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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 05/01/2012

Stereotaxis, Inc.

(Exact name of registrant as specified in its charter)

Commission File Number: 000-50884

Delaware
(State or other jurisdiction of
incorporation)

94-3120386
(IRS Employer
Identification No.)

4320 Forest Park Avenue, Suite 100, St. Louis, MO 63108
(Address of principal executive offices, including zip code)

314-678-6100
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On May 1, 2012, Stereotaxis, Inc. (the "Company") and a wholly-owned subsidiary of the Company (the "Subsidiary") entered into a Second Loan Modification and Waiver Agreement (Domestic) with Silicon Valley Bank ("Bank") ("Modification Agreement"), amending the terms of that certain Second Amended and Restated Loan and Security Agreement (Domestic) dated November 30, 2011 (as previously amended, the "Amended Loan Agreement") to extend the maturity of the revolving line of credit under the Amended Loan Agreement from April 30, 2012 to May 15, 2012.

On May 1, 2012, the Company and the Subsidiary also entered into an Export-Import Bank Second Loan Modification and Waiver Agreement with the Bank (the "Ex-Im Modification Agreement") to extend the maturity date of the revolving line of credit under that certain Amended and Restated Export-Import Bank Loan and Security Agreement dated November 30, 2011 (as previously amended, the "Amended Ex-Im Agreement"), from April 30, 2012 to May 15, 2012.

In addition, the Bank waived the defaults for failure to comply with the minimum liquidity ratio financial covenant under the Amended Loan Agreement and the Amended Ex-Im Agreement solely for the compliance period ended April 30, 2012.

The parties entered into the Silicon Valley Bank extensions described above in order to permit the Company additional time to complete its negotiations to strengthen the Company's capital position, including securing a further extension of Silicon Valley Bank agreements and completion of additional capital transactions, as previously disclosed in its earnings release included in the Company's Form 8-K filed March 5, 2012.

Also on May 1, 2012, in conjunction with the Silicon Valley Bank extension, the Company entered into a further amendment to the Note and Warrant Purchase Agreement effective as of February 7, 2008, as amended (the "Fifth Amendment to Note and Warrant Purchase Agreement"), with Alafi Capital Company LLC and certain affiliates of Sanderling Venture Partners (collectively, the "Lenders") to further extend the Lenders' obligation to provide \$10 million in either direct loans to the Company or loan guarantees to the Company's primary bank lender through May 15, 2012, unless terminated earlier under some circumstances. The Company granted to the Lenders warrants (the "Extension Warrants") to purchase an aggregate of 609,756 shares of Common Stock in exchange for their extension. The Extension Warrants are exercisable at \$0.41 per share.

The Lenders are affiliates of Christopher Alafi and Fred A. Middleton, respectively, each of whom is a member of the Company's Board of Directors.

As of April 30, 2012, the outstanding principal balance under the Amended Loan Agreement and the Amended Ex-Im Agreement was approximately \$18.7 million.

While management continues to believe that its plans for recapitalization of the Company and further extension of all or a portion of its Silicon Valley Bank loans will be completed successfully, there can be no assurance that the Company will be able to finalize such recapitalization, or that such recapitalization will enable the Company to execute its current business plan. In connection with the foregoing, the Company also received a waiver of any cross-defaults under the Company's loan agreement with Cowen Healthcare Royalty Partners II, L.P. ("Cowen"). The outstanding principal under the facility with Cowen is currently \$15 million, which the Company is obligated to repay through, and which is secured by, royalties payable to the Company under its alliance agreement with Biosense Webster, Inc.

The forgoing descriptions of the Modification Agreement, the Ex-Im Modification Agreement and the Fifth Amendment to Note and Warrant Purchase Agreement are qualified in their entirety by reference to the full text of the agreements, which are filed as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

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

The information included in Item 1.01 is incorporated herein by reference.

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

The information included in Item 1.01 is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities

The information set forth under Item 1.01 is incorporated herein by reference.

In connection with the issuance of the Extension Warrants, the Company relied on the exemption from registration relating to offerings that do not involve any public offering pursuant to Section 4(2) under the Securities Act of 1933 and Rule 506 of Regulation D promulgated pursuant thereto. The offering of the Extension Warrants was conducted without general solicitation or advertising. The Extension Warrants include a restrictive legend permitting the transfer of the Extension Warrants only in compliance with applicable securities laws. The Lenders each represented their respective intention to acquire the Extension Warrants for investment purposes and not with a view to or for distribution and that each Lender is an "accredited investor" under Rule 501(e) under Regulation D under the Securities Act of 1933. The Lenders had adequate access to information about the Company through information provided to them.

Item 9.01. Financial Statements and Exhibits

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) Exhibits:

10.1 Second Amendment to Second Amended and Restated Loan and Security Agreement (Domestic) (the "Amended Loan Agreement") between Silicon Valley Bank and the Company, dated May 1, 2012

10.2 Export-Import Bank Second Loan Modification and Waiver Agreement, dated May 1, 2012 between Silicon Valley Bank, the Company and Stereotaxis International, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Stereotaxis, Inc.

