

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): December 17, 2010

STEREOTAXIS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-50884

(Commission File Number)

94-3120386

(IRS Employer Identification No.)

4320 Forest Park Avenue, Suite 100, St. Louis, Missouri

(Address of Principal Executive Offices)

63108

(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 (see General Instruction A.2. below):

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

Item 1.01 Entry into a Material Definitive Agreement.

On December 17, 2010, Stereotaxis, Inc. (the “Company”) entered into a Second Loan Modification Agreement (the “Agreement”) with Silicon Valley Bank (the “Bank”) to amend the terms of that certain Loan and Security Agreement, dated March 11, 2009, as amended by a certain First Loan Modification Agreement, dated as of December 15, 2009, by and between the Company and the Bank (the “Original Agreement”). The following describes the material modifications to the Original Agreement effected by the Agreement.

The Agreement extends the maturity date on the Company’s revolving line of credit until March 31, 2012. The maximum amount of credit that potentially may be extended to the Company by the Bank under the revolving line of credit is \$30 million, which includes a \$10 million sublimit for funds advanced subject to certain investor guarantees. As previously announced, Alafi Capital Company LLC and certain affiliates of Sanderling Venture Partners, which are each stockholders of the Company, have executed a \$10 million unsecured loan commitment to the Company, pursuant to which the stockholders have provided guarantees in favor of the Bank, severally but not jointly and severally, of amounts borrowed by the Company from the Bank (subject to the \$10 million sublimit). The Agreement modifies the Company’s tangible net worth requirements, and beginning on December 31, 2010, the Company will be required to satisfy the financial covenant regarding tangible net worth at the end of every quarterly, rather than monthly, period. The Agreement also requires the Company to maintain a liquidity ratio (as defined in the Agreement) of no less than 1.25:1:00 during the months of March, June, September and December and no less than 1.50:1:00 during all other months of each fiscal year.

The Agreement also provides an additional \$10 million term loan (the “Term Loan”) that matures on December 31, 2013. Accrued interest on the Term Loan is payable on the first day of each month, and beginning on July 1, 2011, the principal amount of the Term Loan is payable in 30 equal installments on the first day of each month. Interest on the outstanding principal amount of the Term Loan will accrue at a floating per annum rate equal to the Prime Rate plus 3.50%. The Term Loan may be prepaid prior to the maturity date, subject to a prepayment premium set forth in the Agreement.

In connection with the Term Loan and the extension of the Company’s revolving line of credit, the Company granted the Bank a warrant (the “Warrant”) to purchase 111,111 shares of the Company’s common stock at an exercise price of \$3.60 per share, subject to certain adjustments set forth in the Warrant. The Warrant expires on December 17, 2015.

On December 17, 2010, the Company and a wholly-owned subsidiary of the Company (the “Subsidiary”) also entered into a Export-Import Bank Second Loan Modification Agreement (the “Ex-Im Agreement”) with the Bank to amend the terms of that certain Export-Import Bank Loan and Security Agreement, dated March 11, 2009, as amended by a certain Export-Import Bank First Loan Modification Agreement, dated as of December 15, 2009, by and among the Bank, the Company and the Subsidiary (the “Original Ex-Im Agreement”). The Ex-Im Agreement modifies the Original Ex-Im Agreement to reflect the extension of the maturity date of the Company’s revolving line of credit, as described above.

A copy of the Agreement is being filed as Exhibit 10.1 hereto, a copy of the Ex-Im Agreement is being filed as Exhibit 10.2 hereto, and a copy of the Warrant is being filed as Exhibit 10.3 hereto, and the information contained therein is hereby incorporated by reference herein.

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

The information set forth under 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 Warrant, 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 Warrant was conducted without general solicitation or advertising. The Warrant includes a restrictive legend permitting the transfer of the Warrant only in compliance with applicable securities laws. The Bank has represented its intention to acquire the Warrant for investment purposes and not with a view to or for distribution and that the Bank is an “accredited investor” under Rule 501(e) under Regulation D under the Securities Act of 1933. The Bank had adequate access to information about the Company through information provided to them.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Second Loan Modification Agreement (Domestic), by and between Silicon Valley Bank and Stereotaxis, Inc., dated December 17, 2010.

10.2 Export-Import Bank Second Loan Modification Agreement, by and among Silicon Valley Bank, Stereotaxis, Inc. and Stereotaxis International, Inc., dated December 17, 2010.

10.3 Warrant to Purchase Stock.

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: December 21, 2010

By: /s/ Daniel J. Johnston

Name: Daniel J. Johnston

Title: Chief Financial Officer

EXHIBIT INDEX

- 10.1 Second Loan Modification Agreement (Domestic), by and between Silicon Valley Bank and Stereotaxis, Inc., dated December 17, 2010.
- 10.2 Export-Import Bank Second Loan Modification Agreement, by and among Silicon Valley Bank, Stereotaxis, Inc. and Stereotaxis International, Inc., dated December 17, 2010.
- 10.3 Warrant to Purchase Stock.

