qualified Financing, Participant's Participation Interest will be reduced by multiplying his Participation Interest in effect immediately prior to the Qualified Financing by the Dilution Factor. Such "Dilution Factor" will be calculated in the following manner:

Dilution Factor = 1 – ((Post Shares – Pre Shares) ÷ Post Shares), where:

Pre Shares means the number of Issued and Outstanding Shares immediately prior to the Qualified Financing;

Post Shares means the number of Issued and Outstanding Shares immediately following the Qualified Financing; and

Issued and Outstanding Shares means, as of a given date/time, the total number of shares of the Company's common stock (a) issued and outstanding, and (b) issuable upon the conversion of any and all outstanding securities convertible into shares of the Company's common stock, whether then convertible.

4. ELIGIBILITY FOR LIQUIDITY PAYOUT

4.1 Eligibility. Participant's right to receive any Liquidity Payout will be subject to and conditioned on the following:

(a) Participant must disclose this Plan to, and seek the approval of, the University of Utah Conflicts of Interest Committee within ninety (90) days following the effective date of this Plan;

(b) The University of Utah Conflicts of Interest Committee must review and approve in writing Participant's participation in this Plan;

(c) Participant must not engage in any material Competing Activities during the term of the Plan;

(d) To the extent Participant serves as a consultant to or employee of the Company, the Participant's consultancy or employment must not be terminated by the Company for cause during the term of the Plan;

(e) Participant must remain in Good Standing during the term of the Plan; and

(f) Participant must comply, in all material respects, with applicable disclosure and/or reporting obligations regarding Participant's relationship with and interest in the Company, during the term of the Plan.

4.2 Competing Activities. For purposes of the Plan, Participant shall be deemed to have engaged in "Competing Activities" if Participant, directly or indirectly through one or more intermediaries, (a) owns (other than ownership of a publicly-held companies in an amount less than 0.1% of the outstanding shares of such company), manages, operates, finances or controls, (b) is employed by or associated with, (c) consults for or otherwise render services to, or (iv) lends his name or credit to, any business whose products, activities or services compete anywhere in the world with products, activities or services (or proposed products, activities or services) of the Cardiac EP Business Unit in the Field. For the avoidance of any doubt, the term "Competing Activities" (i) in no way restricts or inhibits Participant's ability to engage in the practice of medicine or Participant's use of any product that is for patient care or treatment, it being understood that Participant directs all medical decisions regarding the care and treatment of his patients and Participant assumes full responsibility for any clinical decisions made in connection with the care and treatment of his patients; and (ii) does not include Participant's involvement with eCardio Diagnostics, Marrek, the University of Utah or other universities or hospitals (foreign or domestic), so long as those entities' products, activities or services do not compete in whole or in material part anywhere in the world with products, activities or services (or proposed products, activities or services) of the Cardiac EP Business Unit in the Field.

4.3 Death. In the event of Participant's death within three (3) years prior to the occurrence of a Liquidity Event, the Company will make any Liquidity Payout resulting from the Liquidity Event to Participant's estate, assuming Participant otherwise satisfied all of the conditions set forth in Section 4.1 above through the date of his death).

5. AMENDMENT

At any time prior to the consummation of a Liquidity Event, the Board may amend or alter (a) this Plan and/or (b) Participant's Award Agreement issued under this Plan. Notwithstanding the foregoing, no amendment or alteration of this Plan or Participant's Award Agreement shall impair Participant's rights under this Plan, without Participant's prior consent.

6. MISCELLANEOUS

6.1 Taxes. Liquidity Payouts are subject to applicable federal, state, and local withholding taxes. The Company shall withhold from Liquidity Payouts payable under the Plan all income, employment and payroll taxes which, by applicable federal, state or local law, the Company is required to withhold.

6.2 Consultancy Status Not Conferred. The adoption of this Plan and the receipt of an award under this Plan shall not confer upon Participant any right to continued consultancy with the Company or its subsidiaries, as the case may be, nor shall it interfere in any way with the right of the Company or its subsidiaries to terminate the Participant's consultancy.

6.3 Governing Law. The Plan and all awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

6.4 Successors. In the event of any merger, consolidation or other similar event involving the Company, the provisions of the Plan shall be binding upon the surviving or resulting entity of such transaction.

6.5 Arbitration. Any controversy, claim or dispute arising out of, in connection with or relating to this Plan or any Incentive Award Agreement ("Dispute"), which cannot otherwise be resolved through good faith negotiations between the parties, may be submitted by either the Company or Participant to binding arbitration in accordance with the then prevailing Commercial Arbitration Rules of the American Arbitration Association (the "AAA"), except as such rules conflict with the provisions of this Section, in which case the provisions of this Section shall control. The Dispute shall be submitted to binding arbitration before three (3) arbitrators in Memphis, Tennessee under the AAA's Commercial Arbitration Rules (the "Rules") as modified or supplemented hereby. Within ten (10) days after commencement of any arbitration proceeding, as provided herein, the Company shall choose an arbitrator, and Particpant shall choose an arbitrator. Thereafter, a third neutral arbitrator shall be selected by the two (2) arbitrators chosen by the parties. If the arbitrators chosen by the parties cannot agree upon the neutral arbitrator within ten (10) business days after their appointment, then, in any such event, the neutral arbitrator shall be selected, pursuant to the Rules. The costs of the arbitration, including the fees and expenses of the arbitrators, shall be shared equally by the parties, but each party shall be responsible for its own costs, including attorneys and witness fees, incurred by that party in the arbitration proceedings. In rendering an award, the parties agree that the arbitrators shall not have any power or authority to modify any provisions of the Plan or Participant's Award Agreement, and in no event shall the arbitrator have the power or authority to make awards that provide for damages expressly excluded or limited by the same. The arbitration award shall be in writing and shall specify the factual or legal basis for the award.

A judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Nothing in this Section shall be construed to prevent any party from instituting legal proceedings to seek a temporary restraining order or other temporary or preliminary injunctive relief to prevent immediate and irreparable harm to such party, and for which monetary damages would be inadequate, pending final resolution of a Dispute pursuant to this Section. Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder or to obtain interim relief, and except as reasonably necessary to comply with any applicable law, rule, regulation of any governmental authority or securities exchange, neither party may, nor may the arbitrator, disclose the existence, content or results of any arbitration hereunder without the prior written consent of both parties. The Federal Arbitration Act, 9 U.S.C. Sections 1 through 14, except as modified hereby, shall govern the interpretation and enforcement of this Section. THE PARTIES ACKNOWLEDGE AND AGREE THAT IN AGREEING TO SUBMIT ALL DISPUTES TO BINDING ARBITRATION, THEY ARE IRREVOCABLY WAIVING ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM RELATING TO THIS AGREEMENT.

6.6 No Trust. The amounts to be paid in respect of the Plan shall not constitute or be treated as a trust of any kind. The Company shall not be required to fund or otherwise segregate assets to be used for the payment of a Liquidity Payout under the Plan. The Company shall make such payments only out of its general assets, and, therefore, the Company's obligation to make such payments shall be subject to any claims of its other creditors having priority as to its assets. Participant's rights under the Plan are solely those of a general unsecured creditor of the Company and are subject to forfeiture under the terms hereof and under Participant's Award Agreement. If the Company designates any assets to pay its liabilities hereunder, such assets shall at all times remain the property of the Company, and Participant shall not have any property interest in such assets.

6.7 Interpretation. The Board, acting in good faith, shall have discretion to interpret the Plan and Participant's Award Agreement. The Board's interpretation and actions hereunder, if made in the exercise of good faith discretion and not in an arbitrary and capricious manner, shall be conclusive and binding upon all Persons for all purposes. Neither the Company nor any of its directors, officers or employees (including members of the Board) shall be liable to Participant or any other Person for any action taken in connection with the interpretation of the Plan or Participant's Award Agreement.

6.8 No Right of Equity Ownership. Neither the Plan nor Participant's Award Agreement grants to Participant any right or privilege of equity ownership in the Company.

6.9 Assignment. Participant's rights under the Plan and his Award Agreement may not be transferred, conveyed, encumbered or assigned, whether voluntarily or involuntarily

6.10 Section 409A Compliance. The foregoing provisions of this Plan are intended to cause the Plan to conform with the requirements of a plan providing only for short-term deferrals as provided in Treasury Regulation §1.409A-1(b)(4), as amended from time to time or to any successor provision, and the provisions of this Plan shall be construed in accordance with that intention. If any provision of this Plan shall be inconsistent or in conflict with any applicable

requirements for a short-term deferral plan, then such requirement shall be deemed to override and supersede the inconsistent or conflicting provision, and any required provision of a short-term deferral plan that is omitted from this Plan shall be incorporated herein by reference and shall apply retroactively, if necessary, and be deemed to be a part of this Plan to the same extent as though expressly set forth herein. To the extent permissible under Treasury Regulation §1.409A-1(b)(4)(ii), the payments may be delayed within the discretion of the Board on the following grounds: (a) it is administratively impracticable to make the payment by the regular payment date due to unforeseeable reasons; (b) the payment would jeopardize the Company's ability to continue as a going concern; (c) the payment is reasonably anticipated not to be deductible under Section 162(m) of the Code due to circumstances that a reasonable person would not have anticipated; or (d) such other grounds as may be from time to time be permissible under the foregoing regulation; provided, however, any delayed payment shall be made within the period required under the foregoing regulation.

7. EFFECTIVENESS OF PLAN, PLAN TERMINATION

This Plan shall become effective on June 2, 2010, and shall expire and terminate, together with the Award Agreement, upon the earlier to occur of (a) the Expiration Date, or (b) the consummation of a Liquidity Event of the Cardiac EP Business Unit or the Company; provided, however, that upon the occurrence of such Liquidity Event, the terms of the Plan (and the Award Agreement) shall survive to the extent, but only to the extent, necessary for the Company to satisfy its obligations to Participant hereunder.

Exhibit 10.31

June 2, 2010

Dr. Nassir F. Marrouche
3293 Niblick Drive
Park City, UT 84098

Re: Cardiac EP Business Participation Plan Award Agreement

Dear Nassir:

This letter (this "Letter Agreement") sets forth the agreement between you and SurgiVision, Inc., a Delaware corporation (the "Company"), regarding the terms upon which you are eligible to receive a payment (the "Liquidity Payout") pursuant to the Company's Cardiac EP Business Participation Plan (the "Plan"), a copy of which is attached hereto and the terms of which are incorporated herein. This Letter Agreement is in addition to, and not in substitution for, any other agreement between you and the Company.

1. Participation Interest. As contemplated by the Plan, you are hereby awarded a six and 60/100ths percent (6.60%) Participation Interest, subject to adjustment as provided in Section 3.4 of the Plan.

2. Plan Governs. You acknowledge receipt of a copy of the Plan and agree to be bound by all the terms and provisions thereof. The terms of this Letter Agreement are governed by and are subject to the terms of the Plan, and in the case of any inconsistency between the terms of this Letter Agreement and the terms of the Plan, the terms of the Plan will govern.

3. Definitions. For purposes of this Letter Agreement, capitalized terms not expressly defined herein will have the meanings ascribed to those terms in the Plan.

4. Amendments. At any time prior to the consummation of a Liquidity Event, the Company may amend or alter the terms of this Letter Agreement and/or the Plan; provided, however, that any such amendment or alteration that impairs your rights under this Letter Agreement or the Plan will require your prior consent.

5. Non-Transferable. You acknowledge and agree that your rights under this Letter Agreement may not be transferred, conveyed, encumbered or assigned, whether voluntarily or involuntarily.

6. Counterparts. This Letter Agreement may be executed in counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

If this Letter Agreement sets forth our agreement on the subject matter hereof, kindly sign and return this letter to the Company.

Sincerely,

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Kimble L. Jenkins
Chief Executive Officer and President

Agreed to as of this 3rd day of June, 2010.

/s/ Nassir F. Marrouche
Nassir F. Marrouche

Exhibit 10.32

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of this 3rd day of June, 2010 but shall become effective only upon the consummation of the Company's initial public offering of its common stock (the "Effective Date"), by and between **SURGIVISION, INC.**, a Delaware corporation (the "Company"), and **KIMBLE L. JENKINS** (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to employ the Executive to serve as the Chief Executive Officer and President of the Company;

WHEREAS, the Company and the Executive each deem it necessary and desirable to execute a written document setting forth the terms and conditions of said relationship; and

WHEREAS, to the extent this Agreement provides for any "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement will be administered in compliance with Section 409A of the Code and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and mutual obligations hereinafter set forth, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"2007 Plan" means the Company's 2007 Stock Incentive Plan.

"2010 Plan" means the Company's 2010 Incentive Compensation Plan.

"Agreement" has the meaning set forth in the preamble above.

"Arbitrators" means the arbitrators selected to conduct any arbitration proceeding in connection with any disputes arising out of or relating to this Agreement.

"Award Agreement" has the meaning set forth in Section 8(b) of this Agreement.

"Award Plans" has the meaning set forth in Section 4(b) of this Agreement.

"Base Salary" means the annual salary to be paid to the Executive as set forth in Section 4(a) of this Agreement.

"Benefit Plans" has the meaning set forth in Section 4(c) of this Agreement.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence with respect to the Company of any of the following events: (i) a change in the ownership of the Company; (ii) a change in the effective control of the Company; or (iii) a change in the ownership of a substantial portion of the assets of the Company.

For purposes of this definition, a change in the ownership of the Company occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. A change in the effective control of the Company occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board prior to the date of the appointment or election. A change in the ownership of a substantial portion of the assets of the Company occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Section 409A of the Code. The Company and the Executive acknowledge and agree that the Company's initial public offering of Company Shares shall not constitute a Change of Control.

"Change of Control Termination" means (i) a Termination Without Cause or (ii) a Termination for Good Reason, in either case within four (4) months prior to, on, or within one (1) year after, a Change of Control.

"Code" has the meaning set forth in the recitals above.

"Company" has the meaning set forth in the preamble above.

"Company Shares" means shares of common stock of the Company or any securities of a successor company which shall have replaced such common stock.

"Compensation Committee" means the compensation committee of the Board.

"Confidentiality Agreement" means that certain Non-Disclosure and Proprietary Rights Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit A.

"Effective Date" has the meaning set forth in the preamble above.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the preamble above.

"Non-Compete Agreement" means that certain Non-Compete Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit B.

"Option(s)" means (i) any option issued to the Executive pursuant to the 2007 Plan, the 2010 Plan or any other incentive plan adopted by the Company, (ii) other than options described in the preceding clause (i), any option issued to the Executive by the Company to purchase Company Shares, or (iii) any option granted under the plan of any successor company that replaces or assumes the Company's options.

"Permanent Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Permanent Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Company, the Executive must submit proof to the Company of the Social Security Administration's or the provider's determination.

"Restricted Stock" means (i) any restricted Company Shares issued to the Executive pursuant to the 2010 Plan or any other incentive plan adopted by the Company, or (ii) any restricted stock granted under the plan of any successor company that replaces or assumes the Company's restricted stock awards.

"Specified Employee" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise.

"Term" has the meaning assigned to it in Section 3(a) of this Agreement.

"Termination Date" means the date on which the employment of the Executive is terminated, which date shall be (i) in the case of the Executive's death, the date of death, (ii) in the case of the Executive's Permanent Disability, thirty (30) days after a Termination Notice is given, provided the Executive does not return to the full-time performance of his duties within such thirty (30) day period, (iii) in the case of a Termination Upon Expiration, the date upon which the Term expires, (iv) in the case of a Termination With Cause, the date specified in the Termination Notice, or (v) in all other instances, the date specified as the Termination Date in the

Termination Notice, which date shall not be less than thirty (30) nor more than sixty (60) days from the date the Termination Notice is given.

"Termination for Good Reason" means the termination of the Executive's employment with the Company by the Executive based on any of the following circumstances, if, within the six (6) month period preceding the Executive's termination, the Executive notified the Company in writing of such circumstances within ninety (90) days of occurrence and the Company did not remedy such circumstances within thirty (30) days thereafter:

(i) a material demotion or diminution in the Executive's authority, duties or responsibilities without the Executive's consent;

(ii) the Company requiring the Executive to be based at any place other than a location within a fifty (50) mile radius of the Executive's work location as of the Effective Date without the Executive's consent, except for reasonably required travel on the Company's business; or

(iii) any action or inaction that constitutes a material breach by the Company of this Agreement.

"Termination Notice" means a written notice of termination of employment by the Executive or the Company.

"Termination of Employment" means the termination of the Executive's employment with the Company for reasons other than death or Permanent Disability. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Termination of Employment if the Executive continues to provide services as an employee of the Company or in any other capacity at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

"Termination Upon Expiration" means the termination of the Executive's employment upon the full expiration of the Term, including the full expiration of any extension thereof, following: (i) the Company's notice to the Executive of the Company's election to not extend the Term; or (ii) the Executive's notice to the Company of the Executive's election to not extend the Term, in each case as provided in Section 3(a) of this Agreement.

"Termination With Cause" means the termination of the Executive's employment by the Company for any of the following reasons: (i) the Executive's gross negligence or willful misconduct in the performance of the Executive's duties where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) the material violation by the Executive of any federal or state law or regulation or the Company's compliance program in the performance of the Executive's duties; (iii) the Executive's breach of the Non-Compete Agreement; (iv) the Executive's material breach of the

Confidentiality Agreement; (v) the Executive's commission of any act of fraud with respect to the Company; (vi) the Executive's conviction of, or the Executive's entry of a guilty plea or plea of nolo contendere with respect to, a felony; or (vii) the Executive's failure to perform duties consistent with this Agreement or the Executive's position or to follow or comply with the reasonable directives of the Board or the Executive's supervisor(s) (to the extent not inconsistent with the terms of this Agreement), provided that (A) the Executive shall have received written notice that specifically identifies the manner in which the Company believes that Executive has engaged in such failure and (B) the Executive shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Executive has received more than one notice with respect to the same or similar conduct pursuant to this clause (vii) during any twelve (12) consecutive month period.

"Termination Without Cause" means the termination of the Executive's employment by the Company for any reason other than (i) Termination With Cause, (ii) termination by the Company due to the Executive's death or Permanent Disability, or (iii) Termination Upon Expiration.

"Voluntary Termination" means the Executive's voluntary termination of his employment hereunder for any reason, other than a Termination for Good Reason. If the Executive gives a Termination Notice of Voluntary Termination and, prior to the Termination Date, the Executive voluntarily refuses or fails to provide substantially all the services described in Section 2 hereof for a period greater than two consecutive weeks, the Voluntary Termination shall be deemed to be effective as of the date on which the Executive so ceases to carry out his duties. Voluntary refusal to perform services shall not include (i) taking vacation otherwise permitted in accordance with Section 4(d) hereof, (ii) the Executive's failure to perform services on account of his illness or the illness of a member of the Executive's immediate family, provided such illness is adequately substantiated at the reasonable request of the Company, or (iii) any other absence from service with the written consent of the Board.

2. Employment; Services. The Company shall employ the Executive, and the Executive agrees to be so employed, in the capacity of the Chief Executive Officer and President of the Company to serve for the Term hereof, subject to earlier termination as hereinafter provided. The Executive shall assume and discharge such duties and responsibilities as are commensurate with the Executive's position. The Executive shall be a full-time employee of the Company and shall exert his best efforts and devote substantially all of his business time and attention to the Company's affairs and the performance of his duties hereunder.

3. Term; Termination.

(a) The term of the Executive's employment under this Agreement (the "Term") shall be five (5) years and shall commence as of the Effective Date. On the fifth anniversary of the Effective Date and each successive anniversary of the Effective Date, the Term shall be extended for an additional one (1) year period, unless one party gives notice to the other of such party's election to not extend the Term, which notice must be given no later than ninety (90) days prior to the end of the then-current Term. Notwithstanding the foregoing,

employment during the Term shall be subject to earlier termination in accordance with the terms of this Agreement.

(b) Any purported termination of employment by the Executive or the Company, other than by reason of the Executive's death, shall be communicated by a Termination Notice. The Termination Notice shall indicate the specific termination provision in this Agreement relied upon and set forth the facts and circumstances claimed to provide a basis for termination.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive for his services a "Base Salary" of Three Hundred Twenty-Five Thousand Dollars ($325,000) per year, to be paid in accordance with customary Company policies. The Base Salary shall be subject to increase or decrease according to policies and practices adopted by the Compensation Committee or the Board, as the case may be; provided, however, that in no event (i) shall the Base Salary for any year be decreased by more than ten percent (10%) from the immediately preceding year's Base Salary, and (ii) shall the Base Salary be less than Three Hundred Twenty-Five Thousand Dollars ($325,000).

(b) Award Plans. During the Term, the Executive shall also be eligible for additional compensation in the form of a cash bonus, shares of stock in the Company, Restricted Stock and/or Options, according to the policies and practices adopted by the Compensation Committee or the Board, as the case may be, and the Executive shall be eligible to participate in the 2010 Plan and any other stock option, incentive compensation, profit participation, bonus or extra compensation plan that is adopted by the Company and in which the Company's executive officers generally participate (collectively, "Award Plans").

(c) Benefit Plans. During the Term, the Executive shall be entitled to participate in, and to all rights and benefits provided by, the health, life, medical, dental, disability, insurance and welfare plans that are maintained from time to time by the Company for the benefit of the Executive, the executives of the Company generally or for the Company's employees generally, provided that the Executive is eligible to participate in such plan under the eligibility provisions thereof that are generally applicable to the participants thereof (collectively, "Benefit Plans").

(d) Vacation. The Executive shall be entitled each year to vacation time, during which time his compensation shall be paid in full. The time allotted for such vacation shall be three (3) weeks, to be taken at such time or times as shall be mutually convenient and consistent with his duties and obligations to the Company. Vacation accrues based on the Executive's anniversary date. Any unused vacation shall not be carried into subsequent years.

(e) Overall Qualification. Nothing in this Agreement shall be construed as preventing the Company from modifying, suspending, discontinuing or terminating any of the Benefit Plans or Award Plans without notice or liability to the Executive so long as (i) the modification, suspension, discontinuation or termination of any such plan is authorized by and

performed in accordance with the specific provisions of such plan and (ii) such modification, suspension, discontinuation or termination is taken generally with respect to all similarly situated employees of the Company and does not single out or discriminate against the Executive.

5. Expenses. The Company recognizes that the Executive will have to incur certain out-of-pocket expenses, including but not limited to travel expenses, related to his services and the Company's business and the Company agrees to reimburse the Executive for all reasonable expenses necessarily incurred by him in the performance of his duties upon presentation of documentation indicating the amount and business purposes of any such expenses; provided, that the Executive complies with the Company's policies and procedures regarding business expenses.

6. Voluntary Termination; Termination With Cause. If the Executive shall cease being an employee of the Company on account of the Executive's Voluntary Termination or a Termination With Cause, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. In the event of a Voluntary Termination or a Termination With Cause, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

7. Termination Upon Death or Permanent Disability.

(a) Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death. Upon termination of employment due to the Executive's death, the Executive's estate shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, plus (iii) provided the Executive's heir(s) properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive's surviving spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive's estate shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans.

(b) Permanent Disability. In the event of the Executive's Permanent Disability, the Company may terminate the Executive's employment with the Company if the Executive does not return to the full-time performance of his duties within thirty (30) days after a Termination Notice is given. Upon termination of employment due to the Executive's Permanent Disability, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, and (iii) provided the Executive properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive and the Executive's spouse and

children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans. In the event of a termination of employment upon the Executive's Permanent Disability, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(c) Life Insurance. Upon the Company's request, the Executive shall cooperate with the Company in obtaining "key man" life insurance on the life of the Executive with death benefits payable to the Company.

8. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment for any reason, or no reason at all, at any time, and the Executive may effect a Termination for Good Reason at any time; provided, that upon a Termination for Good Reason or a Termination Without Cause, except as otherwise provided in Section 9 of this Agreement, the Company shall provide the compensation and benefits set forth in this Section 8. The Executive may effect a Termination for Good Reason notwithstanding any incapacity due to physical or mental illness. In the event of a Termination Without Cause or a Termination for Good Reason, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(a) Base Salary, Bonus, Benefit Plans and Award Plans. The Company shall pay to the Executive, on the Termination Date, a lump sum amount, which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date; plus (ii) the product of (A) one and one-half (1.5) multiplied by (B) the Executive's Base Salary in effect on the Termination Date; plus (iii) the product of (A) one and one-half (1.5) multiplied by (B) the average annual cash bonus paid to the Executive for the two (2) years preceding the year in which the Termination Date occurs; and (iv) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. In addition, provided the Executive properly elects COBRA continuation coverage, the Company shall reimburse the Executive for the cost of COBRA premiums for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to eighteen (18) months following the Termination Date. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 8(a) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then, the amount in excess of such limit shall be delayed for six (6) months following the Termination Date. The delayed amount shall be paid in a lump sum after the end of the six-month delay.

(b) Options; Restricted Stock. Notwithstanding the terms of any award agreement heretofore or hereafter granted to the Executive under any Award Plan, including, without limitation, the 2007 Plan and the 2010 Plan, or any other agreement granting the Executive Options or Restricted Stock (in each case, an "Award Agreement"), upon a Termination Without Cause or Termination for Good Reason, all Options and Restricted Stock

granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes granted to the Executive shall become fully vested on the Termination Date and immediately prior to the time of termination. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. For purposes of an Award Agreement, a Termination for Good Reason shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of any conflict between the terms of this Section 8(b) and the terms of any Award Agreement granted to the Executive, the terms of this Section 8(b) shall control and govern.

9. Change of Control.

(a) Accelerated Vesting. Notwithstanding the terms of any Award Agreement heretofore or hereafter granted to the Executive, in the event of a Change of Control, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes shall become fully vested on the date of the Change of Control. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. In the event of any conflict between the terms of this Section 9(a) and the terms of any Award Agreement granted to the Executive, the terms of this Section 9(a) shall control and govern.

(b) Change of Control Termination. Notwithstanding any other provision in this Agreement to the contrary, in the event of a Change of Control Termination, the Company shall, on the Termination Date, pay the Executive a lump sum amount which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, plus (ii) the product of (A) two (2) multiplied by (B) the Executive's Base Salary in effect as of the Termination Date, plus (iii) the product of (A) two (2) multiplied by (B) the greater of (1) the average annual cash bonus paid to the Executive for the two years preceding the year in which the Termination Date occurs or (2) the Executive's target bonus, if any, for the year in which the Termination Date occurs, plus (iv) the product of (A) twenty-four (24) multiplied by (B) the monthly COBRA premium for health care continuation coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible, plus (v) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 9(b) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then the amount in excess of such limit shall be delayed for six (6) months following the Executive's Termination Date, and such delayed amount shall be paid in a lump sum after the end of the six-month delay. For purposes of any Award Agreement granted to the Executive, a Termination for Good Reason that is Change of Control Termination under this Agreement shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Change of Control Termination, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

10. Termination Upon Expiration. If the Executive shall cease being an employee of the Company on account of a Termination Upon Expiration, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. In the event of any Termination Upon Expiration, the Executive shall continue to be subject to the Confidentiality Agreement. In the event of a Termination Upon Expiration caused by the Company (i.e., the Company gave notice to the Executive of the Company's election to not extend the Term pursuant to Section 3(a)), then (a) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive, and (b) the Executive shall not be subject to the Non-Compete Agreement following the Termination Date. In the event of a Termination Upon Expiration caused by the Executive (i.e., the Executive gave notice to the Company of the Executive's election to not extend the Term pursuant to Section 3(a)), then (x) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute a voluntary termination of employment by the Executive, and (y) the Executive shall continue to be subject to the Non-Compete Agreement following the Termination Date.

11. Exclusive Remedy. To the extent permitted by applicable law, the payments contemplated by Section 7, Section 8 and Section 9 shall constitute the exclusive and sole remedy for any termination of the Executive's employment due to death or Permanent Disability, any Termination Without Cause or any Termination for Good Reason. The Executive agrees, for himself and any administrator, beneficiary, devisee, executor, heir, legatee or personal representative, (i) to not assert or pursue any remedies, other than an action to enforce the payments due to the Executive (or the Executive's estate) under this Agreement, at law or in equity, with respect to the termination of the Executive's employment under Section 7, Section 8 or Section 9, as applicable, and (ii) to execute a release and waiver on such terms and conditions as the Company may reasonably require as a condition of entitlement to such payments.

12. Confidentiality and Noncompetition. The Executive shall enter into the Confidentiality Agreement and Non-Compete Agreement. The Executive's execution of those agreements is a material inducement for the Company to enter into this Agreement. Therefore, this Agreement will be null and void unless the Executive enters into the Confidentiality Agreement and the Non-Compete Agreement.

13. Employment Status. The parties acknowledge and agree that the Executive is an employee of the Company, not an independent contractor. Any payments made to the Executive by the Company pursuant to this Agreement shall be treated for federal and state payroll tax purposes as payments made to a Company employee, irrespective whether such payments are made subsequent to the Termination Date.