Date: May 02, 2012

By: /s/ Karen Witte Duros

Karen Witte Duros
Sr. Vice President, General Counsel

EXHIBIT INDEX

Exhibit No.	Description
EX-10.1	Second Amendment to Second Amended and Restated Loan and Security Agreement (Domestic) (the "Amended Loan Agreement") between Silicon Valley Bank and the Company, dated May 1, 2012
EX-10.2	Export-Import Bank Second Loan Modification and Waiver Agreement, dated May 1, 2012 between Silicon Valley Bank, the Company and Stereotaxis International, Inc.
EX-10.3	Fifth Amendment to the Note and Warrant Purchase Agreement, dated May 1, 2012 among affiliated entities of Sanderling Venture Partners, Alafi Capital Company and the Company

SECOND LOAN MODIFICATION AND WAIVER AGREEMENT (DOMESTIC)

This Second Loan Modification and Waiver Agreement (Domestic) (this “**Loan Modification Agreement**”) is entered into as of May 1, 2012 (the “**Second Loan Modification (Domestic) Effective Date**”), by and between **SILICON VALLEY BANK**, a California corporation, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at 380 Interlocken Crescent, Suite 600, Broomfield, Colorado 80021 (“**Bank**”), **STEREOTAXIS, INC.**, a Delaware corporation

(“**Stereotaxis**”), and **STEREOTAXIS INTERNATIONAL, INC.**, a Delaware corporation, each with offices located at 4320 Forest Park Avenue, Suite 100, St. Louis, Missouri 63108 (“**International**”, and together with Stereotaxis, individually and collectively, jointly and severally, “**Borrower**”).

1. **DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS.** Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of November 30, 2011, evidenced by, among other documents, a certain Second Amended and Restated Loan and Security Agreement dated as of November 30, 2011, as amended by a certain First Loan Modification Agreement (Domestic), dated as of March 30, 2012 (as may be amended from time to time, the “**Loan Agreement**”) and a certain Amended and Restated Export-Import Bank Loan and Security Agreement, dated as of November 30, 2011, as amended by a certain Export-Import Bank First Loan Modification Agreement, dated as of March 30, 2012 and as further amended by that certain Export-Import Bank Second Loan Modification and Waiver Agreement, dated as of the date hereof (as may be amended from time to time, the “**EXIM Bank Loan and Security Agreement**”), in each case between Borrower and Bank. Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. **DESCRIPTION OF COLLATERAL.** Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement and the EXIM Bank Loan and Security Agreement, and the “**Intellectual Property Collateral**” as described in those certain IP Security Agreements, entered into by each Borrower and Bank, dated as of November 30, 2011 (together with any other collateral security granted to Bank, the “**Security Documents**”).

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the “**Existing Loan Documents**”.

3. **DESCRIPTION OF CHANGE IN TERMS.**

A. Modifications to Loan Agreement.

- 1 The Loan Agreement shall be amended by inserting the following new definitions in Section 13.1 thereof, each in its appropriate alphabetical order:

“**Second Loan Modification Agreement**” is that certain Second Loan Modification and Waiver Agreement (Domestic), by and between Borrower and Bank, dated as of the Second Loan Modification (Domestic) Effective Date.

“**Second Loan Modification (Domestic) Effective Date**” is defined in the preamble to the Second Loan Modification Agreement.

- 2 The Loan Agreement shall be amended by deleting the following definitions from Section 13.1 thereof:

“**Revolving Line Maturity Date**” is April 30, 2012.

and inserting in lieu thereof the following:

“**Revolving Line Maturity Date**” is May 15, 2012.

4. **ACKNOWLEDGMENT OF DEFAULT; WAIVER.**

- A. Borrower acknowledges that it is currently in default under the Loan Agreement by its failure to comply with the minimum Liquidity Ratio financial covenant contained in Section 6.9(b) thereof for the monthly compliance period ended April 30, 2012, together with the related cross default under the EXIM Bank Loan and Security Agreement (the “**Existing Defaults**”).
- B. Bank hereby waives Borrower’s Existing Defaults under the Loan Agreement. Bank’s waiver shall only apply to the Existing Defaults described above, and only for the specific compliance period described above, and shall not constitute a continuing waiver. Borrower hereby acknowledges and agrees that, except as specifically provided herein, nothing in this Section or anywhere in this Waiver Agreement shall be deemed or otherwise construed as a waiver by the Bank of any of its rights and remedies pursuant to the Loan Documents, applicable law or otherwise.

5. **FEES.** Borrower shall pay to Bank an extension fee equal to Ten Thousand Dollars (\$10,000), which fee

shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Borrower shall reimburse Bank for all legal fees and expenses incurred in connection with the Existing Loan Documents and this Loan Modification Agreement.

6. **CONDITIONS PRECEDENT.** Borrower hereby agrees that the following documents shall be delivered to the Bank prior to or concurrently with the Second Loan Modification (Domestic) Effective Date, each in form and substance satisfactory to the Bank (collectively, the “**Conditions Precedent**”):

- A. copies, certified by a duly authorized officer of each Borrower, to be true and complete as of the date hereof, of each of (i) the governing documents of each Borrower as in effect on the date hereof (but only to the extent modified since last delivered to the Bank), (ii) the resolutions of each Borrower authorizing the execution and delivery of this Loan Modification Agreement, the other documents executed in connection herewith and each Borrower’s performance of all of the transactions contemplated hereby (but only to the extent required since last delivered to Bank), and (iii) an incumbency certificate giving the

name and bearing a specimen signature of each individual who shall be so authorized on behalf of each Borrower (but only to the extent any signatories have changed since such incumbency certificate was last delivered to Bank);

- B. the Export-Import Bank Second Loan Modification Agreement, executed by each Borrower, in form and substance acceptable to Bank, in its sole discretion, together with each other Loan Document required to be delivered by Borrower, together with the duly executed signature pages thereto;
- C. the Second Amendment to Amended and Restated Promissory Note, together with the duly executed signature pages thereto;
- D. duly executed and delivered Reaffirmation and Acknowledgement of Second Amended and Restated Unconditional Guaranty from each Guarantor;
- E. duly executed and delivered Reaffirmation of Intercreditor Agreement from Cowen Healthcare Royalty Partners II, L.P.
- F. duly executed and delivered waiver of defaults or existing defaults from Cowen Healthcare Royalty Partners II, L.P under the Cowen Term Loan Agreement;
- G. evidence satisfactory to Bank that the Alafi Letter of Credit has been extended and/or has not been terminated; and
- H. such other documents as Bank may request, in its reasonable discretion.