SECOND LOAN MODIFICATION AGREEMENT (DOMESTIC)

This Second Loan Modification Agreement (Domestic) (this "**Loan Modification Agreement**") is entered into as of December 17, 2010 (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 limited liability company, 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 March 11, 2009, evidenced by, among other documents, a certain Loan and Security Agreement dated as of March 11, 2009, as amended by a certain First Loan Modification Agreement (Domestic), dated as of December 15, 2009 (as may be amended from time to time, the "**Loan Agreement**") and a certain Export-Import Bank Loan and Security Agreement, dated as of March 11, 2009, as amended by a certain Export-Import First Loan Modification Agreement, dated as of December 15, 2009 (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 (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 Section 2.1.7 immediately following Section 2.1.6 thereof:

"2.1.7 Term Loan 2 010.

(a) Availability. Bank shall make one (1) term loan available to Borrower in an amount up to the Term Loan 2010 Amount on or before December 31, 2010, subject to the satisfaction of the terms and conditions of this Agreement.

(b) Repayment. Commencing on the first day of the month following the month in which the Funding Date of the Term Loan 2010 occurs and thereafter on the first day of each successive calendar month until the Term Loan 2010 is paid in full, Borrower shall make monthly payments of interest in arrears with respect to the Term Loan 2010. Commencing on July 1, 2011 and thereafter on the first day of each successive calendar month until the Term Loan 2010 is paid in full, Borrower shall repay the principal amount of the Term Loan 2010 in thirty (30) equal installments of Three Hundred Thirty Three Thousand, Three Hundred Thirty Three and 34/100 Dollars (\$333,333.34) (each payment of principal and/or interest being a "**Term Loan Payment**"). Each Term Loan 2010 Payment shall be payable on the first day of each month. Borrower's final Term Loan 2010 Payment, due on the Term Loan 2010 Maturity Date, shall include all outstanding principal and accrued and unpaid interest under the Term Loan 2010. Once repaid, the Term Loan 2010 may not be reborrowed.

(c) Prepayment. The Term Loan 2010 may be prepaid, in whole or in part prior to the Term Loan 2010 Maturity Date by Borrower, effective three (3) Business Days after written notice of such prepayment is given to Bank. Notwithstanding any such prepayment, Bank's lien and security interest in the Collateral shall continue until Borrower fully satisfies all Obligations. If such prepayment is at Borrower's election or at Bank's election due to the occurrence and continuance of an Event of Default, Borrower shall pay to Bank, in addition to the payment of any other expenses or fees then-owing, a prepayment premium in an amount equal to (i) if such prepayment occurs on or prior to the date that is three hundred sixty five (365) days after the Second Loan Modification (Domestic) Effective Date (the "**First Anniversary**"), Three Hundred Thousand Dollars (\$300,000) (i.e. three percent (3.00%) of Ten Million Dollars (\$10,000,000)); (ii) if such prepayment occurs (X) after the First Anniversary and (Y) on or prior to the date that is three hundred sixty five (365) days after the First Anniversary (the "**Second Anniversary**"), Two Hundred Thousand Dollars (\$200,000) (i.e. two percent (2.00%) of Ten Million Dollars (\$10,000,000)); and (iii) if such prepayment occurs (X) after the Second Anniversary and (Y) on or prior to the date that is three hundred sixty five (365) days from the Second Anniversary, One Hundred Thousand Dollars (\$100,000) (i.e. one percent (1.00% of Ten Million Dollars (\$10,000,000)); provided that no prepayment premium shall be charged if the Term Loan 2010 is replaced with a new facility from Bank or another division of Silicon Valley Bank. Upon payment in full of the Obligations and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall terminate and release its liens and security interests in the Collateral and all rights therein shall revert to Borrower."

2 The Loan Agreement shall be amended by deleting the following text appearing as Section 2.3(a) thereof:

“(a) Interest Rate.

(i) Advances. Subject to Section 2.3(b), the principal amount outstanding under the Revolving Line (other than Guaranteed Advances) shall accrue interest at a floating per annum rate equal to the greater of (X) the aggregate of the Prime Rate plus one and three-fourths of one percent (1.75%) and (Y) seven percent (7.00%), which interest shall be payable monthly, in arrears, in accordance with Section 2.3(f) below.

(ii) Guaranteed Advances. Subject to Section 2.3(b), the principal amount outstanding under the Guaranteed Line shall accrue interest at a floating per annum rate equal to the greater of (X) the aggregate of the Prime Rate plus one-half of one percent (0.50%) and (Y) six percent (6.00%).