14. Notices. All notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing and personally delivered or when deposited in the U.S. mail, certified, return receipt requested, postage prepaid, addressed to

the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company:	One Commerce Square Suite 2550 Memphis, TN 38103 Attn: Chief Financial Officer
To the Executive:	Kimble L. Jenkins One Commerce Square Suite 2550 Memphis, TN 38103

15. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and shall not be modified in any manner except by instrument in writing signed, by or on behalf of, the parties hereto. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. In the event of any inconsistencies between the terms of this Agreement and any Award Agreement, the terms of this Agreement shall govern.

16. Arbitration. Any controversy concerning or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Memphis, Shelby County, Tennessee at a location specified by the party seeking such arbitration.

(a) The Arbitrators. Any arbitration proceeding shall be conducted by three (3) Arbitrators and the decision of the Arbitrators shall be binding on all parties. Each Arbitrator shall have substantial experience and expert competence in the matters being arbitrated. The party desiring to submit any matter relating to this Agreement to arbitration shall do so by written notice to the other party, which notice shall set forth the items to be arbitrated, such party's choice of an Arbitrator, and such party's substantive position in the arbitration. The party receiving such notice shall, within fifteen (15) days after receipt of such notice, appoint an Arbitrator and notify the other party of its appointment and of its substantive position. The Arbitrators appointed by the parties to the Arbitration shall select an additional Arbitrator meeting the aforedescribed criteria. The Arbitrators shall be required to render a decision in accordance with the procedures set forth in Section 16(b) below within thirty (30) days after being notified of their selection. The fees of the Arbitrators shall be equally divided amongst the parties to the arbitration.

(b) Arbitration Procedures. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except to the extent the provisions of such are modified by this Agreement or the subsequent mutual agreement of the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Any party hereto may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this provision applies in any court having

jurisdiction over such action in Shelby County, Tennessee, and the parties agree that jurisdiction and venue in Shelby County, Tennessee are appropriate and approved by such parties.

17. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without giving effect to conflict of laws principles thereof.

18. Assignment. The Executive acknowledges that his services are unique and personal. Accordingly, the Executive may not assign his rights or delegate his duties or obligations under this Agreement.

19. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Successors; Binding Agreement. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a beach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder upon a Change of Control Termination. The Company's rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the Company's successors and assigns.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

SURGIVISION, INC.

By: /s/ David W. Carlson
Name: David W. Carlson
Title: Chief Financial Officer

EXECUTIVE:

/s/ Kimble L. Jenkins
Kimble L. Jenkins

Exhibit A

SURGIVISION, INC.

NON-DISCLOSURE AND PROPRIETARY RIGHTS AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of Confidential Information (as defined in Section 2 below) and of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1 . Purpose of Agreement. Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that it is critical for the Company to preserve and protect its Confidential Information (as defined in Section 2 below), its rights in Inventions (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, Employee is entering into this Non-Disclosure and Proprietary Rights Agreement (this "Agreement") as a condition of his or her employment (or continued employment) with the Company, regardless of whether Employee is expected to create Inventions of value for the Company.

2 . Non-Disclosure of Confidential Information. At all times during his or her employment with the Company and thereafter, Employee will hold the Confidential Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Confidential Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Confidential Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.

For purposes of this Agreement, the term "Confidential Information" means, but is not limited to, all information that is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably knowable by the Company's competitors or by the general public through lawful means. Without limiting the generality of the foregoing, such Confidential Information also includes, but is not limited to, all Proprietary Rights (as defined in Section 3 below), all Third Party Information (as defined in Section 4 below) and all information regarding the Company's operations, research and development efforts, plans for products or services, methods of doing business, business strategies, customers, suppliers, service providers, manufacturers, business relations, product

prices and costs, markets, marketing plans, budgets and forecasts, financial information and/or Inventions, as well as information regarding the skills, know how and compensation of other employees of the Company. Confidential Information may be expressly designated as confidential or proprietary on its face (whether verbally, in writing or otherwise) or be of such a nature that a reasonable person under the circumstances should understand or believe it to be confidential or proprietary. Confidential Information may be oral, written, recorded magnetically or electronically or otherwise stored, and may be that which Employee originates as well as that which otherwise comes into the possession or knowledge of Employee.

3. Recognition of Company's Rights. Employee acknowledges and agrees that all Confidential Information will be the sole property of the Company and that the Company will be the sole owner of all patents, patent applications, design patents or registration, design patent applications, copyrights, mask works, trademarks, trade secrets and all other intellectual property rights throughout the world (collectively, "Proprietary Rights") in connection therewith. Accordingly, Employee hereby assigns and agrees to assign to the Company any rights Employee may have or acquire in any Confidential Information and Proprietary Rights.

4. Non-Disclosure of Third Party Information. Employee understands that the Company may from time to time receive from third parties confidential information ("Third Party Information"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. At all times during Employee's employment with the Company and thereafter, Employee will hold the Third Party Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Third Party Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Third Party Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Third Party Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company prevent its further unauthorized use or disclosure.

5 . Return of Information; Inspections. Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Confidential Information and all other tangible materials and devices provided to Employee as Confidential Information or containing Confidential Information, and/or, at the Company's option, certify destruction of the same. In addition, Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Third Party Information and all other tangible materials and devices provided to Employee as Third Party Information or containing Third Party Information, and/or, at the Company's option, certify destruction of the same. Upon termination of his or her employment with the Company, Employee will promptly deliver to the Company all property in Employee's possession, custody or control that is owned by the Company. Employee agrees that any property situated on the

Company's premises and owned by the Company, including, but not limited to, computers, disks and other storage media, is subject to inspection by Company personnel at any time without notice.

6. No Improper Use of Materials. During his or her employment with the Company, Employee will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or any other person to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom Employee has an obligation of confidentiality unless consented to in writing by that former employer or person.

7 . Assignment of Inventions. Employee hereby irrevocably assigns to the Company all right, title and interest of Employee in and to any and all Inventions (and all Proprietary Rights with respect thereto), whether or not patentable, copyrightable or protectable as trade secrets, made, conceived, reduced to practice or created by Employee, either alone or jointly with others, during the period of his or her employment with the Company. Employee acknowledges that all original works of authorship which are made by Employee (alone or jointly with others) within the scope of his or her employment and which are copyrightable are "works made for hire," as that term is defined in the United States Copyright Act. In addition to the foregoing assignment of Inventions (and all Proprietary Rights with respect thereto) to the Company, Employee hereby irrevocably assigns to the Company any and all Moral Rights (as defined below) that Employee may have in or with respect to any Invention, and Employee forever waives and agrees not to assert any and all Moral Rights he or she may have in or with respect to any Invention, even after termination of employment with the Company.

For purposes of this Agreement, the term "Inventions" means inventions, discoveries, improvements, designs, techniques, ideas, processes, compositions of matter, formulas, data, software programs, databases, mask works, works of authorship, know-how and trade secrets.

For purposes of this Agreement, the term "Moral Rights" means any right to claim authorship of an Invention, to object to or prevent the modification of any Invention, or to withdraw from circulation or control the publication or distribution of any Invention, and any similar right, existing under judicial or statutory law of any country or under any treaty, regardless of whether such right is denominated or generally referred to as a "moral right."

8 . Disclosure of Inventions. Employee will promptly disclose to the Company all Inventions that Employee makes, conceives, reduces to practice or creates, either alone or jointly with others, during the period of his or her employment with the Company. In addition, Employee will disclose to the Company all patent applications filed by Employee within three (3) years after termination of employment with the Company.

9 . Assistance. Employee agrees to assist the Company in every proper way to obtain and, from time to time, enforce United States and foreign Proprietary Rights relating to Inventions assigned hereunder to the Company in any and all countries. To that end, Employee will execute, verify and deliver such documents and perform such other acts (including

appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, Employee will execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee. Employee's obligation to assist the Company with respect to Proprietary Rights relating to Inventions in any and all countries will continue beyond the termination of Employee's employment, but the Company agrees to compensate Employee at a reasonable rate after Employee's termination for the time actually spent by Employee at the Company's request on such assistance. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on behalf of Employee (a) to execute, verify and file any document needed in connection with the actions specified in this section and (b) to do all other lawfully permitted acts to further the purposes of this section, in each case with the same legal force and effect as if executed or performed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

10. Prior Inventions. Inventions, if any, which Employee made prior to the commencement of his or her employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, Employee has set forth on Exhibit A hereto a complete list of all Inventions that Employee, whether alone or jointly with others, has conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to commencement of his or her employment with the Company, that Employee considers to be his or her property or the property of third parties and that Employee wishes to have expressly excluded from the scope of this Agreement.

11. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any person or entity that competes anywhere in the world with the Company in the conduct of the business of the Company as conducted or as proposed to be conducted (a "Competing Business"), nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

12. Non-Solicitation. During the term of his or her employment by the Company and for a period of two (2) years after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, (a) hire, engage or solicit to hire or engage any individual who is engaged as a contractor or consultant or employed by the Company or who was engaged as a contractor or consultant or employed by the Company within six months of the proposed solicitation, hire or engagement, (b) otherwise induce or attempt to induce any individual who is engaged as a contractor or consultant or employed by the Company to terminate such engagement or employment, (c) in any way interfere with the relationship between the Company and any individual who is engaged as a contractor or consultant or employed by the Company; (d) contact, solicit, divert, appropriate or call upon with the intent of doing business with (other than for the exclusive benefit of the Company) any customer of the

Company if the purpose of such activity is to solicit such customer or prospective customer for a Competing Business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Company or to otherwise interfere with the Company's relationship with such customer, or (e) in any way interfere with the Company's relationship with any supplier, manufacturer, service provider or other business relation of the Company.

13. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

14. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that given the importance to the Company of its Confidential Information, the post-employment restrictions on Employee's activities are likewise fair and reasonable.

15. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that, in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available to the Company whether at law or in equity. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

16. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles..

17. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this

Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

19. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

20. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

21. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

22. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

24. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

25. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

*****

/s/ Kimble L. Jenkins
Employee Signature

June 3, 2010
Date

Kimble L. Jenkins
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ David W. Carlson
Name: David W. Carlson
Title: Chief Financial Officer

Exhibit A

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment with the Company that have been made, conceived, first reduced to practice or created by me, alone or jointly with others, prior to my employment with the Company that I desire to remove from the operation of the Company's Non-Disclosure and Proprietary Rights Agreement:

- ¨ No inventions or improvements
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

I propose to bring to my employment the following materials and documents of a former employer:

- ¨ No materials or documents
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

_____ _____

Employee Signature Date

_____

Employee Name

Exhibit B

SURGIVISION, INC.

NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1. Defined Terms. For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

(a) "Conflicting Organization" means any individual or entity that, directly or indirectly, engages in, or is about to become engaged in, Conflicting Research or the development, design, production, manufacture, promotion, marketing, sale, support or service of a Conflicting Product.

(b) "Conflicting Product" means medical devices, goods, products, product lines or services, and each and every component thereof, developed, designed, produced, manufactured, marketed, promoted, sold, supported or serviced, or that are in development or the subject of research, by anyone other than the Company that are the same or similar to, perform any of the same or similar functions as, may be substituted for, or are intended or used for any of the same purposes as, a Company Product.

(c) "Conflicting Research" means any research or development of any kind or nature conducted by anyone other than the Company, which is intended for, or may be useful in, any aspect of the development, design, production, manufacture, marketing, promotion, sale, support or service of a Conflicting Product.

(d) "Company Product" means any medical device, goods, products, product lines or services (i) that during the last one (1) year in which Employee was employed by the Company, Employee, or persons under Employee's management, direction or supervision, performed research regarding, designed, developed, produced, manufactured, marketed, promoted, sold, solicited sales of, supported or serviced on behalf of the Company, or (ii) with respect to which Employee at any time received or otherwise obtained or learned Confidential Information.

(e) "Restricted Area" means the United States of America or in any other country in which the Company has received or applied for regulatory clearances or approvals for Company Products.

2. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of

the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any individual or entity that competes with the Company in the Restricted Area in the conduct of the business of the Company as conducted or as proposed to be conducted, nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

In addition, for a period of one (1) year after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any Conflicting Organization in the Restricted Area in connection with or relating to a Conflicting Product or Conflicting Research.

3. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

4. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that the post-employment restrictions on Employee's activities are fair and reasonable.

5. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available at law or in equity to the Company. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

6. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles.

7. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the

Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

8. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

9. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

10. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

11. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

12. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

14. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

15. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

/s/ Kimble L. Jenkins
Employee Signature

June 3, 2010
Date

Kimble L. Jenkins
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ David W. Carlson
Name: David W. Carlson
Title: Chief Financial Officer

Exhibit 10.33

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of this 3rd day of June, 2010 but shall become effective only upon the consummation of the Company's initial public offering of its common stock (the "Effective Date"), by and between **SURGIVISION, INC.**, a Delaware corporation (the "Company"), and **PETER G. PIFERI** (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to employ the Executive to serve as the Chief Operating Officer of the Company;

WHEREAS, the Company and the Executive each deem it necessary and desirable to execute a written document setting forth the terms and conditions of said relationship; and

WHEREAS, to the extent this Agreement provides for any "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement will be administered in compliance with Section 409A of the Code and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and mutual obligations hereinafter set forth, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"2007 Plan" means the Company's 2007 Stock Incentive Plan.

"2010 Plan" means the Company's 2010 Incentive Compensation Plan.

"Agreement" has the meaning set forth in the preamble above.

"Arbitrators" means the arbitrators selected to conduct any arbitration proceeding in connection with any disputes arising out of or relating to this Agreement.

"Award Agreement" has the meaning set forth in Section 8(b) of this Agreement.

"Award Plans" has the meaning set forth in Section 4(b) of this Agreement.

"Base Salary" means the annual salary to be paid to the Executive as set forth in Section 4(a) of this Agreement.

"Benefit Plans" has the meaning set forth in Section 4(c) of this Agreement.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence with respect to the Company of any of the following events: (i) a change in the ownership of the Company; (ii) a change in the effective control of the Company; or (iii) a change in the ownership of a substantial portion of the assets of the Company.

For purposes of this definition, a change in the ownership of the Company occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. A change in the effective control of the Company occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board prior to the date of the appointment or election. A change in the ownership of a substantial portion of the assets of the Company occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Section 409A of the Code. The Company and the Executive acknowledge and agree that the Company's initial public offering of Company Shares shall not constitute a Change of Control.

"Change of Control Termination" means (i) a Termination Without Cause or (ii) a Termination for Good Reason, in either case within four (4) months prior to, on, or within one (1) year after, a Change of Control.

"Code" has the meaning set forth in the recitals above.

"Company" has the meaning set forth in the preamble above.

"Company Shares" means shares of common stock of the Company or any securities of a successor company which shall have replaced such common stock.

"Compensation Committee" means the compensation committee of the Board.

"Confidentiality Agreement" means that certain Non-Disclosure and Proprietary Rights Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit A.

"Effective Date" has the meaning set forth in the preamble above.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the preamble above.

"Option(s)" means (i) any option issued to the Executive pursuant to the 2007 Plan, the 2010 Plan or any other incentive plan adopted by the Company, (ii) other than options described in the preceding clause (i), any option issued to the Executive by the Company to purchase Company Shares, or (iii) any option granted under the plan of any successor company that replaces or assumes the Company's options.

"Permanent Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Permanent Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Company, the Executive must submit proof to the Company of the Social Security Administration's or the provider's determination.

"Restricted Stock" means (i) any restricted Company Shares issued to the Executive pursuant to the 2010 Plan or any other incentive plan adopted by the Company, or (ii) any restricted stock granted under the plan of any successor company that replaces or assumes the Company's restricted stock awards.

"Specified Employee" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise.

"Term" has the meaning assigned to it in Section 3(a) of this Agreement.

"Termination Date" means the date on which the employment of the Executive is terminated, which date shall be (i) in the case of the Executive's death, the date of death, (ii) in the case of the Executive's Permanent Disability, thirty (30) days after a Termination Notice is given, provided the Executive does not return to the full-time performance of his duties within such thirty (30) day period, (iii) in the case of a Termination Upon Expiration, the date upon which the Term expires, (iv) in the case of a Termination With Cause, the date specified in the Termination Notice, or (v) in all other instances, the date specified as the Termination Date in the

Termination Notice, which date shall not be less than thirty (30) nor more than sixty (60) days from the date the Termination Notice is given.

"Termination for Good Reason" means the termination of the Executive's employment with the Company by the Executive based on any of the following circumstances, if, within the six (6) month period preceding the Executive's termination, the Executive notified the Company in writing of such circumstances within ninety (90) days of occurrence and the Company did not remedy such circumstances within thirty (30) days thereafter:

(i) a material demotion or diminution in the Executive's authority, duties or responsibilities without the Executive's consent;

(ii) the Company requiring the Executive to be based at any place other than a location within a fifty (50) mile radius of the Executive's work location as of the Effective Date without the Executive's consent, except for reasonably required travel on the Company's business; or

(iii) any action or inaction that constitutes a material breach by the Company of this Agreement.

"Termination Notice" means a written notice of termination of employment by the Executive or the Company.

"Termination of Employment" means the termination of the Executive's employment with the Company for reasons other than death or Permanent Disability. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Termination of Employment if the Executive continues to provide services as an employee of the Company or in any other capacity at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

"Termination Upon Expiration" means the termination of the Executive's employment upon the full expiration of the Term, including the full expiration of any extension thereof, following: (i) the Company's notice to the Executive of the Company's election to not extend the Term; or (ii) the Executive's notice to the Company of the Executive's election to not extend the Term, in each case as provided in Section 3(a) of this Agreement.

"Termination With Cause" means the termination of the Executive's employment by the Company for any of the following reasons: (i) the Executive's gross negligence or willful misconduct in the performance of the Executive's duties where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) the material violation by the Executive of any federal or state law or regulation or the Company's compliance program in the performance of the Executive's duties; (iii) the Executive's material breach of the

Confidentiality Agreement; (iv) the Executive's commission of any act of fraud with respect to the Company; (v) the Executive's conviction of, or the Executive's entry of a guilty plea or plea of nolo contendere with respect to, a felony; or (vi) the Executive's failure to perform duties consistent with this Agreement or the Executive's position or to follow or comply with the reasonable directives of the Board or the Executive's supervisor(s) (to the extent not inconsistent with the terms of this Agreement), provided that (A) the Executive shall have received written notice that specifically identifies the manner in which the Company believes that Executive has engaged in such failure and (B) the Executive shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Executive has received more than one notice with respect to the same or similar conduct pursuant to this clause (vi) during any twelve (12) consecutive month period.

"Termination Without Cause" means the termination of the Executive's employment by the Company for any reason other than (i) Termination With Cause, (ii) termination by the Company due to the Executive's death or Permanent Disability, or (iii) Termination Upon Expiration.

"Voluntary Termination" means the Executive's voluntary termination of his employment hereunder for any reason, other than a Termination for Good Reason. If the Executive gives a Termination Notice of Voluntary Termination and, prior to the Termination Date, the Executive voluntarily refuses or fails to provide substantially all the services described in Section 2 hereof for a period greater than two consecutive weeks, the Voluntary Termination shall be deemed to be effective as of the date on which the Executive so ceases to carry out his duties. Voluntary refusal to perform services shall not include (i) taking vacation otherwise permitted in accordance with Section 4(d) hereof, (ii) the Executive's failure to perform services on account of his illness or the illness of a member of the Executive's immediate family, provided such illness is adequately substantiated at the reasonable request of the Company, or (iii) any other absence from service with the written consent of the Board.

2. Employment; Services. The Company shall employ the Executive, and the Executive agrees to be so employed, in the capacity of the Chief Operating Officer of the Company to serve for the Term hereof, subject to earlier termination as hereinafter provided. The Executive shall assume and discharge such duties and responsibilities as are commensurate with the Executive's position. The Executive shall be a full-time employee of the Company and shall exert his best efforts and devote substantially all of his business time and attention to the Company's affairs and the performance of his duties hereunder.

3. Term; Termination.

(a) The term of the Executive's employment under this Agreement (the "Term") shall be three (3) years and shall commence as of the Effective Date. On the third anniversary of the Effective Date and each successive anniversary of the Effective Date, the Term shall be extended for an additional one (1) year period, unless one party gives notice to the other of such party's election to not extend the Term, which notice must be given no later than ninety (90) days prior to the end of the then-current Term. Notwithstanding the foregoing,

employment during the Term shall be subject to earlier termination in accordance with the terms of this Agreement.

(b) Any purported termination of employment by the Executive or the Company, other than by reason of the Executive's death, shall be communicated by a Termination Notice. The Termination Notice shall indicate the specific termination provision in this Agreement relied upon and set forth the facts and circumstances claimed to provide a basis for termination.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive for his services a "Base Salary" of Two Hundred Fifty Thousand Dollars ($250,000) per year, to be paid in accordance with customary Company policies. The Base Salary shall be subject to increase or decrease according to policies and practices adopted by the Compensation Committee or the Board, as the case may be; provided, however, that in no event (i) shall the Base Salary for any year be decreased by more than ten percent (10%) from the immediately preceding year's Base Salary, and (ii) shall the Base Salary be less than Two Hundred Fifty Thousand Dollars ($250,000).

(b) Award Plans. During the Term, the Executive shall also be eligible for additional compensation in the form of a cash bonus, shares of stock in the Company, Restricted Stock and/or Options, according to the policies and practices adopted by the Compensation Committee or the Board, as the case may be, and the Executive shall be eligible to participate in the 2010 Plan and any other stock option, incentive compensation, profit participation, bonus or extra compensation plan that is adopted by the Company and in which the Company's executive officers generally participate (collectively, "Award Plans").

(c) Benefit Plans. During the Term, the Executive shall be entitled to participate in, and to all rights and benefits provided by, the health, life, medical, dental, disability, insurance and welfare plans that are maintained from time to time by the Company for the benefit of the Executive, the executives of the Company generally or for the Company's employees generally, provided that the Executive is eligible to participate in such plan under the eligibility provisions thereof that are generally applicable to the participants thereof (collectively, "Benefit Plans").

(d) Vacation. The Executive shall be entitled each year to vacation time, during which time his compensation shall be paid in full. The time allotted for such vacation shall be three (3) weeks, to be taken at such time or times as shall be mutually convenient and consistent with his duties and obligations to the Company. Vacation accrues based on the Executive's anniversary date. Any unused vacation shall not be carried into subsequent years.

(e) Overall Qualification. Nothing in this Agreement shall be construed as preventing the Company from modifying, suspending, discontinuing or terminating any of the Benefit Plans or Award Plans without notice or liability to the Executive so long as (i) the modification, suspension, discontinuation or termination of any such plan is authorized by and

performed in accordance with the specific provisions of such plan and (ii) such modification, suspension, discontinuation or termination is taken generally with respect to all similarly situated employees of the Company and does not single out or discriminate against the Executive.

5. Expenses. The Company recognizes that the Executive will have to incur certain out-of-pocket expenses, including but not limited to travel expenses, related to his services and the Company's business and the Company agrees to reimburse the Executive for all reasonable expenses necessarily incurred by him in the performance of his duties upon presentation of documentation indicating the amount and business purposes of any such expenses; provided, that the Executive complies with the Company's policies and procedures regarding business expenses.

6. Voluntary Termination; Termination With Cause. If the Executive shall cease being an employee of the Company on account of the Executive's Voluntary Termination or a Termination With Cause, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. In the event of a Voluntary Termination or a Termination With Cause, the Executive shall continue to be subject to the Confidentiality Agreement.

7. Termination Upon Death or Permanent Disability.

(a) Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death. Upon termination of employment due to the Executive's death, the Executive's estate shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, plus (iii) provided the Executive's heir(s) properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive's surviving spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive's estate shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans.

(b) Permanent Disability. In the event of the Executive's Permanent Disability, the Company may terminate the Executive's employment with the Company if the Executive does not return to the full-time performance of his duties within thirty (30) days after a Termination Notice is given. Upon termination of employment due to the Executive's Permanent Disability, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, and (iii) provided the Executive properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive and the Executive's spouse and

children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans. In the event of a termination of employment upon the Executive's Permanent Disability, the Executive shall continue to be subject to the Confidentiality Agreement.

(c) Life Insurance. Upon the Company's request, the Executive shall cooperate with the Company in obtaining "key man" life insurance on the life of the Executive with death benefits payable to the Company.

8. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment for any reason, or no reason at all, at any time, and the Executive may effect a Termination for Good Reason at any time; provided, that upon a Termination for Good Reason or a Termination Without Cause, except as otherwise provided in Section 9 of this Agreement, the Company shall provide the compensation and benefits set forth in this Section 8. The Executive may effect a Termination for Good Reason notwithstanding any incapacity due to physical or mental illness. In the event of a Termination Without Cause or a Termination for Good Reason, the Executive shall continue to be subject to the Confidentiality Agreement.

(a) Base Salary, Bonus, Benefit Plans and Award Plans. The Company shall pay to the Executive, on the Termination Date, a lump sum amount, which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date; plus (ii) the product of (A) one and one-half (1.5) multiplied by (B) the Executive's Base Salary in effect on the Termination Date; plus (iii) the product of (A) one and one-half (1.5) multiplied by (B) the average annual cash bonus paid to the Executive for the two (2) years preceding the year in which the Termination Date occurs; and (iv) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. In addition, provided the Executive properly elects COBRA continuation coverage, the Company shall reimburse the Executive for the cost of COBRA premiums for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to eighteen (18) months following the Termination Date. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 8(a) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then, the amount in excess of such limit shall be delayed for six (6) months following the Termination Date. The delayed amount shall be paid in a lump sum after the end of the six-month delay.

(b) Options; Restricted Stock. Notwithstanding the terms of any award agreement heretofore or hereafter granted to the Executive under any Award Plan, including, without limitation, the 2007 Plan and the 2010 Plan, or any other agreement granting the Executive Options or Restricted Stock (in each case, an "Award Agreement"), upon a Termination Without Cause or Termination for Good Reason, all Options and Restricted Stock

granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes granted to the Executive shall become fully vested on the Termination Date and immediately prior to the time of termination. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. For purposes of an Award Agreement, a Termination for Good Reason shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of any conflict between the terms of this Section 8(b) and the terms of any Award Agreement granted to the Executive, the terms of this Section 8(b) shall control and govern.

9. Change of Control.

(a) Accelerated Vesting. Notwithstanding the terms of any Award Agreement heretofore or hereafter granted to the Executive, in the event of a Change of Control, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes shall become fully vested on the date of the Change of Control. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. In the event of any conflict between the terms of this Section 9(a) and the terms of any Award Agreement granted to the Executive, the terms of this Section 9(a) shall control and govern.

(b) Change of Control Termination. Notwithstanding any other provision in this Agreement to the contrary, in the event of a Change of Control Termination, the Company shall, on the Termination Date, pay the Executive a lump sum amount which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, plus (ii) the product of (A) two (2) multiplied by (B) the Executive's Base Salary in effect as of the Termination Date, plus (iii) the product of (A) two (2) multiplied by (B) the greater of (1) the average annual cash bonus paid to the Executive for the two years preceding the year in which the Termination Date occurs or (2) the Executive's target bonus, if any, for the year in which the Termination Date occurs, plus (iv) the product of (A) twenty-four (24) multiplied by (B) the monthly COBRA premium for health care continuation coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible, plus (v) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 9(b) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then the amount in excess of such limit shall be delayed for six (6) months following the Executive's Termination Date, and such delayed amount shall be paid in a lump sum after the end of the six-month delay. For purposes of any Award Agreement granted to the Executive, a Termination for Good Reason that is Change of Control Termination under this Agreement shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Change of Control Termination, the Executive shall continue to be subject to the Confidentiality Agreement.

10. Termination Upon Expiration. If the Executive shall cease being an employee of the Company on account of a Termination Upon Expiration, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. In the event of any Termination Upon Expiration, the Executive shall continue to be subject to the Confidentiality Agreement. In the event of a Termination Upon Expiration caused by the Company (i.e., the Company gave notice to the Executive of the Company's election to not extend the Term pursuant to Section 3(a)), then for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Termination Upon Expiration caused by the Executive (i.e., the Executive gave notice to the Company of the Executive's election to not extend the Term pursuant to Section 3(a)), then for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute a voluntary termination of employment by the Executive.

11. Exclusive Remedy. To the extent permitted by applicable law, the payments contemplated by Section 7, Section 8 and Section 9 shall constitute the exclusive and sole remedy for any termination of the Executive's employment due to death or Permanent Disability, any Termination Without Cause or any Termination for Good Reason. The Executive agrees, for himself and any administrator, beneficiary, devisee, executor, heir, legatee or personal representative, (i) to not assert or pursue any remedies, other than an action to enforce the payments due to the Executive (or the Executive's estate) under this Agreement, at law or in equity, with respect to the termination of the Executive's employment under Section 7, Section 8 or Section 9, as applicable, and (ii) to execute a release and waiver on such terms and conditions as the Company may reasonably require as a condition of entitlement to such payments.

12. Confidentiality. The Executive shall enter into the Confidentiality Agreement. The Executive's execution of that agreement is a material inducement for the Company to enter into this Agreement. Therefore, this Agreement will be null and void unless the Executive enters into the Confidentiality Agreement.