7. **ADDITIONAL COVENANTS; RATIFICATION OF PERFECTION CERTIFICATE.** Borrower is not a party to, nor is bound by, any license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Bank's right to sell any Collateral. Borrower shall provide written notice to Bank within ten (10) days of entering or becoming bound by any such license or agreement (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (x) all such licenses or contract rights to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such license or agreement (such consent or authorization may include a licensor's agreement to a contingent assignment of the license to Bank if Bank determines that is necessary in its good faith judgment), whether now existing or entered into in the future, and (y) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under the Loan Agreement and the other Loan Documents. Except as otherwise disclosed in that certain Perfection Certificate dated November 30, 2011, as amended and supplemented as of the Second Loan Modification (Domestic) Effective Date, the Borrower hereby certifies that no Collateral is in the possession of any third party bailee (such as at a warehouse). In the event that Borrower, after the date hereof, intends to store or otherwise deliver the Collateral to such a bailee, then Borrower shall first receive, the prior written consent of Bank and such bailee must acknowledge in writing that the bailee is holding such Collateral for the benefit of Bank. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate, dated as of November 30, 2011, as amended and supplemented as of the Second Loan Modification (Domestic) Effective Date with the disclosures attached as Exhibit A hereto, and acknowledges, confirms and agrees the disclosures and information above Borrower provided to Bank in the Perfection Certificate as so updated remain true and correct in all material respects as of the date hereof.

8. **AUTHORIZATION TO FILE.** Borrower hereby authorizes Bank to file UCC financing statements without notice to Borrower, with all appropriate jurisdictions, as Bank deems appropriate, in order to further perfect or protect Bank's interest in the Collateral, including a notice that any disposition of the Collateral, by either the Borrower or any other Person, shall be deemed to violate the rights of the Bank under the Code.

9. **CONSISTENT CHANGES.** The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

10. **RATIFICATION OF LOAN DOCUMENTS.** Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of each of the Loan Documents and all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

11. **NO DEFENSES OF BORROWER.** Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

12. **CONTINUING VALIDITY.** Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing. No maker will be released by virtue of this Loan Modification Agreement.

13. **RIGHT OF SET-OFF.** In consideration of Bank's agreement to enter into this Loan Modification Agreement, Borrower hereby reaffirms and hereby grants to Bank, a lien, security interest and right of set off as

security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Silicon Valley Bank (including a Bank subsidiary) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the loan. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

14. **CONFIDENTIALITY.** Bank may use confidential information for the development of databases, reporting purposes, and market analysis, so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly permitted by Borrower. The provisions of the immediately preceding sentence shall survive the termination of the Loan Agreement.

15. JURISDICTION/VENUE/TRIAL WAIVER. Borrower accepts for itself and in connection with its properties, unconditionally, the exclusive jurisdiction of any state or federal court of competent jurisdiction in the State of Illinois in any action, suit, or proceeding of any kind against it which arises out of or by reason of this Loan Modification Agreement. NOTWITHSTANDING THE FOREGOING, THE BANK SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH THE BANK DEEMS NECESSARY OR APPROPRIATE IN ORDER TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE THE BANK'S RIGHTS AGAINST THE BORROWER OR ITS PROPERTY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS LOAN MODIFICATION AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS LOAN MODIFICATION AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

16. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a sealed instrument under the laws of the State of Illinois as of the Second Loan Modification (Domestic) Effective Date.

BORROWER:

STEREOTAXIS, INC.

By /s/ Samuel W. Duggan II

Name: Samuel W. Duggan II

Title: Chief Financial Officer

STEREOTAXIS INTERNATIONAL, INC.

By /s/ Samuel W. Duggan II

Name: Samuel W. Duggan II

Title: President

BANK:

SILICON VALLEY BANK

By /s/ Sheila Colson

Name: Sheila Colson

Title: Senior Advisor

[Signature page to Second Loan Modification and Waiver Agreement (Domestic)]

EXPORT-IMPORT BANK SECOND LOAN MODIFICATION AND WAIVER AGREEMENT

This Export-Import Bank Second Loan Modification and Waiver Agreement (this “**EXIM Loan Modification Agreement**”) is entered into as of May 1, 2012 (the “**Second Loan Modification Effective Date (EXIM)**”), by and between **SILICON VALLEY BANK**, a California corporation, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at 380 Interlocken Crescent, Suite 600, Broomfield, Colorado 80021 (“**Bank**”), **STEREOTAXIS, INC.**, a Delaware corporation (“**Stereotaxis**”), and **STEREOTAXIS INTERNATIONAL, INC.**, a Delaware corporation

(“**International**”, and together with Stereotaxis, individually and collectively, jointly and severally, “**Borrower**”), each with offices located at 4320 Forest Park Avenue, Suite 100, St. Louis, Missouri 63108.

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of November 30, 2011, evidenced by, among other documents, (i) a certain Amended and Restated Export-Import Bank Loan and Security Agreement dated as of November 30, 2011, as amended by a certain Export-Import Bank First Loan Modification Agreement, dated as of March 30, 2012 (as may be amended from time to time, the “**Loan Agreement**”) and (ii) a certain Second Amended and Restated Loan and Security Agreement (Domestic), dated as of November 30, 2011 (as may be amended from time to time, the “**Domestic Agreement**”), in each case between Borrower and Bank. Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement and/or the Domestic Agreement, as applicable.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Domestic Agreement and the Loan Agreement, and the “**Intellectual Property Collateral**” as described in those certain IP Security Agreements, entered into by each Borrower and Bank, dated as of November 30, 2011 (together with any other collateral security granted to Bank, the “**Security Documents**”).