(iii) Equipment Loan. Subject to Section 2.3(b), the principal amount outstanding under the Equipment Loan shall accrue interest at a floating per annum rate equal to the greater of (X) the aggregate of the Prime Rate plus one percent (1.00%) and (Y) seven percent (7.00%), which interest shall be payable monthly in accordance with Section 2.3(f) below.”

and inserting in lieu thereof the following:

“(a) Interest Rate.

(i) Advances. Subject to Section 2.3(b), the principal amount outstanding under the Revolving Line (other than Guaranteed Advances) shall accrue interest at a floating per annum rate equal to the greater of (X) the aggregate of

the Prime Rate plus one and three-fourths of one percent (1.75%) and (Y) seven percent (7.00%), which interest shall be payable monthly, in arrears, in accordance with Section 2.3(f) below.

(ii) Guaranteed Advances. Subject to Section 2.3(b), the principal amount outstanding the Guaranteed Line shall accrue interest at a floating per annum rate equal to the greater of (X) the aggregate of the Prime Rate plus one-half of one percent (0.50%) and (Y) six percent (6.00%).

(iii) [Intentionally omitted.]

(iv) Term Loan 2010. Subject to Section 2.3(b), the principal amount outstanding under the Term Loan 2010 shall accrue interest at a floating per annum rate equal to the Prime Rate plus three and one-half of one percent (3.50%), which interest shall be payable monthly in accordance with Section 2.1.7(b) above.”

3 The Loan Agreement shall be amended by deleting the following text appearing as Section 2.4(c) thereof:

“(c) Termination Fee. Subject to the terms of Section 12.1, a termination fee;”

and inserting in lieu thereof the following:

“(c) Termination Fee. Subject to (i) the terms of Section 12.1 with respect to the Revolving Line and (ii) the terms of Section 2.1.7(c) with respect to the Term Loan 2010, a termination/prepayment fee.”

4 The Loan Agreement shall be amended by deleting the following text appearing as Section 6.6 thereof:

“**6.6 Access to Collateral; Books and Records**. At reasonable times, on one (1) Business Day’s notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right, on a semi-annual basis (or more frequently as Bank shall determine necessary), to inspect the Collateral and the right to audit and copy Borrower’s Books. The foregoing inspections and audits shall be at Borrower’s expense, and the charge therefor shall be \$1,000 per person per day (or such higher amount as shall represent Bank’s then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to reschedules the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank’s rights or remedies), Borrower shall pay Bank a fee of \$1,000 plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.”

and inserting in lieu thereof the following:

“**6.6 Access to Collateral; Books and Records**. At reasonable times, on one (1) Business Day’s notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right, on a semi-annual basis (or more frequently as Bank shall determine necessary), to inspect the Collateral and the right to audit and copy Borrower’s Books. The foregoing inspections and audits shall be at Borrower’s expense, and the charge therefor shall be \$850 per person per day (or such higher amount as shall represent Bank’s then-current standard charge for the same), plus reasonable

out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to reschedule the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies), Borrower shall pay Bank a fee of \$1,000 plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling."

5 The Loan Agreement shall be amended by deleting the following text appearing as Section 6.9 thereof:

"6.9 Financial Covenant.

Borrower shall maintain at all times, to be tested as of the last day of each month:

(a) **Tangible Net Worth.** Borrower shall maintain a minimum Tangible Net Worth of no less than (i) \$1.00 for the monthly periods ending February 28, 2009 and March 31, 2009; (ii) (\$3,000,000) for the monthly periods ending April 30, 2009, May 31, 2009 and June 30, 2009; (iii) (\$8,000,000) for the monthly periods ending July 31, 2009 and August 31, 2009; (iv) (\$6,500,000) for the monthly period ending September 30, 2009; (v) \$3,903,001 for the monthly periods ending October 31, 2009 through and including August 31, 2010; (vi) \$1,903,000 for the monthly periods ending September 30, 2010 through and including the monthly period ending November 30, 2010; and (vii) (\$97,000) for the monthly period ending December 31, 2010 and each monthly period thereafter provided further, that in the event that Guaranteed Advances are no longer available under the Guaranteed Line, the foregoing covenant levels shall be adjusted by Bank, in its good faith business judgment. Such Tangible Net Worth requirements set forth above shall be increased by fifty percent (50%) of the net proceeds from issuances of equity securities of the Borrower and/or Subordinated Debt issued after the First Loan Modification Effective Date (Domestic)."

and inserting in lieu thereof the following:

"6.9 Financial Covenants.

Maintain as of the last day of each month, unless otherwise noted:

(a) **Tangible Net Worth.** Borrower shall maintain a minimum Tangible Net Worth of no less than the amounts described on Exhibit A to the Second Loan Modification Agreement (Domestic).