13. Employment Status. The parties acknowledge and agree that the Executive is an employee of the Company, not an independent contractor. Any payments made to the Executive by the Company pursuant to this Agreement shall be treated for federal and state payroll tax purposes as payments made to a Company employee, irrespective whether such payments are made subsequent to the Termination Date.

14. Notices. All notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing and personally delivered or when deposited in the U.S. mail, certified, return receipt requested, postage prepaid, addressed to

the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company:	One Commerce Square Suite 2550 Memphis, TN 38103 Attn: Chief Financial Officer
To the Executive:	Peter G. Piferi 5 Musik Irvine, CA 92618

15. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and shall not be modified in any manner except by instrument in writing signed, by or on behalf of, the parties hereto. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. In the event of any inconsistencies between the terms of this Agreement and any Award Agreement, the terms of this Agreement shall govern.

16. Arbitration. Any controversy concerning or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Memphis, Shelby County, Tennessee at a location specified by the party seeking such arbitration.

(a) The Arbitrators. Any arbitration proceeding shall be conducted by three (3) Arbitrators and the decision of the Arbitrators shall be binding on all parties. Each Arbitrator shall have substantial experience and expert competence in the matters being arbitrated. The party desiring to submit any matter relating to this Agreement to arbitration shall do so by written notice to the other party, which notice shall set forth the items to be arbitrated, such party's choice of an Arbitrator, and such party's substantive position in the arbitration. The party receiving such notice shall, within fifteen (15) days after receipt of such notice, appoint an Arbitrator and notify the other party of its appointment and of its substantive position. The Arbitrators appointed by the parties to the Arbitration shall select an additional Arbitrator meeting the aforedescribed criteria. The Arbitrators shall be required to render a decision in accordance with the procedures set forth in Section 16(b) below within thirty (30) days after being notified of their selection. The fees of the Arbitrators shall be equally divided amongst the parties to the arbitration.

(b) Arbitration Procedures. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except to the extent the provisions of such are modified by this Agreement or the subsequent mutual agreement of the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Any party hereto may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this provision applies in any court having

jurisdiction over such action in Shelby County, Tennessee, and the parties agree that jurisdiction and venue in Shelby County, Tennessee are appropriate and approved by such parties.

17. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without giving effect to conflict of laws principles thereof.

18. Assignment. The Executive acknowledges that his services are unique and personal. Accordingly, the Executive may not assign his rights or delegate his duties or obligations under this Agreement.

19. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Successors; Binding Agreement. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a beach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder upon a Change of Control Termination. The Company's rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the Company's successors and assigns.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

EXECUTIVE:

/s/ Peter G. Piferi
Peter G. Piferi

Exhibit A

SURGIVISION, INC.

NON-DISCLOSURE AND PROPRIETARY RIGHTS AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of Confidential Information (as defined in Section 2 below) and of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1 . Purpose of Agreement. Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that it is critical for the Company to preserve and protect its Confidential Information (as defined in Section 2 below), its rights in Inventions (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, Employee is entering into this Non-Disclosure and Proprietary Rights Agreement (this "Agreement") as a condition of his or her employment (or continued employment) with the Company, regardless of whether Employee is expected to create Inventions of value for the Company.

2 . Non-Disclosure of Confidential Information. At all times during his or her employment with the Company and thereafter, Employee will hold the Confidential Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Confidential Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Confidential Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.

For purposes of this Agreement, the term "Confidential Information" means, but is not limited to, all information that is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably knowable by the Company's competitors or by the general public through lawful means. Without limiting the generality of the foregoing, such Confidential Information also includes, but is not limited to, all Proprietary Rights (as defined in Section 3 below), all Third Party Information (as defined in Section 4 below) and all information regarding the Company's operations, research and development efforts, plans for products or services, methods of doing business, business strategies, customers, suppliers, service providers, manufacturers, business relations, product

prices and costs, markets, marketing plans, budgets and forecasts, financial information and/or Inventions, as well as information regarding the skills, know how and compensation of other employees of the Company. Confidential Information may be expressly designated as confidential or proprietary on its face (whether verbally, in writing or otherwise) or be of such a nature that a reasonable person under the circumstances should understand or believe it to be confidential or proprietary. Confidential Information may be oral, written, recorded magnetically or electronically or otherwise stored, and may be that which Employee originates as well as that which otherwise comes into the possession or knowledge of Employee.

3. Recognition of Company's Rights. Employee acknowledges and agrees that all Confidential Information will be the sole property of the Company and that the Company will be the sole owner of all patents, patent applications, design patents or registration, design patent applications, copyrights, mask works, trademarks, trade secrets and all other intellectual property rights throughout the world (collectively, "Proprietary Rights") in connection therewith. Accordingly, Employee hereby assigns and agrees to assign to the Company any rights Employee may have or acquire in any Confidential Information and Proprietary Rights.

4. Non-Disclosure of Third Party Information. Employee understands that the Company may from time to time receive from third parties confidential information ("Third Party Information"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. At all times during Employee's employment with the Company and thereafter, Employee will hold the Third Party Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Third Party Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Third Party Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Third Party Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company prevent its further unauthorized use or disclosure.

5 . Return of Information; Inspections. Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Confidential Information and all other tangible materials and devices provided to Employee as Confidential Information or containing Confidential Information, and/or, at the Company's option, certify destruction of the same. In addition, Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Third Party Information and all other tangible materials and devices provided to Employee as Third Party Information or containing Third Party Information, and/or, at the Company's option, certify destruction of the same. Upon termination of his or her employment with the Company, Employee will promptly deliver to the Company all property in Employee's possession, custody or control that is owned by the Company. Employee agrees that any property situated on the

Company's premises and owned by the Company, including, but not limited to, computers, disks and other storage media, is subject to inspection by Company personnel at any time without notice.

6. No Improper Use of Materials. During his or her employment with the Company, Employee will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or any other person to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom Employee has an obligation of confidentiality unless consented to in writing by that former employer or person.

7 . Assignment of Inventions. Employee hereby irrevocably assigns to the Company all right, title and interest of Employee in and to any and all Inventions (and all Proprietary Rights with respect thereto), whether or not patentable, copyrightable or protectable as trade secrets, made, conceived, reduced to practice or created by Employee, either alone or jointly with others, during the period of his or her employment with the Company. Employee acknowledges that all original works of authorship which are made by Employee (alone or jointly with others) within the scope of his or her employment and which are copyrightable are "works made for hire," as that term is defined in the United States Copyright Act. In addition to the foregoing assignment of Inventions (and all Proprietary Rights with respect thereto) to the Company, Employee hereby irrevocably assigns to the Company any and all Moral Rights (as defined below) that Employee may have in or with respect to any Invention, and Employee forever waives and agrees not to assert any and all Moral Rights he or she may have in or with respect to any Invention, even after termination of employment with the Company.

For purposes of this Agreement, the term "Inventions" means inventions, discoveries, improvements, designs, techniques, ideas, processes, compositions of matter, formulas, data, software programs, databases, mask works, works of authorship, know-how and trade secrets.

For purposes of this Agreement, the term "Moral Rights" means any right to claim authorship of an Invention, to object to or prevent the modification of any Invention, or to withdraw from circulation or control the publication or distribution of any Invention, and any similar right, existing under judicial or statutory law of any country or under any treaty, regardless of whether such right is denominated or generally referred to as a "moral right."

8 . Disclosure of Inventions. Employee will promptly disclose to the Company all Inventions that Employee makes, conceives, reduces to practice or creates, either alone or jointly with others, during the period of his or her employment with the Company. In addition, Employee will disclose to the Company all patent applications filed by Employee within three (3) years after termination of employment with the Company.

9 . Assistance. Employee agrees to assist the Company in every proper way to obtain and, from time to time, enforce United States and foreign Proprietary Rights relating to Inventions assigned hereunder to the Company in any and all countries. To that end, Employee will execute, verify and deliver such documents and perform such other acts (including

appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, Employee will execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee. Employee's obligation to assist the Company with respect to Proprietary Rights relating to Inventions in any and all countries will continue beyond the termination of Employee's employment, but the Company agrees to compensate Employee at a reasonable rate after Employee's termination for the time actually spent by Employee at the Company's request on such assistance. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on behalf of Employee (a) to execute, verify and file any document needed in connection with the actions specified in this section and (b) to do all other lawfully permitted acts to further the purposes of this section, in each case with the same legal force and effect as if executed or performed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

10. Prior Inventions. Inventions, if any, which Employee made prior to the commencement of his or her employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, Employee has set forth on Exhibit A hereto a complete list of all Inventions that Employee, whether alone or jointly with others, has conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to commencement of his or her employment with the Company, that Employee considers to be his or her property or the property of third parties and that Employee wishes to have expressly excluded from the scope of this Agreement.

11. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any person or entity that competes anywhere in the world with the Company in the conduct of the business of the Company as conducted or as proposed to be conducted (a "Competing Business"), nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

12. Non-Solicitation. During the term of his or her employment by the Company and for a period of two (2) years after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, (a) hire, engage or solicit to hire or engage any individual who is engaged as a contractor or consultant or employed by the Company or who was engaged as a contractor or consultant or employed by the Company within six months of the proposed solicitation, hire or engagement, (b) otherwise induce or attempt to induce any individual who is engaged as a contractor or consultant or employed by the Company to terminate such engagement or employment, (c) in any way interfere with the relationship between the Company and any individual who is engaged as a contractor or consultant or employed by the Company; (d) contact, solicit, divert, appropriate or call upon with the intent of doing business with (other than for the exclusive benefit of the Company) any customer of the

Company if the purpose of such activity is to solicit such customer or prospective customer for a Competing Business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Company or to otherwise interfere with the Company's relationship with such customer, or (e) in any way interfere with the Company's relationship with any supplier, manufacturer, service provider or other business relation of the Company.

13. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

14. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that given the importance to the Company of its Confidential Information, the post-employment restrictions on Employee's activities are likewise fair and reasonable.

15. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that, in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available to the Company whether at law or in equity. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

16. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles..

17. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this

Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

19. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

20. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

21. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

22. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

24. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

25. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

*****

/s/ Peter G. Piferi
Employee Signature

June 3, 2010
Date

Peter G. Piferi
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit A

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment with the Company that have been made, conceived, first reduced to practice or created by me, alone or jointly with others, prior to my employment with the Company that I desire to remove from the operation of the Company's Non-Disclosure and Proprietary Rights Agreement:

- ¨ No inventions or improvements
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

I propose to bring to my employment the following materials and documents of a former employer:

- ¨ No materials or documents
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

_____ _____

Employee Signature Date

_____

Employee Name

Exhibit 10.34

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of this 3rd day of June, 2010 but shall become effective only upon the consummation of the Company's initial public offering of its common stock (the "Effective Date"), by and between **SURGIVISION, INC.**, a Delaware corporation (the "Company"), and **DAVID W. CARLSON** (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to employ the Executive to serve as the Chief Financial Officer of the Company;

WHEREAS, the Company and the Executive each deem it necessary and desirable to execute a written document setting forth the terms and conditions of said relationship; and

WHEREAS, to the extent this Agreement provides for any "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement will be administered in compliance with Section 409A of the Code and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and mutual obligations hereinafter set forth, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"2007 Plan" means the Company's 2007 Stock Incentive Plan.

"2010 Plan" means the Company's 2010 Incentive Compensation Plan.

"Agreement" has the meaning set forth in the preamble above.

"Arbitrators" means the arbitrators selected to conduct any arbitration proceeding in connection with any disputes arising out of or relating to this Agreement.

"Award Agreement" has the meaning set forth in Section 8(b) of this Agreement.

"Award Plans" has the meaning set forth in Section 4(b) of this Agreement.

"Base Salary" means the annual salary to be paid to the Executive as set forth in Section 4(a) of this Agreement.

"Benefit Plans" has the meaning set forth in Section 4(c) of this Agreement.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence with respect to the Company of any of the following events: (i) a change in the ownership of the Company; (ii) a change in the effective control of the Company; or (iii) a change in the ownership of a substantial portion of the assets of the Company.

For purposes of this definition, a change in the ownership of the Company occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. A change in the effective control of the Company occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board prior to the date of the appointment or election. A change in the ownership of a substantial portion of the assets of the Company occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Section 409A of the Code. The Company and the Executive acknowledge and agree that the Company's initial public offering of Company Shares shall not constitute a Change of Control.

"Change of Control Termination" means (i) a Termination Without Cause or (ii) a Termination for Good Reason, in either case within four (4) months prior to, on, or within one (1) year after, a Change of Control.

"Code" has the meaning set forth in the recitals above.

"Company" has the meaning set forth in the preamble above.

"Company Shares" means shares of common stock of the Company or any securities of a successor company which shall have replaced such common stock.

"Compensation Committee" means the compensation committee of the Board.

"Confidentiality Agreement" means that certain Non-Disclosure and Proprietary Rights Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit A.

"Effective Date" has the meaning set forth in the preamble above.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the preamble above.

"Non-Compete Agreement" means that certain Non-Compete Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit B.

"Option(s)" means (i) any option issued to the Executive pursuant to the 2007 Plan, the 2010 Plan or any other incentive plan adopted by the Company, (ii) other than options described in the preceding clause (i), any option issued to the Executive by the Company to purchase Company Shares, or (iii) any option granted under the plan of any successor company that replaces or assumes the Company's options.

"Permanent Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Permanent Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Company, the Executive must submit proof to the Company of the Social Security Administration's or the provider's determination.

"Restricted Stock" means (i) any restricted Company Shares issued to the Executive pursuant to the 2010 Plan or any other incentive plan adopted by the Company, or (ii) any restricted stock granted under the plan of any successor company that replaces or assumes the Company's restricted stock awards.

"Specified Employee" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise.

"Term" has the meaning assigned to it in Section 3(a) of this Agreement.

"Termination Date" means the date on which the employment of the Executive is terminated, which date shall be (i) in the case of the Executive's death, the date of death, (ii) in the case of the Executive's Permanent Disability, thirty (30) days after a Termination Notice is given, provided the Executive does not return to the full-time performance of his duties within such thirty (30) day period, (iii) in the case of a Termination Upon Expiration, the date upon which the Term expires, (iv) in the case of a Termination With Cause, the date specified in the Termination Notice, or (v) in all other instances, the date specified as the Termination Date in the

Termination Notice, which date shall not be less than thirty (30) nor more than sixty (60) days from the date the Termination Notice is given.

"Termination for Good Reason" means the termination of the Executive's employment with the Company by the Executive based on any of the following circumstances, if, within the six (6) month period preceding the Executive's termination, the Executive notified the Company in writing of such circumstances within ninety (90) days of occurrence and the Company did not remedy such circumstances within thirty (30) days thereafter:

(i) a material demotion or diminution in the Executive's authority, duties or responsibilities without the Executive's consent;

(ii) the Company requiring the Executive to be based at any place other than a location within a fifty (50) mile radius of the Executive's work location as of the Effective Date without the Executive's consent, except for reasonably required travel on the Company's business; or

(iii) any action or inaction that constitutes a material breach by the Company of this Agreement.

"Termination Notice" means a written notice of termination of employment by the Executive or the Company.

"Termination of Employment" means the termination of the Executive's employment with the Company for reasons other than death or Permanent Disability. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Termination of Employment if the Executive continues to provide services as an employee of the Company or in any other capacity at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

"Termination Upon Expiration" means the termination of the Executive's employment upon the full expiration of the Term, including the full expiration of any extension thereof, following: (i) the Company's notice to the Executive of the Company's election to not extend the Term; or (ii) the Executive's notice to the Company of the Executive's election to not extend the Term, in each case as provided in Section 3(a) of this Agreement.

"Termination With Cause" means the termination of the Executive's employment by the Company for any of the following reasons: (i) the Executive's gross negligence or willful misconduct in the performance of the Executive's duties where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) the material violation by the Executive of any federal or state law or regulation or the Company's compliance program in the performance of the Executive's duties; (iii) the Executive's breach of the Non-Compete Agreement; (iv) the Executive's material breach of the

Confidentiality Agreement; (v) the Executive's commission of any act of fraud with respect to the Company; (vi) the Executive's conviction of, or the Executive's entry of a guilty plea or plea of nolo contendere with respect to, a felony; or (vii) the Executive's failure to perform duties consistent with this Agreement or the Executive's position or to follow or comply with the reasonable directives of the Board or the Executive's supervisor(s) (to the extent not inconsistent with the terms of this Agreement), provided that (A) the Executive shall have received written notice that specifically identifies the manner in which the Company believes that Executive has engaged in such failure and (B) the Executive shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Executive has received more than one notice with respect to the same or similar conduct pursuant to this clause (vii) during any twelve (12) consecutive month period.

"Termination Without Cause" means the termination of the Executive's employment by the Company for any reason other than (i) Termination With Cause, (ii) termination by the Company due to the Executive's death or Permanent Disability, or (iii) Termination Upon Expiration.

"Voluntary Termination" means the Executive's voluntary termination of his employment hereunder for any reason, other than a Termination for Good Reason. If the Executive gives a Termination Notice of Voluntary Termination and, prior to the Termination Date, the Executive voluntarily refuses or fails to provide substantially all the services described in Section 2 hereof for a period greater than two consecutive weeks, the Voluntary Termination shall be deemed to be effective as of the date on which the Executive so ceases to carry out his duties. Voluntary refusal to perform services shall not include (i) taking vacation otherwise permitted in accordance with Section 4(d) hereof, (ii) the Executive's failure to perform services on account of his illness or the illness of a member of the Executive's immediate family, provided such illness is adequately substantiated at the reasonable request of the Company, or (iii) any other absence from service with the written consent of the Board.

2. Employment; Services. The Company shall employ the Executive, and the Executive agrees to be so employed, in the capacity of the Chief Financial Officer of the Company to serve for the Term hereof, subject to earlier termination as hereinafter provided. The Executive shall assume and discharge such duties and responsibilities as are commensurate with the Executive's position. The Executive shall be a full-time employee of the Company and shall exert his best efforts and devote substantially all of his business time and attention to the Company's affairs and the performance of his duties hereunder.

3. Term; Termination.

(a) The term of the Executive's employment under this Agreement (the "Term") shall be two (2) years and shall commence as of the Effective Date. On the second anniversary of the Effective Date and each successive anniversary of the Effective Date, the Term shall be extended for an additional one (1) year period, unless one party gives notice to the other of such party's election to not extend the Term, which notice must be given no later than ninety (90) days prior to the end of the then-current Term. Notwithstanding the foregoing,

employment during the Term shall be subject to earlier termination in accordance with the terms of this Agreement.

(b) Any purported termination of employment by the Executive or the Company, other than by reason of the Executive's death, shall be communicated by a Termination Notice. The Termination Notice shall indicate the specific termination provision in this Agreement relied upon and set forth the facts and circumstances claimed to provide a basis for termination.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive for his services a "Base Salary" of Two Hundred Twenty-Five Thousand Dollars ($225,000) per year, to be paid in accordance with customary Company policies. The Base Salary shall be subject to increase or decrease according to policies and practices adopted by the Compensation Committee or the Board, as the case may be; provided, however, that in no event (i) shall the Base Salary for any year be decreased by more than ten percent (10%) from the immediately preceding year's Base Salary, and (ii) shall the Base Salary be less than Two Hundred Twenty-Five Thousand Dollars ($225,000).

(b) Award Plans. During the Term, the Executive shall also be eligible for additional compensation in the form of a cash bonus, shares of stock in the Company, Restricted Stock and/or Options, according to the policies and practices adopted by the Compensation Committee or the Board, as the case may be, and the Executive shall be eligible to participate in the 2010 Plan and any other stock option, incentive compensation, profit participation, bonus or extra compensation plan that is adopted by the Company and in which the Company's executive officers generally participate (collectively, "Award Plans").

(c) Benefit Plans. During the Term, the Executive shall be entitled to participate in, and to all rights and benefits provided by, the health, life, medical, dental, disability, insurance and welfare plans that are maintained from time to time by the Company for the benefit of the Executive, the executives of the Company generally or for the Company's employees generally, provided that the Executive is eligible to participate in such plan under the eligibility provisions thereof that are generally applicable to the participants thereof (collectively, "Benefit Plans").

(d) Vacation. The Executive shall be entitled each year to vacation time, during which time his compensation shall be paid in full. The time allotted for such vacation shall be three (3) weeks, to be taken at such time or times as shall be mutually convenient and consistent with his duties and obligations to the Company. Vacation accrues based on the Executive's anniversary date. Any unused vacation shall not be carried into subsequent years.

(e) Overall Qualification. Nothing in this Agreement shall be construed as preventing the Company from modifying, suspending, discontinuing or terminating any of the Benefit Plans or Award Plans without notice or liability to the Executive so long as (i) the modification, suspension, discontinuation or termination of any such plan is authorized by and

performed in accordance with the specific provisions of such plan and (ii) such modification, suspension, discontinuation or termination is taken generally with respect to all similarly situated employees of the Company and does not single out or discriminate against the Executive.

5. Expenses.

(a) Generally. The Company recognizes that the Executive will have to incur certain out-of-pocket expenses, including but not limited to travel expenses, related to his services and the Company's business and the Company agrees to reimburse the Executive for all reasonable expenses necessarily incurred by him in the performance of his duties upon presentation of documentation indicating the amount and business purposes of any such expenses; provided, that the Executive complies with the Company's policies and procedures regarding business expenses.

(b) Relocation Expenses. The Company will reimburse the Executive for reasonable and customary expenses incurred by him in connection with the relocation of his family to the Memphis, Tennessee area, up to an aggregate of $15,000, upon submission of evidence, reasonably satisfactory to the Company, of the incurrence and purpose of such expense.

6. Voluntary Termination; Termination With Cause. If the Executive shall cease being an employee of the Company on account of the Executive's Voluntary Termination or a Termination With Cause, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. In the event of a Voluntary Termination or a Termination With Cause, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

7. Termination Upon Death or Permanent Disability.

(a) Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death. Upon termination of employment due to the Executive's death, the Executive's estate shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, plus (iii) provided the Executive's heir(s) properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive's surviving spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive's estate shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans.

(b) Permanent Disability. In the event of the Executive's Permanent Disability, the Company may terminate the Executive's employment with the Company if the

Executive does not return to the full-time performance of his duties within thirty (30) days after a Termination Notice is given. Upon termination of employment due to the Executive's Permanent Disability, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, and (iii) provided the Executive properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans. In the event of a termination of employment upon the Executive's Permanent Disability, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(c) Life Insurance. Upon the Company's request, the Executive shall cooperate with the Company in obtaining "key man" life insurance on the life of the Executive with death benefits payable to the Company.

8. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment for any reason, or no reason at all, at any time, and the Executive may effect a Termination for Good Reason at any time; provided, that upon a Termination for Good Reason or a Termination Without Cause, except as otherwise provided in Section 9 of this Agreement, the Company shall provide the compensation and benefits set forth in this Section 8. The Executive may effect a Termination for Good Reason notwithstanding any incapacity due to physical or mental illness. In the event of a Termination Without Cause or a Termination for Good Reason, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(a) Base Salary, Bonus, Benefit Plans and Award Plans. The Company shall pay to the Executive, on the Termination Date, a lump sum amount, which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date; plus (ii) the product of (A) one and one-half (1.5) multiplied by (B) the Executive's Base Salary in effect on the Termination Date; plus (iii) the product of (A) one and one-half (1.5) multiplied by (B) the average annual cash bonus paid to the Executive for the two (2) years preceding the year in which the Termination Date occurs; and (iv) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. In addition, provided the Executive properly elects COBRA continuation coverage, the Company shall reimburse the Executive for the cost of COBRA premiums for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to eighteen (18) months following the Termination Date. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 8(a) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then, the amount in excess of such limit shall

be delayed for six (6) months following the Termination Date. The delayed amount shall be paid in a lump sum after the end of the six-month delay.

(b) Options; Restricted Stock. Notwithstanding the terms of any award agreement heretofore or hereafter granted to the Executive under any Award Plan, including, without limitation, the 2007 Plan and the 2010 Plan, or any other agreement granting the Executive Options or Restricted Stock (in each case, an "Award Agreement"), upon a Termination Without Cause or Termination for Good Reason, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes granted to the Executive shall become fully vested on the Termination Date and immediately prior to the time of termination. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. For purposes of an Award Agreement, a Termination for Good Reason shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of any conflict between the terms of this Section 8(b) and the terms of any Award Agreement granted to the Executive, the terms of this Section 8(b) shall control and govern.

9. Change of Control.

(a) Accelerated Vesting. Notwithstanding the terms of any Award Agreement heretofore or hereafter granted to the Executive, in the event of a Change of Control, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes shall become fully vested on the date of the Change of Control. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. In the event of any conflict between the terms of this Section 9(a) and the terms of any Award Agreement granted to the Executive, the terms of this Section 9(a) shall control and govern.

(b) Change of Control Termination. Notwithstanding any other provision in this Agreement to the contrary, in the event of a Change of Control Termination, the Company shall, on the Termination Date, pay the Executive a lump sum amount which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, plus (ii) the product of (A) two (2) multiplied by (B) the Executive's Base Salary in effect as of the Termination Date, plus (iii) the product of (A) two (2) multiplied by (B) the greater of (1) the average annual cash bonus paid to the Executive for the two years preceding the year in which the Termination Date occurs or (2) the Executive's target bonus, if any, for the year in which the Termination Date occurs, plus (iv) the product of (A) twenty-four (24) multiplied by (B) the monthly COBRA premium for health care continuation coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible, plus (v) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 9(b) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then the amount in excess of such limit shall be delayed for six (6) months following the Executive's

Termination Date, and such delayed amount shall be paid in a lump sum after the end of the six-month delay. For purposes of any Award Agreement granted to the Executive, a Termination for Good Reason that is Change of Control Termination under this Agreement shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Change of Control Termination, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

10. Termination Upon Expiration. If the Executive shall cease being an employee of the Company on account of a Termination Upon Expiration, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. In the event of any Termination Upon Expiration, the Executive shall continue to be subject to the Confidentiality Agreement. In the event of a Termination Upon Expiration caused by the Company (i.e., the Company gave notice to the Executive of the Company's election to not extend the Term pursuant to Section 3(a)), then (a) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive, and (b) the Executive shall not be subject to the Non-Compete Agreement following the Termination Date. In the event of a Termination Upon Expiration caused by the Executive (i.e., the Executive gave notice to the Company of the Executive's election to not extend the Term pursuant to Section 3(a)), then (x) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute a voluntary termination of employment by the Executive, and (y) the Executive shall continue to be subject to the Non-Compete Agreement following the Termination Date.

11. Exclusive Remedy. To the extent permitted by applicable law, the payments contemplated by Section 7, Section 8 and Section 9 shall constitute the exclusive and sole remedy for any termination of the Executive's employment due to death or Permanent Disability, any Termination Without Cause or any Termination for Good Reason. The Executive agrees, for himself and any administrator, beneficiary, devisee, executor, heir, legatee or personal representative, (i) to not assert or pursue any remedies, other than an action to enforce the payments due to the Executive (or the Executive's estate) under this Agreement, at law or in equity, with respect to the termination of the Executive's employment under Section 7, Section 8 or Section 9, as applicable, and (ii) to execute a release and waiver on such terms and conditions as the Company may reasonably require as a condition of entitlement to such payments.

12. Confidentiality and Noncompetition. The Executive shall enter into the Confidentiality Agreement and Non-Compete Agreement. The Executive's execution of those agreements is a material inducement for the Company to enter into this Agreement. Therefore, this Agreement will be null and void unless the Executive enters into the Confidentiality Agreement and the Non-Compete Agreement.

13. Employment Status. The parties acknowledge and agree that the Executive is an employee of the Company, not an independent contractor. Any payments made to the Executive by the Company pursuant to this Agreement shall be treated for federal and state payroll tax

purposes as payments made to a Company employee, irrespective whether such payments are made subsequent to the Termination Date.

14. Notices. All notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing and personally delivered or when deposited in the U.S. mail, certified, return receipt requested, postage prepaid, addressed to the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company: One Commerce Square
Suite 2550
Memphis, TN 38103
Attn: Vice President, Business Affairs

To the Executive: David W. Carlson
One Commerce Square
Suite 2550
Memphis, TN 38103

15. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and shall not be modified in any manner except by instrument in writing signed, by or on behalf of, the parties hereto. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. In the event of any inconsistencies between the terms of this Agreement and any Award Agreement, the terms of this Agreement shall govern.

16. Arbitration. Any controversy concerning or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Memphis, Shelby County, Tennessee at a location specified by the party seeking such arbitration.

(a) The Arbitrators. Any arbitration proceeding shall be conducted by three (3) Arbitrators and the decision of the Arbitrators shall be binding on all parties. Each Arbitrator shall have substantial experience and expert competence in the matters being arbitrated. The party desiring to submit any matter relating to this Agreement to arbitration shall do so by written notice to the other party, which notice shall set forth the items to be arbitrated, such party's choice of an Arbitrator, and such party's substantive position in the arbitration. The party receiving such notice shall, within fifteen (15) days after receipt of such notice, appoint an Arbitrator and notify the other party of its appointment and of its substantive position. The Arbitrators appointed by the parties to the Arbitration shall select an additional Arbitrator meeting the aforedescribed criteria. The Arbitrators shall be required to render a decision in accordance with the procedures set forth in Section 16(b) below within thirty (30) days after being notified of their selection. The fees of the Arbitrators shall be equally divided amongst the parties to the arbitration.