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the “**Existing Loan Documents**”.

3. DESCRIPTION OF CHANGE IN TERMS.

A. Modifications to Loan Agreement.

- 1 The Loan Agreement shall be amended by deleting the following definition appearing in Section 13.1 thereof:

“**Revolving Line Maturity Date**” is April 30, 2012.”

and inserting in lieu thereof the following:

“**Revolving Line Maturity Date**” is May 15, 2012.”

- 2 The Loan Agreement shall be amended by inserting the following definition in Section 13.1 thereof, in its applicable alphabetical order:

“**Second Loan Modification Effective Date (EXIM)**” is May 1, 2012.”

4. ACKNOWLEDGMENT OF DEFAULT; WAIVER.

- A. Borrower acknowledges that it is currently in default under the Loan Agreement by virtue of the violation of Section 8.4 thereof resulting from the failure of Borrower to comply with the minimum Liquidity Ratio financial covenant contained in Section 6.9(b) thereof for the monthly compliance period ended April 30, 2012 (the “**Existing Default**”).
- B. Bank hereby waives Borrower’s Existing Default under the Loan Agreement. Bank’s waiver shall only apply to the Existing Default described above, and only for the specific compliance period described above, and shall not constitute a continuing waiver. Borrower hereby acknowledges and

agrees that, except as specifically provided herein, nothing in this Section or anywhere in this Waiver Agreement shall be deemed or otherwise construed as a waiver by the Bank of any of its rights and remedies pursuant to the Loan Documents, applicable law or otherwise.

5. FEES. Borrower shall reimburse Bank for all legal fees and expenses incurred in connection with the Existing Loan Documents and this Loan Modification Agreement.

6. ADDITIONAL COVENANTS. Borrower is not a party to, nor is bound by, any license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower’s interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Bank’s right to sell any Collateral. Borrower shall provide written notice to Bank within ten (10) days of entering or becoming bound by any such license or agreement (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (x) all such licenses or contract rights to be deemed “Collateral” and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such license or agreement (such consent or authorization may include a licensor’s agreement to a contingent assignment of the license to Bank if Bank determines that is necessary in its good faith judgment), whether now existing or entered into in the future, and (y) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank’s rights and remedies under the Loan Agreement and the other Loan Documents. In addition, the Borrower hereby certifies that no Collateral is in the possession of any third party bailee (such as at a warehouse). In the event that Borrower, after the date hereof, intends to store or otherwise deliver the Collateral to such a bailee, then Borrower shall first receive, the prior written consent of Bank and such bailee must acknowledge in writing that the bailee is holding such Collateral for the benefit of Bank.

7. **AUTHORIZATION TO FILE.** Borrower hereby authorizes Bank to file UCC financing statements without notice to Borrower, with all appropriate jurisdictions, as Bank deems appropriate, in order to further perfect or protect Bank's interest in the Collateral, including a notice that any disposition of the Collateral, by either the Borrower or any other Person, shall be deemed to violate the rights of the Bank under the Code.

8. **CONSISTENT CHANGES.** The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

9. **RATIFICATION OF LOAN DOCUMENTS.** Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of each of the Loan Documents and all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

10. **NO DEFENSES OF BORROWER.** Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

11. **CONTINUING VALIDITY.** Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this EXIM Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this EXIM Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this EXIM Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing. No maker will be released by virtue of this EXIM Loan Modification Agreement.

12. **RIGHT OF SET-OFF.** In consideration of Bank's agreement to enter into this EXIM Loan Modification Agreement, Borrower hereby reaffirms and hereby grants to Bank, a lien, security interest and right of set off as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Silicon Valley Bank (including a Bank subsidiary) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured

and regardless of the adequacy of any other collateral securing the loan. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

13. **CONFIDENTIALITY.** Bank may use confidential information for the development of databases, reporting purposes, and market analysis, so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly permitted by Borrower. The provisions of the immediately preceding sentence shall survive the termination of the Loan Agreement.

14. **JURISDICTION/VENUE/TRIAL WAIVER.** Borrower accepts for itself and in connection with its properties, unconditionally, the exclusive jurisdiction of any state or federal court of competent jurisdiction in the State of Illinois in any action, suit, or proceeding of any kind against it which arises out of or by reason of this EXIM Loan Modification Agreement. NOTWITHSTANDING THE FOREGOING, THE BANK SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH THE BANK DEEMS NECESSARY OR APPROPRIATE IN ORDER TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE THE BANK'S RIGHTS AGAINST THE BORROWER OR ITS PROPERTY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS LOAN MODIFICATION AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS EXIM LOAN MODIFICATION AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

15. **COUNTERSIGNATURE.** This EXIM Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this EXIM Loan Modification Agreement to be executed as a sealed instrument under the laws of the State of Illinois as of the Second Loan Modification Effective Date (EXIM).

BORROWER:

STEREOTAXIS, INC.

By /s/ Samuel W. Duggan II

Name: Samuel W. Duggan II

Title: Chief Financial Officer

STEREOTAXIS INTERNATIONAL, INC.