(b) **Liquidity Ratio.** Borrower shall maintain (i) at all times during the months of January, February, April, May, July, August, October and November of each fiscal year, a Liquidity Ratio of not less than 1.50:1.00; and (ii) at all times during the months of March, June, September and December of each fiscal year, a Liquidity Ratio of not less than 1.25:1.00."

6 The Loan Agreement shall be amended by deleting the following text appearing as Section 12.1 thereof:

"12.1 Termination Prior to Maturity Date. This Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank or if Bank's obligation to fund Credit Extensions terminates pursuant to the terms of Section 2.1.1(b). Notwithstanding any such termination, Bank's lien and security interest in the Collateral shall continue until Borrower fully satisfies its Obligations. If such termination is at Borrower's election or at Bank's election due to the occurrence and continuance of an Event of Default, Borrower shall pay to Bank, in addition to the payment of any other expenses or fees then-

owing, a termination fee in an amount equal to one percent (1.00%) of the Revolving Line (i.e. Two Hundred Fifty Thousand Dollars (\$250,000); provided, that no termination fee shall be charged if the credit facility hereunder is replaced with a new facility from another division of Silicon Valley Bank. Upon payment in full of the Obligations and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall release its liens and security interests in the Collateral and all rights therein shall revert to Borrower .”

and inserting in lieu thereof the following:

“12.1 Termination Prior to Maturity Date. This Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank or if Bank's obligation to fund Credit Extensions terminates pursuant to the terms of Section 2.1.1(b). Notwithstanding any such termination, Bank's lien and security interest in the Collateral shall continue until Borrower fully satisfies its Obligations. If such termination is at Borrower's election or at Bank's election due to the occurrence and continuance of an Event of Default, Borrower shall pay to Bank, in addition to the payment of any other expenses or fees then-owing, a termination fee in an amount equal to Three Hundred Thousand Dollars (\$300,000) (i.e. one percent (1.00%) of Thirty Million Dollars (\$30,000,000)); provided, that no termination fee shall be charged if the credit facility hereunder is replaced with a new facility from another division of Silicon Valley Bank. Upon payment in full of the Obligations and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall release its liens and security interests in the Collateral and all rights therein shall revert to Borrower.”

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

“Eligible Unbilled Accounts” are Accounts for which the Account Debtor has not been invoiced or where goods or services have not yet been rendered to the Account Debtor but are otherwise Eligible Accounts that are billed and for which goods and services will have been rendered to the applicable Account Debtor within fifteen (15) days of the Funding Date of the applicable Borrowing Base Certificate and which must thereafter satisfy all of the requirements of Eligible Accounts.

“Liquidity Ratio” is, as of any date of measurement, (X) the sum of (i) Borrower's unrestricted cash at Bank plus (ii) Borrower's net billed accounts receivable plus (iii) the unused available amount under the Guaranteed Line; divided by (Y) total outstanding Obligations of Borrower owed to Bank.

“Second Loan Modification Agreement” is that certain Second Loan Modification 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 (Domestic).

“Term Loan 2010” is a loan made by Bank pursuant to the terms of Section 2.1.7 hereof.

“Term Loan 2010 Amount” is an aggregate amount equal to Ten Million Dollars (\$10,000,000) outstanding at any time.

“Term Loan 2010 Maturity Date” is the earliest of (a) December 31, 2013 or (b) the occurrence of an Event of Default.

“Term Loan 2010 Payment” is defined in Section 2.1.7(b).

8 The Loan Agreement shall be amended by deleting the following definitions from Section 13.1 thereof, each in its entirety:

“**Borrowing Base**” is (a) eighty percent (80%) of Eligible Accounts plus (b) the lesser of (i) forty percent(40%) of the value of Borrower’s Eligible Inventory (valued at the lower of cost or wholesale fair market value) or (ii) One Million Dollars (\$1,000,000), as determined by Bank from Borrower’s most recent Borrowing Base Certificate; provided, however, that Bank may decrease the foregoing amounts and/or percentages in its good faith business judgment based on events, conditions, contingencies, or risks which, as determined by Bank, may adversely affect the value of the Collateral.

“**Credit Extension**” is any Advance, Guaranteed Advance, Letter of Credit, Equipment Loan, EXIM Loan, FX Forward Contract, amount utilized for Cash Management Services, or any other extension of credit by Bank for Borrower’s benefit.

“**Revolving Line Maturity Date**”is March 31, 2011.