(b) Arbitration Procedures. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except to the extent the provisions of such are modified by this Agreement or the subsequent mutual agreement of the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Any party hereto may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this provision applies in any court having jurisdiction over such action in Shelby County, Tennessee, and the parties agree that jurisdiction and venue in Shelby County, Tennessee are appropriate and approved by such parties.

17. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without giving effect to conflict of laws principles thereof.

18. Assignment. The Executive acknowledges that his services are unique and personal. Accordingly, the Executive may not assign his rights or delegate his duties or obligations under this Agreement.

19. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Successors; Binding Agreement. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a beach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder upon a Change of Control Termination. The Company's rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the Company's successors and assigns.

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IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

EXECUTIVE:

/s/ David W. Carlson
David W. Carlson

Exhibit A

SURGIVISION, INC.

NON-DISCLOSURE AND PROPRIETARY RIGHTS AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of Confidential Information (as defined in Section 2 below) and of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1 . Purpose of Agreement. Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that it is critical for the Company to preserve and protect its Confidential Information (as defined in Section 2 below), its rights in Inventions (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, Employee is entering into this Non-Disclosure and Proprietary Rights Agreement (this "Agreement") as a condition of his or her employment (or continued employment) with the Company, regardless of whether Employee is expected to create Inventions of value for the Company.

2 . Non-Disclosure of Confidential Information. At all times during his or her employment with the Company and thereafter, Employee will hold the Confidential Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Confidential Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Confidential Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.

For purposes of this Agreement, the term "Confidential Information" means, but is not limited to, all information that is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably knowable by the Company's competitors or by the general public through lawful means. Without limiting the generality of the foregoing, such Confidential Information also includes, but is not limited to, all Proprietary Rights (as defined in Section 3 below), all Third Party Information (as defined in Section 4 below) and all information regarding the Company's operations, research and development efforts, plans for products or services, methods of doing business, business strategies, customers, suppliers, service providers, manufacturers, business relations, product

prices and costs, markets, marketing plans, budgets and forecasts, financial information and/or Inventions, as well as information regarding the skills, know how and compensation of other employees of the Company. Confidential Information may be expressly designated as confidential or proprietary on its face (whether verbally, in writing or otherwise) or be of such a nature that a reasonable person under the circumstances should understand or believe it to be confidential or proprietary. Confidential Information may be oral, written, recorded magnetically or electronically or otherwise stored, and may be that which Employee originates as well as that which otherwise comes into the possession or knowledge of Employee.

3. Recognition of Company's Rights. Employee acknowledges and agrees that all Confidential Information will be the sole property of the Company and that the Company will be the sole owner of all patents, patent applications, design patents or registration, design patent applications, copyrights, mask works, trademarks, trade secrets and all other intellectual property rights throughout the world (collectively, "Proprietary Rights") in connection therewith. Accordingly, Employee hereby assigns and agrees to assign to the Company any rights Employee may have or acquire in any Confidential Information and Proprietary Rights.

4. Non-Disclosure of Third Party Information. Employee understands that the Company may from time to time receive from third parties confidential information ("Third Party Information"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. At all times during Employee's employment with the Company and thereafter, Employee will hold the Third Party Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Third Party Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Third Party Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Third Party Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company prevent its further unauthorized use or disclosure.

5 . Return of Information; Inspections. Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Confidential Information and all other tangible materials and devices provided to Employee as Confidential Information or containing Confidential Information, and/or, at the Company's option, certify destruction of the same. In addition, Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Third Party Information and all other tangible materials and devices provided to Employee as Third Party Information or containing Third Party Information, and/or, at the Company's option, certify destruction of the same. Upon termination of his or her employment with the Company, Employee will promptly deliver to the Company all property in Employee's possession, custody or control that is owned by the Company. Employee agrees that any property situated on the

Company's premises and owned by the Company, including, but not limited to, computers, disks and other storage media, is subject to inspection by Company personnel at any time without notice.

6. No Improper Use of Materials. During his or her employment with the Company, Employee will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or any other person to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom Employee has an obligation of confidentiality unless consented to in writing by that former employer or person.

7 . Assignment of Inventions. Employee hereby irrevocably assigns to the Company all right, title and interest of Employee in and to any and all Inventions (and all Proprietary Rights with respect thereto), whether or not patentable, copyrightable or protectable as trade secrets, made, conceived, reduced to practice or created by Employee, either alone or jointly with others, during the period of his or her employment with the Company. Employee acknowledges that all original works of authorship which are made by Employee (alone or jointly with others) within the scope of his or her employment and which are copyrightable are "works made for hire," as that term is defined in the United States Copyright Act. In addition to the foregoing assignment of Inventions (and all Proprietary Rights with respect thereto) to the Company, Employee hereby irrevocably assigns to the Company any and all Moral Rights (as defined below) that Employee may have in or with respect to any Invention, and Employee forever waives and agrees not to assert any and all Moral Rights he or she may have in or with respect to any Invention, even after termination of employment with the Company.

For purposes of this Agreement, the term "Inventions" means inventions, discoveries, improvements, designs, techniques, ideas, processes, compositions of matter, formulas, data, software programs, databases, mask works, works of authorship, know-how and trade secrets.

For purposes of this Agreement, the term "Moral Rights" means any right to claim authorship of an Invention, to object to or prevent the modification of any Invention, or to withdraw from circulation or control the publication or distribution of any Invention, and any similar right, existing under judicial or statutory law of any country or under any treaty, regardless of whether such right is denominated or generally referred to as a "moral right."

8 . Disclosure of Inventions. Employee will promptly disclose to the Company all Inventions that Employee makes, conceives, reduces to practice or creates, either alone or jointly with others, during the period of his or her employment with the Company. In addition, Employee will disclose to the Company all patent applications filed by Employee within three (3) years after termination of employment with the Company.

9 . Assistance. Employee agrees to assist the Company in every proper way to obtain and, from time to time, enforce United States and foreign Proprietary Rights relating to Inventions assigned hereunder to the Company in any and all countries. To that end, Employee will execute, verify and deliver such documents and perform such other acts (including

appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, Employee will execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee. Employee's obligation to assist the Company with respect to Proprietary Rights relating to Inventions in any and all countries will continue beyond the termination of Employee's employment, but the Company agrees to compensate Employee at a reasonable rate after Employee's termination for the time actually spent by Employee at the Company's request on such assistance. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on behalf of Employee (a) to execute, verify and file any document needed in connection with the actions specified in this section and (b) to do all other lawfully permitted acts to further the purposes of this section, in each case with the same legal force and effect as if executed or performed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

10. Prior Inventions. Inventions, if any, which Employee made prior to the commencement of his or her employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, Employee has set forth on Exhibit A hereto a complete list of all Inventions that Employee, whether alone or jointly with others, has conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to commencement of his or her employment with the Company, that Employee considers to be his or her property or the property of third parties and that Employee wishes to have expressly excluded from the scope of this Agreement.

11. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any person or entity that competes anywhere in the world with the Company in the conduct of the business of the Company as conducted or as proposed to be conducted (a "Competing Business"), nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

12. Non-Solicitation. During the term of his or her employment by the Company and for a period of two (2) years after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, (a) hire, engage or solicit to hire or engage any individual who is engaged as a contractor or consultant or employed by the Company or who was engaged as a contractor or consultant or employed by the Company within six months of the proposed solicitation, hire or engagement, (b) otherwise induce or attempt to induce any individual who is engaged as a contractor or consultant or employed by the Company to terminate such engagement or employment, (c) in any way interfere with the relationship between the Company and any individual who is engaged as a contractor or consultant or employed by the Company; (d) contact, solicit, divert, appropriate or call upon with the intent of doing business with (other than for the exclusive benefit of the Company) any customer of the

Company if the purpose of such activity is to solicit such customer or prospective customer for a Competing Business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Company or to otherwise interfere with the Company's relationship with such customer, or (e) in any way interfere with the Company's relationship with any supplier, manufacturer, service provider or other business relation of the Company.

13. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

14. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that given the importance to the Company of its Confidential Information, the post-employment restrictions on Employee's activities are likewise fair and reasonable.

15. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that, in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available to the Company whether at law or in equity. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

16. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles..

17. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this

Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

19. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

20. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

21. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

22. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

24. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

25. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

*****

/s/ David W. Carlson
Employee Signature

June 3, 2010
Date

David W. Carlson
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit A

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment with the Company that have been made, conceived, first reduced to practice or created by me, alone or jointly with others, prior to my employment with the Company that I desire to remove from the operation of the Company's Non-Disclosure and Proprietary Rights Agreement:

- ¨ No inventions or improvements
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

I propose to bring to my employment the following materials and documents of a former employer:

- ¨ No materials or documents
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

_____ _____

Employee Signature Date

_____

Employee Name

Exhibit B

SURGIVISION, INC.

NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1. Defined Terms. For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

(a) "Conflicting Organization" means any individual or entity that, directly or indirectly, engages in, or is about to become engaged in, Conflicting Research or the development, design, production, manufacture, promotion, marketing, sale, support or service of a Conflicting Product.

(b) "Conflicting Product" means medical devices, goods, products, product lines or services, and each and every component thereof, developed, designed, produced, manufactured, marketed, promoted, sold, supported or serviced, or that are in development or the subject of research, by anyone other than the Company that are the same or similar to, perform any of the same or similar functions as, may be substituted for, or are intended or used for any of the same purposes as, a Company Product.

(c) "Conflicting Research" means any research or development of any kind or nature conducted by anyone other than the Company, which is intended for, or may be useful in, any aspect of the development, design, production, manufacture, marketing, promotion, sale, support or service of a Conflicting Product.

(d) "Company Product" means any medical device, goods, products, product lines or services (i) that during the last one (1) year in which Employee was employed by the Company, Employee, or persons under Employee's management, direction or supervision, performed research regarding, designed, developed, produced, manufactured, marketed, promoted, sold, solicited sales of, supported or serviced on behalf of the Company, or (ii) with respect to which Employee at any time received or otherwise obtained or learned Confidential Information.

(e) "Restricted Area" means the United States of America or in any other country in which the Company has received or applied for regulatory clearances or approvals for Company Products.

2. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of

the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any individual or entity that competes with the Company in the Restricted Area in the conduct of the business of the Company as conducted or as proposed to be conducted, nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

In addition, for a period of one (1) year after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any Conflicting Organization in the Restricted Area in connection with or relating to a Conflicting Product or Conflicting Research.

3. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

4. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that the post-employment restrictions on Employee's activities are fair and reasonable.

5. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available at law or in equity to the Company. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

6. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles.

7. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the

Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

8. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

9. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

10. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

11. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

12. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

14. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

15. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

/s/ David W. Carlson
Employee Signature

June 3, 2010
Date

David W. Carlson
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit 10.35

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of this 3rd day of June, 2010 but shall become effective only upon the consummation of the Company's initial public offering of its common stock (the "Effective Date"), by and between **SURGIVISION, INC.**, a Delaware corporation (the "Company"), and **OSCAR L. THOMAS** (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to employ the Executive to serve as the Vice President, Business Affairs of the Company;

WHEREAS, the Company and the Executive each deem it necessary and desirable to execute a written document setting forth the terms and conditions of said relationship; and

WHEREAS, to the extent this Agreement provides for any "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement will be administered in compliance with Section 409A of the Code and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and mutual obligations hereinafter set forth, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"2007 Plan" means the Company's 2007 Stock Incentive Plan.

"2010 Plan" means the Company's 2010 Incentive Compensation Plan.

"Agreement" has the meaning set forth in the preamble above.

"Arbitrators" means the arbitrators selected to conduct any arbitration proceeding in connection with any disputes arising out of or relating to this Agreement.

"Award Agreement" has the meaning set forth in Section 8(b) of this Agreement.

"Award Plans" has the meaning set forth in Section 4(b) of this Agreement.

"Base Salary" means the annual salary to be paid to the Executive as set forth in Section 4(a) of this Agreement.

"Benefit Plans" has the meaning set forth in Section 4(c) of this Agreement.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence with respect to the Company of any of the following events: (i) a change in the ownership of the Company; (ii) a change in the effective control of the Company; or (iii) a change in the ownership of a substantial portion of the assets of the Company.

For purposes of this definition, a change in the ownership of the Company occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. A change in the effective control of the Company occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board prior to the date of the appointment or election. A change in the ownership of a substantial portion of the assets of the Company occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Section 409A of the Code. The Company and the Executive acknowledge and agree that the Company's initial public offering of Company Shares shall not constitute a Change of Control.

"Change of Control Termination" means (i) a Termination Without Cause or (ii) a Termination for Good Reason, in either case within four (4) months prior to, on, or within one (1) year after, a Change of Control.

"Code" has the meaning set forth in the recitals above.

"Company" has the meaning set forth in the preamble above.

"Company Shares" means shares of common stock of the Company or any securities of a successor company which shall have replaced such common stock.

"Compensation Committee" means the compensation committee of the Board.

"Confidentiality Agreement" means that certain Non-Disclosure and Proprietary Rights Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit A.

"Effective Date" has the meaning set forth in the preamble above.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the preamble above.

"Non-Compete Agreement" means that certain Non-Compete Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit B.

"Option(s)" means (i) any option issued to the Executive pursuant to the 2007 Plan, the 2010 Plan or any other incentive plan adopted by the Company, (ii) other than options described in the preceding clause (i), any option issued to the Executive by the Company to purchase Company Shares, or (iii) any option granted under the plan of any successor company that replaces or assumes the Company's options.

"Permanent Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Permanent Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Company, the Executive must submit proof to the Company of the Social Security Administration's or the provider's determination.

"Restricted Stock" means (i) any restricted Company Shares issued to the Executive pursuant to the 2010 Plan or any other incentive plan adopted by the Company, or (ii) any restricted stock granted under the plan of any successor company that replaces or assumes the Company's restricted stock awards.

"Specified Employee" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise.

"Term" has the meaning assigned to it in Section 3(a) of this Agreement.

"Termination Date" means the date on which the employment of the Executive is terminated, which date shall be (i) in the case of the Executive's death, the date of death, (ii) in the case of the Executive's Permanent Disability, thirty (30) days after a Termination Notice is given, provided the Executive does not return to the full-time performance of his duties within such thirty (30) day period, (iii) in the case of a Termination Upon Expiration, the date upon which the Term expires, (iv) in the case of a Termination With Cause, the date specified in the Termination Notice, or (v) in all other instances, the date specified as the Termination Date in the

Termination Notice, which date shall not be less than thirty (30) nor more than sixty (60) days from the date the Termination Notice is given.

"Termination for Good Reason" means the termination of the Executive's employment with the Company by the Executive based on any of the following circumstances, if, within the six (6) month period preceding the Executive's termination, the Executive notified the Company in writing of such circumstances within ninety (90) days of occurrence and the Company did not remedy such circumstances within thirty (30) days thereafter:

(i) a material demotion or diminution in the Executive's authority, duties or responsibilities without the Executive's consent;

(ii) the Company requiring the Executive to be based at any place other than a location within a fifty (50) mile radius of the Executive's work location as of the Effective Date without the Executive's consent, except for reasonably required travel on the Company's business; or

(iii) any action or inaction that constitutes a material breach by the Company of this Agreement.

"Termination Notice" means a written notice of termination of employment by the Executive or the Company.

"Termination of Employment" means the termination of the Executive's employment with the Company for reasons other than death or Permanent Disability. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Termination of Employment if the Executive continues to provide services as an employee of the Company or in any other capacity at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

"Termination Upon Expiration" means the termination of the Executive's employment upon the full expiration of the Term, including the full expiration of any extension thereof, following: (i) the Company's notice to the Executive of the Company's election to not extend the Term; or (ii) the Executive's notice to the Company of the Executive's election to not extend the Term, in each case as provided in Section 3(a) of this Agreement.

"Termination With Cause" means the termination of the Executive's employment by the Company for any of the following reasons: (i) the Executive's gross negligence or willful misconduct in the performance of the Executive's duties where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) the material violation by the Executive of any federal or state law or regulation or the Company's compliance program in the performance of the Executive's duties; (iii) the Executive's breach of the Non-Compete Agreement; (iv) the Executive's material breach of the

Confidentiality Agreement; (v) the Executive's commission of any act of fraud with respect to the Company; (vi) the Executive's conviction of, or the Executive's entry of a guilty plea or plea of nolo contendere with respect to, a felony; or (vii) the Executive's failure to perform duties consistent with this Agreement or the Executive's position or to follow or comply with the reasonable directives of the Board or the Executive's supervisor(s) (to the extent not inconsistent with the terms of this Agreement), provided that (A) the Executive shall have received written notice that specifically identifies the manner in which the Company believes that Executive has engaged in such failure and (B) the Executive shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Executive has received more than one notice with respect to the same or similar conduct pursuant to this clause (vii) during any twelve (12) consecutive month period.

"Termination Without Cause" means the termination of the Executive's employment by the Company for any reason other than (i) Termination With Cause, (ii) termination by the Company due to the Executive's death or Permanent Disability, or (iii) Termination Upon Expiration.

"Voluntary Termination" means the Executive's voluntary termination of his employment hereunder for any reason, other than a Termination for Good Reason. If the Executive gives a Termination Notice of Voluntary Termination and, prior to the Termination Date, the Executive voluntarily refuses or fails to provide substantially all the services described in Section 2 hereof for a period greater than two consecutive weeks, the Voluntary Termination shall be deemed to be effective as of the date on which the Executive so ceases to carry out his duties. Voluntary refusal to perform services shall not include (i) taking vacation otherwise permitted in accordance with Section 4(d) hereof, (ii) the Executive's failure to perform services on account of his illness or the illness of a member of the Executive's immediate family, provided such illness is adequately substantiated at the reasonable request of the Company, or (iii) any other absence from service with the written consent of the Board.

2. Employment; Services. The Company shall employ the Executive, and the Executive agrees to be so employed, in the capacity of the Vice President, Business Affairs of the Company to serve for the Term hereof, subject to earlier termination as hereinafter provided. The Executive shall assume and discharge such duties and responsibilities as are commensurate with the Executive's position. The Executive shall be a full-time employee of the Company and shall exert his best efforts and devote substantially all of his business time and attention to the Company's affairs and the performance of his duties hereunder.

3. Term; Termination.

(a) The term of the Executive's employment under this Agreement (the "Term") shall be two (2) years and shall commence as of the Effective Date. On the second anniversary of the Effective Date and each successive anniversary of the Effective Date, the Term shall be extended for an additional one (1) year period, unless one party gives notice to the other of such party's election to not extend the Term, which notice must be given no later than ninety (90) days prior to the end of the then-current Term. Notwithstanding the foregoing,

employment during the Term shall be subject to earlier termination in accordance with the terms of this Agreement.

(b) Any purported termination of employment by the Executive or the Company, other than by reason of the Executive's death, shall be communicated by a Termination Notice. The Termination Notice shall indicate the specific termination provision in this Agreement relied upon and set forth the facts and circumstances claimed to provide a basis for termination.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive for his services a "Base Salary" of Two Hundred Twenty-Five Thousand Dollars ($225,000) per year, to be paid in accordance with customary Company policies. The Base Salary shall be subject to increase or decrease according to policies and practices adopted by the Compensation Committee or the Board, as the case may be; provided, however, that in no event (i) shall the Base Salary for any year be decreased by more than ten percent (10%) from the immediately preceding year's Base Salary, and (ii) shall the Base Salary be less than Two Hundred Twenty-Five Thousand Dollars ($225,000).

(b) Award Plans. During the Term, the Executive shall also be eligible for additional compensation in the form of a cash bonus, shares of stock in the Company, Restricted Stock and/or Options, according to the policies and practices adopted by the Compensation Committee or the Board, as the case may be, and the Executive shall be eligible to participate in the 2010 Plan and any other stock option, incentive compensation, profit participation, bonus or extra compensation plan that is adopted by the Company and in which the Company's executive officers generally participate (collectively, "Award Plans").

(c) Benefit Plans. During the Term, the Executive shall be entitled to participate in, and to all rights and benefits provided by, the health, life, medical, dental, disability, insurance and welfare plans that are maintained from time to time by the Company for the benefit of the Executive, the executives of the Company generally or for the Company's employees generally, provided that the Executive is eligible to participate in such plan under the eligibility provisions thereof that are generally applicable to the participants thereof (collectively, "Benefit Plans").

(d) Vacation. The Executive shall be entitled each year to vacation time, during which time his compensation shall be paid in full. The time allotted for such vacation shall be three (3) weeks, to be taken at such time or times as shall be mutually convenient and consistent with his duties and obligations to the Company. Vacation accrues based on the Executive's anniversary date. Any unused vacation shall not be carried into subsequent years.

(e) Overall Qualification. Nothing in this Agreement shall be construed as preventing the Company from modifying, suspending, discontinuing or terminating any of the Benefit Plans or Award Plans without notice or liability to the Executive so long as (i) the modification, suspension, discontinuation or termination of any such plan is authorized by and

performed in accordance with the specific provisions of such plan and (ii) such modification, suspension, discontinuation or termination is taken generally with respect to all similarly situated employees of the Company and does not single out or discriminate against the Executive.

5. Expenses. The Company recognizes that the Executive will have to incur certain out-of-pocket expenses, including but not limited to travel expenses, related to his services and the Company's business and the Company agrees to reimburse the Executive for all reasonable expenses necessarily incurred by him in the performance of his duties upon presentation of documentation indicating the amount and business purposes of any such expenses; provided, that the Executive complies with the Company's policies and procedures regarding business expenses.

6. Voluntary Termination; Termination With Cause. If the Executive shall cease being an employee of the Company on account of the Executive's Voluntary Termination or a Termination With Cause, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. In the event of a Voluntary Termination or a Termination With Cause, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

7. Termination Upon Death or Permanent Disability.

(a) Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death. Upon termination of employment due to the Executive's death, the Executive's estate shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, plus (iii) provided the Executive's heir(s) properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive's surviving spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive's estate shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans.

(b) Permanent Disability. In the event of the Executive's Permanent Disability, the Company may terminate the Executive's employment with the Company if the Executive does not return to the full-time performance of his duties within thirty (30) days after a Termination Notice is given. Upon termination of employment due to the Executive's Permanent Disability, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, and (iii) provided the Executive properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive and the Executive's spouse and

children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans. In the event of a termination of employment upon the Executive's Permanent Disability, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(c) Life Insurance. Upon the Company's request, the Executive shall cooperate with the Company in obtaining "key man" life insurance on the life of the Executive with death benefits payable to the Company.

8. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment for any reason, or no reason at all, at any time, and the Executive may effect a Termination for Good Reason at any time; provided, that upon a Termination for Good Reason or a Termination Without Cause, except as otherwise provided in Section 9 of this Agreement, the Company shall provide the compensation and benefits set forth in this Section 8. The Executive may effect a Termination for Good Reason notwithstanding any incapacity due to physical or mental illness. In the event of a Termination Without Cause or a Termination for Good Reason, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(a) Base Salary, Bonus, Benefit Plans and Award Plans. The Company shall pay to the Executive, on the Termination Date, a lump sum amount, which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date; plus (ii) the product of (A) one and one-half (1.5) multiplied by (B) the Executive's Base Salary in effect on the Termination Date; plus (iii) the product of (A) one and one-half (1.5) multiplied by (B) the average annual cash bonus paid to the Executive for the two (2) years preceding the year in which the Termination Date occurs; and (iv) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. In addition, provided the Executive properly elects COBRA continuation coverage, the Company shall reimburse the Executive for the cost of COBRA premiums for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to eighteen (18) months following the Termination Date. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 8(a) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then, the amount in excess of such limit shall be delayed for six (6) months following the Termination Date. The delayed amount shall be paid in a lump sum after the end of the six-month delay.

(b) Options; Restricted Stock. Notwithstanding the terms of any award agreement heretofore or hereafter granted to the Executive under any Award Plan, including, without limitation, the 2007 Plan and the 2010 Plan, or any other agreement granting the Executive Options or Restricted Stock (in each case, an "Award Agreement"), upon a Termination Without Cause or Termination for Good Reason, all Options and Restricted Stock

granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes granted to the Executive shall become fully vested on the Termination Date and immediately prior to the time of termination. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. For purposes of an Award Agreement, a Termination for Good Reason shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of any conflict between the terms of this Section 8(b) and the terms of any Award Agreement granted to the Executive, the terms of this Section 8(b) shall control and govern.

9. Change of Control.

(a) Accelerated Vesting. Notwithstanding the terms of any Award Agreement heretofore or hereafter granted to the Executive, in the event of a Change of Control, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes shall become fully vested on the date of the Change of Control. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. In the event of any conflict between the terms of this Section 9(a) and the terms of any Award Agreement granted to the Executive, the terms of this Section 9(a) shall control and govern.

(b) Change of Control Termination. Notwithstanding any other provision in this Agreement to the contrary, in the event of a Change of Control Termination, the Company shall, on the Termination Date, pay the Executive a lump sum amount which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, plus (ii) the product of (A) two (2) multiplied by (B) the Executive's Base Salary in effect as of the Termination Date, plus (iii) the product of (A) two (2) multiplied by (B) the greater of (1) the average annual cash bonus paid to the Executive for the two years preceding the year in which the Termination Date occurs or (2) the Executive's target bonus, if any, for the year in which the Termination Date occurs, plus (iv) the product of (A) twenty-four (24) multiplied by (B) the monthly COBRA premium for health care continuation coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible, plus (v) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 9(b) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then the amount in excess of such limit shall be delayed for six (6) months following the Executive's Termination Date, and such delayed amount shall be paid in a lump sum after the end of the six-month delay. For purposes of any Award Agreement granted to the Executive, a Termination for Good Reason that is Change of Control Termination under this Agreement shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Change of Control Termination, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

10. Termination Upon Expiration. If the Executive shall cease being an employee of the Company on account of a Termination Upon Expiration, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. In the event of any Termination Upon Expiration, the Executive shall continue to be subject to the Confidentiality Agreement. In the event of a Termination Upon Expiration caused by the Company (i.e., the Company gave notice to the Executive of the Company's election to not extend the Term pursuant to Section 3(a)), then (a) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive, and (b) the Executive shall not be subject to the Non-Compete Agreement following the Termination Date. In the event of a Termination Upon Expiration caused by the Executive (i.e., the Executive gave notice to the Company of the Executive's election to not extend the Term pursuant to Section 3(a)), then (x) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute a voluntary termination of employment by the Executive, and (y) the Executive shall continue to be subject to the Non-Compete Agreement following the Termination Date.

11. Exclusive Remedy. To the extent permitted by applicable law, the payments contemplated by Section 7, Section 8 and Section 9 shall constitute the exclusive and sole remedy for any termination of the Executive's employment due to death or Permanent Disability, any Termination Without Cause or any Termination for Good Reason. The Executive agrees, for himself and any administrator, beneficiary, devisee, executor, heir, legatee or personal representative, (i) to not assert or pursue any remedies, other than an action to enforce the payments due to the Executive (or the Executive's estate) under this Agreement, at law or in equity, with respect to the termination of the Executive's employment under Section 7, Section 8 or Section 9, as applicable, and (ii) to execute a release and waiver on such terms and conditions as the Company may reasonably require as a condition of entitlement to such payments.

12. Confidentiality and Noncompetition. The Executive shall enter into the Confidentiality Agreement and Non-Compete Agreement. The Executive's execution of those agreements is a material inducement for the Company to enter into this Agreement. Therefore, this Agreement will be null and void unless the Executive enters into the Confidentiality Agreement and the Non-Compete Agreement.

13. Employment Status. The parties acknowledge and agree that the Executive is an employee of the Company, not an independent contractor. Any payments made to the Executive by the Company pursuant to this Agreement shall be treated for federal and state payroll tax purposes as payments made to a Company employee, irrespective whether such payments are made subsequent to the Termination Date.

14. Notices. All notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing and personally delivered or when deposited in the U.S. mail, certified, return receipt requested, postage prepaid, addressed to

the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company: One Commerce Square
Suite 2550
Memphis, TN 38103
Attn: Chief Financial Officer

To the Executive: Oscar L. Thomas
One Commerce Square
Suite 2550
Memphis, TN 38103

15. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and shall not be modified in any manner except by instrument in writing signed, by or on behalf of, the parties hereto. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. In the event of any inconsistencies between the terms of this Agreement and any Award Agreement, the terms of this Agreement shall govern.

16. Arbitration. Any controversy concerning or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Memphis, Shelby County, Tennessee at a location specified by the party seeking such arbitration.