By /s/ Samuel W. Duggan II

Name: Samuel W. Duggan II

Title: President

BANK:

SILICON VALLEY BANK

By /s/ Sheila Colson

Name: Sheila Colson

Title: Senior Advisor

[Signature Page to Export-Import Bank Second Loan Modification and Waiver Agreement]

**FIFTH AMENDMENT TO
NOTE AND WARRANT PURCHASE AGREEMENT**

This Fifth Amendment to Note and Warrant Purchase Agreement (this “Fifth Amendment”) is dated as of May 1, 2012, and amends that certain Note And Warrant Purchase Agreement dated February 21, 2008, as amended by that certain First Amendment to Note and Warrant Purchase Agreement, made effective as of December 29, 2008, and that certain Second Amendment to Note and Warrant Purchase Agreement, dated as of October 9, 2009, that certain Third Amendment to Note and Warrant Purchase Agreement, dated as of November 10, 2010, and that certain Fourth Amendment to Note and Warrant Purchase Agreement, dated as of March 30, 2012 (as so amended, the “Existing Agreement”) by and among Stereotaxis, Inc., a Delaware corporation (the “Company”), Sanderling Venture Partners VI Co-Investment Fund, L.P., Sanderling VI Beteiligungs GmbH & Co KG, Sanderling VI Limited Partnership and Alafi Capital Company LLC (each, a “Lender” and together, the “Lenders”).

RECITALS

WHEREAS, the Lenders and the Company are parties to the Existing Agreement, pursuant to which the Lenders have extended a \$10 million borrowing facility to the Company, the Committed Funds from each Lender on a several (but not joint and several) basis;

WHEREAS, the Company and the Lenders desire to further amend the Existing Agreement, as set forth more specifically in this Fifth Amendment.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. As used in this Fifth Amendment, the following terms shall have the meanings set forth below:

1.1.1 “May 2012 Extension Exercise Price” means the Closing Bid Price on the Trading Day immediately prior to the date of this Fifth Amendment (or on the date of this Fifth Amendment if executed and delivered after 4:00 p.m. Eastern Time on the date hereof).

1.1.2 “Qualified Financing” (in lieu of and replacing the definition previously set forth in the Existing Agreement) shall mean additional financing from any third party (other than indebtedness of the Company to banks, commercial finance lenders and similar financial institutions) received by the Company after the date of this Fifth Amendment in the aggregate amount of not less than Thirty Million Dollars (\$30,000,000).

1.2 Undefined Terms. Terms and definitions used in this Fifth Amendment but not defined in this Section 1 shall have the same meanings given to such terms in the Existing Agreement.

ARTICLE 2
CERTAIN AMENDMENTS

2.1 Extension to May 15, 2012. Notwithstanding anything to the contrary in the Existing Agreement, the Commitment Period under Section 1.2 and the Maturity Date under Section 1.4 is hereby extended to the earlier of (i) May 15, 2012, and (ii) the date on which the Company consummates a Qualified Financing. Each reference to “April 30, 2012” set forth in Sections 1.2 and 1.4 of the Existing Agreement (as amended by the First, Second, Third, and Fourth Amendment thereto) and in the Form of Note attached as Exhibit A thereto is hereby replaced with “May 15, 2012.”

2.2 Warrant Coverage. In consideration of the extension of the Commitment Period under Section 1.2 and the Maturity Date under Section 1.4 pursuant to Section 2.1 above, additional Warrants (together, the “May 2012 Extension Warrants”) to purchase an aggregate of 609,756 shares of Common Stock shall be issued to the Lenders, with each Lender entitled to receive a pro rata number of such May 2012 Extension Warrants based on the portion of the Committed Funds to be loaned by each such Lender. Such May 2012 Extension Warrants shall be in the form attached as Exhibit A hereto and shall have an Exercise Price equal to the Extension Exercise Price.

2.3 Payment to Company for May 2012 Extension Warrants. The Lenders shall make any required payment for the May 2012 Extension Warrants under the applicable rules of The NASDAQ Global Market at the time such May 2012 Extension Warrants are to be issued. If any such payment is required, each Lender may cause a fewer number of May 2012 Extension Warrants to be issued to it in lieu of making such payment upon receipt of such May 2012 Extension Warrants.

2.4 Guaranty; Reduction of Guaranty and Committed Funds. (a) The parties acknowledge that Sanderling Venture Partners VI Co-Investment Fund, L.P. and Alafi Capital Company LLC have each entered into a Second Amended and Restated Unconditional

Limited Guaranty, dated as of November 30, 2011, and in each case, as affirmed by the respective guarantor on the date thereof, in favor of Silicon Valley Bank, guarantying repayment of amounts set forth therein, but each having a maximum liability of \$5,000,000 of principal amount under the Amended Revolver. The parties agree that the Company may agree to extend the maturity date of the Amended Revolver to a date no later than May 15, 2012, and that in such event, the Lenders shall each cause their respective Second Amended and Restated Unconditional Limited Guaranty agreements to be extended to such May 15, 2012 maturity date, in such form, and together with such other documents or arrangements supporting, securing or collateralizing such guaranty obligation (including, without limitation, a letter of credit and covenants with respect to providing certain limited financial information), all as may be requested by Silicon Valley Bank in its commercially reasonable discretion; all fees payable to Silicon Valley Bank in connection with such arrangements will be paid by the Company.

2.5 Registration Rights. The Company agrees to file with the SEC a registration statement (or amend a current registration statement) with respect to the maximum number of Warrant Shares issuable upon exercise of the May 2012 Extension Warrants (and any other previously unregistered Warrants) on or prior to September 30, 2012, unless the Lenders agree to delay such registration statement.

ARTICLE 3
MISCELLANEOUS

3.1 Agreement Conditions. This Fifth Amendment is expressly conditioned on the further extension of the maturity date of the Amended Revolver to a date no later than May 15, 2012, and the absence of material amendment to the other terms of such Amended Revolver without the written consent of the Lenders.