“**Streamline Period**” is, on and after the Effective Date, the period (i) beginning immediately after the forty-fifth (45th) consecutive day in which the Borrower has, for each such consecutive day, maintained unrestricted cash at Bank, in an amount greater than the aggregate amount of all outstanding Indebtedness, including all Credit Extensions of Borrower owed to Bank, other than any outstanding Guaranteed Advances under the Guaranteed Line that are secured by the Alafi Letter of Credit (the “**Streamline Balance**”), and (ii) ending on the first day the reafter in which the Borrower does not maintain the Streamline Balance. Borrower shall be required to maintain the Streamline Balance for forty-five (45) consecutive days, in Bank’s reasonable business judgment, prior to entering into a subsequent Streamline Period. Borrower shall provide prior-written notice of its intention to enter into a Streamline Period.”

and inserting in lieu thereof the following:

“**Borrowing Base**” is (a) without duplication, eighty percent (80%) of Eligible Accounts plus (b) the lesser of (i) forty percent (40%) of the value of Borrower’s Eligible Inventory (valued at the lower of cost or wholesale fair market value) or (ii) One Million Dollars (\$1,000,000) plus (c) from the 25th day of the third month of each fiscal quarter of the Borrower through and including the last day of each such fiscal quarter, without duplication, eighty percent (80%) of Borrower’s Eligible Unbilled Accounts, in each case as determined by Bank from Borrower’s most recent Borrowing Base Certificate; provided, however, that Bank may decrease the foregoing amounts and/or percentages in its good faith business judgment based on events, conditions, contingencies, or risks which, as determined by Bank, may adversely affect the value of the Collateral.

“**Credit Extension**” is any Advance, Guaranteed Advance, Letter of Credit, Term Loan 2010, EXIM Loan, FX Forward Contract, amount utilized for Cash Management Services, or any other extension of credit by Bank for Borrower’s benefit.

“**Revolving Line Maturity Date**”is March 31, 2012.

“**Streamline Period**” is, on and after the Second Loan Modification (Domestic) Effective Date, the period (i) beginning immediately after the forty-fifth (45th) consecutive day in which the Borrower has, for each such consecutive day, maintained a Liquidity Ratio in excess of 1.50:1.00 (the “**Streamline Threshold**”), and (ii) ending on the first day thereafter in which the Borrower

does not maintain the Streamline Threshold. Borrower shall be required to maintain the Streamline Threshold for forty-five (45) consecutive days, in Bank's reasonable business judgment, prior to entering into a subsequent Streamline Period. Borrower shall provide prior-written notice of its intention to enter into a Streamline Period."

9 The Compliance Certificate attached as Exhibit B to the Loan Agreement is hereby deleted and replaced with Exhibit A attached hereto.

4. FEES. Borrower shall pay to Bank (i) a Term Loan 2010 commitment fee equal to Seventy Five Thousand Dollars (\$75,000) and (ii) a modification fee equal to Three Hundred Seventy Five Thousand Dollars (\$375,000), which fees shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

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

- A. copies, certified by a duly authorized officer of the Borrower to be true and complete as of the date hereof, of each of (i) the governing documents of the Borrower as in effect on the date hereof (but only to the extent modified since last delivered to the Bank (ii) the resolutions of the Borrower authorizing the execution and delivery of this Loan Modification Agreement, the other documents executed in connection herewith and the Borrower's performance of all of the transactions contemplated hereby, and (iii) an incumbency certificate giving the name and bearing a specimen signature of each individual who shall be so authorized;
- B. a certificate from the Secretary of State of the applicable State of organization of a recent date as to the Borrower's existence and good standing;
- C. the Export-Import Bank Second Loan Modification Agreement, executed by each Borrower, in form and substance acceptable to Bank, in its sole discretion;
- D. the Borrower Agreement (as defined in the EXIM Bank Loan and Security Agreement), executed by each Borrower;
- E. an updated Economic Impact Certificate, executed by each Borrower;
- F. an updated Joint Application Form (EXIM), completed and executed by each Borrower;
- G. a certain Second Amendment to Promissory Note, executed by each Borrower, in form and substance acceptable to Bank, in its sole discretion;
- H. a duly executed Landlord's Consent from the landlord of the Borrower's leased premises located at 7351 Kirkwood Road, Maple Grove, Minnesota 55369, in form and substance acceptable to Bank, in its sole discretion;
- I. duly executed Bailee's Waivers from Pilot (Tiger Logistics) and Healthware Europe BV, in form and substance acceptable to Bank, in its sole discretion;
- J. a duly executed Warrant, in form and substance acceptable to Bank, in its sole discretion;
- K. updated property insurance and liability insurance certificates, in form and substance acceptable to Bank, in its sole discretion;
- L. evidence satisfactory to Bank that Borrower has received and deposited at Bank net proceeds from (i) the issuance of additional equity of Borrower or (ii) the issuance of additional Subordinated

Debt, in each case in form and substance acceptable to Bank, in its reasonable discretion, of not less than Ten Million Dollars (\$10,000,000);

M. evidence satisfactory to Bank that the Alafi Letter of Credit has not been terminated; and

N. such other documents as Bank may request, in its reasonable discretion.

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 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 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.

12. < **FONT style="FONT-SIZE: 7pt; FONT-WEIGHT: normal" face="Times New Roman">**

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.

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 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.

15. 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/ Daniel J. Johnston

Name: Daniel J. Johnston

Title: CFO

STEREOTAXIS INTERNATIONAL, INC.

By /s/ Daniel J. Johnston

Name: Daniel J. Johnston

Title: CFO

BANK:

SILICON VALLEY BANK

By /s/ Michael Kohlen

Name: Michael Kohlen

Title: Senior Relationship Manager

Second Loan Modification (Domestic) Effective Date: December 17, 2010

[Signature Page to Second Loan Modification Agreement (Domestic)]

Exhibit A

Section 6.9(a) - Tangible Net Worth

Required: Commencing on December 31, 2010 and as of the last day of each quarterly period thereafter, Borrower shall maintain a minimum Tangible Net Worth of no less than \$5,870,710; provided, that such minimum Tangible Net Worth requirement shall, effective as of June 30, 2011, provided no Event of Default has occurred and is continuing, be reduced by Five Million Dollars (\$5,000,000); provided further, that in the event that Guaranteed Advances are no longer available under the Guaranteed Line, the foregoing covenant levels shall be adjusted by Bank, in its good faith business judgment. Such Tangible Net Worth requirements set forth above shall be increased by fifty percent (50%) of the net proceeds from issuances of equity securities of the Borrower and/or Subordinated Debt issued after the Second Loan Modification (Domestic) Effective Date.

Actual:

A.	Consolidated total assets of Borrower and its Subsidiaries	\$_____
B.	Subordinated Debt	\$_____
C.	Outstanding Guaranteed Advances	\$_____
D.	Adjusted Assets [line A plus line B plus line C]	\$_____
E.	Amounts attributable to Goodwill	\$_____
F.	Intangible items including unamortized debt discount and expense, patents, trade and service marks and names, copyrights and capitalized research and development expenses (except prepaid expenses)	\$_____
G.	Notes, accounts receivable and other obligations owing to Borrower from its officers or other Affiliates	\$_____
H.	Reserves not already deducted from assets	\$_____
I.	Intangible assets [line E plus line F plus line G plus line H]	\$_____
J.	Total Liabilities	\$_____
K.	Up to \$4,500,000 mark-to-market expense incurred in accordance with GAAP as a result of mark-to-market adjustments of the value of Warrants of the Borrower	\$_____
L.	TANGIBLE NET WORTH [line D minus line I minus line J plus line K]	\$_____

Is line L equal to or greater than (less than) \$_____?

_____ No, not in compliance

_____ Yes, in compliance

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
 FROM: STEREOTAXIS, INC. and STEREOTAXIS INTERNATIONAL, INC.

Date: _____ &nb sp;__

The undersigned authorized officer of Stereotaxis, Inc., a Delaware corporation and Stereotaxis International, Inc. (collectively, jointly and severally, the “**Borrower**”) certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the “**Agreement**”), (1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries, if any, relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with generally GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under “Complies” column.

<u>Reporting Covenant</u>	<u>Required</u>	<u>Complies</u>
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 120 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
A/R & A/P Agings, Deferred Revenue and Inventory Reports	Monthly within 30 days	Yes No
Transaction Reports	Weekly, within 5 days*	Yes No
Projections	Annually within 30 days prior to FYE	Yes No
* Monthly during a Streamline Period, within 5 days after the end of each month		
The following Intellectual Property was registered after the Effective Date (if no registrations, state “None”) _____		

<u>Financial Covenant</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>
Maintain as indicated:			
Minimum Tangible Net Worth** (tested quarterly)	\$_____	\$_____	Yes No
Liquidity Ratio (at all times)	***		Yes No

** See Section 6.9(a) and Exhibit A of the Loan Agreement

*** See Section 6.9(b) of the Loan Agreement

The following financial covenant analyses and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

STEREOTAXIS, INC.
STEREOTAXIS INTERNATIONAL, INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER

Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

Dated: _____

I. **Tangible Net Worth** (Section 6.9(a)) – See Exhibit A to the Second Loan Modification Agreement (Domestic).

II. **Liquidity Ratio (Section 6.9(b))**

Required: Maintain (i) at all times during the months of January, February, April, May, July, August, October and November of each fiscal year, a Liquidity Ratio of not less than 1.50:1.00; and (ii) at all times during the months of March, June, September and December of each fiscal year, a Liquidity Ratio of not less than 1.25:1.00.

Actual:

A.	Borrower's unrestricted cash at Bank	\$_____
B.	Borrower's net billed accounts receivable	\$_____
C.	the unused available amount under the Guaranteed Line	\$_____
D.	LIQUIDITY [line A plus line B plus line C]	\$_____
E.	Total outstanding Obligations of Borrower owed to Bank	\$_____
F.	LIQUIDITY RATIO [line D divided by line E]	\$_____

Is line L equal to or greater than [_____]:1.00?

_____ No, not in compliance

_____ &nb sp;__ Yes, in compliance

EXPORT-IMPORT BANK SECOND LOAN MODIFICATION AGREEMENT

This Export-Import Bank Second Loan Modification Agreement (this “**EXIM Loan Modification Agreement**”) is entered into as of 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 limited liability company, 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 March 11, 2009, evidenced by, among other documents, a certain Export-Import Bank Loan and Security Agreement dated as of March 11, 2009, as amended by a certain Export-Import Bank First Loan Modification Agreement, dated as of December 15, 2009 (as may be amended from time to time, the “**< B > Loan Agreement**”) and a certain Loan and Security Agreement (Domestic), dated as of March 11, 2009, as amended by a certain First Loan Modification Agreement (Domestic), dated as of December 15, 2009, and as further amended by a certain Second Loan Modification Agreement (Domestic), dated as of the date hereof (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 (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 definitions appearing in Section 13.1 thereof:

“**Revolving Line Maturity Date**” is March 31, 2011.”

and inserting in lieu thereof the following:

“**Revolving Line Maturity Date**” is March 31, 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 the date indicated on the signature page to the EXIM Loan Modification Agreement.”

4. FEES. Borrower shall reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. 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.

6. 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.

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

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

9. 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.

10. 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.

11. RIGHT OF SET-OFF. In consideration of Bank's agreement to enter into this EXIM Loan Modification Agreement, Borrower hereby reaffirms and here by 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.

12. 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.

13. 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.

14. 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 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/ Daniel J. Johnston

Name: Daniel J. Johnston

Title: CFO

STEREOTAXIS INTERNATIONAL, INC.

By /s/ Daniel J. Johnston

Name: Daniel J. Johnston

Title: CFO

BANK:

SILICON VALLEY BANK

By /s/ Michael Kohnen

Name: Michael Kohnen

Title: Senior Relationship Manager

Second Loan Modification Effective Date (EXIM): December 17, 2010

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

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 5 BELOW, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAW OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: Stereotaxis, Inc., a Delaware corporation

Number of Shares: 111,111, subject to adjustment

Class of Stock: Common Stock, 0.001 par value per share

Warrant Price: \$3.60, subject to adjustment

Issue Date: December 17, 2010

Expiration Date: December 17, 2015

Credit Facility: This Warrant is issued in connection with that certain Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company.

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (Silicon Valley Bank, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, is referred to hereinafter as "Holder") is entitled to purchase the number of fully paid and non-assessable shares (the "Shares") of the class of stock (the "Class") of the above-named company (the "Company") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Article 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1. EXERCISE.

1.1 Method of Exercise. Holder may exercise this Warrant by delivering the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless Holder is exercising the conversion right set forth in Article 1.2, Holder shall also deliver to the Company a check, wire transfer (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant as specified in Article 1.1, Holder may from time to time convert this Warrant, in whole or in part, into a number of Shares determined by dividing (a) the aggregate fair market value of the Shares or other securities otherwise issuable upon exercise of this Warrant minus the aggregate Warrant Price of such Shares by (b) the fair market value of one Share. The fair market value of the Shares shall be determined pursuant to Article 1.3.

1.3 Fair Market Value. If the Company's common stock is traded in a public market, the fair market value of a Share shall be the closing price of a share of common stock reported for the business day immediately before Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is not traded in a public market, the Board of Directors of the Company shall determine fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Promptly after Holder exercises or converts this Warrant and, if applicable, the Company receives payment of the aggregate Warrant Price, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new Warrant representing the Shares not so acquired.

1.5 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

1.6 Treatment of Warrant Upon Acquisition of Company.

1.6.1 "Acquisition". For the purpose of this Warrant, "Acquisition" means any sale, exclusive license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, merger, or sale of outstanding equity securities of the Company by the holders thereof, where the holders of the Company's outstanding voting equity securities as of immediately before the transaction beneficially own less than a majority of the outstanding voting equity securities of the surviving or successor entity as of immediately after the transaction.

1.6.2 Treatment of Warrant at Acquisition.

A) Holder agrees that, in the event of an Acquisition in which the sole consideration is cash and/or Marketable Securities, this Warrant shall terminate on and as of the closing of such Acquisition to the extent not previously exercised. The Company shall provide Holder with written notice of any proposed Acquisition not later than the date on which Holder provides such notice to its other stockholders, and shall provide such information in connection therewith to Holder as and when it provides such information to its other stockholders.

B) Upon the closing of any Acquisition other than as particularly described in subsection (A) above, the surviving or successor entity shall assume this Warrant and the obligations of the Company hereunder, and this Warrant shall, from and after such closing, be exercisable for the same class, number and kind of securities, cash and other property as would have been paid for or in respect of the Shares issuable (as of immediately prior to such closing) upon exercise in full hereof as if such Shares had been issued and outstanding on and as of such closing, at an aggregate Warrant Price equal to the aggregate Warrant Price in effect as of immediately prior to such closing; and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

C) As used in this Article 1.6, "Marketable Securities" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise or convert this Warrant on or prior to the closing thereof is then traded on a national securities exchange or over-the-counter market, and (iii) Holder would not be restricted by contract or by applicable federal and state securities laws from publicly re-selling, within six (6) months and one day following the closing of such Acquisition, all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition.

ARTICLE 2. ADJUSTMENTS TO THE SHARES.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend on the outstanding shares of the Class payable in common stock or other securities, then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange or Substitution. Upon any reclassification, exchange, substitution, or other event affecting the outstanding shares of the Class, Holder shall be entitled to receive, upon exercise or conversion of this Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised in full immediately before such reclassification, exchange, substitution, or other event, at an aggregate Warrant Price not exceeding the aggregate Warrant Price in effect as of immediately prior thereto. The Company or its successor shall promptly issue to Holder a certificate pursuant to Article 2.5 hereof setting forth the number, class and series or other designation of such new securities or other property issuable upon exercise or conversion of this Warrant as a result of such reclassification, exchange, substitution or other event. The provisions of this Article 2.2 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.3 [Intentionally Omitted]

2.4 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of the Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of the Warrant, the Company shall eliminate such fractional share interest by paying Holder the amount computed by multiplying the fractional interest by the fair market value of a full Share.

2.5 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company shall promptly notify Holder in writing, and, at the Company's expense, promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price, Class and number of Shares in effect upon the date thereof and the series of adjustments leading to such Warrant Price, Class and number of Shares.

ARTICLE 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The Company shall at all times during the term of this Warrant keep reserved out of its authorized and unissued capital stock a sufficient number of shares of the Class to permit exercise in full of this Warrant. All Shares which may be issued upon the exercise or conversion of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock; (c) to effect any reclassification, reorganization or recapitalization of the outstanding shares of the Class; or (d) to effect an Acquisition or to liquidate, dissolve or wind up; then, in connection with each such event, the Company shall provide notice to Holder thereof at the same time and in the same manner as the Company notifies its other stockholders thereof.

3.3 No Shareholder Rights. Except as provided in this Warrant, Holder will not have any rights as a shareholder of the Company until the exercise of this Warrant.

ARTICLE 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER. The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder will be acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise or conversion hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise or conversion hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available.

ARTICLE 5. MISCELLANEOUS.

5.1 Term: This Warrant is exercisable in whole or in part at any time and from time to time on or before the Expiration Date.

5.2 Legends. Each certificate representing Shares issued upon any exercise or conversion hereof (and the certificates representing the securities issued upon conversion of such Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 5 OF THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE COMPANY TO SILICON VALLEY BANK DATED AS OF DECEMBER 17, 2010 (THE "WARRANT"), MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAW OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank ("Bank") of the executed Warrant, Bank will transfer all of this Warrant to SVB Financial Group, Holder's parent company. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable).

5.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or Holder, as the case may be (or on the first business day after transmission by facsimile), in writing by the Company or such holder from time to time. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HA 200
Santa Clara, CA 95054
Telephone: 408-654-7400
Facsimile: 408-496-2405

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Stereotaxis, Inc.
Attn: Chief Financial Officer
4320 Forest Park Avenue, Suite 100
St. Louis, MO 63108
Telephone: 314-678-6100
Facsimile: _____

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Automatic Conversion upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Article 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be converted pursuant to Article 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised or converted, and the Company shall promptly deliver a certificate representing the Shares (or such other securities) issued upon such conversion to Holder.

5.9 Counterparts. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement.

[Remainder of page left blank intentionally]

5.10 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its principles regarding conflicts of law.

"COMPANY"

STEREOTAXIS, INC.

By: /s/ Daniel J. Johnston

Name: Daniel J. Johnston
(Print)

Title: CFO

"HOLDER"

SILICON VALLEY BANK

By: /s/ Michael Kohlen

Name: Michael Kohlen
(Print)

Title: Senior Relationship Manager

APPENDIX 1

NOTICE OF EXERCISE

1. Holder elects to purchase _____ shares of the Common/Series _____ Preferred [strike one] Stock of _____ pursuant to the terms of the attached Warrant, and tenders payment of the purchase price of the shares in full.

[or]

1. Holder elects to convert the attached Warrant into Shares/cash [strike one] in the manner specified in the Warrant. This conversion is exercised for _____ of the Shares covered by the Warrant.

[Strike paragraph that does not apply.]

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holders Name

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Article 4 of the Warrant as of the date hereof.

HOLDER:

By: _____

Name: _____

Title: _____

(Date): _____