(a) The Arbitrators. Any arbitration proceeding shall be conducted by three (3) Arbitrators and the decision of the Arbitrators shall be binding on all parties. Each Arbitrator shall have substantial experience and expert competence in the matters being arbitrated. The party desiring to submit any matter relating to this Agreement to arbitration shall do so by written notice to the other party, which notice shall set forth the items to be arbitrated, such party's choice of an Arbitrator, and such party's substantive position in the arbitration. The party receiving such notice shall, within fifteen (15) days after receipt of such notice, appoint an Arbitrator and notify the other party of its appointment and of its substantive position. The Arbitrators appointed by the parties to the Arbitration shall select an additional Arbitrator meeting the aforedescribed criteria. The Arbitrators shall be required to render a decision in accordance with the procedures set forth in Section 16(b) below within thirty (30) days after being notified of their selection. The fees of the Arbitrators shall be equally divided amongst the parties to the arbitration.

(b) Arbitration Procedures. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except to the extent the provisions of such are modified by this Agreement or the subsequent mutual agreement of the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Any party hereto may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this provision applies in any court having

jurisdiction over such action in Shelby County, Tennessee, and the parties agree that jurisdiction and venue in Shelby County, Tennessee are appropriate and approved by such parties.

17. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without giving effect to conflict of laws principles thereof.

18. Assignment. The Executive acknowledges that his services are unique and personal. Accordingly, the Executive may not assign his rights or delegate his duties or obligations under this Agreement.

19. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Successors; Binding Agreement. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a beach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder upon a Change of Control Termination. The Company's rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the Company's successors and assigns.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

EXECUTIVE:

/s/ Oscar L. Thomas
Oscar L. Thomas

Exhibit A

SURGIVISION, INC.

NON-DISCLOSURE AND PROPRIETARY RIGHTS AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of Confidential Information (as defined in Section 2 below) and of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1 . Purpose of Agreement. Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that it is critical for the Company to preserve and protect its Confidential Information (as defined in Section 2 below), its rights in Inventions (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, Employee is entering into this Non-Disclosure and Proprietary Rights Agreement (this "Agreement") as a condition of his or her employment (or continued employment) with the Company, regardless of whether Employee is expected to create Inventions of value for the Company.

2 . Non-Disclosure of Confidential Information. At all times during his or her employment with the Company and thereafter, Employee will hold the Confidential Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Confidential Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Confidential Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.

For purposes of this Agreement, the term "Confidential Information" means, but is not limited to, all information that is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably knowable by the Company's competitors or by the general public through lawful means. Without limiting the generality of the foregoing, such Confidential Information also includes, but is not limited to, all Proprietary Rights (as defined in Section 3 below), all Third Party Information (as defined in Section 4 below) and all information regarding the Company's operations, research and development efforts, plans for products or services, methods of doing business, business strategies, customers, suppliers, service providers, manufacturers, business relations, product

prices and costs, markets, marketing plans, budgets and forecasts, financial information and/or Inventions, as well as information regarding the skills, know how and compensation of other employees of the Company. Confidential Information may be expressly designated as confidential or proprietary on its face (whether verbally, in writing or otherwise) or be of such a nature that a reasonable person under the circumstances should understand or believe it to be confidential or proprietary. Confidential Information may be oral, written, recorded magnetically or electronically or otherwise stored, and may be that which Employee originates as well as that which otherwise comes into the possession or knowledge of Employee.

3. Recognition of Company's Rights. Employee acknowledges and agrees that all Confidential Information will be the sole property of the Company and that the Company will be the sole owner of all patents, patent applications, design patents or registration, design patent applications, copyrights, mask works, trademarks, trade secrets and all other intellectual property rights throughout the world (collectively, "Proprietary Rights") in connection therewith. Accordingly, Employee hereby assigns and agrees to assign to the Company any rights Employee may have or acquire in any Confidential Information and Proprietary Rights.

4. Non-Disclosure of Third Party Information. Employee understands that the Company may from time to time receive from third parties confidential information ("Third Party Information"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. At all times during Employee's employment with the Company and thereafter, Employee will hold the Third Party Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Third Party Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Third Party Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Third Party Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company prevent its further unauthorized use or disclosure.

5 . Return of Information; Inspections. Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Confidential Information and all other tangible materials and devices provided to Employee as Confidential Information or containing Confidential Information, and/or, at the Company's option, certify destruction of the same. In addition, Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Third Party Information and all other tangible materials and devices provided to Employee as Third Party Information or containing Third Party Information, and/or, at the Company's option, certify destruction of the same. Upon termination of his or her employment with the Company, Employee will promptly deliver to the Company all property in Employee's possession, custody or control that is owned by the Company. Employee agrees that any property situated on the

Company's premises and owned by the Company, including, but not limited to, computers, disks and other storage media, is subject to inspection by Company personnel at any time without notice.

6. No Improper Use of Materials. During his or her employment with the Company, Employee will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or any other person to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom Employee has an obligation of confidentiality unless consented to in writing by that former employer or person.

7 . Assignment of Inventions. Employee hereby irrevocably assigns to the Company all right, title and interest of Employee in and to any and all Inventions (and all Proprietary Rights with respect thereto), whether or not patentable, copyrightable or protectable as trade secrets, made, conceived, reduced to practice or created by Employee, either alone or jointly with others, during the period of his or her employment with the Company. Employee acknowledges that all original works of authorship which are made by Employee (alone or jointly with others) within the scope of his or her employment and which are copyrightable are "works made for hire," as that term is defined in the United States Copyright Act. In addition to the foregoing assignment of Inventions (and all Proprietary Rights with respect thereto) to the Company, Employee hereby irrevocably assigns to the Company any and all Moral Rights (as defined below) that Employee may have in or with respect to any Invention, and Employee forever waives and agrees not to assert any and all Moral Rights he or she may have in or with respect to any Invention, even after termination of employment with the Company.

For purposes of this Agreement, the term "Inventions" means inventions, discoveries, improvements, designs, techniques, ideas, processes, compositions of matter, formulas, data, software programs, databases, mask works, works of authorship, know-how and trade secrets.

For purposes of this Agreement, the term "Moral Rights" means any right to claim authorship of an Invention, to object to or prevent the modification of any Invention, or to withdraw from circulation or control the publication or distribution of any Invention, and any similar right, existing under judicial or statutory law of any country or under any treaty, regardless of whether such right is denominated or generally referred to as a "moral right."

8 . Disclosure of Inventions. Employee will promptly disclose to the Company all Inventions that Employee makes, conceives, reduces to practice or creates, either alone or jointly with others, during the period of his or her employment with the Company. In addition, Employee will disclose to the Company all patent applications filed by Employee within three (3) years after termination of employment with the Company.

9 . Assistance. Employee agrees to assist the Company in every proper way to obtain and, from time to time, enforce United States and foreign Proprietary Rights relating to Inventions assigned hereunder to the Company in any and all countries. To that end, Employee will execute, verify and deliver such documents and perform such other acts (including

appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, Employee will execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee. Employee's obligation to assist the Company with respect to Proprietary Rights relating to Inventions in any and all countries will continue beyond the termination of Employee's employment, but the Company agrees to compensate Employee at a reasonable rate after Employee's termination for the time actually spent by Employee at the Company's request on such assistance. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on behalf of Employee (a) to execute, verify and file any document needed in connection with the actions specified in this section and (b) to do all other lawfully permitted acts to further the purposes of this section, in each case with the same legal force and effect as if executed or performed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

10. Prior Inventions. Inventions, if any, which Employee made prior to the commencement of his or her employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, Employee has set forth on Exhibit A hereto a complete list of all Inventions that Employee, whether alone or jointly with others, has conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to commencement of his or her employment with the Company, that Employee considers to be his or her property or the property of third parties and that Employee wishes to have expressly excluded from the scope of this Agreement.

11. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any person or entity that competes anywhere in the world with the Company in the conduct of the business of the Company as conducted or as proposed to be conducted (a "Competing Business"), nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

12. Non-Solicitation. During the term of his or her employment by the Company and for a period of two (2) years after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, (a) hire, engage or solicit to hire or engage any individual who is engaged as a contractor or consultant or employed by the Company or who was engaged as a contractor or consultant or employed by the Company within six months of the proposed solicitation, hire or engagement, (b) otherwise induce or attempt to induce any individual who is engaged as a contractor or consultant or employed by the Company to terminate such engagement or employment, (c) in any way interfere with the relationship between the Company and any individual who is engaged as a contractor or consultant or employed by the Company; (d) contact, solicit, divert, appropriate or call upon with the intent of doing business with (other than for the exclusive benefit of the Company) any customer of the

Company if the purpose of such activity is to solicit such customer or prospective customer for a Competing Business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Company or to otherwise interfere with the Company's relationship with such customer, or (e) in any way interfere with the Company's relationship with any supplier, manufacturer, service provider or other business relation of the Company.

13. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

14. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that given the importance to the Company of its Confidential Information, the post-employment restrictions on Employee's activities are likewise fair and reasonable.

15. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that, in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available to the Company whether at law or in equity. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

16. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles..

17. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this

Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

19. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

20. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

21. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

22. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

24. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

25. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

*****

/s/ Oscar L. Thomas
Employee Signature

June 3, 2010
Date

Oscar L. Thomas
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit A

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment with the Company that have been made, conceived, first reduced to practice or created by me, alone or jointly with others, prior to my employment with the Company that I desire to remove from the operation of the Company's Non-Disclosure and Proprietary Rights Agreement:

¨ No inventions or improvements

¨ See below:

_____

_____

_____

¨ Additional sheets attached.

I propose to bring to my employment the following materials and documents of a former employer:

¨ No materials or documents

¨ See below:

_____

_____

_____

¨ Additional sheets attached.

_____ _____

Employee Signature Date

_____

Employee Name

Exhibit B

SURGIVISION, INC.

NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1. Defined Terms. For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

(a) "Conflicting Organization" means any individual or entity that, directly or indirectly, engages in, or is about to become engaged in, Conflicting Research or the development, design, production, manufacture, promotion, marketing, sale, support or service of a Conflicting Product.

(b) "Conflicting Product" means medical devices, goods, products, product lines or services, and each and every component thereof, developed, designed, produced, manufactured, marketed, promoted, sold, supported or serviced, or that are in development or the subject of research, by anyone other than the Company that are the same or similar to, perform any of the same or similar functions as, may be substituted for, or are intended or used for any of the same purposes as, a Company Product.

(c) "Conflicting Research" means any research or development of any kind or nature conducted by anyone other than the Company, which is intended for, or may be useful in, any aspect of the development, design, production, manufacture, marketing, promotion, sale, support or service of a Conflicting Product.

(d) "Company Product" means any medical device, goods, products, product lines or services (i) that during the last one (1) year in which Employee was employed by the Company, Employee, or persons under Employee's management, direction or supervision, performed research regarding, designed, developed, produced, manufactured, marketed, promoted, sold, solicited sales of, supported or serviced on behalf of the Company, or (ii) with respect to which Employee at any time received or otherwise obtained or learned Confidential Information.

(e) "Restricted Area" means the United States of America or in any other country in which the Company has received or applied for regulatory clearances or approvals for Company Products.

2. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of

the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any individual or entity that competes with the Company in the Restricted Area in the conduct of the business of the Company as conducted or as proposed to be conducted, nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

In addition, for a period of one (1) year after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any Conflicting Organization in the Restricted Area in connection with or relating to a Conflicting Product or Conflicting Research.

3. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

4. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that the post-employment restrictions on Employee's activities are fair and reasonable.

5. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available at law or in equity to the Company. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

6. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles.

7. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the

Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

8. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

9. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

10. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

11. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

12. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

14. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

15. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

/s/ Oscar L. Thomas
Employee Signature

June 3, 2010
Date

Oscar L. Thomas
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit 10.36

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of this 3rd day of June, 2010 but shall become effective only upon the consummation of the Company's initial public offering of its common stock (the "Effective Date"), by and between **SURGIVISION, INC.**, a Delaware corporation (the "Company"), and **JOHN T. KEANE** (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to employ the Executive to serve as the Vice President, Sales of the Company;

WHEREAS, the Company and the Executive each deem it necessary and desirable to execute a written document setting forth the terms and conditions of said relationship; and

WHEREAS, to the extent this Agreement provides for any "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement will be administered in compliance with Section 409A of the Code and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and mutual obligations hereinafter set forth, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"2007 Plan" means the Company's 2007 Stock Incentive Plan.

"2010 Plan" means the Company's 2010 Incentive Compensation Plan.

"Agreement" has the meaning set forth in the preamble above.

"Arbitrators" means the arbitrators selected to conduct any arbitration proceeding in connection with any disputes arising out of or relating to this Agreement.

"Award Agreement" has the meaning set forth in Section 8(b) of this Agreement.

"Award Plans" has the meaning set forth in Section 4(b) of this Agreement.

"Base Salary" means the annual salary to be paid to the Executive as set forth in Section 4(a) of this Agreement.

"Benefit Plans" has the meaning set forth in Section 4(c) of this Agreement.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence with respect to the Company of any of the following events: (i) a change in the ownership of the Company; (ii) a change in the effective control of the Company; or (iii) a change in the ownership of a substantial portion of the assets of the Company.

For purposes of this definition, a change in the ownership of the Company occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. A change in the effective control of the Company occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board prior to the date of the appointment or election. A change in the ownership of a substantial portion of the assets of the Company occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Section 409A of the Code. The Company and the Executive acknowledge and agree that the Company's initial public offering of Company Shares shall not constitute a Change of Control.

"Change of Control Termination" means (i) a Termination Without Cause or (ii) a Termination for Good Reason, in either case within four (4) months prior to, on, or within one (1) year after, a Change of Control.

"Code" has the meaning set forth in the recitals above.

"Company" has the meaning set forth in the preamble above.

"Company Shares" means shares of common stock of the Company or any securities of a successor company which shall have replaced such common stock.

"Compensation Committee" means the compensation committee of the Board.

"Confidentiality Agreement" means that certain Non-Disclosure and Proprietary Rights Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit A.

"Effective Date" has the meaning set forth in the preamble above.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the preamble above.

"Non-Compete Agreement" means that certain Non-Compete Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit B.

"Option(s)" means (i) any option issued to the Executive pursuant to the 2007 Plan, the 2010 Plan or any other incentive plan adopted by the Company, (ii) other than options described in the preceding clause (i), any option issued to the Executive by the Company to purchase Company Shares, or (iii) any option granted under the plan of any successor company that replaces or assumes the Company's options.

"Permanent Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Permanent Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Company, the Executive must submit proof to the Company of the Social Security Administration's or the provider's determination.

"Restricted Stock" means (i) any restricted Company Shares issued to the Executive pursuant to the 2010 Plan or any other incentive plan adopted by the Company, or (ii) any restricted stock granted under the plan of any successor company that replaces or assumes the Company's restricted stock awards.

"Specified Employee" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise.

"Term" has the meaning assigned to it in Section 3(a) of this Agreement.

"Termination Date" means the date on which the employment of the Executive is terminated, which date shall be (i) in the case of the Executive's death, the date of death, (ii) in the case of the Executive's Permanent Disability, thirty (30) days after a Termination Notice is given, provided the Executive does not return to the full-time performance of his duties within such thirty (30) day period, (iii) in the case of a Termination Upon Expiration, the date upon which the Term expires, (iv) in the case of a Termination With Cause, the date specified in the Termination Notice, or (v) in all other instances, the date specified as the Termination Date in the

Termination Notice, which date shall not be less than thirty (30) nor more than sixty (60) days from the date the Termination Notice is given.

"Termination for Good Reason" means the termination of the Executive's employment with the Company by the Executive based on any of the following circumstances, if, within the six (6) month period preceding the Executive's termination, the Executive notified the Company in writing of such circumstances within ninety (90) days of occurrence and the Company did not remedy such circumstances within thirty (30) days thereafter:

(i) a material demotion or diminution in the Executive's authority, duties or responsibilities without the Executive's consent;

(ii) the Company requiring the Executive to be based at any place other than a location within a fifty (50) mile radius of the Executive's work location as of the Effective Date without the Executive's consent, except for reasonably required travel on the Company's business; or

(iii) any action or inaction that constitutes a material breach by the Company of this Agreement.

"Termination Notice" means a written notice of termination of employment by the Executive or the Company.

"Termination of Employment" means the termination of the Executive's employment with the Company for reasons other than death or Permanent Disability. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Termination of Employment if the Executive continues to provide services as an employee of the Company or in any other capacity at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

"Termination Upon Expiration" means the termination of the Executive's employment upon the full expiration of the Term, including the full expiration of any extension thereof, following: (i) the Company's notice to the Executive of the Company's election to not extend the Term; or (ii) the Executive's notice to the Company of the Executive's election to not extend the Term, in each case as provided in Section 3(a) of this Agreement.

"Termination With Cause" means the termination of the Executive's employment by the Company for any of the following reasons: (i) the Executive's gross negligence or willful misconduct in the performance of the Executive's duties where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) the material violation by the Executive of any federal or state law or regulation or the Company's compliance program in the performance of the Executive's duties; (iii) the Executive's breach of the Non-Compete Agreement; (iv) the Executive's material breach of the

Confidentiality Agreement; (v) the Executive's commission of any act of fraud with respect to the Company; (vi) the Executive's conviction of, or the Executive's entry of a guilty plea or plea of nolo contendere with respect to, a felony; or (vii) the Executive's failure to perform duties consistent with this Agreement or the Executive's position or to follow or comply with the reasonable directives of the Board or the Executive's supervisor(s) (to the extent not inconsistent with the terms of this Agreement), provided that (A) the Executive shall have received written notice that specifically identifies the manner in which the Company believes that Executive has engaged in such failure and (B) the Executive shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Executive has received more than one notice with respect to the same or similar conduct pursuant to this clause (vii) during any twelve (12) consecutive month period.

"Termination Without Cause" means the termination of the Executive's employment by the Company for any reason other than (i) Termination With Cause, (ii) termination by the Company due to the Executive's death or Permanent Disability, or (iii) Termination Upon Expiration.

"Voluntary Termination" means the Executive's voluntary termination of his employment hereunder for any reason, other than a Termination for Good Reason. If the Executive gives a Termination Notice of Voluntary Termination and, prior to the Termination Date, the Executive voluntarily refuses or fails to provide substantially all the services described in Section 2 hereof for a period greater than two consecutive weeks, the Voluntary Termination shall be deemed to be effective as of the date on which the Executive so ceases to carry out his duties. Voluntary refusal to perform services shall not include (i) taking vacation otherwise permitted in accordance with Section 4(d) hereof, (ii) the Executive's failure to perform services on account of his illness or the illness of a member of the Executive's immediate family, provided such illness is adequately substantiated at the reasonable request of the Company, or (iii) any other absence from service with the written consent of the Board.

2. Employment; Services. The Company shall employ the Executive, and the Executive agrees to be so employed, in the capacity of the Vice President, Sales of the Company to serve for the Term hereof, subject to earlier termination as hereinafter provided. The Executive shall assume and discharge such duties and responsibilities as are commensurate with the Executive's position. The Executive shall be a full-time employee of the Company and shall exert his best efforts and devote substantially all of his business time and attention to the Company's affairs and the performance of his duties hereunder.

3. Term; Termination.

(a) The term of the Executive's employment under this Agreement (the "Term") shall be one (1) year and shall commence as of the Effective Date. On the first anniversary of the Effective Date and each successive anniversary of the Effective Date, the Term shall be extended for an additional one (1) year period, unless one party gives notice to the other of such party's election to not extend the Term, which notice must be given no later than ninety (90) days prior to the end of the then-current Term. Notwithstanding the foregoing,

employment during the Term shall be subject to earlier termination in accordance with the terms of this Agreement.

(b) Any purported termination of employment by the Executive or the Company, other than by reason of the Executive's death, shall be communicated by a Termination Notice. The Termination Notice shall indicate the specific termination provision in this Agreement relied upon and set forth the facts and circumstances claimed to provide a basis for termination.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive for his services a "Base Salary" of Two Hundred Twenty Thousand Dollars ($220,000) per year, to be paid in accordance with customary Company policies. The Base Salary shall be subject to increase or decrease according to policies and practices adopted by the Compensation Committee or the Board, as the case may be; provided, however, that in no event (i) shall the Base Salary for any year be decreased by more than ten percent (10%) from the immediately preceding year's Base Salary, and (ii) shall the Base Salary be less than Two Hundred Twenty Thousand Dollars ($220,000).

(b) Performance Bonus; Award Plans. The Executive shall be eligible to receive up to One Hundred Thousand Dollars ($100,000) in bonus compensation each calendar year (prorated for any partial year), payable in quarterly installments (subject to applicable withholdings and taxes), based on the Executive's achievement of performance objectives and targets reasonably established between the Company and the Executive. During the Term, the Executive shall also be eligible for additional compensation in the form of shares of stock in the Company, Restricted Stock and/or Options, according to the policies and practices adopted by the Compensation Committee or the Board, as the case may be, and the Executive shall be eligible to participate in the 2010 Plan and any other stock option, incentive compensation, profit participation, bonus or extra compensation plan that is adopted by the Company and in which the Company's executive officers generally participate (collectively, "Award Plans").

(c) Benefit Plans. During the Term, the Executive shall be entitled to participate in, and to all rights and benefits provided by, the health, life, medical, dental, disability, insurance and welfare plans that are maintained from time to time by the Company for the benefit of the Executive, the executives of the Company generally or for the Company's employees generally, provided that the Executive is eligible to participate in such plan under the eligibility provisions thereof that are generally applicable to the participants thereof (collectively, "Benefit Plans").

(d) Vacation. The Executive shall be entitled each year to vacation time, during which time his compensation shall be paid in full. The time allotted for such vacation shall be three (3) weeks, to be taken at such time or times as shall be mutually convenient and consistent with his duties and obligations to the Company. Vacation accrues based on the Executive's anniversary date. Any unused vacation shall not be carried into subsequent years.

(e) Overall Qualification. Nothing in this Agreement shall be construed as preventing the Company from modifying, suspending, discontinuing or terminating any of the Benefit Plans or Award Plans without notice or liability to the Executive so long as (i) the modification, suspension, discontinuation or termination of any such plan is authorized by and performed in accordance with the specific provisions of such plan and (ii) such modification, suspension, discontinuation or termination is taken generally with respect to all similarly situated employees of the Company and does not single out or discriminate against the Executive.

5. Expenses. The Company recognizes that the Executive will have to incur certain out-of-pocket expenses, including but not limited to travel expenses, related to his services and the Company's business and the Company agrees to reimburse the Executive for all reasonable expenses necessarily incurred by him in the performance of his duties upon presentation of documentation indicating the amount and business purposes of any such expenses; provided, that the Executive complies with the Company's policies and procedures regarding business expenses.

6. Voluntary Termination; Termination With Cause. If the Executive shall cease being an employee of the Company on account of the Executive's Voluntary Termination or a Termination With Cause, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. In the event of a Voluntary Termination or a Termination With Cause, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

7. Termination Upon Death or Permanent Disability.

(a) Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death. Upon termination of employment due to the Executive's death, the Executive's estate shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, plus (iii) provided the Executive's heir(s) properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive's surviving spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive's estate shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans.

(b) Permanent Disability. In the event of the Executive's Permanent Disability, the Company may terminate the Executive's employment with the Company if the Executive does not return to the full-time performance of his duties within thirty (30) days after a Termination Notice is given. Upon termination of employment due to the Executive's Permanent Disability, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus

compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, and (iii) provided the Executive properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans. In the event of a termination of employment upon the Executive's Permanent Disability, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(c) Life Insurance. Upon the Company's request, the Executive shall cooperate with the Company in obtaining "key man" life insurance on the life of the Executive with death benefits payable to the Company.

8. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment for any reason, or no reason at all, at any time, and the Executive may effect a Termination for Good Reason at any time; provided, that upon a Termination for Good Reason or a Termination Without Cause, except as otherwise provided in Section 9 of this Agreement, the Company shall provide the compensation and benefits set forth in this Section 8. The Executive may effect a Termination for Good Reason notwithstanding any incapacity due to physical or mental illness. In the event of a Termination Without Cause or a Termination for Good Reason, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

(a) Base Salary, Bonus, Benefit Plans and Award Plans. The Company shall pay to the Executive, on the Termination Date, a lump sum amount, which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date; plus (ii) the Executive's Base Salary in effect on the Termination Date; plus (iii) the average annual cash bonus paid to the Executive for the two (2) years preceding the year in which the Termination Date occurs; and (iv) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. In addition, provided the Executive properly elects COBRA continuation coverage, the Company shall reimburse the Executive for the cost of COBRA premiums for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 8(a) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then, the amount in excess of such limit shall be delayed for six (6) months following the Termination Date. The delayed amount shall be paid in a lump sum after the end of the six-month delay.

(b) Options; Restricted Stock. Notwithstanding the terms of any award agreement heretofore or hereafter granted to the Executive under any Award Plan, including,

without limitation, the 2007 Plan and the 2010 Plan, or any other agreement granting the Executive Options or Restricted Stock (in each case, an "Award Agreement"), upon a Termination Without Cause or Termination for Good Reason, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes granted to the Executive shall become fully vested on the Termination Date and immediately prior to the time of termination. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. For purposes of an Award Agreement, a Termination for Good Reason shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of any conflict between the terms of this Section 8(b) and the terms of any Award Agreement granted to the Executive, the terms of this Section 8(b) shall control and govern.

9. Change of Control.

(a) Accelerated Vesting. Notwithstanding the terms of any Award Agreement heretofore or hereafter granted to the Executive, in the event of a Change of Control, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes shall become fully vested on the date of the Change of Control. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. In the event of any conflict between the terms of this Section 9(a) and the terms of any Award Agreement granted to the Executive, the terms of this Section 9(a) shall control and govern.

(b) Change of Control Termination. Notwithstanding any other provision in this Agreement to the contrary, in the event of a Change of Control Termination, the Company shall, on the Termination Date, pay the Executive a lump sum amount which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, plus (ii) the Executive's Base Salary in effect as of the Termination Date, plus (iii) the greater of (A) the average annual cash bonus paid to the Executive for the two years preceding the year in which the Termination Date occurs or (B) the Executive's target bonus, if any, for the year in which the Termination Date occurs, plus (iv) the product of (A) twelve (12) multiplied by (B) the monthly COBRA premium for health care continuation coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible, plus (v) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 9(b) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then the amount in excess of such limit shall be delayed for six (6) months following the Executive's Termination Date, and such delayed amount shall be paid in a lump sum after the end of the six-month delay. For purposes of any Award Agreement granted to the Executive, a Termination for Good Reason that is Change of Control Termination under this Agreement shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Change of Control Termination, the Executive shall continue to be subject to the Confidentiality Agreement and the Non-Compete Agreement.

10. Termination Upon Expiration. If the Executive shall cease being an employee of the Company on account of a Termination Upon Expiration, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. In the event of any Termination Upon Expiration, the Executive shall continue to be subject to the Confidentiality Agreement. In the event of a Termination Upon Expiration caused by the Company (i.e., the Company gave notice to the Executive of the Company's election to not extend the Term pursuant to Section 3(a)), then (a) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive, and (b) the Executive shall not be subject to the Non-Compete Agreement following the Termination Date. In the event of a Termination Upon Expiration caused by the Executive (i.e., the Executive gave notice to the Company of the Executive's election to not extend the Term pursuant to Section 3(a)), then (x) for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute a voluntary termination of employment by the Executive, and (y) the Executive shall continue to be subject to the Non-Compete Agreement following the Termination Date.

11. Exclusive Remedy. To the extent permitted by applicable law, the payments contemplated by Section 7, Section 8 and Section 9 shall constitute the exclusive and sole remedy for any termination of the Executive's employment due to death or Permanent Disability, any Termination Without Cause or any Termination for Good Reason. The Executive agrees, for himself and any administrator, beneficiary, devisee, executor, heir, legatee or personal representative, (i) to not assert or pursue any remedies, other than an action to enforce the payments due to the Executive (or the Executive's estate) under this Agreement, at law or in equity, with respect to the termination of the Executive's employment under Section 7, Section 8 or Section 9, as applicable, and (ii) to execute a release and waiver on such terms and conditions as the Company may reasonably require as a condition of entitlement to such payments.

12. Confidentiality and Noncompetition. The Executive shall enter into the Confidentiality Agreement and Non-Compete Agreement. The Executive's execution of those agreements is a material inducement for the Company to enter into this Agreement. Therefore, this Agreement will be null and void unless the Executive enters into the Confidentiality Agreement and the Non-Compete Agreement.

13. Employment Status. The parties acknowledge and agree that the Executive is an employee of the Company, not an independent contractor. Any payments made to the Executive by the Company pursuant to this Agreement shall be treated for federal and state payroll tax purposes as payments made to a Company employee, irrespective whether such payments are made subsequent to the Termination Date.

14. Notices. All notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing and personally delivered or when deposited in the U.S. mail, certified, return receipt requested, postage prepaid, addressed to

the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company:	One Commerce Square Suite 2550 Memphis, TN 38103 Attn: Chief Financial Officer
To the Executive:	John T. Keane 40 Hayden Woods Wrentham, MA 02093

15. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and shall not be modified in any manner except by instrument in writing signed, by or on behalf of, the parties hereto. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. In the event of any inconsistencies between the terms of this Agreement and any Award Agreement, the terms of this Agreement shall govern.

16. Arbitration. Any controversy concerning or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Memphis, Shelby County, Tennessee at a location specified by the party seeking such arbitration.

(a) The Arbitrators. Any arbitration proceeding shall be conducted by three (3) Arbitrators and the decision of the Arbitrators shall be binding on all parties. Each Arbitrator shall have substantial experience and expert competence in the matters being arbitrated. The party desiring to submit any matter relating to this Agreement to arbitration shall do so by written notice to the other party, which notice shall set forth the items to be arbitrated, such party's choice of an Arbitrator, and such party's substantive position in the arbitration. The party receiving such notice shall, within fifteen (15) days after receipt of such notice, appoint an Arbitrator and notify the other party of its appointment and of its substantive position. The Arbitrators appointed by the parties to the Arbitration shall select an additional Arbitrator meeting the aforedescribed criteria. The Arbitrators shall be required to render a decision in accordance with the procedures set forth in Section 16(b) below within thirty (30) days after being notified of their selection. The fees of the Arbitrators shall be equally divided amongst the parties to the arbitration.

(b) Arbitration Procedures. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except to the extent the provisions of such are modified by this Agreement or the subsequent mutual agreement of the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Any party hereto may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this provision applies in any court having

jurisdiction over such action in Shelby County, Tennessee, and the parties agree that jurisdiction and venue in Shelby County, Tennessee are appropriate and approved by such parties.

17. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without giving effect to conflict of laws principles thereof.

18. Assignment. The Executive acknowledges that his services are unique and personal. Accordingly, the Executive may not assign his rights or delegate his duties or obligations under this Agreement.

19. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Successors; Binding Agreement. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a beach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder upon a Change of Control Termination. The Company's rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the Company's successors and assigns.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

EXECUTIVE:

/s/ John T. Keane
John T. Keane

Exhibit A

SURGIVISION, INC.

NON-DISCLOSURE AND PROPRIETARY RIGHTS AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of Confidential Information (as defined in Section 2 below) and of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1 . Purpose of Agreement. Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that it is critical for the Company to preserve and protect its Confidential Information (as defined in Section 2 below), its rights in Inventions (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, Employee is entering into this Non-Disclosure and Proprietary Rights Agreement (this "Agreement") as a condition of his or her employment (or continued employment) with the Company, regardless of whether Employee is expected to create Inventions of value for the Company.

2 . Non-Disclosure of Confidential Information. At all times during his or her employment with the Company and thereafter, Employee will hold the Confidential Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Confidential Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Confidential Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.

For purposes of this Agreement, the term "Confidential Information" means, but is not limited to, all information that is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably knowable by the Company's competitors or by the general public through lawful means. Without limiting the generality of the foregoing, such Confidential Information also includes, but is not limited to, all Proprietary Rights (as defined in Section 3 below), all Third Party Information (as defined in Section 4 below) and all information regarding the Company's operations, research and development efforts, plans for products or services, methods of doing business, business strategies, customers, suppliers, service providers, manufacturers, business relations, product

prices and costs, markets, marketing plans, budgets and forecasts, financial information and/or Inventions, as well as information regarding the skills, know how and compensation of other employees of the Company. Confidential Information may be expressly designated as confidential or proprietary on its face (whether verbally, in writing or otherwise) or be of such a nature that a reasonable person under the circumstances should understand or believe it to be confidential or proprietary. Confidential Information may be oral, written, recorded magnetically or electronically or otherwise stored, and may be that which Employee originates as well as that which otherwise comes into the possession or knowledge of Employee.

3. Recognition of Company's Rights. Employee acknowledges and agrees that all Confidential Information will be the sole property of the Company and that the Company will be the sole owner of all patents, patent applications, design patents or registration, design patent applications, copyrights, mask works, trademarks, trade secrets and all other intellectual property rights throughout the world (collectively, "Proprietary Rights") in connection therewith. Accordingly, Employee hereby assigns and agrees to assign to the Company any rights Employee may have or acquire in any Confidential Information and Proprietary Rights.

4. Non-Disclosure of Third Party Information. Employee understands that the Company may from time to time receive from third parties confidential information ("Third Party Information"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. At all times during Employee's employment with the Company and thereafter, Employee will hold the Third Party Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Third Party Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Third Party Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Third Party Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company prevent its further unauthorized use or disclosure.

5 . Return of Information; Inspections. Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Confidential Information and all other tangible materials and devices provided to Employee as Confidential Information or containing Confidential Information, and/or, at the Company's option, certify destruction of the same. In addition, Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Third Party Information and all other tangible materials and devices provided to Employee as Third Party Information or containing Third Party Information, and/or, at the Company's option, certify destruction of the same. Upon termination of his or her employment with the Company, Employee will promptly deliver to the Company all property in Employee's possession, custody or control that is owned by the Company. Employee agrees that any property situated on the

Company's premises and owned by the Company, including, but not limited to, computers, disks and other storage media, is subject to inspection by Company personnel at any time without notice.

6. No Improper Use of Materials. During his or her employment with the Company, Employee will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or any other person to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom Employee has an obligation of confidentiality unless consented to in writing by that former employer or person.

7 . Assignment of Inventions. Employee hereby irrevocably assigns to the Company all right, title and interest of Employee in and to any and all Inventions (and all Proprietary Rights with respect thereto), whether or not patentable, copyrightable or protectable as trade secrets, made, conceived, reduced to practice or created by Employee, either alone or jointly with others, during the period of his or her employment with the Company. Employee acknowledges that all original works of authorship which are made by Employee (alone or jointly with others) within the scope of his or her employment and which are copyrightable are "works made for hire," as that term is defined in the United States Copyright Act. In addition to the foregoing assignment of Inventions (and all Proprietary Rights with respect thereto) to the Company, Employee hereby irrevocably assigns to the Company any and all Moral Rights (as defined below) that Employee may have in or with respect to any Invention, and Employee forever waives and agrees not to assert any and all Moral Rights he or she may have in or with respect to any Invention, even after termination of employment with the Company.

For purposes of this Agreement, the term "Inventions" means inventions, discoveries, improvements, designs, techniques, ideas, processes, compositions of matter, formulas, data, software programs, databases, mask works, works of authorship, know-how and trade secrets.

For purposes of this Agreement, the term "Moral Rights" means any right to claim authorship of an Invention, to object to or prevent the modification of any Invention, or to withdraw from circulation or control the publication or distribution of any Invention, and any similar right, existing under judicial or statutory law of any country or under any treaty, regardless of whether such right is denominated or generally referred to as a "moral right."

8 . Disclosure of Inventions. Employee will promptly disclose to the Company all Inventions that Employee makes, conceives, reduces to practice or creates, either alone or jointly with others, during the period of his or her employment with the Company. In addition, Employee will disclose to the Company all patent applications filed by Employee within three (3) years after termination of employment with the Company.

9 . Assistance. Employee agrees to assist the Company in every proper way to obtain and, from time to time, enforce United States and foreign Proprietary Rights relating to Inventions assigned hereunder to the Company in any and all countries. To that end, Employee will execute, verify and deliver such documents and perform such other acts (including

appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, Employee will execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee. Employee's obligation to assist the Company with respect to Proprietary Rights relating to Inventions in any and all countries will continue beyond the termination of Employee's employment, but the Company agrees to compensate Employee at a reasonable rate after Employee's termination for the time actually spent by Employee at the Company's request on such assistance. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on behalf of Employee (a) to execute, verify and file any document needed in connection with the actions specified in this section and (b) to do all other lawfully permitted acts to further the purposes of this section, in each case with the same legal force and effect as if executed or performed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

10. Prior Inventions. Inventions, if any, which Employee made prior to the commencement of his or her employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, Employee has set forth on Exhibit A hereto a complete list of all Inventions that Employee, whether alone or jointly with others, has conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to commencement of his or her employment with the Company, that Employee considers to be his or her property or the property of third parties and that Employee wishes to have expressly excluded from the scope of this Agreement.

11. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any person or entity that competes anywhere in the world with the Company in the conduct of the business of the Company as conducted or as proposed to be conducted (a "Competing Business"), nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

12. Non-Solicitation. During the term of his or her employment by the Company and for a period of two (2) years after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, (a) hire, engage or solicit to hire or engage any individual who is engaged as a contractor or consultant or employed by the Company or who was engaged as a contractor or consultant or employed by the Company within six months of the proposed solicitation, hire or engagement, (b) otherwise induce or attempt to induce any individual who is engaged as a contractor or consultant or employed by the Company to terminate such engagement or employment, (c) in any way interfere with the relationship between the Company and any individual who is engaged as a contractor or consultant or employed by the Company; (d) contact, solicit, divert, appropriate or call upon with the intent of doing business with (other than for the exclusive benefit of the Company) any customer of the

Company if the purpose of such activity is to solicit such customer or prospective customer for a Competing Business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Company or to otherwise interfere with the Company's relationship with such customer, or (e) in any way interfere with the Company's relationship with any supplier, manufacturer, service provider or other business relation of the Company.

13. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

14. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that given the importance to the Company of its Confidential Information, the post-employment restrictions on Employee's activities are likewise fair and reasonable.

15. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that, in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available to the Company whether at law or in equity. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

16. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles..

17. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this

Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

19. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

20. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

21. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

22. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

24. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

25. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

*****

/s/ John T. Keane
Employee Signature

June 3, 2010
Date

John T. Keane
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit A

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment with the Company that have been made, conceived, first reduced to practice or created by me, alone or jointly with others, prior to my employment with the Company that I desire to remove from the operation of the Company's Non-Disclosure and Proprietary Rights Agreement:

- ¨ No inventions or improvements
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

I propose to bring to my employment the following materials and documents of a former employer:

- ¨ No materials or documents
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

_____ _____

Employee Signature Date

_____

Employee Name

Exhibit B

SURGIVISION, INC.

NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1. Defined Terms. For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

(a) "Conflicting Organization" means any individual or entity that, directly or indirectly, engages in, or is about to become engaged in, Conflicting Research or the development, design, production, manufacture, promotion, marketing, sale, support or service of a Conflicting Product.

(b) "Conflicting Product" means medical devices, goods, products, product lines or services, and each and every component thereof, developed, designed, produced, manufactured, marketed, promoted, sold, supported or serviced, or that are in development or the subject of research, by anyone other than the Company that are the same or similar to, perform any of the same or similar functions as, may be substituted for, or are intended or used for any of the same purposes as, a Company Product.

(c) "Conflicting Research" means any research or development of any kind or nature conducted by anyone other than the Company, which is intended for, or may be useful in, any aspect of the development, design, production, manufacture, marketing, promotion, sale, support or service of a Conflicting Product.

(d) "Company Product" means any medical device, goods, products, product lines or services (i) that during the last one (1) year in which Employee was employed by the Company, Employee, or persons under Employee's management, direction or supervision, performed research regarding, designed, developed, produced, manufactured, marketed, promoted, sold, solicited sales of, supported or serviced on behalf of the Company, or (ii) with respect to which Employee at any time received or otherwise obtained or learned Confidential Information.

(e) "Restricted Area" means the United States of America or in any other country in which the Company has received or applied for regulatory clearances or approvals for Company Products.

2. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of

the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any individual or entity that competes with the Company in the Restricted Area in the conduct of the business of the Company as conducted or as proposed to be conducted, nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

In addition, for a period of one (1) year after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any Conflicting Organization in the Restricted Area in connection with or relating to a Conflicting Product or Conflicting Research.

3. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

4. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that the post-employment restrictions on Employee's activities are fair and reasonable.

5. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available at law or in equity to the Company. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

6. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles.

7. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the

Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

8. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

9. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

10. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

11. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

12. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

14. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

15. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

/s/ John T. Keane
Employee Signature

June 3, 2010
Date

John T. Keane
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit 10.37

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of this 3rd day of June, 2010 but shall become effective only upon the consummation of the Company's initial public offering of its common stock (the "Effective Date"), by and between **SURGIVISION, INC.**, a Delaware corporation (the "Company"), and **MICHAEL M. MOORE** (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to employ the Executive to serve as the Vice President, Operations of the Company;

WHEREAS, the Company and the Executive each deem it necessary and desirable to execute a written document setting forth the terms and conditions of said relationship; and

WHEREAS, to the extent this Agreement provides for any "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement will be administered in compliance with Section 409A of the Code and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and mutual obligations hereinafter set forth, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"2007 Plan" means the Company's 2007 Stock Incentive Plan.

"2010 Plan" means the Company's 2010 Incentive Compensation Plan.

"Agreement" has the meaning set forth in the preamble above.

"Arbitrators" means the arbitrators selected to conduct any arbitration proceeding in connection with any disputes arising out of or relating to this Agreement.

"Award Agreement" has the meaning set forth in Section 8(b) of this Agreement.

"Award Plans" has the meaning set forth in Section 4(b) of this Agreement.

"Base Salary" means the annual salary to be paid to the Executive as set forth in Section 4(a) of this Agreement.

"Benefit Plans" has the meaning set forth in Section 4(c) of this Agreement.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence with respect to the Company of any of the following events: (i) a change in the ownership of the Company; (ii) a change in the effective control of the Company; or (iii) a change in the ownership of a substantial portion of the assets of the Company.

For purposes of this definition, a change in the ownership of the Company occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. A change in the effective control of the Company occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board prior to the date of the appointment or election. A change in the ownership of a substantial portion of the assets of the Company occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Section 409A of the Code. The Company and the Executive acknowledge and agree that the Company's initial public offering of Company Shares shall not constitute a Change of Control.

"Change of Control Termination" means (i) a Termination Without Cause or (ii) a Termination for Good Reason, in either case within four (4) months prior to, on, or within one (1) year after, a Change of Control.

"Code" has the meaning set forth in the recitals above.

"Company" has the meaning set forth in the preamble above.

"Company Shares" means shares of common stock of the Company or any securities of a successor company which shall have replaced such common stock.

"Compensation Committee" means the compensation committee of the Board.

"Confidentiality Agreement" means that certain Non-Disclosure and Proprietary Rights Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit A.

"Effective Date" has the meaning set forth in the preamble above.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the preamble above.

"Option(s)" means (i) any option issued to the Executive pursuant to the 2007 Plan, the 2010 Plan or any other incentive plan adopted by the Company, (ii) other than options described in the preceding clause (i), any option issued to the Executive by the Company to purchase Company Shares, or (iii) any option granted under the plan of any successor company that replaces or assumes the Company's options.

"Permanent Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Permanent Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Company, the Executive must submit proof to the Company of the Social Security Administration's or the provider's determination.

"Restricted Stock" means (i) any restricted Company Shares issued to the Executive pursuant to the 2010 Plan or any other incentive plan adopted by the Company, or (ii) any restricted stock granted under the plan of any successor company that replaces or assumes the Company's restricted stock awards.

"Specified Employee" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise.

"Term" has the meaning assigned to it in Section 3(a) of this Agreement.

"Termination Date" means the date on which the employment of the Executive is terminated, which date shall be (i) in the case of the Executive's death, the date of death, (ii) in the case of the Executive's Permanent Disability, thirty (30) days after a Termination Notice is given, provided the Executive does not return to the full-time performance of his duties within such thirty (30) day period, (iii) in the case of a Termination Upon Expiration, the date upon which the Term expires, (iv) in the case of a Termination With Cause, the date specified in the Termination Notice, or (v) in all other instances, the date specified as the Termination Date in the

Termination Notice, which date shall not be less than thirty (30) nor more than sixty (60) days from the date the Termination Notice is given.

"Termination for Good Reason" means the termination of the Executive's employment with the Company by the Executive based on any of the following circumstances, if, within the six (6) month period preceding the Executive's termination, the Executive notified the Company in writing of such circumstances within ninety (90) days of occurrence and the Company did not remedy such circumstances within thirty (30) days thereafter:

(i) a material demotion or diminution in the Executive's authority, duties or responsibilities without the Executive's consent;

(ii) the Company requiring the Executive to be based at any place other than a location within a fifty (50) mile radius of the Executive's work location as of the Effective Date without the Executive's consent, except for reasonably required travel on the Company's business; or

(iii) any action or inaction that constitutes a material breach by the Company of this Agreement.

"Termination Notice" means a written notice of termination of employment by the Executive or the Company.

"Termination of Employment" means the termination of the Executive's employment with the Company for reasons other than death or Permanent Disability. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Termination of Employment if the Executive continues to provide services as an employee of the Company or in any other capacity at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

"Termination Upon Expiration" means the termination of the Executive's employment upon the full expiration of the Term, including the full expiration of any extension thereof, following: (i) the Company's notice to the Executive of the Company's election to not extend the Term; or (ii) the Executive's notice to the Company of the Executive's election to not extend the Term, in each case as provided in Section 3(a) of this Agreement.

"Termination With Cause" means the termination of the Executive's employment by the Company for any of the following reasons: (i) the Executive's gross negligence or willful misconduct in the performance of the Executive's duties where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) the material violation by the Executive of any federal or state law or regulation or the Company's compliance program in the performance of the Executive's duties; (iii) the Executive's material breach of the

Confidentiality Agreement; (iv) the Executive's commission of any act of fraud with respect to the Company; (v) the Executive's conviction of, or the Executive's entry of a guilty plea or plea of nolo contendere with respect to, a felony; or (vi) the Executive's failure to perform duties consistent with this Agreement or the Executive's position or to follow or comply with the reasonable directives of the Board or the Executive's supervisor(s) (to the extent not inconsistent with the terms of this Agreement), provided that (A) the Executive shall have received written notice that specifically identifies the manner in which the Company believes that Executive has engaged in such failure and (B) the Executive shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Executive has received more than one notice with respect to the same or similar conduct pursuant to this clause (vi) during any twelve (12) consecutive month period.

"Termination Without Cause" means the termination of the Executive's employment by the Company for any reason other than (i) Termination With Cause, (ii) termination by the Company due to the Executive's death or Permanent Disability, or (iii) Termination Upon Expiration.

"Voluntary Termination" means the Executive's voluntary termination of his employment hereunder for any reason, other than a Termination for Good Reason. If the Executive gives a Termination Notice of Voluntary Termination and, prior to the Termination Date, the Executive voluntarily refuses or fails to provide substantially all the services described in Section 2 hereof for a period greater than two consecutive weeks, the Voluntary Termination shall be deemed to be effective as of the date on which the Executive so ceases to carry out his duties. Voluntary refusal to perform services shall not include (i) taking vacation otherwise permitted in accordance with Section 4(d) hereof, (ii) the Executive's failure to perform services on account of his illness or the illness of a member of the Executive's immediate family, provided such illness is adequately substantiated at the reasonable request of the Company, or (iii) any other absence from service with the written consent of the Board.

2. Employment; Services. The Company shall employ the Executive, and the Executive agrees to be so employed, in the capacity of the Vice President, Operations of the Company to serve for the Term hereof, subject to earlier termination as hereinafter provided. The Executive shall assume and discharge such duties and responsibilities as are commensurate with the Executive's position. The Executive shall be a full-time employee of the Company and shall exert his best efforts and devote substantially all of his business time and attention to the Company's affairs and the performance of his duties hereunder.

3. Term; Termination.

(a) The term of the Executive's employment under this Agreement (the "Term") shall be one (1) year and shall commence as of the Effective Date. On the first anniversary of the Effective Date and each successive anniversary of the Effective Date, the Term shall be extended for an additional one (1) year period, unless one party gives notice to the other of such party's election to not extend the Term, which notice must be given no later than ninety (90) days prior to the end of the then-current Term. Notwithstanding the foregoing,

employment during the Term shall be subject to earlier termination in accordance with the terms of this Agreement.

(b) Any purported termination of employment by the Executive or the Company, other than by reason of the Executive's death, shall be communicated by a Termination Notice. The Termination Notice shall indicate the specific termination provision in this Agreement relied upon and set forth the facts and circumstances claimed to provide a basis for termination.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive for his services a "Base Salary" of One Hundred Seventy-Five Thousand Dollars ($175,000) per year, to be paid in accordance with customary Company policies. The Base Salary shall be subject to increase or decrease according to policies and practices adopted by the Compensation Committee or the Board, as the case may be; provided, however, that in no event (i) shall the Base Salary for any year be decreased by more than ten percent (10%) from the immediately preceding year's Base Salary, and (ii) shall the Base Salary be less than One Hundred Seventy-Five Thousand Dollars ($175,000).

(b) Award Plans. During the Term, the Executive shall also be eligible for additional compensation in the form of a cash bonus, shares of stock in the Company, Restricted Stock and/or Options, according to the policies and practices adopted by the Compensation Committee or the Board, as the case may be, and the Executive shall be eligible to participate in the 2010 Plan and any other stock option, incentive compensation, profit participation, bonus or extra compensation plan that is adopted by the Company and in which the Company's executive officers generally participate (collectively, "Award Plans").

(c) Benefit Plans. During the Term, the Executive shall be entitled to participate in, and to all rights and benefits provided by, the health, life, medical, dental, disability, insurance and welfare plans that are maintained from time to time by the Company for the benefit of the Executive, the executives of the Company generally or for the Company's employees generally, provided that the Executive is eligible to participate in such plan under the eligibility provisions thereof that are generally applicable to the participants thereof (collectively, "Benefit Plans").

(d) Vacation. The Executive shall be entitled each year to vacation time, during which time his compensation shall be paid in full. The time allotted for such vacation shall be three (3) weeks, to be taken at such time or times as shall be mutually convenient and consistent with his duties and obligations to the Company. Vacation accrues based on the Executive's anniversary date. Any unused vacation shall not be carried into subsequent years.

(e) Overall Qualification. Nothing in this Agreement shall be construed as preventing the Company from modifying, suspending, discontinuing or terminating any of the Benefit Plans or Award Plans without notice or liability to the Executive so long as (i) the modification, suspension, discontinuation or termination of any such plan is authorized by and

performed in accordance with the specific provisions of such plan and (ii) such modification, suspension, discontinuation or termination is taken generally with respect to all similarly situated employees of the Company and does not single out or discriminate against the Executive.

5. Expenses. The Company recognizes that the Executive will have to incur certain out-of-pocket expenses, including but not limited to travel expenses, related to his services and the Company's business and the Company agrees to reimburse the Executive for all reasonable expenses necessarily incurred by him in the performance of his duties upon presentation of documentation indicating the amount and business purposes of any such expenses; provided, that the Executive complies with the Company's policies and procedures regarding business expenses.

6. Voluntary Termination; Termination With Cause. If the Executive shall cease being an employee of the Company on account of the Executive's Voluntary Termination or a Termination With Cause, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. In the event of a Voluntary Termination or a Termination With Cause, the Executive shall continue to be subject to the Confidentiality Agreement.

7. Termination Upon Death or Permanent Disability.

(a) Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death. Upon termination of employment due to the Executive's death, the Executive's estate shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, plus (iii) provided the Executive's heir(s) properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive's surviving spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive's estate shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans.

(b) Permanent Disability. In the event of the Executive's Permanent Disability, the Company may terminate the Executive's employment with the Company if the Executive does not return to the full-time performance of his duties within thirty (30) days after a Termination Notice is given. Upon termination of employment due to the Executive's Permanent Disability, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, and (iii) provided the Executive properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive and the Executive's spouse and

children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans. In the event of a termination of employment upon the Executive's Permanent Disability, the Executive shall continue to be subject to the Confidentiality Agreement.

(c) Life Insurance. Upon the Company's request, the Executive shall cooperate with the Company in obtaining "key man" life insurance on the life of the Executive with death benefits payable to the Company.

8. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment for any reason, or no reason at all, at any time, and the Executive may effect a Termination for Good Reason at any time; provided, that upon a Termination for Good Reason or a Termination Without Cause, except as otherwise provided in Section 9 of this Agreement, the Company shall provide the compensation and benefits set forth in this Section 8. The Executive may effect a Termination for Good Reason notwithstanding any incapacity due to physical or mental illness. In the event of a Termination Without Cause or a Termination for Good Reason, the Executive shall continue to be subject to the Confidentiality Agreement.

(a) Base Salary, Bonus, Benefit Plans and Award Plans. The Company shall pay to the Executive, on the Termination Date, a lump sum amount, which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date; plus (ii) the Executive's Base Salary in effect on the Termination Date; plus (iii) the average annual cash bonus paid to the Executive for the two (2) years preceding the year in which the Termination Date occurs; and (iv) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. In addition, provided the Executive properly elects COBRA continuation coverage, the Company shall reimburse the Executive for the cost of COBRA premiums for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 8(a) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then, the amount in excess of such limit shall be delayed for six (6) months following the Termination Date. The delayed amount shall be paid in a lump sum after the end of the six-month delay.

(b) Options; Restricted Stock. Notwithstanding the terms of any award agreement heretofore or hereafter granted to the Executive under any Award Plan, including, without limitation, the 2007 Plan and the 2010 Plan, or any other agreement granting the Executive Options or Restricted Stock (in each case, an "Award Agreement"), upon a Termination Without Cause or Termination for Good Reason, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A

purposes granted to the Executive shall become fully vested on the Termination Date and immediately prior to the time of termination. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. For purposes of an Award Agreement, a Termination for Good Reason shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of any conflict between the terms of this Section 8(b) and the terms of any Award Agreement granted to the Executive, the terms of this Section 8(b) shall control and govern.

9. Change of Control.

(a) Accelerated Vesting. Notwithstanding the terms of any Award Agreement heretofore or hereafter granted to the Executive, in the event of a Change of Control, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes shall become fully vested on the date of the Change of Control. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. In the event of any conflict between the terms of this Section 9(a) and the terms of any Award Agreement granted to the Executive, the terms of this Section 9(a) shall control and govern.

(b) Change of Control Termination. Notwithstanding any other provision in this Agreement to the contrary, in the event of a Change of Control Termination, the Company shall, on the Termination Date, pay the Executive a lump sum amount which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, plus (ii) the Executive's Base Salary in effect as of the Termination Date, plus (iii) the greater of (A) the average annual cash bonus paid to the Executive for the two years preceding the year in which the Termination Date occurs or (B) the Executive's target bonus, if any, for the year in which the Termination Date occurs, plus (iv) the product of (A) twelve (12) multiplied by (B) the monthly COBRA premium for health care continuation coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible, plus (v) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 9(b) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then the amount in excess of such limit shall be delayed for six (6) months following the Executive's Termination Date, and such delayed amount shall be paid in a lump sum after the end of the six-month delay. For purposes of any Award Agreement granted to the Executive, a Termination for Good Reason that is Change of Control Termination under this Agreement shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Change of Control Termination, the Executive shall continue to be subject to the Confidentiality Agreement.

10. Termination Upon Expiration. If the Executive shall cease being an employee of the Company on account of a Termination Upon Expiration, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive

(i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. In the event of any Termination Upon Expiration, the Executive shall continue to be subject to the Confidentiality Agreement. In the event of a Termination Upon Expiration caused by the Company (i.e., the Company gave notice to the Executive of the Company's election to not extend the Term pursuant to Section 3(a)), then for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Termination Upon Expiration caused by the Executive (i.e., the Executive gave notice to the Company of the Executive's election to not extend the Term pursuant to Section 3(a)), then for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute a voluntary termination of employment by the Executive.

11. Exclusive Remedy. To the extent permitted by applicable law, the payments contemplated by Section 7, Section 8 and Section 9 shall constitute the exclusive and sole remedy for any termination of the Executive's employment due to death or Permanent Disability, any Termination Without Cause or any Termination for Good Reason. The Executive agrees, for himself and any administrator, beneficiary, devisee, executor, heir, legatee or personal representative, (i) to not assert or pursue any remedies, other than an action to enforce the payments due to the Executive (or the Executive's estate) under this Agreement, at law or in equity, with respect to the termination of the Executive's employment under Section 7, Section 8 or Section 9, as applicable, and (ii) to execute a release and waiver on such terms and conditions as the Company may reasonably require as a condition of entitlement to such payments.

12. Confidentiality. The Executive shall enter into the Confidentiality Agreement. The Executive's execution of that agreement is a material inducement for the Company to enter into this Agreement. Therefore, this Agreement will be null and void unless the Executive enters into the Confidentiality Agreement.

13. Employment Status. The parties acknowledge and agree that the Executive is an employee of the Company, not an independent contractor. Any payments made to the Executive by the Company pursuant to this Agreement shall be treated for federal and state payroll tax purposes as payments made to a Company employee, irrespective whether such payments are made subsequent to the Termination Date.

14. Notices. All notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing and personally delivered or when deposited in the U.S. mail, certified, return receipt requested, postage prepaid, addressed to the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company:	One Commerce Square Suite 2550 Memphis, TN 38103 Attn: Chief Financial Officer
To the Executive:	Michael M. Moore 5 Musik Irvine, CA 92618

15. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and shall not be modified in any manner except by instrument in writing signed, by or on behalf of, the parties hereto. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. In the event of any inconsistencies between the terms of this Agreement and any Award Agreement, the terms of this Agreement shall govern.

16. Arbitration. Any controversy concerning or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Memphis, Shelby County, Tennessee at a location specified by the party seeking such arbitration.

(a) The Arbitrators. Any arbitration proceeding shall be conducted by three (3) Arbitrators and the decision of the Arbitrators shall be binding on all parties. Each Arbitrator shall have substantial experience and expert competence in the matters being arbitrated. The party desiring to submit any matter relating to this Agreement to arbitration shall do so by written notice to the other party, which notice shall set forth the items to be arbitrated, such party's choice of an Arbitrator, and such party's substantive position in the arbitration. The party receiving such notice shall, within fifteen (15) days after receipt of such notice, appoint an Arbitrator and notify the other party of its appointment and of its substantive position. The Arbitrators appointed by the parties to the Arbitration shall select an additional Arbitrator meeting the aforedescribed criteria. The Arbitrators shall be required to render a decision in accordance with the procedures set forth in Section 16(b) below within thirty (30) days after being notified of their selection. The fees of the Arbitrators shall be equally divided amongst the parties to the arbitration.

(b) Arbitration Procedures. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except to the extent the provisions of such are modified by this Agreement or the subsequent mutual agreement of the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Any party hereto may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this provision applies in any court having jurisdiction over such action in Shelby County, Tennessee, and the parties agree that jurisdiction and venue in Shelby County, Tennessee are appropriate and approved by such parties.

17. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without giving effect to conflict of laws principles thereof.

18. Assignment. The Executive acknowledges that his services are unique and personal. Accordingly, the Executive may not assign his rights or delegate his duties or obligations under this Agreement.

19. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Successors; Binding Agreement. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a beach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder upon a Change of Control Termination. The Company's rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the Company's successors and assigns.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

EXECUTIVE:

/s/ Michael M. Moore
Michael M. Moore

Exhibit A

SURGIVISION, INC.

NON-DISCLOSURE AND PROPRIETARY RIGHTS AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of Confidential Information (as defined in Section 2 below) and of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1 . Purpose of Agreement. Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that it is critical for the Company to preserve and protect its Confidential Information (as defined in Section 2 below), its rights in Inventions (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, Employee is entering into this Non-Disclosure and Proprietary Rights Agreement (this "Agreement") as a condition of his or her employment (or continued employment) with the Company, regardless of whether Employee is expected to create Inventions of value for the Company.

2 . Non-Disclosure of Confidential Information. At all times during his or her employment with the Company and thereafter, Employee will hold the Confidential Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Confidential Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Confidential Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.

For purposes of this Agreement, the term "Confidential Information" means, but is not limited to, all information that is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably knowable by the Company's competitors or by the general public through lawful means. Without limiting the generality of the foregoing, such Confidential Information also includes, but is not limited to, all Proprietary Rights (as defined in Section 3 below), all Third Party Information (as defined in Section 4 below) and all information regarding the Company's operations, research and development efforts, plans for products or services, methods of doing business, business strategies, customers, suppliers, service providers, manufacturers, business relations, product

prices and costs, markets, marketing plans, budgets and forecasts, financial information and/or Inventions, as well as information regarding the skills, know how and compensation of other employees of the Company. Confidential Information may be expressly designated as confidential or proprietary on its face (whether verbally, in writing or otherwise) or be of such a nature that a reasonable person under the circumstances should understand or believe it to be confidential or proprietary. Confidential Information may be oral, written, recorded magnetically or electronically or otherwise stored, and may be that which Employee originates as well as that which otherwise comes into the possession or knowledge of Employee.

3. Recognition of Company's Rights. Employee acknowledges and agrees that all Confidential Information will be the sole property of the Company and that the Company will be the sole owner of all patents, patent applications, design patents or registration, design patent applications, copyrights, mask works, trademarks, trade secrets and all other intellectual property rights throughout the world (collectively, "Proprietary Rights") in connection therewith. Accordingly, Employee hereby assigns and agrees to assign to the Company any rights Employee may have or acquire in any Confidential Information and Proprietary Rights.

4. Non-Disclosure of Third Party Information. Employee understands that the Company may from time to time receive from third parties confidential information ("Third Party Information"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. At all times during Employee's employment with the Company and thereafter, Employee will hold the Third Party Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Third Party Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Third Party Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Third Party Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company prevent its further unauthorized use or disclosure.

5 . Return of Information; Inspections. Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Confidential Information and all other tangible materials and devices provided to Employee as Confidential Information or containing Confidential Information, and/or, at the Company's option, certify destruction of the same. In addition, Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Third Party Information and all other tangible materials and devices provided to Employee as Third Party Information or containing Third Party Information, and/or, at the Company's option, certify destruction of the same. Upon termination of his or her employment with the Company, Employee will promptly deliver to the Company all property in Employee's possession, custody or control that is owned by the Company. Employee agrees that any property situated on the

Company's premises and owned by the Company, including, but not limited to, computers, disks and other storage media, is subject to inspection by Company personnel at any time without notice.

6. No Improper Use of Materials. During his or her employment with the Company, Employee will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or any other person to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom Employee has an obligation of confidentiality unless consented to in writing by that former employer or person.

7 . Assignment of Inventions. Employee hereby irrevocably assigns to the Company all right, title and interest of Employee in and to any and all Inventions (and all Proprietary Rights with respect thereto), whether or not patentable, copyrightable or protectable as trade secrets, made, conceived, reduced to practice or created by Employee, either alone or jointly with others, during the period of his or her employment with the Company. Employee acknowledges that all original works of authorship which are made by Employee (alone or jointly with others) within the scope of his or her employment and which are copyrightable are "works made for hire," as that term is defined in the United States Copyright Act. In addition to the foregoing assignment of Inventions (and all Proprietary Rights with respect thereto) to the Company, Employee hereby irrevocably assigns to the Company any and all Moral Rights (as defined below) that Employee may have in or with respect to any Invention, and Employee forever waives and agrees not to assert any and all Moral Rights he or she may have in or with respect to any Invention, even after termination of employment with the Company.

For purposes of this Agreement, the term "Inventions" means inventions, discoveries, improvements, designs, techniques, ideas, processes, compositions of matter, formulas, data, software programs, databases, mask works, works of authorship, know-how and trade secrets.

For purposes of this Agreement, the term "Moral Rights" means any right to claim authorship of an Invention, to object to or prevent the modification of any Invention, or to withdraw from circulation or control the publication or distribution of any Invention, and any similar right, existing under judicial or statutory law of any country or under any treaty, regardless of whether such right is denominated or generally referred to as a "moral right."

8 . Disclosure of Inventions. Employee will promptly disclose to the Company all Inventions that Employee makes, conceives, reduces to practice or creates, either alone or jointly with others, during the period of his or her employment with the Company. In addition, Employee will disclose to the Company all patent applications filed by Employee within three (3) years after termination of employment with the Company.

9 . Assistance. Employee agrees to assist the Company in every proper way to obtain and, from time to time, enforce United States and foreign Proprietary Rights relating to Inventions assigned hereunder to the Company in any and all countries. To that end, Employee will execute, verify and deliver such documents and perform such other acts (including

appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, Employee will execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee. Employee's obligation to assist the Company with respect to Proprietary Rights relating to Inventions in any and all countries will continue beyond the termination of Employee's employment, but the Company agrees to compensate Employee at a reasonable rate after Employee's termination for the time actually spent by Employee at the Company's request on such assistance. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on behalf of Employee (a) to execute, verify and file any document needed in connection with the actions specified in this section and (b) to do all other lawfully permitted acts to further the purposes of this section, in each case with the same legal force and effect as if executed or performed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

10. Prior Inventions. Inventions, if any, which Employee made prior to the commencement of his or her employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, Employee has set forth on Exhibit A hereto a complete list of all Inventions that Employee, whether alone or jointly with others, has conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to commencement of his or her employment with the Company, that Employee considers to be his or her property or the property of third parties and that Employee wishes to have expressly excluded from the scope of this Agreement.

11. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any person or entity that competes anywhere in the world with the Company in the conduct of the business of the Company as conducted or as proposed to be conducted (a "Competing Business"), nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

12. Non-Solicitation. During the term of his or her employment by the Company and for a period of two (2) years after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, (a) hire, engage or solicit to hire or engage any individual who is engaged as a contractor or consultant or employed by the Company or who was engaged as a contractor or consultant or employed by the Company within six months of the proposed solicitation, hire or engagement, (b) otherwise induce or attempt to induce any individual who is engaged as a contractor or consultant or employed by the Company to terminate such engagement or employment, (c) in any way interfere with the relationship between the Company and any individual who is engaged as a contractor or consultant or employed by the Company; (d) contact, solicit, divert, appropriate or call upon with the intent of doing business with (other than for the exclusive benefit of the Company) any customer of the

Company if the purpose of such activity is to solicit such customer or prospective customer for a Competing Business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Company or to otherwise interfere with the Company's relationship with such customer, or (e) in any way interfere with the Company's relationship with any supplier, manufacturer, service provider or other business relation of the Company.

13. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

14. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that given the importance to the Company of its Confidential Information, the post-employment restrictions on Employee's activities are likewise fair and reasonable.

15. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that, in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available to the Company whether at law or in equity. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

16. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles..

17. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this

Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

19. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

20. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

21. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

22. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

24. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

25. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

*****

/s/ Michael M. Moore
Employee Signature

June 3, 2010
Date

Michael M. Moore
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit A

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment with the Company that have been made, conceived, first reduced to practice or created by me, alone or jointly with others, prior to my employment with the Company that I desire to remove from the operation of the Company's Non-Disclosure and Proprietary Rights Agreement:

¨ No inventions or improvements

¨ See below:

_____

_____

_____

¨ Additional sheets attached.

I propose to bring to my employment the following materials and documents of a former employer:

¨ No materials or documents

¨ See below:

_____

_____

_____

¨ Additional sheets attached.

_____ _____

Employee Signature Date

_____

Employee Name

Exhibit 10.38

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of this 3rd day of June, 2010 but shall become effective only upon the consummation of the Company's initial public offering of its common stock (the "Effective Date"), by and between **SURGIVISION, INC.**, a Delaware corporation (the "Company"), and **CAROL J. BARBRE** (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to employ the Executive to serve as the Vice President, Product Management of the Company;

WHEREAS, the Company and the Executive each deem it necessary and desirable to execute a written document setting forth the terms and conditions of said relationship; and

WHEREAS, to the extent this Agreement provides for any "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement will be administered in compliance with Section 409A of the Code and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and mutual obligations hereinafter set forth, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"2007 Plan" means the Company's 2007 Stock Incentive Plan.

"2010 Plan" means the Company's 2010 Incentive Compensation Plan.

"Agreement" has the meaning set forth in the preamble above.

"Arbitrators" means the arbitrators selected to conduct any arbitration proceeding in connection with any disputes arising out of or relating to this Agreement.

"Award Agreement" has the meaning set forth in Section 8(b) of this Agreement.

"Award Plans" has the meaning set forth in Section 4(b) of this Agreement.

"Base Salary" means the annual salary to be paid to the Executive as set forth in Section 4(a) of this Agreement.

"Benefit Plans" has the meaning set forth in Section 4(c) of this Agreement.

"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence with respect to the Company of any of the following events: (i) a change in the ownership of the Company; (ii) a change in the effective control of the Company; or (iii) a change in the ownership of a substantial portion of the assets of the Company.

For purposes of this definition, a change in the ownership of the Company occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. A change in the effective control of the Company occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board prior to the date of the appointment or election. A change in the ownership of a substantial portion of the assets of the Company occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change of Control shall be based on objective facts and in accordance with the requirements of Section 409A of the Code. The Company and the Executive acknowledge and agree that the Company's initial public offering of Company Shares shall not constitute a Change of Control.

"Change of Control Termination" means (i) a Termination Without Cause or (ii) a Termination for Good Reason, in either case within four (4) months prior to, on, or within one (1) year after, a Change of Control.

"Code" has the meaning set forth in the recitals above.

"Company" has the meaning set forth in the preamble above.

"Company Shares" means shares of common stock of the Company or any securities of a successor company which shall have replaced such common stock.

"Compensation Committee" means the compensation committee of the Board.

"Confidentiality Agreement" means that certain Non-Disclosure and Proprietary Rights Agreement between the Company and the Executive in substantially the form attached hereto as Exhibit A.

"Effective Date" has the meaning set forth in the preamble above.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the preamble above.

"Option(s)" means (i) any option issued to the Executive pursuant to the 2007 Plan, the 2010 Plan or any other incentive plan adopted by the Company, (ii) other than options described in the preceding clause (i), any option issued to the Executive by the Company to purchase Company Shares, or (iii) any option granted under the plan of any successor company that replaces or assumes the Company's options.

"Permanent Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Permanent Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Company, the Executive must submit proof to the Company of the Social Security Administration's or the provider's determination.

"Restricted Stock" means (i) any restricted Company Shares issued to the Executive pursuant to the 2010 Plan or any other incentive plan adopted by the Company, or (ii) any restricted stock granted under the plan of any successor company that replaces or assumes the Company's restricted stock awards.

"Specified Employee" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise.

"Term" has the meaning assigned to it in Section 3(a) of this Agreement.

"Termination Date" means the date on which the employment of the Executive is terminated, which date shall be (i) in the case of the Executive's death, the date of death, (ii) in the case of the Executive's Permanent Disability, thirty (30) days after a Termination Notice is given, provided the Executive does not return to the full-time performance of [her duties within such thirty (30) day period, (iii) in the case of a Termination Upon Expiration, the date upon which the Term expires, (iv) in the case of a Termination With Cause, the date specified in the Termination Notice, or (v) in all other instances, the date specified as the Termination Date in the

Termination Notice, which date shall not be less than thirty (30) nor more than sixty (60) days from the date the Termination Notice is given.

"Termination for Good Reason" means the termination of the Executive's employment with the Company by the Executive based on any of the following circumstances, if, within the six (6) month period preceding the Executive's termination, the Executive notified the Company in writing of such circumstances within ninety (90) days of occurrence and the Company did not remedy such circumstances within thirty (30) days thereafter:

(i) a material demotion or diminution in the Executive's authority, duties or responsibilities without the Executive's consent;

(ii) the Company requiring the Executive to be based at any place other than a location within a fifty (50) mile radius of the Executive's work location as of the Effective Date without the Executive's consent, except for reasonably required travel on the Company's business; or

(iii) any action or inaction that constitutes a material breach by the Company of this Agreement.

"Termination Notice" means a written notice of termination of employment by the Executive or the Company.

"Termination of Employment" means the termination of the Executive's employment with the Company for reasons other than death or Permanent Disability. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Termination of Employment if the Executive continues to provide services as an employee of the Company or in any other capacity at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

"Termination Upon Expiration" means the termination of the Executive's employment upon the full expiration of the Term, including the full expiration of any extension thereof, following: (i) the Company's notice to the Executive of the Company's election to not extend the Term; or (ii) the Executive's notice to the Company of the Executive's election to not extend the Term, in each case as provided in Section 3(a) of this Agreement.

"Termination With Cause" means the termination of the Executive's employment by the Company for any of the following reasons: (i) the Executive's gross negligence or willful misconduct in the performance of the Executive's duties where such gross negligence or willful misconduct has resulted or is likely to result in substantial and material damage to the Company; (ii) the material violation by the Executive of any federal or state law or regulation or the Company's compliance program in the performance of the Executive's duties; (iii) the Executive's material breach of the

Confidentiality Agreement; (iv) the Executive's commission of any act of fraud with respect to the Company; (v) the Executive's conviction of, or the Executive's entry of a guilty plea or plea of nolo contendere with respect to, a felony; or (vi) the Executive's failure to perform duties consistent with this Agreement or the Executive's position or to follow or comply with the reasonable directives of the Board or the Executive's supervisor(s) (to the extent not inconsistent with the terms of this Agreement), provided that (A) the Executive shall have received written notice that specifically identifies the manner in which the Company believes that Executive has engaged in such failure and (B) the Executive shall not have cured such failure within thirty (30) days following receipt of such notice, provided further that such opportunity to cure a failure shall not apply if the Executive has received more than one notice with respect to the same or similar conduct pursuant to this clause (vi) during any twelve (12) consecutive month period.

"Termination Without Cause" means the termination of the Executive's employment by the Company for any reason other than (i) Termination With Cause, (ii) termination by the Company due to the Executive's death or Permanent Disability, or (iii) Termination Upon Expiration.

"Voluntary Termination" means the Executive's voluntary termination of her employment hereunder for any reason, other than a Termination for Good Reason. If the Executive gives a Termination Notice of Voluntary Termination and, prior to the Termination Date, the Executive voluntarily refuses or fails to provide substantially all the services described in Section 2 hereof for a period greater than two consecutive weeks, the Voluntary Termination shall be deemed to be effective as of the date on which the Executive so ceases to carry out her duties. Voluntary refusal to perform services shall not include (i) taking vacation otherwise permitted in accordance with Section 4(d) hereof, (ii) the Executive's failure to perform services on account of her illness or the illness of a member of the Executive's immediate family, provided such illness is adequately substantiated at the reasonable request of the Company, or (iii) any other absence from service with the written consent of the Board.

2. Employment; Services. The Company shall employ the Executive, and the Executive agrees to be so employed, in the capacity of the Vice President, Product Management of the Company to serve for the Term hereof, subject to earlier termination as hereinafter provided. The Executive shall assume and discharge such duties and responsibilities as are commensurate with the Executive's position. The Executive shall be a full-time employee of the Company and shall exert her best efforts and devote substantially all of her business time and attention to the Company's affairs and the performance of her duties hereunder.

3. Term; Termination.

(a) The term of the Executive's employment under this Agreement (the "Term") shall be one (1) year and shall commence as of the Effective Date. On the first anniversary of the Effective Date and each successive anniversary of the Effective Date, the Term shall be extended for an additional one (1) year period, unless one party gives notice to the other of such party's election to not extend the Term, which notice must be given no later than ninety (90) days prior to the end of the then-current Term. Notwithstanding the foregoing,

employment during the Term shall be subject to earlier termination in accordance with the terms of this Agreement.

(b) Any purported termination of employment by the Executive or the Company, other than by reason of the Executive's death, shall be communicated by a Termination Notice. The Termination Notice shall indicate the specific termination provision in this Agreement relied upon and set forth the facts and circumstances claimed to provide a basis for termination.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive for her services a "Base Salary" of One Hundred Seventy-Five Thousand Dollars ($175,000) per year, to be paid in accordance with customary Company policies. The Base Salary shall be subject to increase or decrease according to policies and practices adopted by the Compensation Committee or the Board, as the case may be; provided, however, that in no event (i) shall the Base Salary for any year be decreased by more than ten percent (10%) from the immediately preceding year's Base Salary, and (ii) shall the Base Salary be less than One Hundred Seventy-Five Thousand Dollars ($175,000).

(b) Award Plans. During the Term, the Executive shall also be eligible for additional compensation in the form of a cash bonus, shares of stock in the Company, Restricted Stock and/or Options, according to the policies and practices adopted by the Compensation Committee or the Board, as the case may be, and the Executive shall be eligible to participate in the 2010 Plan and any other stock option, incentive compensation, profit participation, bonus or extra compensation plan that is adopted by the Company and in which the Company's executive officers generally participate (collectively, "Award Plans").

(c) Benefit Plans. During the Term, the Executive shall be entitled to participate in, and to all rights and benefits provided by, the health, life, medical, dental, disability, insurance and welfare plans that are maintained from time to time by the Company for the benefit of the Executive, the executives of the Company generally or for the Company's employees generally, provided that the Executive is eligible to participate in such plan under the eligibility provisions thereof that are generally applicable to the participants thereof (collectively, "Benefit Plans").

(d) Vacation. The Executive shall be entitled each year to vacation time, during which time her compensation shall be paid in full. The time allotted for such vacation shall be three (3) weeks, to be taken at such time or times as shall be mutually convenient and consistent with her duties and obligations to the Company. Vacation accrues based on the Executive's anniversary date. Any unused vacation shall not be carried into subsequent years.

(e) Overall Qualification. Nothing in this Agreement shall be construed as preventing the Company from modifying, suspending, discontinuing or terminating any of the Benefit Plans or Award Plans without notice or liability to the Executive so long as (i) the modification, suspension, discontinuation or termination of any such plan is authorized by and

performed in accordance with the specific provisions of such plan and (ii) such modification, suspension, discontinuation or termination is taken generally with respect to all similarly situated employees of the Company and does not single out or discriminate against the Executive.

5. Expenses. The Company recognizes that the Executive will have to incur certain out-of-pocket expenses, including but not limited to travel expenses, related to her services and the Company's business and the Company agrees to reimburse the Executive for all reasonable expenses necessarily incurred by her in the performance of her duties upon presentation of documentation indicating the amount and business purposes of any such expenses; provided, that the Executive complies with the Company's policies and procedures regarding business expenses.

6. Voluntary Termination; Termination With Cause. If the Executive shall cease being an employee of the Company on account of the Executive's Voluntary Termination or a Termination With Cause, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. In the event of a Voluntary Termination or a Termination With Cause, the Executive shall continue to be subject to the Confidentiality Agreement.

7. Termination Upon Death or Permanent Disability.

(a) Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death. Upon termination of employment due to the Executive's death, the Executive's estate shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, plus (iii) provided the Executive's heir(s) properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive's surviving spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive's estate shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans.

(b) Permanent Disability. In the event of the Executive's Permanent Disability, the Company may terminate the Executive's employment with the Company if the Executive does not return to the full-time performance of her duties within thirty (30) days after a Termination Notice is given. Upon termination of employment due to the Executive's Permanent Disability, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5, and (iii) provided the Executive properly elects COBRA continuation coverage, reimbursement of the COBRA premium for health care coverage for the Executive and the Executive's spouse and

children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. In addition, the Executive shall be entitled to any vested benefits under the Company's Award Plans and Benefit Plans as of the Termination Date, in accordance with the terms of such plans. In the event of a termination of employment upon the Executive's Permanent Disability, the Executive shall continue to be subject to the Confidentiality Agreement.

(c) Life Insurance. Upon the Company's request, the Executive shall cooperate with the Company in obtaining "key man" life insurance on the life of the Executive with death benefits payable to the Company.

8. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment for any reason, or no reason at all, at any time, and the Executive may effect a Termination for Good Reason at any time; provided, that upon a Termination for Good Reason or a Termination Without Cause, except as otherwise provided in Section 9 of this Agreement, the Company shall provide the compensation and benefits set forth in this Section 8. The Executive may effect a Termination for Good Reason notwithstanding any incapacity due to physical or mental illness. In the event of a Termination Without Cause or a Termination for Good Reason, the Executive shall continue to be subject to the Confidentiality Agreement.

(a) Base Salary, Bonus, Benefit Plans and Award Plans. The Company shall pay to the Executive, on the Termination Date, a lump sum amount, which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date; plus (ii) the Executive's Base Salary in effect on the Termination Date; plus (iii) the average annual cash bonus paid to the Executive for the two (2) years preceding the year in which the Termination Date occurs; and (iv) reimbursement of business expenses to which the Executive is entitled as of the Termination Date pursuant to Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. In addition, provided the Executive properly elects COBRA continuation coverage, the Company shall reimburse the Executive for the cost of COBRA premiums for health care coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible for any elected coverage, for up to twelve (12) months following the Termination Date. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 8(a) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then, the amount in excess of such limit shall be delayed for six (6) months following the Termination Date. The delayed amount shall be paid in a lump sum after the end of the six-month delay.

(b) Options; Restricted Stock. Notwithstanding the terms of any award agreement heretofore or hereafter granted to the Executive under any Award Plan, including, without limitation, the 2007 Plan and the 2010 Plan, or any other agreement granting the Executive Options or Restricted Stock (in each case, an "Award Agreement"), upon a Termination Without Cause or Termination for Good Reason, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A

purposes granted to the Executive shall become fully vested on the Termination Date and immediately prior to the time of termination. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. For purposes of an Award Agreement, a Termination for Good Reason shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of any conflict between the terms of this Section 8(b) and the terms of any Award Agreement granted to the Executive, the terms of this Section 8(b) shall control and govern.

9. Change of Control.

(a) Accelerated Vesting. Notwithstanding the terms of any Award Agreement heretofore or hereafter granted to the Executive, in the event of a Change of Control, all Options and Restricted Stock granted to the Executive which do not constitute deferred compensation for Code Section 409A purposes shall become fully vested on the date of the Change of Control. The Executive shall have the right to exercise any such Options in a manner provided for in the applicable Award Agreement. In the event of any conflict between the terms of this Section 9(a) and the terms of any Award Agreement granted to the Executive, the terms of this Section 9(a) shall control and govern.

(b) Change of Control Termination. Notwithstanding any other provision in this Agreement to the contrary, in the event of a Change of Control Termination, the Company shall, on the Termination Date, pay the Executive a lump sum amount which is equal to the sum of (i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, plus (ii) the Executive's Base Salary in effect as of the Termination Date, plus (iii) the greater of (A) the average annual cash bonus paid to the Executive for the two years preceding the year in which the Termination Date occurs or (B) the Executive's target bonus, if any, for the year in which the Termination Date occurs, plus (iv) the product of (A) twelve (12) multiplied by (B) the monthly COBRA premium for health care continuation coverage for the Executive and the Executive's spouse and children, as applicable and to the extent eligible, plus (v) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. The Company shall also pay the Executive any amounts due to the Executive pursuant to the terms of any Award Plans and/or Benefit Plans in which the Executive was a participant, in accordance with the terms of such plans. Notwithstanding the foregoing, if the Executive is a Specified Employee and the total of the payments under this Section 9(b) exceeds the limit set forth in Treas. Reg. §1.409A-1(b)(9)(iii)(A) (related to separation pay), then the amount in excess of such limit shall be delayed for six (6) months following the Executive's Termination Date, and such delayed amount shall be paid in a lump sum after the end of the six-month delay. For purposes of any Award Agreement granted to the Executive, a Termination for Good Reason that is Change of Control Termination under this Agreement shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Change of Control Termination, the Executive shall continue to be subject to the Confidentiality Agreement.

10. Termination Upon Expiration. If the Executive shall cease being an employee of the Company on account of a Termination Upon Expiration, the Executive shall have no further rights against the Company hereunder after the Termination Date, except for the right to receive

(i) any Base Salary and bonus compensation earned but unpaid as of the Termination Date, and (ii) reimbursement of business expenses to which the Executive is entitled as of the Termination Date under Section 5. In the event of any Termination Upon Expiration, the Executive shall continue to be subject to the Confidentiality Agreement. In the event of a Termination Upon Expiration caused by the Company (i.e., the Company gave notice to the Executive of the Company's election to not extend the Term pursuant to Section 3(a)), then for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute an involuntary termination of the Executive's employment by the Company, and not a voluntary termination by the Executive. In the event of a Termination Upon Expiration caused by the Executive (i.e., the Executive gave notice to the Company of the Executive's election to not extend the Term pursuant to Section 3(a)), then for purposes of any Award Agreement granted to the Executive, the Termination Upon Expiration shall constitute a voluntary termination of employment by the Executive.

11. Exclusive Remedy. To the extent permitted by applicable law, the payments contemplated by Section 7, Section 8 and Section 9 shall constitute the exclusive and sole remedy for any termination of the Executive's employment due to death or Permanent Disability, any Termination Without Cause or any Termination for Good Reason. The Executive agrees, for herself and any administrator, beneficiary, devisee, executor, heir, legatee or personal representative, (i) to not assert or pursue any remedies, other than an action to enforce the payments due to the Executive (or the Executive's estate) under this Agreement, at law or in equity, with respect to the termination of the Executive's employment under Section 7, Section 8 or Section 9, as applicable, and (ii) to execute a release and waiver on such terms and conditions as the Company may reasonably require as a condition of entitlement to such payments.

12. Confidentiality. The Executive shall enter into the Confidentiality Agreement. The Executive's execution of that agreement is a material inducement for the Company to enter into this Agreement. Therefore, this Agreement will be null and void unless the Executive enters into the Confidentiality Agreement.

13. Employment Status. The parties acknowledge and agree that the Executive is an employee of the Company, not an independent contractor. Any payments made to the Executive by the Company pursuant to this Agreement shall be treated for federal and state payroll tax purposes as payments made to a Company employee, irrespective whether such payments are made subsequent to the Termination Date.

14. Notices. All notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing and personally delivered or when deposited in the U.S. mail, certified, return receipt requested, postage prepaid, addressed to the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company:	One Commerce Square Suite 2550 Memphis, TN 38103 Attn: Chief Financial Officer
To the Executive:	Carol J. Barbre 5 Musik Irvine, CA 92618

15. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and shall not be modified in any manner except by instrument in writing signed, by or on behalf of, the parties hereto. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto. In the event of any inconsistencies between the terms of this Agreement and any Award Agreement, the terms of this Agreement shall govern.

16. Arbitration. Any controversy concerning or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Memphis, Shelby County, Tennessee at a location specified by the party seeking such arbitration.

(a) The Arbitrators. Any arbitration proceeding shall be conducted by three (3) Arbitrators and the decision of the Arbitrators shall be binding on all parties. Each Arbitrator shall have substantial experience and expert competence in the matters being arbitrated. The party desiring to submit any matter relating to this Agreement to arbitration shall do so by written notice to the other party, which notice shall set forth the items to be arbitrated, such party's choice of an Arbitrator, and such party's substantive position in the arbitration. The party receiving such notice shall, within fifteen (15) days after receipt of such notice, appoint an Arbitrator and notify the other party of its appointment and of its substantive position. The Arbitrators appointed by the parties to the Arbitration shall select an additional Arbitrator meeting the aforedescribed criteria. The Arbitrators shall be required to render a decision in accordance with the procedures set forth in Section 16(b) below within thirty (30) days after being notified of their selection. The fees of the Arbitrators shall be equally divided amongst the parties to the arbitration.

(b) Arbitration Procedures. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except to the extent the provisions of such are modified by this Agreement or the subsequent mutual agreement of the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Any party hereto may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this provision applies in any court having jurisdiction over such action in Shelby County, Tennessee, and the parties agree that jurisdiction and venue in Shelby County, Tennessee are appropriate and approved by such parties.

17. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without giving effect to conflict of laws principles thereof.

18. Assignment. The Executive acknowledges that her services are unique and personal. Accordingly, the Executive may not assign her rights or delegate her duties or obligations under this Agreement.

19. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Successors; Binding Agreement. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a beach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder upon a Change of Control Termination. The Company's rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the Company's successors and assigns.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

EXECUTIVE:

/s/ Carol J. Barbre
Carol J. Barbre

Exhibit A

SURGIVISION, INC.

NON-DISCLOSURE AND PROPRIETARY RIGHTS AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of Confidential Information (as defined in Section 2 below) and of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1 . Purpose of Agreement. Employee understands that the Company is engaged in a continuous program of research, development, production and marketing in connection with its business and that it is critical for the Company to preserve and protect its Confidential Information (as defined in Section 2 below), its rights in Inventions (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, Employee is entering into this Non-Disclosure and Proprietary Rights Agreement (this "Agreement") as a condition of his or her employment (or continued employment) with the Company, regardless of whether Employee is expected to create Inventions of value for the Company.

2 . Non-Disclosure of Confidential Information. At all times during his or her employment with the Company and thereafter, Employee will hold the Confidential Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Confidential Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Confidential Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company regain possession of the Confidential Information and prevent its further unauthorized use or disclosure.

For purposes of this Agreement, the term "Confidential Information" means, but is not limited to, all information that is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably knowable by the Company's competitors or by the general public through lawful means. Without limiting the generality of the foregoing, such Confidential Information also includes, but is not limited to, all Proprietary Rights (as defined in Section 3 below), all Third Party Information (as defined in Section 4 below) and all information regarding the Company's operations, research and development efforts, plans for products or services, methods of doing business, business strategies, customers, suppliers, service providers, manufacturers, business relations, product

prices and costs, markets, marketing plans, budgets and forecasts, financial information and/or Inventions, as well as information regarding the skills, know how and compensation of other employees of the Company. Confidential Information may be expressly designated as confidential or proprietary on its face (whether verbally, in writing or otherwise) or be of such a nature that a reasonable person under the circumstances should understand or believe it to be confidential or proprietary. Confidential Information may be oral, written, recorded magnetically or electronically or otherwise stored, and may be that which Employee originates as well as that which otherwise comes into the possession or knowledge of Employee.

3. Recognition of Company's Rights. Employee acknowledges and agrees that all Confidential Information will be the sole property of the Company and that the Company will be the sole owner of all patents, patent applications, design patents or registration, design patent applications, copyrights, mask works, trademarks, trade secrets and all other intellectual property rights throughout the world (collectively, "Proprietary Rights") in connection therewith. Accordingly, Employee hereby assigns and agrees to assign to the Company any rights Employee may have or acquire in any Confidential Information and Proprietary Rights.

4. Non-Disclosure of Third Party Information. Employee understands that the Company may from time to time receive from third parties confidential information ("Third Party Information"), subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. At all times during Employee's employment with the Company and thereafter, Employee will hold the Third Party Information in strictest confidence and Employee will not disclose, communicate, reproduce, copy, publish, license, distribute, modify, adapt, transmit, reverse engineer, decompile, disassemble or use any Third Party Information, except (a) as may be necessary for Employee to perform his or her duties as an employee of the Company for the exclusive benefit of the Company or (b) to the extent an officer of the Company expressly authorizes such in writing. Employee will take all appropriate action, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Third Party Information and to satisfy Employee's obligations under this Agreement. Employee will notify the Company immediately upon discovery of any loss, misuse, misappropriation or disclosure of Third Party Information or any other breach of this Agreement by Employee, and Employee will cooperate with the Company in every reasonable way to help the Company prevent its further unauthorized use or disclosure.

5 . Return of Information; Inspections. Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Confidential Information and all other tangible materials and devices provided to Employee as Confidential Information or containing Confidential Information, and/or, at the Company's option, certify destruction of the same. In addition, Employee will, at the Company's request and/or upon termination of the employment relationship for any reason, return all originals, copies, reproductions and summaries of any Third Party Information and all other tangible materials and devices provided to Employee as Third Party Information or containing Third Party Information, and/or, at the Company's option, certify destruction of the same. Upon termination of his or her employment with the Company, Employee will promptly deliver to the Company all property in Employee's possession, custody or control that is owned by the Company. Employee agrees that any property situated on the

Company's premises and owned by the Company, including, but not limited to, computers, disks and other storage media, is subject to inspection by Company personnel at any time without notice.

6. No Improper Use of Materials. During his or her employment with the Company, Employee will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or any other person to whom Employee has an obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom Employee has an obligation of confidentiality unless consented to in writing by that former employer or person.

7 . Assignment of Inventions. Employee hereby irrevocably assigns to the Company all right, title and interest of Employee in and to any and all Inventions (and all Proprietary Rights with respect thereto), whether or not patentable, copyrightable or protectable as trade secrets, made, conceived, reduced to practice or created by Employee, either alone or jointly with others, during the period of his or her employment with the Company. Employee acknowledges that all original works of authorship which are made by Employee (alone or jointly with others) within the scope of his or her employment and which are copyrightable are "works made for hire," as that term is defined in the United States Copyright Act. In addition to the foregoing assignment of Inventions (and all Proprietary Rights with respect thereto) to the Company, Employee hereby irrevocably assigns to the Company any and all Moral Rights (as defined below) that Employee may have in or with respect to any Invention, and Employee forever waives and agrees not to assert any and all Moral Rights he or she may have in or with respect to any Invention, even after termination of employment with the Company.

For purposes of this Agreement, the term "Inventions" means inventions, discoveries, improvements, designs, techniques, ideas, processes, compositions of matter, formulas, data, software programs, databases, mask works, works of authorship, know-how and trade secrets.

For purposes of this Agreement, the term "Moral Rights" means any right to claim authorship of an Invention, to object to or prevent the modification of any Invention, or to withdraw from circulation or control the publication or distribution of any Invention, and any similar right, existing under judicial or statutory law of any country or under any treaty, regardless of whether such right is denominated or generally referred to as a "moral right."

8 . Disclosure of Inventions. Employee will promptly disclose to the Company all Inventions that Employee makes, conceives, reduces to practice or creates, either alone or jointly with others, during the period of his or her employment with the Company. In addition, Employee will disclose to the Company all patent applications filed by Employee within three (3) years after termination of employment with the Company.

9 . Assistance. Employee agrees to assist the Company in every proper way to obtain and, from time to time, enforce United States and foreign Proprietary Rights relating to Inventions assigned hereunder to the Company in any and all countries. To that end, Employee will execute, verify and deliver such documents and perform such other acts (including

appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, Employee will execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee. Employee's obligation to assist the Company with respect to Proprietary Rights relating to Inventions in any and all countries will continue beyond the termination of Employee's employment, but the Company agrees to compensate Employee at a reasonable rate after Employee's termination for the time actually spent by Employee at the Company's request on such assistance. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on behalf of Employee (a) to execute, verify and file any document needed in connection with the actions specified in this section and (b) to do all other lawfully permitted acts to further the purposes of this section, in each case with the same legal force and effect as if executed or performed by Employee. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

10. Prior Inventions. Inventions, if any, which Employee made prior to the commencement of his or her employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, Employee has set forth on Exhibit A hereto a complete list of all Inventions that Employee, whether alone or jointly with others, has conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to commencement of his or her employment with the Company, that Employee considers to be his or her property or the property of third parties and that Employee wishes to have expressly excluded from the scope of this Agreement.

11. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any person or entity that competes anywhere in the world with the Company in the conduct of the business of the Company as conducted or as proposed to be conducted (a "Competing Business"), nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

12. Non-Solicitation. During the term of his or her employment by the Company and for a period of two (2) years after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, (a) hire, engage or solicit to hire or engage any individual who is engaged as a contractor or consultant or employed by the Company or who was engaged as a contractor or consultant or employed by the Company within six months of the proposed solicitation, hire or engagement, (b) otherwise induce or attempt to induce any individual who is engaged as a contractor or consultant or employed by the Company to terminate such engagement or employment, (c) in any way interfere with the relationship between the Company and any individual who is engaged as a contractor or consultant or employed by the Company; (d) contact, solicit, divert, appropriate or call upon with the intent of doing business with (other than for the exclusive benefit of the Company) any customer of the

Company if the purpose of such activity is to solicit such customer or prospective customer for a Competing Business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Company or to otherwise interfere with the Company's relationship with such customer, or (e) in any way interfere with the Company's relationship with any supplier, manufacturer, service provider or other business relation of the Company.

13. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

14. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that given the importance to the Company of its Confidential Information, the post-employment restrictions on Employee's activities are likewise fair and reasonable.

15. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that, in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available to the Company whether at law or in equity. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

16. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles..

17. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

18. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this

Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

19. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

20. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

21. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

22. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

24. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

25. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

*****

/s/ Carol J. Barbre
Employee Signature

June 3, 2010
Date

Carol J. Barbre
Employee Name

Accepted by:

SurgiVision, Inc.

By: /s/ Kimble L. Jenkins
Name: Kimble L. Jenkins
Title: President and Chief Executive Officer

Exhibit A

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment with the Company that have been made, conceived, first reduced to practice or created by me, alone or jointly with others, prior to my employment with the Company that I desire to remove from the operation of the Company's Non-Disclosure and Proprietary Rights Agreement:

- ¨ No inventions or improvements
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

I propose to bring to my employment the following materials and documents of a former employer:

- ¨ No materials or documents
- ¨ See below:

_____

_____

_____

- ¨ Additional sheets attached.

_____ _____

Employee Signature Date

_____

Employee Name

Exhibit 10.39

June 2, 2010

Dr. Paul A. Bottomley
601 N. Caroline St
John Hopkins University
Dept of Radiology JHOPC 4221
Baltimore, MD 21287

Re: Amended and Restated Key Personnel Incentive Award Agreement

Dear Paul:

This letter (this "Letter Agreement") sets forth the agreement between you and SurgiVision, Inc., a Delaware corporation (the "Company"), regarding the terms upon which you are eligible to receive an incentive bonus payment (the "Incentive Payment") pursuant to the Company's Amended and Restated Key Personnel Incentive Program (the "Program"), a copy of which is attached hereto and the terms of which are incorporated herein. This Letter Agreement supersedes and replaces the prior Letter Agreement between you and the Company dated May 15, 2007. This Letter Agreement is in addition to, and not in substitution for, any other agreements between you and the Company, and the Incentive Payment is in addition to, and not in substitution for, any other compensation or benefits to which you otherwise are entitled or eligible.

1. Incentive Payment Upon Triggering Event. The amount of your Incentive Payment with respect to a Triggering Event will be equal to your Individual Share multiplied by the Maximum Program Amount. Your "Individual Share" is thirty three and 33/100 percent (33.33%) of the Maximum Program Amount. Therefore, your Maximum Incentive Payment is $1,000,000. Notwithstanding the foregoing, your Incentive Payment with respect to any Triggering Event shall be reduced by your Service Payments, in accordance with the terms of the Program.

2. Service Payments. Provided that on each of the following dates this Letter Agreement has not been terminated pursuant to Section 4.1, Section 4.2 or Section 4.3 of the Program, a Service Payment will be made to you in the following amounts:

June 30, 2012	$125,000.00
December 31, 2012	$125,000.00
June 30, 2013	$125,000.00
December 31, 2013	$125,000.00
June 30, 2014	$125,000.00
December 31, 2014	$125,000.00
June 30, 2015	$125,000.00
December 31, 2015	$125,000.00

; provided, however, any Service Payment that would otherwise be due after March 15 of the year following the year in which your employment or consultancy with the Company terminates pursuant to Section 4.2 or Section 4.3 of the Program, shall instead be paid on March 15 of the year following the termination year.

3. Term. Unless earlier terminated as provided in Section 4 of the Program, this Letter Agreement will expire and terminate upon the earlier to occur of (a) December 31, 2015, or (b) the consummation of a Triggering Event; provided, however, that upon any such termination the terms of this Letter Agreement will survive to the extent, but only to the extent, necessary for the Company to satisfy its obligations to you that result from such Triggering Event or any unpaid Service Payments.

4. Program Governs. You acknowledge receipt of a copy of the Program and agree to be bound by all the terms and provisions thereof. The terms of this Letter Agreement are governed by the terms of the Program, and in the case of any inconsistency between the terms of this Letter Agreement and the terms of the Program, the terms of the Program will govern.

5. Definitions. For purposes of this Letter Agreement, capitalized terms not expressly defined herein will have the meanings ascribed to those terms in the Program.

6. Amendments. At any time prior to the consummation of a Triggering Event, the Company, through the Committee, may amend or alter the terms of this Letter Agreement and/or the Program; provided, however, that any such amendment or alteration that impairs your rights under this Letter Agreement or the Program will require your prior consent.

7. Non-Transferable. You acknowledge and agree that your rights under this Letter Agreement may not be transferred, conveyed, encumbered or assigned, whether voluntarily or involuntarily.

8. Counterparts. This Letter Agreement may be executed in counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

9. Certain Tax Implications. Notwithstanding anything herein to the contrary, to the extent the Committee determines in good faith that your Incentive Payment would constitute an “excess parachute payment” (as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”)) when taking into account all factors contemplated by Section 280G of the Code, the amount of your Incentive Payment may be reduced by the amount necessary to prevent your Incentive Payment from creating or increasing an “excess parachute payment” under Section 280G of the Code, as determined in good faith by the Committee.

If this Letter Agreement sets forth our agreement on the subject matter hereof, kindly sign and return this letter to the Company.

Sincerely,

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Kimble L. Jenkins
Chief Executive Officer

Accepted and agreed to as of this 3rd day of June, 2010.

/s/ Paul A. Bottomley
Paul A. Bottomley

Exhibit 10.40

June 2, 2010

Dr. Paul A. Bottomley
601 N. Caroline St
John Hopkins University
Dept of Radiology JHOPC 4221
Baltimore, MD 21287

Re: Key Personnel Incentive Award Agreement

Dear Paul:

This letter (this "Letter Agreement") sets forth the agreement between you and SurgiVision, Inc., a Delaware corporation (the "Company"), regarding the terms upon which you are eligible to receive an incentive bonus payment (the "Incentive Payment") pursuant to the Company's Amended and Restated Key Personnel Incentive Program (the "Program"), a copy of which is attached hereto and the terms of which are incorporated herein. This Letter Agreement is in addition to, and not in substitution for, the Amended and Restated Letter Agreement between you and the Company of even date herewith. This Letter Agreement is also in addition to, and not in substitution for, any other agreements between you and the Company, and the Incentive Payment is in addition to, and not in substitution for, any other compensation or benefits to which you are otherwise entitled or eligible.

1. Incentive Payment Upon Triggering Event. The amount of your Incentive Payment with respect to a Triggering Event will be equal to your Individual Share multiplied by the amount of the Bonus Pool. Your "Individual Share" is twenty three and 33/100 percent (23.33%) of the amount of the Bonus Pool. Notwithstanding the foregoing, your Incentive Payment with respect to any Triggering Event shall be reduced by your Service Payments, in accordance with the terms of the Program.

2. Service Payments. Provided that on each of the following dates, this Letter Agreement has not been terminated pursuant to Sections 4.1, 4.2 or 4.3 of the Program, a Service Payment will be made to you in the following amounts:

June 30, 2012	$87,500.00
December 31, 2012	$87,500.00
June 30, 2013	$87,500.00
December 31, 2013	$87,500.00
June 30, 2014	$87,500.00
December 31, 2014	$87,500.00
June 30, 2015	$87,500.00
December 31, 2015	$87,500.00

; provided, however, any Service Payment that would otherwise be due after March 15 of the year following the year in which your employment or consultancy with the Company terminates

pursuant to Section 4.2 or Section 4.3 of the Program, shall instead be paid on March 15 of the year following the termination year.

3. Term. Unless earlier terminated as provided in Section 4 of the Program, this Letter Agreement will expire and terminate upon the earlier to occur of (a) December 31, 2015, or (b) the consummation of a Triggering Event; provided, however, that upon any such termination the terms of this Letter Agreement will survive to the extent, but only to the extent, necessary for the Company to satisfy its obligations to you that result from such Triggering Event or any unpaid Service Payments.

4. Program Governs. You acknowledge receipt of a copy of the Program and agree to be bound by all the terms and provisions thereof. The terms of this Letter Agreement are governed by the terms of the Program, and in the case of any inconsistency between the terms of this Letter Agreement and the terms of the Program, the terms of the Program will govern.

5. Definitions. For purposes of this Letter Agreement, capitalized terms not expressly defined herein will have the meanings ascribed to those terms in the Program.

6. Amendments. At any time prior to the consummation of a Triggering Event, the Company, through the Committee, may amend or alter the terms of this Letter Agreement and/or the Program; provided, however, that any such amendment or alteration that impairs your rights under this Letter Agreement or the Program will require your prior consent.

7. Non-Transferable. You acknowledge and agree that your rights under this Letter Agreement may not be transferred, conveyed, encumbered or assigned, whether voluntarily or involuntarily.

8. Counterparts. This Letter Agreement may be executed in counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

9. Certain Tax Implications. Notwithstanding anything herein to the contrary, to the extent the Committee determines in good faith that your Incentive Payment would constitute an “excess parachute payment” (as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”)) when taking into account all factors contemplated by Section 280G of the Code, the amount of your Incentive Payment may be reduced by the amount necessary to prevent your Incentive Payment from creating or increasing an “excess parachute payment” under Section 280G of the Code, as determined in good faith by the Committee.

If this Letter Agreement sets forth our agreement on the subject matter hereof, kindly sign and return this letter to the Company.

Sincerely,

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Kimble L. Jenkins
Chief Executive Officer

Accepted and agreed to as of this 3rd day of June, 2010.

/s/ Paul A. Bottomley
Paul A. Bottomley

Exhibit 10.41

June 2, 2010

Parag V. Karmarkar
1101 East 33rd St.
Suite B307
Baltimore, MD 21218

Re: Amended and Restated Key Personnel Incentive Award Agreement

Dear Perry:

This letter (this "Letter Agreement") sets forth the agreement between you and SurgiVision, Inc., a Delaware corporation (the "Company"), regarding the terms upon which you are eligible to receive an incentive bonus payment (the "Incentive Payment") pursuant to the Company's Amended and Restated Key Personnel Incentive Program (the "Program"), a copy of which is attached hereto and the terms of which are incorporated herein. This Letter Agreement supersedes and replaces the prior Letter Agreement between you and the Company dated May 15, 2007. This Letter Agreement is in addition to, and not in substitution for, any other agreements between you and the Company, and the Incentive Payment is in addition to, and not in substitution for, any other compensation or benefits to which you otherwise are entitled or eligible.

1. Incentive Payment Upon Triggering Event. The amount of your Incentive Payment with respect to a Triggering Event will be equal to your Individual Share multiplied by the Maximum Program Amount. Your "Individual Share" is thirty three and 33/100 percent (33.33%) of the Maximum Program Amount. Therefore, your Maximum Incentive Payment is $1,000,000. Notwithstanding the foregoing, your Incentive Payment with respect to any Triggering Event shall be reduced by your Service Payments, in accordance with the terms of the Program.

2. Service Payments. Provided that on each of the following dates this Letter Agreement has not been terminated pursuant to Section 4.1, Section 4.2 or Section 4.3 of the Program, a Service Payment will be made to you in the following amounts:

June 30, 2012	$125,000.00
December 31, 2012	$125,000.00
June 30, 2013	$125,000.00
December 31, 2013	$125,000.00
June 30, 2014	$125,000.00
December 31, 2014	$125,000.00
June 30, 2015	$125,000.00
December 31, 2015	$125,000.00

; provided, however, any Service Payment that would otherwise be due after March 15 of the

year following the year in which your employment or consultancy with the Company terminates pursuant to Section 4.2 or Section 4.3 of the Program, shall instead be paid on March 15 of the year following the termination year.

3. Term. Unless earlier terminated as provided in Section 4 of the Program, this Letter Agreement will expire and terminate upon the earlier to occur of (a) December 31, 2015, or (b) the consummation of a Triggering Event; provided, however, that upon any such termination the terms of this Letter Agreement will survive to the extent, but only to the extent, necessary for the Company to satisfy its obligations to you that result from such Triggering Event or any unpaid Service Payments.

4. Program Governs. You acknowledge receipt of a copy of the Program and agree to be bound by all the terms and provisions thereof. The terms of this Letter Agreement are governed by the terms of the Program, and in the case of any inconsistency between the terms of this Letter Agreement and the terms of the Program, the terms of the Program will govern.

5. Definitions. For purposes of this Letter Agreement, capitalized terms not expressly defined herein will have the meanings ascribed to those terms in the Program.

6. Amendments. At any time prior to the consummation of a Triggering Event, the Company, through the Committee, may amend or alter the terms of this Letter Agreement and/or the Program; provided, however, that any such amendment or alteration that impairs your rights under this Letter Agreement or the Program will require your prior consent.

7. Non-Transferable. You acknowledge and agree that your rights under this Letter Agreement may not be transferred, conveyed, encumbered or assigned, whether voluntarily or involuntarily.

8. Counterparts. This Letter Agreement may be executed in counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

9. Certain Tax Implications. Notwithstanding anything herein to the contrary, to the extent the Committee determines in good faith that your Incentive Payment would constitute an “excess parachute payment” (as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”)) when taking into account all factors contemplated by Section 280G of the Code, the amount of your Incentive Payment may be reduced by the amount necessary to prevent your Incentive Payment from creating or increasing an “excess parachute payment” under Section 280G of the Code, as determined in good faith by the Committee.

If this Letter Agreement sets forth our agreement on the subject matter hereof, kindly sign and return this letter to the Company.

Sincerely,

SURGIVISION, INC.

By: /s/ Kimble L. Jenkins
Kimble L. Jenkins
Chief Executive Officer

Accepted and agreed to as of this 3rd day of June, 2010.

/s/ Parag V. Karmarkar
Parag V. Karmarkar

Exhibit 10.42

SURGIVISION, INC.

NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment (or my continued employment) with SurgiVision, Inc., or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my receipt of the compensation now and hereafter paid to me by the Company, the undersigned (hereinafter referred to as "Employee") hereby acknowledges and agrees to the following:

1. Defined Terms. For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

(a) "Conflicting Organization" means any individual or entity that, directly or indirectly, engages in, or is about to become engaged in, Conflicting Research or the development, design, production, manufacture, promotion, marketing, sale, support or service of a Conflicting Product.

(b) "Conflicting Product" means medical devices, goods, products, product lines or services, and each and every component thereof, developed, designed, produced, manufactured, marketed, promoted, sold, supported or serviced, or that are in development or the subject of research, by anyone other than the Company that are the same or similar to, perform any of the same or similar functions as, may be substituted for, or are intended or used for any of the same purposes as, a Company Product.

(c) "Conflicting Research" means any research or development of any kind or nature conducted by anyone other than the Company, which is intended for, or may be useful in, any aspect of the development, design, production, manufacture, marketing, promotion, sale, support or service of a Conflicting Product.

(d) "Company Product" means any medical device, goods, products, product lines or services (i) that during the last one (1) year in which Employee was employed by the Company, Employee, or persons under Employee's management, direction or supervision, performed research regarding, designed, developed, produced, manufactured, marketed, promoted, sold, solicited sales of, supported or serviced on behalf of the Company, or (ii) with respect to which Employee at any time received or otherwise obtained or learned Confidential Information.

(e) "Restricted Area" means the United States of America or in any other country in which the Company has received or applied for regulatory clearances or approvals for Company Products.

2. Efforts; Non-Competition. Employee acknowledges that his or her employment with the Company requires his or her full attention and effort during normal business hours, and Employee will give his or her best effort, skill and inventive ability to the business interests of

the Company. During the term of his or her employment with the Company, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any individual or entity that competes with the Company in the Restricted Area in the conduct of the business of the Company as conducted or as proposed to be conducted, nor will Employee engage in any other activities that conflict with his or her obligations to the Company.

In addition, for a period of one (1) year after the date his or her employment with the Company ends for any reason, Employee will not, directly or indirectly, participate in the management, operation, financing or control of, or be employed by or consult for or otherwise render services to, any Conflicting Organization in the Restricted Area in connection with or relating to a Conflicting Product or Conflicting Research.

3. No Conflicting Obligation. Employee represents and agrees that his or her performance of the provisions of this Agreement does not, and will not, breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his or her employment by the Company. Employee agrees not to enter into any agreement, either written or oral, in conflict herewith.

4. Reasonableness of Restrictions. Employee agrees that the restrictions on Employee's activities outlined in this Agreement are reasonable and necessary to protect the Company's legitimate business interests, that the consideration provided by the Company is fair and reasonable, and that the post-employment restrictions on Employee's activities are fair and reasonable.

5. Injunctive Relief. Employee acknowledges and agrees that failure to adhere to the terms of this Agreement will cause the Company irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, Employee agrees that in addition to monetary damages, the Company will be entitled to an injunction and other equitable relief, including *ex parte* injunctive relief, in the event of any breach or threatened breach (such threatened breach being determined in the sole judgment of the Company) of the provisions of this Agreement. Employee waives the making of a bond or showing actual damages as a condition for obtaining injunctive relief. Such remedy shall not be deemed the exclusive remedy for the breach of this Agreement by Employee, but will be in addition to all other remedies available at law or in equity to the Company. Additionally, if Employee breaches this Agreement, the Company will be entitled to its reasonable attorney's fees and costs associated with enforcing this Agreement. Notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable, the Company will nonetheless be entitled to recover monetary damages as a result of any breach by Employee.

6. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Tennessee, without giving any effect to that state's conflict of laws principles.

7. Employment. Employee acknowledges and agrees that this Agreement does not create an employment contract with the Company for any term, nor does it in any way limit the

Company's right to otherwise terminate Employee's employment. Any change or changes in Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

8. Severability. Whenever possible, each provision of this Agreement will be interpreted in a manner to be effective, valid and enforceable. If, however, any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, then such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or the remaining provisions of this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still have such similar provision be construed and enforced as legal, valid, and enforceable.

9. Amendments; Waivers. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. No waiver by the Company of any breach of this Agreement will be a waiver of any preceding or succeeding breach.

10. Assignment. The Company may assign its rights under this Agreement. This Agreement, and the duties and obligations of Employee hereunder, may not be assigned or delegated by Employee.

11. Survival. The terms of this Agreement, and Employee's duties and obligations hereunder, will survive any termination of Employee's employment with the Company for any reason.

12. Headings. Headings in this Agreement are for informational purposes only and will not be used to construe the intent of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Company and Employee concerning the matters addressed herein.

14. Further Assurances. Employee will cooperate reasonably with the Company in connection with any steps required to be taken as part of Employee's obligations under this Agreement, and Employee will (a) execute and deliver to the Company such other documents, and (b) do such other acts and things, in each case as the Company may reasonably request for the purpose of carrying out the provisions of this Agreement.

15. Acknowledgment. Employee acknowledges that he or she has received a copy of this Agreement, which he or she has read and understood, and Employee voluntarily agrees to abide by its terms. Employee authorizes the Company to notify any future employer(s) of Employee of the terms of this Agreement and Employee's obligations hereunder.

Employee Signature

Date

Employee Name

Accepted by:

SurgiVision, Inc.

By: _____

Name: _____

Title: _____

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference of our firm under the caption "Experts" in the registration statement (**Form S-1/A No. 333-163957**) and related prospectus dated June 4, 2010 and inclusion of our report in such registration statement and related prospectus, dated June 4,2010, with respect to the financial statements of SurgiVision, Inc.

/s/ Cherry, Bekaert & Holland, L.L.P.

Tampa, Florida

June 4, 2010

Exhibit 24.2

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the each person whose signature appears below hereby constitutes and appoints Kimble L. Jenkins and David W. Carlson, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to the registration statement on Form S-1 filed by SurgiVision, Inc. (the "Registrant") and any and all additional registration statements filed by the Registrant pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or his or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have caused this Power of Attorney to be executed as of this 4th day of June, 2010.

/s/ John N. Spencer, Jr.
John N. Spencer, Jr.

/s/ Michael A. Pietrangelo
Michael A. Pietrangelo