3.2 Original Agreements in Full Force and Effect. Except as expressly modified by this Fifth Amendment, the terms of the Existing Agreement (including without limitation the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment thereto) shall continue in full force and effect without modification.

3.3 Titles and Subtitles; Construction. The titles of the Sections and Subsections of this Fifth Amendment are for convenience of reference only and are not to be considered in construing this Fifth Amendment. All words used in this Fifth Amendment will be construed to be of such gender or number as the circumstances require.

3.4 Counterparts. This Fifth Amendment may be executed by facsimile and in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument.

3.5 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

3.6 Amendment and Waiver. The terms of this Fifth Amendment may be amended only through a written agreement signed by the Lenders and by the Company. Any term, representation, warranty or covenant hereof may be waived by the party that is entitled to the benefit thereof, but no such waiver in any one or more instances shall be deemed or construed as a waiver of the same or any other term of this Fifth Amendment on any future occasion.

3.7 Conflict. The Parties acknowledge that the terms of this Fifth Amendment are intended to amend the terms of the Existing Agreement. Accordingly, in the event of a conflict between the terms of this Fifth Amendment and the Existing Agreement, the terms contained in this Fifth Amendment shall control for all purposes.

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

3.10 Governing Law. This Fifth Amendment shall be governed in all respects by the internal laws of the State of Delaware, without giving effect to principles of conflicts of law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this Fifth Amendment to be signed by duly authorized officers or representatives, effective as of the date first written above.

STEREOTAXIS, INC.

By: /s/ Michael P. Kaminski
Name: Michael P. Kaminski
Title: President and Chief Executive Officer

**SANDERLING VENTURE PARTNERS VI CO-
INVESTMENT FUND, L.P.**

By: Middleton, McNeil, Mills & Associates
VI, LLC

By: /s/ Fred A. Middleton
Fred A. Middleton, Managing Director

SANDERLING VI LIMITED PARTNERSHIP

By: Middleton, McNeil, Mills & Associates
VI, LLC

By: /s/ Fred A. Middleton
Fred A. Middleton, Managing Director

**SANDERLING VI BETEILIGUNGS GMBH &
Co. KG**

By: Middleton, McNeil, Mills & Associates
VI, LLC

By: /s/ Fred A. Middleton
Fred A. Middleton, Managing Director

ALAFI CAPITAL COMPANY LLC

By: /s/ Christopher Alafi
Christopher Alafi, Manager

Exhibit A

Form of May 2012 Extension Warrant

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT (AS DEFINED HEREIN), OR UNDER ANY STATE SECURITIES LAWS, IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION FOR NON-PUBLIC OFFERINGS. THIS SECURITY MAY ONLY BE SOLD OR OTHERWISE TRANSFERRED TO A "PERMITTED TRANSFEREE" (AS DEFINED HEREIN) OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR IN A TRANSACTION EXEMPT FROM THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Issue Date: May 1, 2012

Warrant No.:

STEREOTAXIS, INC.

COMMON STOCK PURCHASE WARRANT

TO PURCHASE SHARES OF

COMMON STOCK, \$0.001 PAR VALUE PER SHARE

This is to certify that, FOR VALUE RECEIVED,

("Warrantholder"), is entitled to purchase, subject to the provisions of this Common Stock Purchase Warrant ("Warrant"), from Stereotaxis, Inc., a corporation organized under the laws of Delaware ("Company"), at any time and from time to time on or after the Issue Date above, but not later than 5:00 P.M., St. Louis, Missouri time, on March 30, 2017 (the "Expiration Date"), []¹ shares ("Warrant Shares") of Common Stock, \$0.001 par value ("Common Stock"), of the Company, at an exercise price per share equal to \$0.41 (the exercise price in effect from time to time hereafter being herein called the "Warrant Price"). The number of Warrant Shares purchasable upon exercise of this Warrant and the Warrant Price shall be subject to adjustment from time to time as described herein.

This Warrant has been issued pursuant to the terms of the Note and Warrant Purchase Agreement, dated February 21, 2008, amended by the First Amendment to Note and Warrant Purchase Agreement, made effective as of December 29, 2008, the Second Amendment to Note and Warrant Purchase Agreement, dated as of October 9, 2009, the Third Amendment to Note and Warrant Purchase Agreement, dated as of November 10, 2010, the Fourth Amendment to Note and Warrant Purchase Agreement, dated as of March 30, 2012, and by the Fifth Amendment to Note and Warrant Purchase Agreement, dated as of May 1, 2012 (as amended,

¹ For each Lender, insert $(1/12) * (0.3 * \text{Committed Funds}) / 2013 \text{ Extension Exercise Price}$.

the “Purchase Agreement”) by and among the Company, the Warrantholder and the other lenders set forth therein. Capitalized terms used herein and not defined shall have the meaning specified in the Purchase Agreement.

1. Registration. The Company shall maintain books for the transfer and registration of the Warrant. Upon the initial issuance of the Warrant, the Company shall issue and register the Warrant in the name of the Warrantholder.

2. Transfers. As provided herein, this Warrant may be transferred only pursuant to a registration statement filed under the Securities Act of 1933, as amended (the “Securities Act”), or an exemption from registration thereunder. Subject to such restrictions, the Company shall transfer this Warrant from time to time, upon the books to be maintained by the Company for that purpose, upon surrender hereof for transfer properly endorsed or accompanied by appropriate instructions for transfer upon any such transfer, and a new Warrant shall be issued to the transferee and the surrendered Warrant shall be canceled by the Company. References to Warrantholder or holder shall include any such transferee.

3. Exercise of Warrant. The Warrantholder may exercise this Warrant to purchase the Warrant Shares, in whole or in part, at any time and from time to time on and after the Issue Date and before the Expiration Date upon surrender of the Warrant, together with delivery of the duly executed Warrant exercise form attached hereto (the “Exercise Agreement”) (which may be by fax or portable document format (pdf) delivered by email), to the Company during normal business hours on any business day at the Company’s principal executive offices (or such other office or agency of the Company as it may designate by notice to the holder hereof), and upon payment to the Company in cash, by certified or official bank check or by wire transfer for the account of the Company of the Warrant Price for the Warrant Shares specified in the Exercise Agreement. The Warrant Shares so purchased shall be deemed to be issued to the holder hereof or such holder’s designee, as the record owner of such shares, as of the close of business on the date on which the completed Exercise Agreement shall have been delivered to the Company (or such later date as may be specified in the Exercise Agreement). Certificates for the Warrant Shares so purchased, representing the aggregate number of shares specified in the Exercise Agreement, shall be delivered to the holder hereof within a reasonable time, not exceeding five (5) business days, after this Warrant shall have been so exercised. The certificates so delivered shall be in such denominations as may be requested by the holder hereof and shall be registered in the name of such holder or such other name as shall be designated by such holder. If this Warrant shall have been exercised only in part, then, unless this Warrant has expired, the Company shall, at its expense, at the time of delivery of such certificates, deliver to the holder a new Warrant representing the number of shares with respect to which this Warrant shall not then have been exercised.

4. Cashless Exercise. (a) The Warrantholder may, at its election exercised in its sole discretion, exercise this Warrant and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Warrant Price for the Warrant Shares specified in the Exercise Agreement, elect instead to receive upon such exercise the “Net Number” of shares of Common Stock determined according to the following formula (a “Cashless Exercise”):

$$\text{Net Number} = (A \times B) - (A \times C)$$

B

For purposes of the foregoing formula:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = the Closing Price of the Common Stock on NASDAQ on the Trading Day immediately preceding the date of the Exercise Notice.

C = the Warrant Price then in effect for the applicable Warrant Shares at the time of such exercise.

(b) Certain Definitions.

“Trading Day” shall mean a day on which the principal national securities exchange on which the Common Stock is listed or admitted to trading is open for business.

“Closing Price” with respect to Common Stock on any day means the reported last sales price regular way on The NASDAQ Global Select Market (“NASDAQ”), or, if no such reported sale occurs on such day, the average of the closing bid and asked prices regular way on such day, in each case as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such class of security is listed or admitted to trading as reported by NASDAQ or any comparable system then in use or, if not so reported, as reported by any New York Stock Exchange member firm reasonably selected by the Company for such purpose.

5. Compliance with the Securities Act. Neither this Warrant nor the Common Stock issued upon exercise hereof nor any other security issued or issuable upon exercise of this Warrant may be offered or sold except as provided in this Warrant and in conformity with the Securities Act, and then only against receipt of an agreement of such person to whom such offer of sale is made to comply with the provisions of this Section 5 with respect to any resale or other disposition of such security. The Company

may cause the legend set forth on the first page of this Warrant to be set forth on each Warrant or similar legend on the Warrant Shares or any other security issued or issuable upon exercise of this Warrant until the Warrant Shares have been registered for resale, unless counsel for the Company is of the opinion as to any such security that such legend is unnecessary.

6. Payment of Taxes. The Company will pay any documentary stamp taxes attributable to the initial issuance of Warrant Shares issuable upon the exercise of the Warrant; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issuance or delivery of any certificates for Warrant Shares in a name other than that of the registered holder of this Warrant in respect of which such shares are issued. The holder shall be responsible for income taxes due under federal or state law, if any such tax is due.

7. Mutilated or Missing Warrants. In case this Warrant shall be mutilated, lost, stolen, or destroyed, the Company shall issue in exchange and substitution of and upon cancellation of the mutilated Warrant, or in lieu of and substitution for the Warrant lost,

stolen or destroyed, a new Warrant of like tenor and for the purchase of a like number of Warrant Shares, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction of the Warrant, and with respect to a lost, stolen or destroyed Warrant, reasonable indemnity or bond with respect thereto, if reasonably requested by the Company.

8. Insufficient Authorized Shares. If at any time while this Warrant remains outstanding the Company does not have a sufficient number of authorized and unreserved shares of Common Stock to satisfy its obligation to reserve for issuance upon exercise of this Warrant at least a number of shares of Common Stock equal to (the "Required Reserve Amount") the number of shares of Common Stock as shall from time to time be necessary to effect the exercise of all of this Warrant then outstanding (an "Authorized Share Failure"), then the Company shall, within 90 days after the occurrence of such Authorized Share Failure take action to increase the Company's authorized and unissued shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for this Warrant then outstanding. The Company shall not be in breach of its obligation to reserve the Required Reserve Amount during such period so long as it is taking good faith efforts to satisfy its obligations under this covenant.

9. Warrant Price. The Warrant Price, subject to adjustment as provided in Section 10 hereof, shall, if payment is made in cash or by certified check, be payable in lawful money of the United States of America.

10. Adjustment of Warrant Exercise Price and Number of Shares. If the Company at any time after the date of issuance of this Warrant subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Warrant Price in effect immediately prior to such subdivision will be proportionately reduced and the number of shares of Common Stock obtainable upon exercise of this Warrant will be proportionately increased. If the Company at any time after the date of issuance of this Warrant combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Warrant Price in effect immediately prior to such combination will be proportionately increased and the number of shares of Common Stock obtainable upon exercise of this Warrant will be proportionately decreased. Any adjustment under this Section 10 shall become effective at the close of business on the date the subdivision or combination becomes effective.

11. Replacement Warrants. The Company agrees that after any request from time to time of the Warrantholder and within ten (10) business days upon the Company's receipt of this Warrant, the Company shall deliver to such holder a new Warrant in substitution of this Warrant which is identical in all respects except that the then Warrant Price shall be appropriately specified in the Warrant, and the Warrant shall specify the fixed number of Warrant Shares into which this Warrant is then exercisable. Such changes are intended not as amendments to the Warrant but only as clarification of the adjustment in the preceding Section for convenience purposes, and such adjustments shall not affect any provisions concerning adjustments to the Warrant Price or number of Warrant Shares contained herein.

12. Fractional Interest. The Company shall not be required to issue fractions of Warrant Shares upon the exercise of the Warrant. If any fraction of a Warrant Share would, except for the provisions of this Section, be issuable upon the exercise of the Warrant (or specified portions thereof), the Company shall round such calculation to the nearest whole number and disregard the fraction.

13. Benefits. Nothing in this Warrant shall be construed to give any person, firm or corporation (other than the Company and the Warrantholder) any legal or equitable right, remedy or claim, it being agreed that this Warrant shall be for the sole and exclusive benefit of the Company and the Warrantholder.

14. Notices to Warrantholder. Upon the happening of any event requiring an adjustment of the Warrant Price, the Company shall forthwith give written notice thereof to the Warrantholder at the address appearing in the records of the Company, stating the adjusted Warrant Price and the adjusted number of Warrant Shares resulting from such event and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. In the event of a dispute with respect to any such calculation, the certificate of the Company's independent certified public accountants shall be conclusive evidence of the correctness of any computation made, absent manifest error. Failure to give such notice to the Warrantholder or any defect therein shall not affect the legality or validity of the subject adjustment.

15. Identity of Transfer Agent. The Transfer Agent for the Common Stock is Broadridge. Forthwith upon the appointment of any subsequent transfer agent for the Common Stock or other shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrant, the Company will fax to the Warrantholder a statement setting forth the name and address of such transfer agent.

16. **Notices.** Any notice pursuant hereto to be given or made by the Warrantholder to or on the Company shall be sufficiently given or made if delivered personally or by facsimile or if sent by an internationally recognized courier, addressed as follows:

Stereotaxis, Inc.
4320 Forest Park Avenue, Suite 100
St. Louis, Missouri 63108
Fax: (314) 678-6110
Attention: Chief Financial Officer

or such other address as the Company may specify in writing by notice to the Warrantholder complying as to delivery with the terms of this Section 16.

Any notice pursuant hereto to be given or made by the Company to or on the Warrantholder shall be sufficiently given or made if personally delivered, if sent by facsimile or if sent by an internationally recognized courier service by overnight or two-day service, to the address set forth on the books of the Company or, as to each of the Company and the Warrantholder, at such other address as shall be designated by such party by written notice to the other party complying as to delivery with the terms of this Section 16.

All such notices, requests, demands, directions and other communications shall, when sent by courier, be effective two (2) days after delivery to such courier as provided and addressed as aforesaid. All faxes shall be effective upon receipt.

17. **Registration Rights.** The holder of this Warrant is entitled to the benefit of certain registration rights in respect of the Warrant Shares as provided in the Purchase Agreement.

18. **Successors.** Subject to the restrictions on transfer described in Section 21 below, all the covenants and provisions hereof by or for the benefit of the Warrantholder shall bind and inure to the benefit of its respective successors and assigns hereunder.

19. **Governing Law.** This Warrant shall be deemed to be a contract made under the laws of the State of Delaware, without giving effect to its conflict of law principles, and for all purposes shall be construed in accordance with the laws of said State.

20. **Absolute Obligation to Issue Warrant Shares.** The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the holder hereof to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or entity or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the holder hereof or any other Person of any obligation to the Company or any violation or alleged violation of law by the holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the holder hereof in connection with the issuance of Warrant Shares. The Company will at no time close its shareholder books or records in any manner which interferes with the timely exercise of this Warrant.

21. **Assignment, etc.** The Warrantholder agrees that in no event will it make a transfer or disposition of any of this Warrant or the Warrant Shares (other than pursuant to an effective registration statement under the Securities Act), unless and until (i) it shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the disposition and assurance that the proposed disposition is in compliance with all applicable laws, and (ii) if reasonably requested by the Company, at the expense of such Warrantholder or its transferee, it shall have furnished to the Company an opinion of counsel, reasonably satisfactory to the Company, to the effect that such transfer may be made without registration under the Securities Act. Notwithstanding the foregoing, no formal notice or opinion of counsel shall be required for the transfer by an Warrantholder to any of the following (each, a "Permitted Transferee"): (x) any partner of a Warrantholder or to a retired partner of a Warrantholder, who retires after the date of this Warrant, (y) the estate of any such partner or a retired partner or for the transfer by gift, will or intestate succession of any partner to his spouse or lineal descendants or ancestors or (z) any entity which is a wholly-owned subsidiary of the Warrantholder or which is under common control with the Warrantholder; provided, however, in all cases where no legal opinion is

required that the transferee shall agree in writing to be subject to the terms of this Warrant to the same extent as if it were the original Warrantholder hereunder.

IN WITNESS WHEREOF, the Company has caused this Common Stock Purchase Warrant to be duly executed as of the date first written above.

STEREOTAXIS, INC.

By:

Name:

Title:
