As filed with the Securities and Exchange Commission on May 12, 2004

Registration No. 333-115253

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 1

to

Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Stereotaxis, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**3845**	**94-3120386**
(State or other jurisdiction of Incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

4041 Forest Park Avenue

St. Louis, Missouri 63108
(314) 615-6940
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Bevil J. Hogg

President and Chief Executive Officer
Stereotaxis, Inc.
4041 Forest Park Avenue
St. Louis, Missouri 63108
(314) 615-6940
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all correspondence to:

James L. Nouss, Jr., Esq.
Robert J. Endicott, Esq.
Bryan Cave LLP
One Metropolitan Square
211 North Broadway, Suite 3600
St. Louis, Missouri 63102-2750
(314) 259-2000
(314) 259-2020 (fax)

Carlos J. Spinelli-Noseda, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
(212) 558-4000
(212) 558-3588 (fax)

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

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

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

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such

date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Pre-Effective Amendment No. 1 to the Registration Statement on Form S-1 (File No. 333-115253) is being filed solely to file additional exhibits for which we have requested confidential treatment from the Securities and Exchange Commission and to modify certain information in Item 13 of Part II of the Registration Statement. Pre-Effective Amendment No. 1 does not modify any provision of the Prospectus constituting Part I of the Registration Statement or Items 14, 15 or 17 of Part II of the Registration Statement. Accordingly, such Prospectus has not been included herein.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. *Other Expenses of Issuance and Distribution*

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by Stereotaxis in connection with the sale of the common stock being registered hereby, other than underwriting commissions and discounts. All amounts are estimates except the SEC Registration Fee and the NASD filing fee.

SEC Registration fee	$14,570.50
NASD filing fee	12,000.00
Nasdaq National Market listing fee*	
Blue Sky fees and expenses*	
Printing and engraving expenses*	
Legal fees and expenses*	
Accounting fees and expenses*	
Transfer agent and registrar fees*	
Miscellaneous expenses*	
Total*	$

* To be supplied by amendment.

We intend to pay all expenses of registration, issuance and distribution.

Item 14. *Indemnification of Officers and Directors*

Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by the Delaware General Corporation Law as the same exists or may hereafter be amended, our directors shall not be liable to the Company or our stockholders for monetary damages for breach of fiduciary duty as a director. In addition, our certificate of incorporation provides that we may, to the fullest extent permitted by law, indemnify any person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or his or her testator or intestate is or was a director, officer or employee of the Company, or any predecessor of the Company, or serves or served at any other enterprise as a director, officer or employee at the request of the Company.

Our amended and restated bylaws provide that the Company shall indemnify our directors and officers to the fullest extent not prohibited by the Delaware General Corporation Law or any other law. We are not required to indemnify any director or officer in connection with a proceeding brought by such director or officer unless (i) such indemnification is expressly required by law; (ii) the proceeding was authorized by our board of directors; or (iii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under the Delaware General Corporation Law or any other applicable law. In addition, our bylaws provide that the Company may indemnify its employees and other agents as set forth in the Delaware General Corporation Law or any other applicable law.

We have also entered into separate indemnification agreements with our directors that require us, among other things, to indemnify each of them against certain liabilities that may arise by reason of their status or service with the Company or on behalf of the Company, other than liabilities arising from willful misconduct of a culpable nature. The Company is not required to indemnify under the agreement for (i) actions initiated by the director without the authorization of consent of the board of

directors; (ii) actions initiated to enforce the indemnification agreement unless the director is successful; (iii) actions resulting from violations of Section 16 of the Exchange Act in which a final judgment has been rendered against the director; and (iv) actions to enforce any non-compete or non-disclosure provisions of any agreement.

The indemnification provided for above provides for reimbursement of all losses of the indemnified party including, expenses, judgment, fines and amounts paid in settlement. The right to indemnification set forth above includes the right for us to pay the expenses (including attorneys' fees) incurred in defending any such proceeding in advance of its final disposition in certain circumstances.

The Delaware General Corporation Law provides that indemnification is permissible only when the director, officer, employee, or agent acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The Delaware General Corporation Law also precludes indemnification in respect of any claim, issue, or matter as to which an officer, director, employee, or agent shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine that, despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

We have agreed to indemnify the underwriters and their controlling persons, and the underwriters have agreed to indemnify us and our controlling persons, against certain liabilities, including liabilities under the Securities Act. Reference is made to the Underwriting Agreement filed as part of the exhibits hereto.

See Item 17 for information regarding our undertaking to submit to adjudication the issue of indemnification for violation of the securities laws.

Item 15. ***Recent Sales of Unregistered Securities***

During the past three years, the registrant has issued and sold the following securities that were not registered under the Securities Act, as amended. Unless expressly provided otherwise, amounts have not been adjusted to reflect the reverse stock split which will be effective upon completion of this offering.

1. From May 1, 2001 through April 30, 2004, the registrant granted options to purchase 8,386,500 shares of its common stock to employees, consultants and directors pursuant to its stock option plans. Options to purchase an aggregate of 1,460,997 shares have been canceled without being exercised, options to purchase an aggregate of 2,445,880 shares have been exercised, options to purchase an aggregate of 66,355 shares have been repurchased.

2. In November and December 2001, the registrant issued and sold to a group of accredited investors 10,052,020 shares of its Series D-1 preferred stock, convertible into 10,052,020 shares of its common stock, for approximately $21.8 million.

3. In November and December 2001, in connection with the sale of the Series D-1 preferred stock, the registrant issued and sold to the same group of accredited investors warrants to purchase an aggregate of 1,507,791 shares of its common stock for approximately $23,000. Unless previously exercised, the warrants will be automatically exercised on a cashless basis at an exercise price of $2.17 per share upon completion of this offering.

4. In connection with entering into a credit facility with Silicon Valley Bank, on January 31, 2002 the registrant issued warrants to purchase 50,692 shares of its Series D-1 preferred stock to the bank. The warrants are exercisable at any time prior to January 31, 2007 at an exercise price of $2.17 per share.

5. In connection with entering into a credit facility with Silicon Valley Bank, on March 19, 2002 the registrant issued warrants to purchase 36,868 shares of its Series D-1 preferred stock to the bank. The warrants are exercisable at any time prior to March 20, 2007 at an exercise price of $2.17 per share.

6. In connection with entering into a credit facility with Silicon Valley Bank, on September 30, 2002 the registrant issued warrants to the bank to purchase 18,000 shares of its Series D-1 preferred stock. The warrants are exercisable at any time prior to September 31, 2007 at an exercise price of $2.17 per share.

7. In December 2002 and January 2003, the registrant issued and sold to a group of accredited investors 10,705,929 shares of its Series D-2 preferred stock, convertible into an aggregate of 10,705,929 shares of its common stock, for approximately $23.2 million.

8. In December 2002 and January 2003 in connection with the sale of the Series D-2 preferred stock, the registrant issued and sold to the same group of accredited investors warrants to purchase an aggregate of 1,605,874 shares of its common stock for approximately $24,000. Unless previously exercised, the warrants will be automatically exercised on a cashless basis at an exercise price of $2.17 per share upon completion of this offering.

9. In June 2003, the registrant issued and sold to an accredited investor 3,412,970 shares of its Series E preferred stock, convertible into an aggregate of 3,412,970 shares of its common stock, for approximately $10 million.

10. In August 2003, the registrant issued and sold to one private investor a cumulative convertible pay-in-kind note in the aggregate principal amount of $2.0 million which bears interest at 8% per year and is due on August 1, 2006. Upon completion of this offering, the note will automatically convert into the number of shares of the registrant's common stock that is equal to the outstanding principal and accrued and unpaid interest on the note divided by the public offering price per share in this offering.

11. In December 2003, the registrant issued and sold to an accredited investor 3,242,321 shares of its Series E-1 preferred stock, convertible into an aggregate of 3,242,321 shares of its common stock, for approximately $9.5 million.

12. In January and February 2004, the registrant issued and sold to a group of accredited investors 5,380,830 shares of its Series E-2 preferred stock, convertible into an aggregate of 5,380,830 shares of its common stock, for approximately $15.8 million.

13. In January and February 2004 in connection with the sale of the Series E-2 preferred stock, the registrant issued and sold to the same group of accredited investors warrants to purchase an aggregate of 1,076,170 shares of its common stock. Unless previously exercised, the warrants will be automatically exercised on a cashless basis at an exercise price of $2.93 per share upon completion of this offering.

The sales and issuances of securities described in item 1 above were deemed to be exempt from registration under the Securities Act by virtue of Rule 701 of the Securities Act in that they were offered and sold either pursuant to a written compensatory benefit plan or pursuant to a written contract relating to compensation, as provided by Rule 701. The sales of the securities described in items 2 through 13 above were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act, or Regulation D promulgated thereunder. With respect to the grant of options described in item 1, an exemption from registration was unnecessary in that none of the transactions involved a "sale" of securities as such term is used in Section 2(3) of the Securities Act.

The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and warrants issued in such

transactions. All recipients had adequate access, through their relationships with the Company, to information about the registrant.

Item 16. ***Exhibits and Financial Statements Schedules***

(a) The following is a list of exhibits filed as a part of this Registration Statement:

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation of the Registrant dated January 27, 2004
3.2**	Bylaws of the Registrant as currently in effect
3.3**	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective upon the closing of this offering
3.4**	Form of Amended and Restated Bylaws of the Registrant, to be effective upon the closing of this offering
4.1*	Specimen Stock Certificate
4.2**	Second Amended and Restated Stockholders' Agreement, dated December 17, 2002 by and among the Registrant and certain stockholders
4.3**	Fourth Amended and Restated Investor Rights Agreement, dated December 17, 2002 by and among Registrant and certain stockholders
4.4**	Joinder Agreement to Series D-2 Preferred Stock Purchase Agreement, Fourth Amended and Restated Investor Rights Agreement and Amendment to Second Amended and Restated Stockholders' Agreement dated January 21, 2003 by and among Registrant and certain stockholders
4.5**	Joinder and Amendment to Second Amended and Restated Stockholders' Agreement and Fourth Amended and Restated Investor Rights Agreement, dated May 27, 2003 by and among Registrant and certain stockholders
4.6**	Second Joinder and Amendment to Second Amended and Restated Stockholders' Agreement and Fourth Amended and Restated Investor Rights Agreement, dated December 22, 2003 by and among Registrant and certain stockholders
4.7**	Third Joinder and Amendment to Second Amended and Restated Stockholders' Agreement and Fourth Amended and Restated Investor Rights Agreement, dated January 28, 2004 by and among Registrant and certain stockholders
4.8**	Form of Warrant Agreement issued to Series D-1 investors
4.9**	Warrant Agreement issued to Silicon Valley Bank dated January 31, 2002
4.10**	Form of Warrant Agreement issued to Series D-2 investors
4.11**	Form of Warrant Agreement issued to Series E-2 investors
4.12**	8% Convertible Promissory Note dated August 1, 2003 issued by the Registrant in favor of Siemens AG
4.13**	Warrant Agreement issued to Silicon Valley Bank dated March 19, 2002
4.14**	Warrant Agreement issued to Silicon Valley Bank dated September 30, 2002
5.1*	Opinion of Bryan Cave LLP
10.1**	1994 Stock Option Plan
10.2**	2002 Stock Incentive Plan
10.3**	2004 Employee Stock Purchase Plan
10.4**	2002 Non-Employee Directors' Stock Plan
10.5**	Employment Agreement dated June 23, 1997 between Bevil J. Hogg and the Registrant
10.6**	Employment Agreement dated April 4, 2001 between Douglas M. Bruce and the Registrant
10.7**	Employment Agreement dated February 16, 2001 between Melissa Walker and the Registrant

Exhibit No.	Description
10.8**	Employment Agreement dated April 17, 2002 between Michael P. Kaminski and the Registrant
10.9†	Collaboration Agreement dated June 8, 2001 between the Registrant and Siemens AG, Medical Solutions
10.10†	Extended Collaboration Agreement dated May 27, 2003 between the Registrant and Siemens AG, Medical Solutions
10.11†	Development and Supply Agreement dated May 7, 2002 between the Registrant and Biosense Webster, Inc.
10.12†	Amendment to Development and Supply Agreement dated November 3, 2003 between the Registrant and Biosense Webster, Inc.
10.13†	Supply Agreement dated July 1, 2003 between the Registrant and Magnet Sales & Manufacturing Inc.
10.14**	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.15**	Lease, having an effective date of August 15, 2001, between the Registrant and Emerging Technologies Building II, LLC
10.16†	Letter Agreement, dated September 12, 2003, between the Registrant and Philips Medizin Systeme G.m.b.H.
10.17**	Employment Agreement dated March 22, 2004 between Timothy J. Mortenson and the Registrant
10.18†	Software Distribution Agreement dated March 3, 2004 between the Registrant and Siemens Aktiengesellschaft
10.19†	Third Party Service Agreement dated August 5, 2002 between the Registrant and Siemens Medical Solutions USA, Inc.
10.20†	Research Agreement between the Registrant, Siemens AG and Landesbetrieb Krankenhauser
10.21**	Loan and Security Agreement dated January 31, 2002 between the Registrant and Silicon Valley Bank
10.22**	Loan Modification Agreement dated May 14, 2002 between the Registrant and Silicon Valley Bank
10.23**	Second Loan Modification Agreement dated July 11, 2002 between the Registrant and Silicon Valley Bank
10.24**	Loan and Security Agreement dated September 30, 2002 between the Registrant and Silicon Valley Bank
10.25**	Second Loan Modification Agreement dated September 30, 2002 to Equipment Loan and Security Agreement dated January 31, 2002 and Third Loan Modification Agreement to Revolving Loan and Security Agreement dated March 19, 2002
10.26**	Third Loan Modification Agreement dated December 31, 2002 to Equipment Loan and Security Agreement dated January 31, 2002 and Fourth Loan Modification Agreement to Revolving Loan and Security Agreement dated March 19, 2002 and First Loan Modification Agreement to Equipment Loan and Security Agreement dated September 30, 2002 between the Registrant and Silicon Valley Bank
10.27**	Fourth Loan Modification Agreement dated April 2003 to Equipment Loan and Security Agreement dated January 31, 2002 and Fifth Loan Modification Agreement to Revolving Loan and Security Agreement dated March 19, 2002 and Second Loan Modification Agreement to Equipment Loan and Security Agreement dated September 30, 2002
10.28*	Loan and Security Agreement dated April 30, 2004 between the Registrant and Silicon Valley Bank
10.29†	Distributor Agreement dated September 17, 2003 between the Registrant and AB Medica

Exhibit No.	Description
10.30**	Promissory Note dated November 20, 2001 by Douglas M. Bruce payable to the order of Stereotaxis, Inc.
10.31	Retirement and Consulting Agreement between the Registrant and Nicola J.H. Young
23.1**	Consent of Ernst & Young LLP
23.2*	Consent of Bryan Cave LLP (included in the opinion filed as Exhibit 5.1)
24.1**	Powers of Attorney (see signature page)

* To be filed by amendment to this registration statement

** Previously filed

† Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedule

Stereotaxis, Inc.

Schedule of Accounts Receivable and Inventory Reserves

Three months ended March 31, 2004 and years ended December 31, 2003, 2002 and 2001

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions Describe	Foreign Currency Translation	Balance at End of Period
Accounts Receivable Reserves:					
Three Months Ended March 31, 2004					
Sales Allowances	$ (14,975)	$ (79,122)	$34,255(1)	$ —	$ (59,842)
Bad Debt Reserve	(101,750)	(70,497)	—	—	(172,247)
	$(116,725)	$(149,619)	$34,255	$ —	$(232,089)
Year Ended December 31, 2003					
Sales Allowances	$ —	$ (17,607)	$ 2,632(1)	$ —	$ (14,975)
Bad Debt Reserve	(1,650)	(100,100)	—	—	(101,750)
	$ (1,650)	$(117,707)	$ 2,632	$ —	$(116,725)
Year Ended December 31, 2002					
Sales Allowances	$ —	$ —	$ —	$ —	$ —
Bad Debt Reserve	—	(1,650)	—	—	(1,650)
	$ —	$ (1,650)	$ —	$ —	$ (1,650)
Year Ended December 31, 2001					
Sales Allowances	$ —	$ —	$ —	$ —	$ —
Bad Debt Reserve	—	—	—	—	—
	$ —	$ —	$ —	$ —	$ —
Inventory Reserves:					
Three Months Ended March 31, 2004					
Inventory Reserve	$(105,750)	$ (13,844)	$ 2,503(2)	$ —	$(117,090)

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions Describe	Foreign Currency Translation	Balance at End of Period
Year ended December 31, 2003					
Inventory Reserve	$(51,000)	$(123,534)	$68,784(2)	$ —	$(105,750)
Year ended December 31, 2002					
Inventory Reserve	$ —	$ (51,000)	$ —	$ —	$ (51,000)
Year ended December 31, 2001					
Inventory Reserve	$ —	$ —	$ —	$ —	$ —

(1) Sales allowance and product returns

(2) Write-off of obsolete inventory and physical inventory adjustments

Item 17. ***Undertakings.***

The undersigned registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification by the registrant for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of Prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this pre-effective amendment no. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of St. Louis, State of Missouri, on the 12th day of May, 2004.

STEREOTAXIS, INC.

By: /s/ BEVIL J. HOGG

Bevil J. Hogg
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this pre-effective amendment no. 1 to the registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ FRED A. MIDDLETON* Fred A. Middleton	Chairman of the Board of Directors	May 12, 2004
/s/ BEVIL J. HOGG Bevil J. Hogg	President, Chief Executive Officer and Director (Principal Executive Officer)	May 12, 2004
/s/ CHRISTOPHER ALAFI* Christopher Alafi	Director	May 12, 2004
/s/ JOHN C. APLIN* John C. Aplin	Director	May 12, 2004
/s/ RALPH G. DACEY, JR.* Ralph G. Dacey, Jr.	Director	May 12, 2004
/s/ GREGORY R. JOHNSON* Gregory R. Johnson	Director	May 12, 2004
/s/ WILLIAM M. KELLEY* William M. Kelley	Director	May 12, 2004
/s/ RANDALL D. LEDFORD* Randall D. Ledford	Director	May 12, 2004
/s/ ABHIJEET J. LELE* Abhijeet J. Lele	Director	May 12, 2004
/s/ WILLIAM C. MILLS III* William C. Mills III	Director	May 12, 2004

Signatures	Title	Date
/s/ DAVID J. PARKER* David J. Parker	Director	May 12, 2004
/s/ TIMOTHY J. MORTENSON Timothy J. Mortenson	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	May 12, 2004
*By: /s/ BEVIL J. HOGG Bevil J. Hogg *Attorney-In-Fact*		

EXHIBIT INDEX

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* To be filed by amendment to this registration statement

** Previously filed

† Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 10.9

LS Med
Kb
28.05.2001

Vers.08

COLLABORATION AGREEMENT

by and between

STEREOTAXIS, INC A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF DELAWARE AND HAVING ITS HEADQUARTERS AT ST. LOUIS, USA

(hereinafter referred as "Stereotaxis")

and

SIEMENS AKTIENGESELLSCHAFT, MEDICAL SOLUTIONS, A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF GERMANY AND HAVING OFFICES AT FORCHHEIM, GERMANY

(hereinafter referred to as "Siemens")

on the integration of the Stereotaxis magnetic guiding component (NIOBE) [***] with Siemens Cardiac, Angio and Neuro X-Ray and Imaging components

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

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PREAMBLE

The mutual goal of the collaboration is the integration of the Stereotaxis System and Siemens X-Ray System to provide a unique solution to clinicians by creating an advanced interventional suite ("cath lab") with integration of digital instrument control and X-Ray imaging via a common interface ("the PRODUCT" as defined below): firstly in the field of cardiology; and secondly in neuro radiology and neuro surgery [***]

A Cath lab including the integrated Stereotaxis System, Siemens X-Ray System and the Product is referred to as an "Integrated Cath Lab". Initial Integrated Cath Lab placements will be used to assess the clinical value of the integrated solution, and will include one promotional Integrated Cath Lab provided free of charge by the parties to a mutually agreed site. It is anticipated that [***] or (such greater number of shipments as is mutually agreed) will be shipped to customer sites. Siemens will provide support in the field for all systems of Integrated Labs in the manner set out below.

A Neuro lab including the integrated Stereotaxis System, Siemens X-Ray System and common interface is referred to as an "Integrated Neuro Lab". Initial Integrated Neuro Lab placements will be used to assess the clinical value of the integrated solution.

[***]

1. DEFINITIONS

1.1 The terms "Stereotaxis System", "Siemens X-Ray System", and "Product" mean:

1.1.1 The "Stereotaxis System" means Stereotaxis' digital instrument control system, which allows navigation and control of guidewires, catheters and other instruments (with the NIOBE system or equivalent) [***], in the body by external magnetic forces.

1.1.2 The "Siemens X-Ray System" means Siemens Card, Angio and Neuro imaging systems.

1.1.3 The "PRODUCT" means a user-friendly common interface necessary for the integration of Stereotaxis Systems and Siemens X-Ray System that is designed to ensure effective and safe

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use of the integrated imaging and guidance system. The PRODUCT will be specified fully in mutual understanding between the parties in a separate document later to be attached to this Agreement as an Annex.

1.2 The term "INFORMATION" means written and/or oral technical information with regard to the components mentioned in Section 1.1 herein above, such information being available to one party at any time during the term of this Agreement and not resulting from performing DEVELOPMENT WORK.

1.3 The term "DEVELOPMENT WORK" means any and all development work to be performed by the parties for the PRODUCT in accordance with Section 2 below.

1.4 The term "DEVELOPMENT RESULTS" means any and all results, whether patentable or not, in written or oral form, achieved by performing DEVELOPMENT WORK.

1.5 The term "LAB" or "INTEGRATED LAB" represents an Integrated Cath Lab or an Integrated Neuro Lab [***].

2. CARRYING OUT OF THE DEVELOPMENT WORK

2.1 Details of the DEVELOPMENT WORK are set forth in Annex 1 hereto.

2.2 Each party, insofar as it lawfully may, shall make available to the other within a reasonable period of time following the Effective Date of this Agreement, and from time to time during the carrying out of the DEVELOPMENT WORK its INFORMATION and DEVELOPMENT RESULTS insofar as it considers such INFORMATION and DEVELOPMENT RESULTS necessary for the other party for carrying out the DEVELOPMENT WORK.

Disclosure of INFORMATION and DEVELOPMENT RESULTS will be effected without charges to the receiving party.

2.3 The DEVELOPMENT WORK will be carried out in close cooperation between the parties and in a joint effort to keep cost and expenditures to a minimum.

2.4 Each party undertakes to carry out the DEVELOPMENT WORK as stipulated in this Agreement. Each party shall make a faithful effort to arrive at a successful completion of the relevant DEVELOPMENT WORK.

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2.5 The DEVELOPMENT WORK shall be regarded as being completed successfully if the PRODUCT fulfills the specifications as agreed upon in accordance with Section 1.1. Time for the completion of the DEVELOPMENT WORK, including final system testing and readiness for shipment of the system to the customer is May 31, 2002

2.6 Each party shall bear the costs incurred by such party for its efforts under or in connection with the DEVELOPMENT WORK.

3. SALES AND EXCLUSIVITY

3.1 Stereotaxis' systems for magnetic navigation (represented by NIOBE, including equivalent, enhancements, new developments thereto whether sold under NIOBE or other trademarks) [***] shall not be sold in a form that is integrated with third party imaging components comparable or competitive to the Siemens X-Ray System through a common or integrated user interface during the period from the date hereof to the date 30 months from the date hereof and this period of exclusivity ("Exclusivity Period") shall relate to all fields of medical application. Basis for this exclusivity is Siemens effort to define and develop in cooperation with Stereotaxis the PRODUCT and the provision of the INFORMATION, which represents considerable valuable know-how, which is normally not accessible to third parties and is dependent on the supply to Stereotaxis customers of Siemens' components of Integrated Labs (including the PRODUCT) [***] (or such other maximums as are mutually agreed) on a competitive basis and in timely fashion and the provision of support in the field as provided for herein. Without limitation to the foregoing, in the event Siemens reasonably determines it is unable to so supply such Siemens' components of Integrated Labs it will promptly inform Stereotaxis of the same, in which event the Exclusivity Period will lapse. Upon written request from Stereotaxis from time to time, Siemens will provide a prompt written response indicating whether it reasonably determines it will be able to so supply such components. Further, where Stereotaxis reasonably determines (upon request by Siemens from time to time or otherwise) that it is unable to so supply its components of such installations, it will promptly inform Siemens of the same, in which event Siemens may elect that the Exclusivity Period and its obligations in respect of the Development Work will lapse.

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[***]

3.2

3.2.1 The Exclusivity Period shall not apply in respect of neuro applications if and as soon as Stereotaxis can evidence that there is a substantially superior Flat Panel Detector available to Stereotaxis on the market. "Substantially superior" as used herein shall mean that the detector shows in specifications and in practical use superiority in all materially significant respects over the Siemens detector.

3.2.2 Stereotaxis and Siemens agree that there will be reasonable compensation of licensing to third party vendors the Siemens intellectual property regarding the Product (and compatibility and interface of the Stereotaxis and Siemens components) after expiration of the Exclusivity Period and Siemens will so license to Stereotaxis and/or third parties on request to enable them to make, use and sell the Product or modifications thereof based on such compensation. The value of such Siemens intellectual property has to be defined on a case by case during the engineering process. The compensation per unit will be [***] of the total of such Siemens intellectual property value (to be determined as mutually agreed) sold in combination with or by non Siemens vendors, but will in no event exceed [***] of the sales price of the Stereotaxis System being sold in conjunction with the Product or modification thereof. The parties will, no later than 6 months prior to the termination of the Exclusivity Period, confer and mutually agree a final determination of the level of such compensation.

3.2.3 This agreement covers magnetic guiding (represented by NIOBE, including equivalent systems, enhancements, and new developments thereto whether sold under NIOBE or other trademarks) [***]

3.3 As appropriate, customer sales approach can be jointly or separately by each party. Where the Exclusivity Period applies each party shall inform the other promptly of any potential customer in respect of in respect of Integrated Lab(s) and each party agrees to fully cooperate with the other in respect of reasonable requests for coordination of customer sales efforts, provided that the parties continue to maintain distinct and separate business and sales operations and identities and that the distinct separation

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between the customer's purchase of Integrated Lab components from Stereotaxis and from Siemens will be evident to the customer.

3.4 Sales brochures, bid specification and customer payment will be made in a way that a distinct separation between the Stereotaxis components and Siemens components is evident to the customer.
Notwithstanding the above, there is a joint document for room planning and installation instructions.

3.5 Siemens will provide to the customer project management on site addressing room preparation, shipment and installation.

3.6 The countries listed in Annex 2 are excluded from this Agreement and the Exclusivity Period does not apply in respect of such countries. Section 3.2.2 will apply.

3.7 Contracts with customers will be signed by each party for their respective components to be delivered.

3.8 Siemens will manufacture, warrant, sell and deliver the Product in accordance with reasonable industry practices. For a period of 12 months after the Exclusivity Period, Siemens will continue to so manufacture, warrant, sell and deliver the Product and other Siemens components of Integrated Labs based on customer purchase orders for the same.

3.9 Further details on the sales cooperation will be agreed to by a "collaborative sales working group" to be established after the signing of this Agreement, the object being to promote sales and

promotions cooperation between the parties while continuing to maintain distinct and separate business and sales operations and identities.

4. LOGISTICS

Stereotaxis as well as Siemens will ship directly to the customer site. Time schedule is coordinated by the Siemens project manager. The first Integrated Labs will be tested in Siemens AX before shipment to the customer to assure compatibility.
The number of units which have to pass the compatibility test after the first units testing will be defined separately and mutually agreed.

Further details on logistics will be agreed to by a "collaborative logistics working group" to be established after the signing of this Agreement.

5. INSTALLATION AND SERVICE

5.1 For installation at least one Stereotaxis person is on the customer site at Stereotaxis cost and expense. Siemens will support the installation of Stereotaxis components to Siemens' system.

5.2 Service on site will be done by Siemens in accordance with a service contract between the customer and Siemens and Stereotaxis, on commercially reasonable terms to be mutually agreed.

Such service will include Stereotaxis' components. To enable Siemens to perform service Stereotaxis shall provide Siemens at no cost with INFORMATION necessary for Siemens to perform service on Stereotaxis' components and shall train at no cost to Siemens a reasonable number of Siemens' specialists in the service of Stereotaxis' components. Furthermore, Stereotaxis and Siemens shall cooperate to provide service call center support as well as spare parts in respect of Integrated Labs.

Details regarding service, including but not limited to response time and spare part logistics, will be handled agreed to by a "collaborative service working group" to be established after the signing of this Agreement.

Siemens agrees to provide such service on such terms for a period of at least 12 months following the expiration of the Exclusivity Period and for such additional term as may be mutually agreed.

6. SECRECY

6.1 Either Party expressly undertakes to retain in confidence, to protect with the same degree of care used in protecting its own INFORMATION and not to use for other purposes than contemplated by this Agreement or to disclose to any third party all INFORMATION in a written or other tangible form supplied by the other Party in relation to this Agreement and clearly marked as being "Confidential". Oral INFORMATION of a Party that is confidential and is restricted in use shall be reproduced in writing marked as being "Confidential" and sent to the other Party within one (1) month after its communication to the other Party. The receiving Party agrees to restrict access of such Confidential Information to employees and agents who have a need to know pursuant to their scope of employment or agency arrangement and further agrees to instruct its

employees and agents having access to such Confidential INFORMATION OF receiving Party's confidentiality obligations.

6.2 The aforementioned obligation shall not apply to INFORMATION which is:

6.2.1 published or otherwise made available to the public other than by a

breach of this Agreement; or

6.2.2 rightfully received by a Party from a third party without confidential obligation; or

6.2.3 shown through competent evidence to have been independently developed by the other Party without reference to the INFORMATION; or to have been known by the receiving Party prior to its first receipt of such INFORMATION from the other Party; or

6.2.4 required to be disclosed pursuant to a legal, judicial, or administrative proceeding, or by law; or

6.2.5 approved for disclosure by prior written consent of an authorized corporate representative of the disclosing Party.

6.3 The aforementioned obligations do apply accordingly with regard to DEVELOPMENT RESULTS of the other Party.

6.4 The non-disclosure obligations set forth in this Section 6 shall survive expiration or termination of this Agreement by three (3) years.

6.5 Press releases or other information on the conclusion/content of this Agreement shall only be made available to third parties/press agencies (other than disclosure by Stereotaxis in relation to raising private equity funds or as legally required pursuant to an initial public offering of equity) with the prior written consent of the other Party hereto such consent not to be unreasonably withheld.

7. WARRANTIES AND LIMITATION OF LIABILITIES

7.1 Provided it complies with the provisions of Section 2.4 above, no party shall be liable towards the other party in the case that the DEVELOPMENT WORK cannot be successfully completed as per Section 2.5.

7.2 The sole obligation of each party with respect to its INFORMATION and DEVELOPMENT RESULTS shall be to forward same to the other party as provided in this Agreement, and, to correct errors that might have occurred in this INFORMATION and DEVELOPMENT RESULTS without undue delay after such errors become known to the party which forwarded the relevant INFORMATION or DEVELOPMENT RESULTS.

7.3 THE WARRANTIES SET FORTH IN THIS SECTION 7 APPLY TO ALL INFORMATION AND DEVELOPMENT RESULTS LICENSED OR KNOWINGLY DISCLOSED HEREUNDER AND ARE IN LIEU OF ALL WARRANTIES EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE WARRANTIES THAT INFORMATION AND DEVELOPMENT RESULTS CAN BE USED WITHOUT INFRINGING STATUTORY AND OTHER RIGHTS OF THIRD PARTIES.

7.4 Warranties and liabilities regarding the delivery of the components of each party shall be governed by the contracts between each such party and the respective customer.

7.5 Should a customer forward a warranty or any liability claim - including product liability claims - to either party then such party shall be responsible for such claims only to the extent such claims relate to the components such party has delivered to the customer. Each party shall indemnify and hold the other party harmless from any claim, costs, expenses, and damages resulting from such claims if the claims relate to components delivered by the respective other party, provided however that the one party

a) notifies the other party of such claim, dispute or proceeding without undue delay,

b) does not admit liability on the claims,

c) provides the other party with the sole authority - as far as legally possible - to defend and settle such claim, dispute, or proceeding with counsel of its choice (the other party may participate at its costs with counsel of its choice), and

d) cooperates as reasonably requested by the other party.

7.6 Each party shall secure and maintain, for the useful life of the components delivered by it, a product liability insurance policy providing full coverage for product liability exposure (including negligence and strict liability) to third parties anywhere in the world for any defects whatsoever (such as design-, manufacture-, instruction defects) resulting from defects in the components supplied hereunder in the minimum of US $ [***]. At either party's request the other party shall prove compliance with the obligation to insure as hereinstated.

7.7 NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, INDIRECT OR SPECIAL DAMAGES BY REASON OF ANY ACT OR OMISSIONS OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS USE OR OPERATION, INCLUDING BUT WITHOUT LIMITATION ANY LOSS OF USE, LOSS OF INFORMATION AND DATA, LOST REVENUES, LOST PROFITS, COSTS OF CAPITAL, COSTS OF SUBSTITUTE

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PRODUCTS, FACILITIES, OR SERVICES, COSTS OF REPLACEMENT POWER, COST ASSOCIATED WITH DOWN TIME, AND ANY SIMILAR AND DISSIMILAR LOSSES, COSTS AND DAMAGES.

7.8 The provisions of this Section 7. shall survive any termination of this Agreement.

8. DEVELOPMENT RESULTS, INFORMATION AND RIGHTS THEREUNDER

8.1 The DEVELOPMENT RESULTS shall, at the time they are made, become the sole property of such party, the employees of which have generated the respective DEVELOPMENT RESULTS. DEVELOPMENT RESULTS made jointly by employees of both parties shall become the joint ownership of both parties. In case DEVELOPMENT RESULTS consist of joint inventions, the parties shall agree on whether, and if so, where and at whose cost and expense statutory protection rights will be filed for. Joint DEVELOPMENT RESULTS, including any and all statutory protection issuing thereon, if any, may be used by each party in its field of activities.

8.2 Under its INFORMATION and DEVELOPMENT RESULTS each party hereby grants to the other party the non-exclusive, non-transferable, royalty free right to use same during the term of this Agreement for the purpose of carrying out the DEVELOPMENT WORK and thereafter to the extent necessary for the exploitation of the DEVELOPMENT RESULTS of the other party or of the joint DEVELOPMENT RESULTS.

8.3 Notwithstanding ownership under DEVELOPMENT RESULTS and the rights granted hereunder, the exclusivity granted under Section 3.1 shall prevail.

8.4 The stipulations of this Section 8. shall survive any termination of this Agreement.

9. TERM AND TERMINATION

9.1 This Agreement shall become effective on the date it is signed by both parties (Effective Date) and is terminated 30 months after the Effective Date unless renewed 6 months before first expiration.

9.2 This Agreement may be terminated at any time by the one party by giving of not less than four weeks' prior written notice to the other party

- if the other party hereto is declared bankrupt or otherwise cannot fulfill its financial obligations; or

- if the other party hereto substantially defaults in the performance of this Agreement and does not remedy the default within 4 weeks after receipt of a relevant written request of the one party; or

- if the other party comes under direct or indirect control or direction of any other entity competing with the one party.

9.3 Sections 6,7,8,10 and 11 shall survive termination of this Agreement.

10. ARBITRATION

10.1 Any differences or disputes arising from this Agreement or from agreements regarding its performance shall be settled by an amicable effort on the part of both parties to the Agreement. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the parties to the Agreement so notifies the other party in writing.

10.2 If an attempt at settlement has failed, the disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce in Paris (Rules) by three arbitrators appointed in accordance with the Rules.

10.3 The place of arbitration shall be Berne, Switzerland. The procedural law of this place shall apply where the Rules are silent.

10.4 The arbitral award shall be substantiated in writing. The arbitral tribunal shall decide on the matter of costs of the arbitration.

11. SUBSTANTIVE LAW

All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in the Canton of Berne, Switzerland, without reference to other laws.

12. MISCELLANEOUS

12.1 This Agreement may not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the parties hereto by their duly authorized representatives.

12.2 The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

12.3 All notices or other communications required or permitted hereunder with regard to the interpretation, validity etc. of the Agreement shall be in writing and shall be given by certified mail addressed, if to Stereotaxis

Stereotaxis, Inc.
Attn. CEO
4041 Forest Park AVE.
St. Louis, MO 63108
U.S.A.

and, if to Siemens:
Siemens Aktiengesellschaft
Legal Services Med
Werner von Siemens Str. 50
91052 Erlangen
Germany

or to such other address that the parties might identify to each other for

this purpose and with reference to this Agreement.

12.4 Subject to Section. 6.5 above, no party hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without the prior approval of the other party hereto.

12.5 This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors or assigns of the parties hereto.

12.6 Titles and headings to Sections herein are inserted for the convenience or reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

12.7 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, the parties have executed these presents on the dates specified below.

St. Louis, 8th June 2001	Forchheim, 30.05.01
Stereotaxis, Inc.	Siemens Aktiengesellschaft
/s/BEVIL J. HOGG	Illegible
Bevil J. Hogg	Illegible

ANNEX 1

DEVELOPMENT WORK

Interface specification will include:

- Mechanical interface addressing magnetic compatibility and collision protection
- Workflow and User Interface addressing the aspects of determining magnetic field vectors from image information and user control of magnetic fields
- IT integration for assessment and clinical outcome documentation.
- Integration capability for third party cath lab localization systems (such as Biosense, [***], etc.)

And may also include, as mutually agreed (following successful collaborative research):

- Image fusion of pre-operative 3D data from MR, CT, etc.

Common Stereotaxis/Siemens interface specifications will be defined in the "Requirement Specification". This document will be jointly created and will be reviewed and released by both parties.

The compatibility of both components will be tested in a "System test". Results have to be documented and are the base for a joint release for shipment to customers.

Each of the two parties is responsible for their own component.

Details will be agreed by a "collaborative engineering working group" to be established after signing of this Agreement.

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ANNEX 2

EXCLUDED COUNTRIES

EXHIBIT 10.10

Extended COLLABORATION AGREEMENT

by and between

STEREOTAXIS, INC. A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF DELAWARE AND HAVING ITS HEADQUARTERS AT ST. LOUIS, USA

(hereinafter referred as "Stereotaxis")

and

SIEMENS AKTIENGESELLSCHAFT, MEDICAL SOLUTIONS, A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF GERMANY AND HAVING OFFICES AT FORCHHEIM, GERMANY

(hereinafter referred to as "Siemens")

on

the integration of the Stereotaxis magnetic guiding component (NIOBE) with Siemens Imaging Technology

PREAMBLE

Pursuant the COLLABORATION AGREEMENT of June 8, 2001 ("COLLABORATION AGREEMENT"), Siemens and Stereotaxis have integrated the NIOBE SYSTEM and the ARTIS dFC FLUOROSCOPY SYSTEM to provide an integrated interventional suite ("INTEGRATED CATH LAB") in the field of cardiology, providing unique clinical capabilities by integration of digital instrument control and X-ray imaging via the COMMON USER INTERFACE (defined below). Under the COLLABORATION AGREEMENT, Siemens and Stereotaxis have also coordinated their marketing, promotions and sales activities in respect of the INTEGRATED CATH LAB to facilitate placements at leading interventional institutions.

Siemens and Stereotaxis' mutual goal is to extend their collaboration:

(i) To co-develop and commercialize an advanced cardiology cath lab ("ADVANCED CARDIOLOGY CATH LAB") providing unique three dimensional navigation solutions to clinicians in endocardial electrophysiology (and where mutually agreed by the parties in writing, pediatric cardiology and interventional cardiology) by adding to the INTEGRATED CATH LAB (and where applicable, the NEXT GENERATION INTEGRATED CATH LAB defined below) the capability of navigating by utilization of proprietary Siemens' endocardial ultrasound integration technology or by utilization of proprietary Siemens' advanced registration of PRE-operative CT or MRI Imaging, that is registered to the ARTIS dFC FLUOROSCOPY SYSTEM (collectively, "PROPRIETARY SIEMENS REGISTERED IMAGING", as defined in more detail below);

(ii) To address the co-development and commercialization of an advanced interventional radiology cath lab ("ADVANCED IR LAB") providing such unique clinical solutions to clinicians in interventional radiology by way of adding specialized features to the INTEGRATED CATH LAB (and where applicable, the NEXT GENERATION INTEGRATED CATH LAB defined below), whether by way of utilization of PROPRIETARY SIEMENS REGISTERED IMAGING or otherwise, as are mutually agreed in writing by the parties in accordance with the terms of this Agreement;

(iii) [***]

(iv) To increase coordination of marketing, promotions and sales LABs by establishing co-sponsored Exhibition Sites and Centers of Excellence at selected leading electrophysiology and interventional cardiology sites, by increasing

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coordination of sales force incentives, sales force and customer training and conference presentations and publications;

(v) To provide for global first level service by Siemens of LABs; and

(vi) to provide for collaboration of the parties in respect of new technologies applicable to LABs by mutual agreement from time to time:

in the manner set out below.

1. DEFINITIONS

1.1 The terms "NIOBE SYSTEM", ARTIS dFC FLUOROSCOPY SYSTEM", and "COMMON USER INTERFACE" mean:

1.1.1 The "NIOBE SYSTEM" means Stereotaxis' digital instrument control system and subsequent generations of that system whether sold under NIOBE or other trademarks, which allows navigation and control of guidewires, catheters and other instruments in the body by external magnetic forces. Unless the context requires otherwise, this will be taken to include major accessories designed to be used with such system.

1.1.2 The "ARTIS dFC FLUOROSCOPY SYSTEM" means Siemens' ARTIS dFC digital cardiology X-ray imaging system and subsequent generations of Siemens digital cardiology X-ray system whether sold under ARTIS or other trademarks. Unless the context requires otherwise, this will be taken to include major accessories designed to be used with such system.

1.1.3 The "COMMON USER INTERFACE" means the common interface developed by the parties pursuant to the COLLABORATION AGREEMENT for the integration of the NIOBE SYSTEM and the ARTIS dFC FLUOROSCOPY SYSTEM to comprise the INTEGRATED CATH LAB.

1.2 The term "INFORMATION" means written and/or oral technical information with regard to the components mentioned in Section 1.1 herein above, such information being available to one party at any time during the term of this Agreement and not resulting from performing DEVELOPMENT WORK.

1.3 The term "ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK" means any and all development work to be performed by the parties to develop the ADVANCED CARDIOLOGY CATH LAB by adding to the INTEGRATED CATH LAB the capability of navigating using PROPRIETARY SIEMENS REGISTERED IMAGING, in accordance with Section 2 below.

1.4 The term "ADVANCED IR LAB DEVELOPMENT WORK" means any and all development work to be performed by the parties to develop the ADVANCED IR LAB, which will include (without being limited to) enhanced three dimensional imaging capabilities for applications that may include solutions for liver embolization and uterus myoma treatment and may additionally include applications for interventional neuroradiology including arteriovenous malformations and aneurysm.

1.5 The term "NEXT GENERATION NIOBE SYSTEM" means Stereotaxis' next commercial release of the NIOBE SYSTEM that has been integrated with a digital

fluoroscopy system and designed to contain: (i) more compact magnet systems; and (ii) a primary set of rotational and other axes of motion for the magnets; both of which are contained in enclosed pods that can be affixed to secondary, external positioners. [***]

1.6 [***]

1.7 The term "DEVELOPMENT WORK" means either of ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK, ADVANCED IR LAB DEVELOPMENT WORK [***].

1.8 The term "DEVELOPMENT RESULTS" means any and all results, whether patentable or not, in written or oral form, achieved by performing DEVELOPMENT WORK.

1.9 [***]

1.10 The term "LAB" represents an INTEGRATED CATH LAB, an ADVANCED CARDIOLOGY CATH LAB, an ADVANCED IR LAB and/or a NEXT GENERATION INTEGRATED CATH LAB.

1.11 The term "PROPRIETARY SIEMENS REGISTERED IMAGING" has the meaning set forth in the paragraph (i) of the preamble to this Agreement and (notwithstanding anything contained elsewhere in this agreement): (i) will not be taken to include registration of output of rotational angiography conducted in a cath lab with a cath lab x-ray/fluoroscopy system; (ii) will be taken to include registration of such additional imaging modalities as is mutually agreed in writing by the parties; (iii) may include such advanced registration or integration technology as far as owned by Siemens alone or together with partners; and

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(iv) will not be taken to include imaging solutions that have become common practice or commonly available in the cath lab industry.

1.122. Carrying out of the DEVELOPMENT WORK

2.1 Details of the DEVELOPMENT WORK are set forth in Annex 1 hereto, which may be amended from time to time in writing by the parties.

2.2 [***]

2.3 [***]

2.4 The ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK will be undertaken by the parties in an expeditious fashion and the parties will use all reasonable commercial efforts to achieve completion of such work so as to enable the commercial introduction of the ADVANCED CARDIOLOGY CATH LAB during 2004. The ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK shall be regarded as being completed successfully if ADVANCED CARDIOLOGY CATH LAB fulfills the specifications as agreed upon in accordance with Section 1.1 and when final system testing and readiness for shipment of the system to the customer is achieved.

2.4.1 Stereotaxis agrees that from the date hereof until the expiration of the period of 12 months following the placement of the first ADVANCED CARDIOLOGY CATH LAB at a customer site or until year end 2005, whichever is the earlier, it will not place my NIOBE SYSTEMs or NEXT GENERATION NIOBE SYSTEMs that are integrated with a third party x-ray imaging system in a manner that incorporates registration to such x-ray imaging system of three dimensional pre-operative imaging so as to provide advanced electrophysiology solutions that are substantially comparable to advanced electrophysiology solutions provided by the ADVANCED CARDIOLOGY CATH LAB by

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reason of integration of PROPRIETARY SIEMENS REGISTERED IMAGING pursuant to this Agreement.

2.5 [***]

2.5.1 [***]

2.6 Subject to Section 2.3, the ADVANCED IR LAB DEVELOPMENT WORK will be undertaken by the parties in an expeditious fashion and the parties will use all reasonable commercial efforts to achieve completion of such work so as to enable the commercial introduction of the ADVANCED IR LAB during 2004. The ADVANCED IR LAB DEVELOPMENT WORK shall be regarded as being completed successfully if the ADVANCED IR LAB fulfills the specifications as agreed upon in accordance with Section 1.1 and when final system testing and readiness for shipment of the system to the customer is achieved.

2.7 Stereotaxis agrees that during the period commencing on the date hereof and ending 12 months following the placement of the first ADVANCED IR LAB at a customer site or until year end 2005, whichever is the earlier, it will not place any NIOBE SYSTEMs or NEXT GENERATION NIOBE SYSTEMs that are integrated with a third party x-ray imaging system and provide proprietary solutions that are substantially comparable to the proprietary advanced interventional radiology solutions provided by the ADVANCED IR CATH LAB. Each party shall bear the costs incurred by such party for its efforts under or in connection with the DEVELOPMENT WORK.

2.8 Each party, insofar as it lawfully may, shall make available to the other within a reasonable period of time following the Effective Date of this Agreement, and from time to time during the carrying out of the DEVELOPMENT WORK its INFORMATION and DEVELOPMENT RESULTS insofar as it considers such INFORMATION and DEVELOPMENT RESULTS necessary for the other party for carrying out the

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DEVELOPMENT WORK. Disclosure of INFORMATION and DEVELOPMENT RESULTS will be effected without charges to the receiving party.

2.9 The DEVELOPMENT WORK will be carried out in close cooperation between the parties and in a joint effort to keep cost and expenditures to a minimum.

2.9.1 Each party undertakes to carry out the DEVELOPMENT WORK as stipulated in this Agreement.

3. CERTAIN ITEMS REGARDING LAB PLACEMENTS AND SALES

3.1 The parties' goal is to achieve installation of [***] and the parties will coordinate and use all reasonable commercial efforts to achieve these goals. Siemens and Stereotaxis will each provide their components of LABs to customers on commercially reasonable terms and on a competitive basis and in timely fashion and together with the provision of service for LABs as provided for herein. For purposes of this Section 3.1, components will be offered on a competitive basis where provided on terms that are: (i) where applicable, reasonably comparable to the basis upon which such components or their equivalent are

provided to customers for placements that are not integrated in LABs; or (ii) for components of a type that are unique to LABs, based on margins that are reasonably comparable margins generally achieved on other components of LABs.

3.2 Stereotaxis will not make available to third parties via integration of the NIOBE SYSTEM or otherwise any proprietary Siemens PROPRIETARY SIEMENS REGISTERED IMAGING. Section 6.4 shall apply accordingly.

3.3 [***]

3.4 As appropriate, customer sales approach in respect of LABs can be jointly or separately by each party. Each party shall inform the other promptly of any potential customer and each party agrees to fully cooperate with the other in respect of reasonable requests for

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coordination of customer sales efforts, provided that the parties continue to maintain distinct and separate business and sales operations and identities and that the distinct separation between the customer's purchase of components from Stereotaxis and from Siemens will be evident to the customer:

(i) In respect of INTEGRATED CATH LABs, as set forth in the COLLABORATION AGREEMENT;
(ii) [***]
(iii) In respect of ADVANCED CARDIOLOGY CATH LABs and ADVANCED IR LABs, until such time as either party provides the other with written notice to the contrary.

3.5 For placements of LABS, sales brochures, bid specification and customer payment will be made in a way that a distinct separation between the Stereotaxis components and Siemens components is evident to the customer.

(i) Notwithstanding the above, there is a joint document for room planning and installation instructions.
(ii) Siemens will provide to the customer project management on site addressing room preparation, shipment and installation.
(iii) Contracts with customers will be signed by each party for their respective components to be delivered.
(iv) Each party will manufacture, warrant, sell and deliver its components of such LABs in accordance with reasonable industry practices and will not cease to so manufacture, warrant, sell and deliver such components based on customer purchase orders without 18 months prior notice to the other party.

3.6 Stereotaxis and Siemens may mutually agree upon cross-incentive programs to enhance sales force focus on placement on LABs

3.7 For placements of ADVANCED CARDIOLOGY CATH LABs, Stereotaxis and Siemens will cooperate to:

(i) Coordinate salesforce and customer training activities;
(ii) [***]
(iii) Coordinate and facilitate publications and conference presentations as mutually agreed;
(iv) Coordinate and establish a minimum of two Exhibition Sites at Barnes in St. Louis and at such other site as mutually agreed (likely at St. Georg in Hamburg) [***]

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[***] The parties will ensure that at the time of installation and thereafter that their components provided to such LAB have the most up to date software releases installed that are designed for use with such components. Such demonstration site will remain installed until such time as mutually agreed by the parties. [***] and

(v) Coordinate and establish Center of Excellence Clinical Sites targeting key interventional hospitals such as [***] and such other sites as are mutually agreed, the object being to promote the capabilities of the integrated systems and to establish new clinical solutions.

Further details on the sales cooperation will be agreed to by a "collaborative sales working group" to be established after the signing of this Agreement, the object being to promote sales and promotions cooperation between the parties while continuing to maintain distinct and separate business and sales operations and identities.

4. LOGISTICS

For placements of LABs, Stereotaxis as well as Siemens will ship directly to the customer site. Time schedule is coordinated by the Siemens and Stereotaxis project managers. The first unit of any LAB will be tested in Siemens AX before shipment to the customer to assure successful integration and system performance. The number of units that have to pass the compatibility test after the first units testing will be defined separately and mutually agreed. Further details on logistics will be agreed to by the collaborative logistics working group established pursuant to the Collaboration Agreement, which will also be used to coordinate logistics issues arising under this Agreement.

5. INSTALLATION AND SERVICE

5.1 For installations of LABs, at least one Stereotaxis person will be on site at the customer facility, at Stereotaxis cost and expense, at the time of installation. Siemens will support the installation of Stereotaxis components to Siemens' system.

5.2 Service of LABs on site will be done by Siemens in accordance with a service contract between the Siemens and Stereotaxis, on commercially reasonable terms to be mutually agreed or, where applicable, in accordance with existing service contracts in respect of LABs that are already in place.

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Such service will include Stereotaxis' components of LABs. To enable Siemens to perform service Stereotaxis shall provide Siemens at no cost with INFORMATION necessary for Siemens to perform service on Stereotaxis' components and shall train at no cost to Siemens a reasonable number of Siemens' specialists in the service of Stereotaxis' components. Furthermore, Stereotaxis and Siemens shall cooperate to provide service call center support as well as spare parts in respect of LABs.

Details regarding service of LABs including but not limited to response time and spare part logistics, will be agreed to by the collaborative service working group established pursuant to the Collaboration Agreement, which will also be used to coordinate service issues arising under this Agreement.

Regarding service for LABs, Siemens agrees to provide Stereotaxis with no less than 24 months written notice of termination of such service. Details regarding the installation will be separately agreed upon.

6. SECRECY

6.1 Either Party expressly undertakes to retain in confidence, to protect with the same degree of care used in protecting its own INFORMATION and not to use for other purposes than contemplated by this Agreement or to disclose to any third party all INFORMATION in a written or other tangible form supplied by the other Party in relation to this Agreement and clearly marked as being "Confidential". Oral INFORMATION of a Party that is confidential and is restricted in use shall be reproduced in writing marked as being "Confidential" and sent to the other Party within one (1) month after its communication to the other Party. The receiving Party agrees to restrict access of such Confidential information to employees and agents who have a need to know pursuant to their scope of employment or agency arrangement and further agrees to instruct its employees and agents having access to such Confidential INFORMATION of receiving Party's confidentiality obligations.

6.2 The aforementioned obligation shall not apply to INFORMATION that is:

6.2.1 published or otherwise made available to the public other than by a breach of this Agreement; or

6.2.2 rightfully received by a Party from a third party without confidential obligation; or

6.2.3 shown through competent evidence to have been independently developed by the other Party without reference to the INFORMATION; or to have been known by the receiving Party prior to its first receipt of such INFORMATION from the other Party; or

6.2.4 required to be disclosed pursuant to a legal, judicial, or administrative proceeding, or by law; or

6.2.5 approved for disclosure by prior written consent of an authorized corporate representative of the disclosing Party.

6.3 The aforementioned obligations do apply accordingly with regard to DEVELOPMENT RESULTS of the other Party.

6.4 The non-disclosure obligations set forth in this Section 6 shall survive expiration or termination of this Agreement by three (3) years.

6.5 Press releases or other information on the conclusion/content of this Agreement shall only be made available to third parties/press agencies (other than disclosure by Stereotaxis in relation to raising private equity funds or as legally required pursuant to an initial public offering of equity) with the prior written consent of the other Party hereto such consent not to be unreasonably withheld.

7. WARRANTIES AND LIMITATION OF LIABILITIES

7.1 Provided it complies with its development obligations pursuant to Section 2, no party shall be liable towards the other party in the case that the DEVELOPMENT WORK cannot be successfully completed.

7.2 The sole obligation of each party with respect to its INFORMATION and DEVELOPMENT RESULTS shall be to forward same to the other party as provided in this Agreement, and, to correct errors that might have occurred in this INFORMATION and DEVELOPMENT RESULTS without undue delay after such errors become known to the party which forwarded the relevant INFORMATION or DEVELOPMENT RESULTS.

7.3 THE WARRANTIES SET FORTH IN THIS SECTION 7 APPLY TO ALL INFORMATION AND DEVELOPMENT RESULTS LICENSED OR KNOWINGLY DISCLOSED HEREUNDER AND ARE IN LIEU OF ALL WARRANTIES EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE WARRANTIES THAT INFORMATION AND DEVELOPMENT RESULTS CAN BE USED WITHOUT INFRINGING STATUTORY AND OTHER RIGHTS OF THIRD PARTIES.

7.4 Warranties and liabilities regarding the delivery of the components of each party shall be governed by the contracts between each such party and the respective customer.

7.5 Should a customer forward a warranty or any liability claim - including product liability claims - to either party then such party shall be

responsible for such claims only to the extent such claims relate to the components such party has delivered to the customer. Each party shall indemnify and hold the other party harmless from any claim, costs,

expenses, and damages resulting from such claims if the claims relate to components delivered by the respective other party, provided however that the one party

a) notifies the other party of such claim, dispute or proceeding without undue delay,
b) does not admit liability on the claims,
c) provides the other party with the sole authority -- as far as legally possible -- to defend and settle such claim, dispute, or proceeding with counsel of its choice (the other party may participate at its costs with counsel of its choice), and
d) cooperates as reasonably requested by the other party.

7.6 Each party shall secure and maintain, for the useful life of the components delivered by it, a product liability insurance policy full coverage for product liability exposure (including negligence and strict liability) to third parties anywhere in the world for any defects whatsoever (such as design-, manufacture-, instruction defects) resulting from defects in the components supplied hereunder in the minimum of US [***]. At either party's request the other party shall prove compliance with the obligation to insure as herein stated.

7.7 NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, INDIRECT OR SPECIAL DAMAGES BY REASON OF ANY ACT OR OMISSIONS OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS USE OR OPERATION, INCLUDING BUT WITHOUT LIMITATION ANY LOSS OF USE, LOSS OF INFORMATION AND DATA, LOST REVENUES, LOST PROFITS, COSTS OF CAPITAL, COSTS OF SUBSTITUTE PRODUCTS, FACILITIES, OR SERVICES, COSTS OF REPLACEMENT POWER, COST ASSOCIATED WITH DOWN TIME, AND ANY SIMILAR AND DISSIMILAR LOSSES, COSTS AND DAMAGES.

7.8 The provisions of this Section 7. shall survive any termination of this Agreement.

8. DEVELOPMENT RESULTS, INFORMATION AND RIGHTS THEREUNDER

8.1 The DEVELOPMENT RESULTS shall, at the time they are made, become the sole property of such party, the employees of which have generated the respective DEVELOPMENT RESULTS. DEVELOPMENT RESULTS made jointly by employees of both parties shall become the joint ownership of both parties. In case DEVELOPMENT RESULTS consist of joint inventions, the parties shall agree on whether, and if so, where and at whose cost and expense statutory protection rights will be filed for. Joint DEVELOPMENT RESULTS, including any and all statutory protection issuing thereon, if any, may be used by each party in its field of activities.

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8.2 Under its INFORMATION and DEVELOPMENT RESULTS each party hereby grants to the other party the non-exclusive, non-transferable, royalty free right to use same during the term of this Agreement for the purpose of carrying out the DEVELOPMENT WORK and thereafter to the extent necessary for the exploitation of the DEVELOPMENT RESULTS of the other party or of the joint DEVELOPMENT RESULTS.

8.3 Notwithstanding ownership under DEVELOPMENT RESULTS and the rights granted hereunder, the exclusivity granted under Section 3.2 shall prevail.

8.4 The stipulations of this Section 8. shall survive any termination of this Agreement.

9. JAPANESE MARKET DEVELOPMENT

Pursuant to an Agreement between the parties of even or approximate date herewith, the parties intend to collaborate in respect of Japanese market development for LABs. Details will be agreed upon in a separate agreement between Stereotaxis and the Siemens affiliated company in Japan.

10. SIEMENS INVESTMENT IN STEREOTAXIS

This Agreement will be of no force or effect unless and until Siemens' investment of $10 million in Stereotaxis Series E Preferred Stock is closed.

11. TERM AND TERMINATION

11.1 This Agreement shall become effective on the date it is signed by both parties (Effective Date) and is terminated or expires in accordance with the terms hereof, in any event no later than 36 months after becoming effective. No later than 12 months before the end of this 36 month period, both parties will commence in good faith negotiations on extending the collaboration.

11.2 This Agreement may be terminated at any time by the one party by giving of not less than four weeks' prior written notice to the other party.

- if the other party hereto is declared bankrupt or otherwise cannot fulfill its financial obligations; or

- if the other party hereto substantially defaults in the performance of this Agreement and does not remedy the default within 4 weeks after receipt of a relevant written request of the one party; or

- if the other party comes under direct or indirect control or direction of any other entity competing with the one party.

11.3 Sections 6, 7, 8, 11, 12 shall survive termination of this Agreement.

12. ARBITRATION

12.1 Any differences or disputes arising from this Agreement or from agreements regarding its performance shall be settled by an amicable effort on the part of both parties to the Agreement. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the parties to the Agreement so notifies the other party in writing.

12.2 If an attempt at settlement has failed, the disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of commerce in Paris (Rules) by three arbitrators appointed in accordance with the Rules.

12.3 The place of arbitration shall be Berne, Switzerland. The procedural law of this place shall apply where the Rules are silent.

12.4 The arbitral award shall be substantiated in writing. The arbitral tribunal shall decide on the matter of costs of the arbitration.

13. SUBSTANTIVE LAW

All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in the Canton of Berne, Switzerland, without reference to other laws.

14. MISCELLANEOUS

14.1 This Agreement may not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the parties hereto by their duly authorized representatives.

14.2 The failure of any party hereto to enforce at any time any of the

provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

14.3 All notices or other communications required or permitted hereunder with regard to the interpretation, validity, etc. of the Agreement shall be in writing and shall be given by certified mail addressed, if to Stereotaxis

Stereotaxis, Inc.
Attn. Chief Executive Officer
Atten Chief Financial Officer
4041 Forest Park AVE.
St. Louis, MO 63108
U.S.A.

and, if to Siemens:
Siemens Aktiengesellschaft
Legal Services Med
Werner von Siemens Str. 50
91052 Erlangen
Germany

or to such other address that the parties might identify to each other for this purpose and with reference to this Agreement.

14.4 Subject to Section. 6.5 above, no party hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without the prior approval of the other party hereto.

14.5 This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors or assigns of the parties hereto.

14.6 Titles and headings to Sections herein are inserted for the convenience or reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

14.7 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, the parties have executed these presents on the dates specified below.

St. Louis, 27 May 2003	Forchheim, 27.05.2003
Stereotaxis, Inc.	Siemens Aktiengesellschaft
/s/ BEVIL J. HOGG	illegible
	illegible

ANNEX 1

DEVELOPMENT WORK

ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK RELATING TO PROPRIETARY SIEMENS REGISTERED IMAGING

Subject to the results of determining the feasibility of this project, image registration and integration of PROPRIETARY SIEMENS REGISTERED IMAGING that will include:

1. Allowing target based navigation from a CT or MRI pre-operative image that is registered to the fluoroscopy output. Included in this approach would be a fluoroscopy image that is registered to a pre-operative image which in turn may be registered to a Biosense CARTO map

Additional consideration will be given as to include navigational control using endocardial ultrasound

Common Stereotaxis/Siemens image integration specifications will be defined in the "Requirement Specification". This document will be jointly created and will be reviewed and released by both parties. The image integration will be tested in a "System test" applied to both the Stereotaxis and Siemens components of the ADVANCED CARDIOLOGY CATH LAB. Results have to be documented and are the base for a joint release for shipment to customers. Each of the two parties is responsible for their own component. Details will be agreed by a "collaborative 3D engineering working group" to be established after signing of this Agreement.

[***]

ADVANCED IR LAB DEVELOPMENT WORK

Subject to the results of determining the feasibility of this project, common Stereotaxis/Siemens specifications for unique clinical solutions in interventional radiology comprised in the ADVANCED IR LAB will be defined in the "Requirement Specification". This document will be

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jointly created and will be reviewed and released by both parties. The ADVANCED IR LAB configuration will be tested in a "System test" applied to both the Stereotaxis and Siemens components. Results have to be documented and are the base for a joint release for shipment to customers. Each of the two parties is responsible for their own component. Details will be agreed by a "collaborative ADVANCED IR LAB configuration working group" to be established after signing of this Agreement.

EXHIBIT 10.11

Development Alliance and Supply Agreement

by and between

Biosense Webster, Inc.

and

Stereotaxis, Inc.

Dated May 7, 2002

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<Caption>

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EXECUTION COPY

DEVELOPMENT ALLIANCE AND SUPPLY AGREEMENT

This Development Alliance and Supply Agreement (the "Agreement") is made and entered into on May 2002 (the "Effective Date") by and between Biosense Webster, Inc., a California corporation, having a place of business at 3333 Diamond Canyon Rd., Diamond Bar CA 91765 ("Biosense") and Stereotaxis, Inc., a Delaware corporation, having a principal place of business at 4041 Forest Park Avenue, St. Louis, MO, 63108 ("Stereotaxis").

RECITALS

WHEREAS, Stereotaxis has developed a computerized instrument control system. ("Stereotaxis NIOBE System", as defined below) that enables navigation utilizing externally applied magnetic fields of inter alia associated proprietary, interventional, disposable, electrophysiology devices;

WHEREAS, Biosense has developed and commercialized an electrophysiology mapping and Localization system known as the CARTO(TM) system ("CARTO System", as defined below) and associated proprietary, interventional, disposable, electrophysiology devices;

WHEREAS Stereotaxis and Biosense desire to jointly develop a Compatible NIOBE - CARTO System (as defined below) and to jointly develop certain associated proprietary, interventional, disposable, electrophysiology devices ("Daughter Products", as defined below) and to manufacture, market and sell such Daughter Products; and

"WHEREAS Biosense will contribute to the costs of the development of the Compatible NIOBE - CARTO System and the Daughter Products by inter alia providing development facilities, manufacturing, engineering and administrative support, regulatory resources and intellectual property rights and Biosense will also contribute certain costs allocated to the marketing, promotions and distribution of products as set forth in this Agreement;

WHEREAS Stereotaxis will contribute inter alia intellectual property

rights and certain development support and financial contributions to the development of the Compatible NIOBE - CARTO Systems (it being acknowledged by the parties that certain financial burdens in accordance with this Agreement also rest with Biosense);

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the Parties agree as follows:

AGREEMENT

1 DEFINITIONS

1.1 Construction. All references in this Agreement to "Articles" "Sections and "Exhibit" refer to the articles, sections and exhibits of this Agreement.

1.1.1 As used in this Agreement, neutral pronouns and any variations thereof shall be deemed to include the feminine and masculine and all terms used in the singular shall be deemed to include the plural, and vice versa, as the context may require.

1.1.2 The words "hereof", "herein" and "hereunder" and other words of similar import refer to this Agreement as a whole, as the same may from time to time be amended or supplemented, and not to any subdivision contained in this Agreement.

1.1.3 The word "including" when used herein is not intended to be exclusive and means "including, without limitation."

1.2 Definitions. As used herein:

1.2.1 "510K Submission" will mean acceptance by the U.S. FDA of an application for 510K clearance. As used herein, "acceptance" will mean that the U.S. FDA has received the application and assigned a control number for such application.

1.2.2 "Additional Daughter Products" will have the meaning set forth in Section 3.4.

1.2.3 "Affiliates" will mean any corporation or other entity that is directly or indirectly controlling, controlled by or under common control with a Party. For the purpose of this definition, "control" will mean the direct or indirect ownership of more than fifty percent (50%) of the capital stock of the subject entity entitled to vote in the election of directors (or, in the case of an entity that is not a corporation, interests entitled to vote in the election of the corresponding managing authority).

1.2.4 "Business Days" will mean any day, other than a Saturday or Sunday, on which banks are open for business in New Jersey.

1.2.5 "Restricted Parties" will mean Medtronic, Guidant, St. Jude Medical, Boston Scientific and EP Medsystems, their Affiliates and successors in interest. The Parties acknowledge that Stereotaxis's existing contract Localization developer, Internav Inc., is not a Restricted Party.

1.2.6 "Biosense Field" will mean the field of Localization and electrophysiologic mapping technologies for electrophysiology.

1.2.7 "Paragraph Biosense IP" will have the meaning set forth in Section 12.

1.2.8 "CARTO System" will mean the Biosense product that is marketed under the name "CARTO XP Navigation System" and any successor name, which is an electrophysiologic navigation and mapping technology that inter alia associates local electrical activity with catheter location and determines the 3D coordinates of catheter location, using proprietary catheters and associated products.

1.2.9 "Clinical" will mean in respect of interventional procedures, and procedures on human subjects; and "clinic" will have a corresponding meaning.

1.2.10 "Commercial Failure" will have occurred (i) if the sales of Daughter Products at any time following the first anniversary of the Commercial Launch Date are at an aggregate run rate of less than one catheter month Compatible NIOBE-CARTO System, provided that Compatible NIOBE Systems sold for less than $450,000 will be excluded from such calculation; (ii) the Compatible CARTO Installation Ratio is less than 25%; or (iii) Stereotaxis' installed base of Compatible NIOBE Systems comprises less than 25% of the Stereotaxis' forecast provided to Biosense in a letter of even date herewith.

1.2.11 "Commercial Launch Date" will mean the first date upon which a Daughter Product is made commercially available in the U.S. market (or where otherwise specified herein, an alternative geographical market) and on which the Compatible CARTO System and the Compatible NIOBE System are also commercially available the U.S. market (or where otherwise specified herein, an alternative geographical market).

1.2.12 "Components" will mean any components included in the Daughter Products that are manufactured by or on behalf of Stereotaxis and supplied to Biosense by Stereotaxis hereunder.

1.2.13 "Component Specifications" will mean the specifications for the Components agreed upon by the Joint Steering Committee (which will, with full cooperation of the Parties, use reasonable efforts to integrate into Components improvements in cost, performance or reliability of features).

1.2.14 "Component Manufacturing Specifications" means the detailed manufacturing release specifications for the Components established in accordance with Section 8.

1.2.15 "Component Transfer Price" will have the meaning set forth in Section 5.

1.2.16 "Control" of Stereotaxis' will mean a direct or indirect ownership or control of more than fifty percent (50%) of the relevant voting stock entitled to elect directors, or more than a fifty percent (50%) interest in the decision-making authority of such corporation. "Relevant voting stock" will be considered stock issued to or acquired by venture capital or other financial investors (other than those venture capital or financial investors affiliated with a Restricted Party), to Stereotaxis management or employees, to Siemens AG, Philips Medical System, GE Medical Systems, Toshiba Medical Systems, Meditec Corporation (Marubeni affiliate), Sumitomo Corporation, Mitsui Bussain Medical Inc., MC Medical, Inc. (Mitsubishi affiliate) and to Hitachi Medical Corp., will not be included in calculating whether a change of Control of Stereotaxis has occurred.

1.2.17 "Compatible CARTO Installation Ratio" means at any time the aggregate number of Compatible CARTO System installations then completed, divided by the aggregate number of Compatible NIOBE System installations as at the time 6 months prior, provided that

Compatible NIOBE Systems installed prior to the Commercial Launch Date and any Compatible CARTO systems installed together therewith will be excluded from such calculation for a period of 2 years from the Commercial Launch Date.

1.2.18 "Cost of Goods" will mean, with respect to each Party's relevant cost of goods, the cost of goods calculated in accordance with US GAAP, applied on a consistent basis and in a manner consistent with Stereotaxis' or Biosense's, as the case may be, audited financials. In the event that in respect of the Cost of Goods of Daughter Products the Parties are unable to agree on the cost of a catheter product or on such definition or there is a bona fide dispute as to the application of the agreed upon definition, "Cost of Goods" will have the meaning set forth in Exhibit B.

1.2.19 "Daughter Product One" will mean Parent Product One modified in such a manner as enables it to be navigable and perform its original mapping, Localization, ablation or other functions when used with a Compatible Stereotaxis NIOBE - CARTO System and in accordance with the terms of this Agreement.

1.2.20 "Daughter Product Two" will mean Parent Product Two modified in such a manner to enable such product to be navigable and perform its original mapping, Localization, ablation or other functions when used with a Compatible Stereotaxis NIOBE - CARTO System and in accordance with the terms of this Agreement.

1.2.21 "Daughter Products" will mean Daughter Product One, Daughter Product Two and any Additional Daughter Products nominated pursuant to Section 3.4, each of which comprises one of the proprietary, interventional, disposable, electrophysiology devices developed or marketed by Biosense for use with the CARTO System and modified in such a manner as enables it to be navigable and perform its original mapping, Localization, ablation or other functions when used with an Compatible Stereotaxis NIOBE - CARTO System in accordance with the terms of this Agreement.

1.2.22 "Daughter Products Specifications" will mean the feature specifications for Daughter Product Two or any Additional Daughter Products to be determined by the Joint Steering Committee (which will, with full cooperation of the Parties, use reasonable efforts to integrate into Daughter Products improvements in cost performance or reliability of features) as the same may be revised from time to time and provided that such specifications will be revised in timely fashion to reflect such modifications to the corresponding Parent Products as are of material clinical or commercial relevance to the usage of the Daughter Products

1.2.23 "Daughter Products Transfer Price" will have the meaning set forth in Section 6.3.

1.2.24 "Defects" will mean defects contained in Daughter Products or Components, as the case may be, prior to delivery of such Daughter Products to Stereotaxis or Components to Biosense, latent or non-latent consisting of the failure of Daughter Products or Components to comply with the applicable Manufacturing Specifications, or any requirement the FDC Act, including

without limitation, of FDA QSR or other regulatory agency requirements with which the relevant Party has agreed to comply, or is obligated to comply, pursuant to Section 8.

1.2.25 "Distribute" shall mean, in respect of a product, its distribution to customers, including (subject to the terms of this Agreement) setting pricing policy, taking purchase orders, delivering and effecting transfer of title, either directly or through multiple tiers of distribution. "Distribution" shall have a corresponding meaning.

1.2.26 "electrophysiology" will mean in respect of the electrical characteristics and activity of the heart. "Electrophysiological" and "electrophysiologic" will have corresponding meanings.

1.2.27 "electrophysiologic mapping" will mean using a catheter having a transmitter or receiver at the distal tip to record, in respect of points or areas of heart tissue, the electrical signals being generated by such tissue.

1.2.28 "FDA QSR" will mean the U.S. FDA medical device Quality System Regulations, as amended from time to time, and any successor regulations or comparable regulations of any successor agency(ies) thereafter.

1.2.29 "Gross Profits" will mean, with respect to each Party's relevant gross profits, gross profits calculated in accordance with U.S. GAAP, applied on a consistent basis and in a manner consistent with such Party's audited financials. In the event that the Parties are unable to agree on such definition or there is a bona fide dispute as to the application of the agreed upon definition, "Gross Profits" will have the meaning set forth in Exhibit B.

1.2.30 "Initial Daughter Products" will mean Daughter Product One and Daughter Product Two.

1.2.31 "Compatible CARTO System" will mean the CARTO System, made compatible with the Compatible Stereotaxis NIOBE System in accordance with the Compatible CARTO Specifications and the terms of Exhibit A.

1.2.32 "Compatible CARTO Specifications" will mean the feature specifications for the Compatible CARTO System to be determined by Biosense in consultation with the Joint Steering Committee and in a manner consistent with Exhibit A, as the same may be revised from time to time. Upon completion of such specification it will be deemed an Exhibit to this Agreement.

1.2.33 "Compatible NIOBE System" will mean the Stereotaxis NIOBE System, including such modifications as determined by Stereotaxis in consultation with the Joint Steering Committee, as are reasonably required to make it compatible with Compatible CARTO System.

1.2.34 "Compatible NIOBE-CARTO System" will mean a Compatible computerized interventional electrophysiological Localization, mapping, ablation and instrument control system comprising one Compatible NIOBE System and one Compatible CARTO System.

1.2.35 "Intellectual Property Rights" will mean all rights in or arising under: (i) Patents; (ii) all copyrights in both published and unpublished works, all registrations and applications therefor and all associated moral rights; (iii) all know-how, trade secrets, confidential information, software, technical information, data, process technology, plans, drawings and blueprints required to be disclosed by the Parties to one another hereunder; and (iv) databases, data compilations and collections and technical data; and (v) any other similar rights in or arising under Technology worldwide, in each case, whether arising under the laws of the United States or any other state, country or jurisdiction.

1.2.36 "Joint IP" will have the meaning set forth in Section 12.3.1.

1.2.37 "Localization" will mean the determination of the three dimensional coordinates, relative to a fixed or control point or points, of the distal (internal) tip of a catheter where such catheter has a signal transmitter and/or receiver in its distal tip which, either directly or indirectly through another catheter, sends and/or receives data (that is used to determine such three dimensional coordinates) to or from an

external transmitter and/or receiver via electromagnetic, ultrasound or other signals but shall not be taken to include imaging technologies such as ultrasonic imaging, imaging through optical fibers or other optical means, other imaging modalities or electrophysiologic recording systems.

1.2.38 "Marketing and Promotions" will mean in respect of a product (i) interacting (using written materials or otherwise) with actual and potential customers to facilitate their placing purchase orders for the product (and such other activities other than Distribution as are generally considered to be marketing activities in respect of a product in the medical devices industry); and (ii) conducting promotions (using written materials or otherwise) at trade shows and other relevant forums (and such other activities as are generally considered to be promotions activities in respect of a product in the medical devices industry) respectively.

12.39 "Milestones" will mean the development milestones with respect to development of the Compatible CARTO System and Daughter Products as set forth in Exhibit A and "Milestone" will have a corresponding meaning.

1.2.40 "Net Revenue" for Daughter Products will mean the bona fide price of sale or other transfer, after deduction of the following: prompt payment discounts, quantity discounts, rebates, returns, refunds and other similar discounts or amounts, including taxes, actually allowed and given, at which Biosense or any of its Affiliates sells or otherwise transfers Daughter Products to its customers (other than other Affiliates) as determined in accordance with U.S. GAAP applied on a consistent basis and in manner consistent with procedures used by Biosense to calculate revenues for its other relevant product lines for financial reporting purposes. In the event Daughter Products are sold together with other products at a single price, such single price will be allocated (pro rata where applicable) among Daughter Products and the other products based on the market price for such products when sold separately. In reference to products other than Daughter Products, "Net Revenue" will have a corresponding meaning.

1.2.41 "Parent Product One" will mean the Biosense Navi-Star catheter used as the electrophysiological mapping catheter for data acquisition in the CARTO System, which contains a miniature sensor embedded in the catheter tip that collects data and relays it to the CARTO System.

1.2.42 "Parent Product Two" will mean the Biosense Navi-Star TC ablation catheter used to ablate heart tissue in electrophysiological procedures.

1.2.43 "Parent Products" will mean any of the proprietary, interventional, disposable, electrophysiology devices developed and/or marketed by Biosense for use with the CARTO System, as modified or improved from time to time, and includes, without limitation, Parent Product One and Parent Product Two.

1.2.44 "Party" will mean a Party to this Agreement. "Parties" will have a corresponding meaning.

1.2.45 "Patent Rights" will mean all classes or types of patents, utility models and design patents including, without limitation, originals, divisions, continuations, continuations-in-part, extensions or reissues and patent applications for these classes or types of patent rights, in all countries of the world.

1.2.46 "PMA" will mean premarket approval by U.S. FDA in respect of an application for such approval pursuant to the Federal Food, Drug, and Cosmetic Act.

1.2.47 "preclinical" will mean in respect of procedures or research, animal or

phantom procedures or other research not conducted on human subjects.

1.2.48 "Revenue Share" will have the meaning set forth in Section 7.

1.2.49 "Stereotaxis Field" will mean the field of computerized control of the motion of interventional or other percutaneous devices using externally applied magnetic fields.

1.2.50 "Stereotaxis NIOBE System" will mean the NIOBE advanced permanent magnet system designed by Stereotaxis that provides computerized remote control and guidance of the distal (internal), end of proprietary catheters guidewires and other percutaneous devices during certain interventional procedures.

1.2.51 "Stereotaxis Localization System" will mean Stereotaxis' catheter-based electromagnetic Localization system having only a basic level of Localization functionality, as more fully described in Exhibit D.

1.2.52 "Stereotaxis IP" will have the meaning set forth in Section 12.1.

1.2.53 "Target Completion Date" in respect of a Milestone will mean the date for such Milestone determined in accordance with Exhibit A.

1.2.54 "Technical Failure" will mean, (i) in respect of the Compatible NIOBE -- CARTO System, (a) its failure as reasonably determined by Biosense, to perform the functions of the CARTO System and of the NIOBE System in accordance with clinically acceptable quality standards or (b) a determination by Biosense that the Compatible NIOBE-CARTO will not produce acceptable technical results within acceptable budgetary limits; or (ii) in respect of the Initial Daughter Products, their failure to conform with the relevant Daughter Product Specifications.

1.2.55 "Technology" will mean (i) works of authorship including, without limitation, computer programs, algorithms, routines, source code and executable code, whether embodied in software or otherwise, documentation, designs, files, records and data; (ii) inventions (whether or not patentable), improvements, and technology, (iii) proprietary and confidential information, including technical data and customer and supplier lists, trade secrets, show how, know how and techniques; and (iv) processes, devices, prototypes, schematics, bread boards, net lists, mask works, test methodologies and hardware development tools and all instantiations of the foregoing in any form and embodied in any media.

1.2.56 Term" will have the meaning set forth in Section 14.1.

1.2.57 "U.S. FDA" will mean United States Food and Drug Administration, and any successor agency thereto.

1.2.58 "Year 1" will mean the twelve (12) months commencing on the first day of the first month immediately following the Commercial Launch Date. "Year 2", "Year 3", etc. will mean the twelve (12) month periods following Year 1, Year 2, etc. respectively.

2 LICENSE GRANTS

2.1 Licenses Granted: Appointment

2.1.1 Daughter Products. Stereotaxis hereby grants to Biosense a limited, non-exclusive (subject to Sections 2.4 and 4.4), worldwide, non-transferable (except as set forth in Section 2.4 and Article 16), license under Stereotaxis' Intellectual Property Rights in and to the Stereotaxis' IP, to make, have made, use, import, sell, offer for sale, or otherwise dispose of (directly or through multiple tiers of distribution) Daughter Products.

2.1.2 Stereotaxis NIOBE System. Stereotaxis hereby grants to Biosense a

limited, (subject to Sections 2.4 and 4.4), non-transferable (except as set forth in Section 2.4 and Article 16), worldwide license, under Stereotaxis' Intellectual Property Rights in the Stereotaxis IP, to make, have made, use, import, sell, offer for sale, or otherwise dispose of (directly or through multiple tiers of distribution) the Compatible CARTO Systems for use with the Daughter Products.

2.1.3 Development License. Stereotaxis hereby grants to Biosense a limited, non-transferable (except as set forth in Section 2.4 and Article 16), worldwide license under Stereotaxis'

Intellectual Property Rights in the Stereotaxis IP, to use the Stereotaxis IP for the purpose of, internally at Biosense, completing the development, integration and testing work in connection with development of the Compatible CARTO System, the Compatible NIOBE System and the Daughter Products as is required to give effect to the terms of this Agreement.

2.1.4 No Implied Rights. No rights or licenses are granted hereunder by implication, estoppel or otherwise. The only non-exclusive licenses granted or to be granted to Biosense pursuant to this Agreement are as expressly stated in this Section 2.1.

2.2 License Grant to Stereotaxis.

2.2.1 Daughter Products. For the purposes of giving effect to Section 2.4 and 4.4 Biosense hereby grants to Stereotaxis a limited, non-exclusive, worldwide, non-transferable (except as set forth in Section 2.4 and Article 16), license under Biosense' Intellectual Property Rights in and to the Biosense' IP, to make, have made, use, import, sell, offer for sale, or otherwise dispose of (directly or through multiple tiers of distribution) Daughter Products.

2.2.2 CARTO System. Biosense hereby grants to Stereotaxis a limited, non-exclusive (subject to Sections 2.4), non-transferable (except as set forth in Article 16), worldwide license, under Biosense' Intellectual Property Rights in the Biosense IP, to make, have made, use, import, sell, offer for sale, or otherwise dispose of (directly or through multiple tiers of distribution) the Compatible NIOBE Systems for use with the Daughter Products.

2.2.3 Development License. Biosense hereby grants to Stereotaxis a limited, non-transferable (except as set forth in Article 16), worldwide license under Biosense' Intellectual Property Rights in the Biosense IP, to use the Biosense IP for the purpose of, initially at Stereotaxis, completing such development, integration and testing work in connection with development of the Compatible CARTO System, the Compatible NIOBE System and the Daughter Products as is required to give effect to the terms of this Agreement.

2.2.4 Localization System Placements. Subject to Section 2.4, Biosense hereby grants to Stereotaxis a limited, non-transferable (except as set forth in Article 16), worldwide license (the "Localization License"), under Biosense's Intellectual Property Rights in the Biosense IP (to the extent if any, required) to make, have made, use, import, sell, offer for sale or otherwise make available (directly or through multiple tiers of distribution) the Stereotaxis Localization System (and associated interventional disposable devices) pursuant to the provisions, including the royalty provisions, of Section 2.4. For the avoidance of doubt, the "associated interventional disposable devices" referred to in the above sentence, applies to Stereotaxis developed catheters and devices, and not to Biosense developed catheters and devices.

2.2.5 No Implied Rights. No other rights or licenses are granted hereunder by implication, estoppel or otherwise. The only non-exclusive licenses

granted or to be granted to Stereotaxis pursuant to this Agreement are as expressly stated in this Section 2.2.

2.3 Exclusivity.

2.3.1 Stereotaxis. During the Term (subject to Sections 2.3.4, 2.4 and 4.4), Stereotaxis will not engage in research and development, clinical development, Marketing and Promotions or Distribution activities in the Biosense Field; and

2.3.2 Biosense. During the Term, Biosense will not engage in research and development, clinical development or Marketing and Promotions or Distribution activities in the Stereotaxis Field.

2.3.3 Clinical Development. Neither Party will be taken to be in breach of its obligations pursuant to Sections 2.3.1 and 2.3.2 above by reason of any pre-clinical or clinical development activities initiated and conducted by a Party or by third party physicians or hospitals with technical, systems, service or financial support from such Party, provided that the Party is obligated to provide such support pursuant to a sponsored research agreement between the Party and such physician or hospital and provided that such sponsored research agreement was: entered into in the ordinary course; will not delay performance under this Agreement; such support is not development engineering services provided for a third party; and such support and agreement are provided on terms both consistent with past practices of the Party and consistent with relevant industry standards.

2.3.4 Termination. This Agreement will terminate (except in respect of any antecedent breach) upon the occurrence of:

2.3.4.1 Technical Failure;

2.3.4.2 Commercial Failure; or

2.3.4.3 Seven (7) years from the Effective Date, contingent in respect of that during Years Six (6) and Seven (7), on Biosense being generally regarded in the field of electrophysiologic Localization as having one of the leading market shares, or otherwise as provided for in Section 14 herein.

2.4 Stereotaxis Permitted Activities.

2.4.1 Own Development. Nothing in this Agreement will be taken to prevent Stereotaxis development, Marketing and Promotions, Distribution or other activities in respect of catheters or other interventional instruments designed for non-Localized electrophysiological procedures.

2.4.1.1 Stereotaxis may continue with its own development program and subsequent commercial activities with [***] (or, in the event of a technical failure or a commercial failure of the activities with [***], as determined by Stereotaxis, with one or more other manufacturers of a Localization mechanism, provided that Stereotaxis with use reasonable commercial efforts to work with only one such additional manufacturer) in respect of the

[*** Indicates portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Stereotaxis Localization System and associated proprietary disposable localized devices until such time as the Commercial Launch Date, provided that such development program:

2.4.1.2 does not involve collaboration with a Restricted Party, and

2.4.1.3 includes contract development from independent parties.

2.4.2 Localization System Placements.

2.4.2.1 Limit on Number of Placements. In connection with exercising its rights under Section 2.4.1 and subject to Section 2.4.2.2, Stereotaxis agrees that it may sell and/or license ("Stereotaxis Customer Localization License") to third parties (each a "Stereotaxis Customer") only up to, but not more than fifty (50) Stereotaxis Localization Systems.

2.4.2.2 The Localization License is granted by Biosense as a limited non-exclusive license to Stereotaxis under any necessary Biosense IP at a royalty rate according to the table below:

[***]

2.4.2.3 In the case of units sold using a different subcontractor (i.e., other than [***]), then the above royalty rates shall be [***]. In addition, if:

2.4.2.3.1 Stereotaxis exercises its rights pursuant to the Localization License; or

2.4.2.3.2 Biosense loses distribution rights following Commercial Failure, Technical Failure or other termination of placements of Compatible NIOBE-CARTO Systems pursuant to this Agreement (including expiration of the Term),

2.4.2.3.3 then Biosense shall be entitled to [***] of Stereotaxis' Net Revenues in respect of it sales of disposable Localization catheters and devices comprising Daughter Products or such devices as are utilized subject to the Localization License. The Parties recognize that Biosense grants the licenses herein only to the extent if any, required to permit Stereotaxis to sell Stereotaxis Localization Systems and/or grant such Stereotaxis Customer Localization Licenses (and licenses in respect of proprietary localized disposable devices to be used with the Stereotaxis Localization System) as permitted pursuant to this Section 2.4.

2.4.2.4 Conversion of Stereotaxis Customers. Stereotaxis and Biosense will, prior to and following the Commercial Launch Date, use all commercially reasonable efforts, to convert Stereotaxis Customers to usage of the Compatible CARTO System.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

2.4.2.5 Limits on Localization License. Pursuant to the Localization License, each Stereotaxis Customer Localization License (and licenses in respect of electrophysiological localized disposable devices to he used with the Stereotaxis Localization System) will be limited to a term ending 24 months following the Commercial Launch Date. Where this limitation results in any Stereotaxis Customer having permitted usage of its Stereotaxis Localization System for a period of less than five (5) years ("Diminished Usage Period"), Biosense will make available to each such customer by way of discounts, rebates or otherwise ("Rebate") in

respect of the Compatible CARTO System or other Biosense products (other than the Daughter Products) purchased by the customer, a reasonable discount to its list price on such products, such discount pro rated inversely to the number of years of ownership by the customer of the Stereotaxis Localization System.

2.4.3 Technical Failure. Commercial Failure or Delay.

2.4.3.1 Additional Stereotaxis Localization System Placements. In the event of Technical Failure or Commercial Failure or delay in the Commercial Launch Date for Compatible NIOBE-CARTO Systems (with relevant disposable products that customers can use therewith) beyond April 30, 2004 ("Delay"), Stereotaxis will have the right to place additional Stereotaxis Localization Systems (and proprietary localized disposable devices to be used therewith) in the manner set out in this Section 2.4.3.

2.4.3.2 Failure. In the event of Technical Failure or Commercial Failure or other termination as referred to in Section 14.2.3, Stereotaxis will have the right to grant up to 500 licenses to third parties under its Localization License having terms ending no later than three (3) years following the date of such Technical Failure or Commercial Failure in order to enable Stereotaxis to secure access to an alternative catheter based Localization system that is compatible with the Stereotaxis NIOBE System. The parties recognize herein that after the expiration of the three (3) year period following any Commercial Failure or Technical Failure, the Localization Licenses under the Biosense IP shall no longer exist.

2.4.3.3 Delay. In the case of Delay, Stereotaxis will have the right to grant up to 500 licenses pursuant to Section 2.4.3.2 until such time as the Commercial Launch Date.

2.4.3.4 Biosense Distribution. In the case of Technical Failure, Commercial Failure or Delay, Biosense will have the right to act as sole distributor of such additional Stereotaxis Localization Systems (and proprietary electrophysiological localized disposable devices to be used therewith), based on reasonable commercial terms to be mutually agreed upon by Biosense and Stereotaxis.

2.5 Preferred Partner and Third Party Integrations.

2.5.1 Outside Biosense Field. The Parties shall use reasonable commercial efforts to cooperate (but without obligation) to bring the integration of the Compatible NIOBE-CARTO System with additional imaging and information modalities relevant to electrophysiology (including, without limitation, digital x-ray fluoroscopy and intraoperative and pre-operative 3D data

sets). Biosense will be Stereotaxis's preferred partner for the Localization of Stereotaxis' medical devices outside of the Biosense Field. Accordingly, Stereotaxis will grant Biosense a right of first notice for all product development activities that are undertaken by Stereotaxis relating to Localization of Stereotaxis' medical devices outside of the Biosense Field as set forth in Section 2.5.2. Additionally, the Parties will, within a reasonable period after the Effective Date, enter into good faith discussions to consider collaboration in the fields of neurology and interventional neuroradiology.

2.5.2 Notice.

2.5.2.1 During the Term, at least sixty (60) days prior to Stereotaxis entering into material and substantial negotiations regarding a potential agreement regarding the Localization of medical devices outside of the Biosense Field Stereotaxis agrees to notify Biosense in writing, together with a summary description of the proposed potential agreement

that would be the subject of such negotiations ("Initial Notice"). Upon request by Biosense given within ten (10) days of the date of such Initial Notice, Stereotaxis and Biosense will discuss the terms and conditions under which Stereotaxis and Biosense would enter into an agreement like the proposed potential agreement with a third party. In the event that Stereotaxis and Biosense have not agreed upon such terms and conditions within thirty (30) days after the date Stereotaxis provided the Initial Notice to Biosense, Stereotaxis will be free to enter into such agreement with a third party without further obligations to Biosense, and on any terms that Stereotaxis considers appropriate. It is understood that, because Stereotaxis will be providing the Initial Notice to Biosense prior to the commencement of material and substantial negotiations with a third party, Stereotaxis may not be able to define the entire or exact scope of the rights and obligations of the potential agreement, and accordingly, so long as the Initial Notice describes in general terms a product, field or rights that overlap with the product, field or rights actually negotiated with, or granted to, a third party, Stereotaxis will be deemed to have satisfied its obligations, under this Section 2.5.2; also, it is understood that Stereotaxis need only provide one (1) such Initial Notice in any twelve (12) month period before engaging in such material and substantial negotiations with any third party or parties.

2.5.2.2 Stereotaxis also agrees to notify Biosense in the event that Stereotaxis reasonably considers it is engaged in substantive discussions in respect of the sale of the company or substantially all of its assets. For the avoidance of doubt, the provisions of Section 2.5.2.1 will not apply in respect of any such notice.

2.5.2.3 No Implied Obligation. The only obligations of Biosense and Stereotaxis under this Section 2.5.2 are as expressly stated herein, and there are no further implied obligations relating to the matters contemplated therein. Without limiting the foregoing, it is further acknowledged and agreed that this Section 2.5.2:

2.5.2.3.1 will not be deemed to apply to a change of Control of Stereotaxis; and

2.5.2.3.2 Stereotaxis is not obligated under this Section 2.5.2 to provide to Biosense any particular information other than as expressly stated in this Section 2.5.2.

2.5.2.3.3 If Biosense disputes Stereotaxis' right to proceed with a transaction with a third party, Biosense will request that such dispute be resolved in accordance with Section 15.

2.6 Single Purchase Offers. The parties agree to discuss in good faith whether to implement distribution arrangements whereby customers are provided with a single offer to purchase a Compatible NIOBE-CARTO system.

2.7 Latest Localization Platform. The Parties acknowledge that the latest generation Biosense's Localization technology platform used as of the Effective Date is the CARTO XP system. In the event that Biosense at any time during the Term launches a new Localization technology platform Biosense will use reasonable efforts to develop and commence distribution of a NIOBE compatible upgrade to the new Localization technology platform. In such case the parties will enter into good faith negotiations to determine the technically feasible and commercially reasonable development cycle for such upgrade and to determine the contributions of the Parties to its development funding, provided that in the event the new Localization technology platform includes technologies that are reasonably determined by Biosense as not being reasonably capable of being made compatible with the NIOBE System, Biosense will notify Stereotaxis in writing of the same (and of the reasons therefor) at the earliest practicable opportunity in the development cycle of the new Localization technology platform and the Parties will enter into good faith negotiations to consider amending this Agreement in a manner that adequately and reasonably addresses any substantially negative consequences for Stereotaxis as a

result of the such incompatibility. This Section 2.7 will apply to any new Localization technology platform in the same manner as it is applicable to the Compatible CARTO System.

3 DEVELOPMENT AND OVERSIGHT

3.1 Joint Steering Committee.

3.1.1 Establishment. The Parties will establish a Joint Steering Committee. Each Party may appoint up to three (3) representatives to the Joint Steering Committee. The initial representatives of each Party are as set forth in Exhibit E. Subject to the foregoing, replacement representatives maybe appointed by either Party on written notice to the other Party. All decisions of the Joint Steering Committee shall be taken by a majority vote of all of the representatives on the Joint Steering Committee and in the event of deadlock after ninety (90) days, either Party may refer that decision in question to settlement by the presidents of the Parties. In the event the presidents are unable to agree within a period of ninety (90) days after being presented with the question, a Party may elect to take the matter to arbitration on the terms set out in Section 15 or otherwise as mutually agreed in writing by the parties. The Joint Steering Committee shall not meet or take any actions unless at least one representative of each Party is in attendance.

3.1.2 Responsibilities. Each Party's representative to the Joint Steering Committee will act reasonably and in good faith. The Joint Steering Committee will oversee the Parties' performance in accordance with Agreement including, without limitation:

3.1.2.1 coordinating the Parties' activities and responsibilities under the Agreement;

3.1.2.2 encouraging and facilitating ongoing cooperation between the Parties;

3.1.2.3 subject to the guidelines set forth in Section 9.1.2, determining the regulatory strategy and timetable in respect of the Daughter Products and allocating responsibilities for effecting the same between the Parties;

3.1.2.4 determining the development strategy and timetable in respect of the Daughter Products and the Daughter Product Specifications, and allocating responsibilities for effecting the same between the Parties;

3.1.2.5 subject to the provisions of Exhibit A and Section 9.1.2, determining the regulatory strategy and timetable in respect of the Compatible CARTO System and, where applicable, the Compatible NIOBE System, and allocating responsibilities for effecting the same between the Parties;

3.1.2.6 subject to the guidelines set forth in Exhibit A, determining the development strategy and timetable in respect of the Compatible CARTO System and consulting with Stereotaxis as to the development strategy and timetable for the Compatible NIOBE System, and allocating responsibilities for affecting the same between the Parties;

3.1.2.7 discussing with Biosense once per quarter Biosense's then current sales forecasts (whether finalized or preliminary) for the Daughter Products and in respect of the placement of Compatible NIOBE--CARTO Systems for each quarter in the next 12 months, and where available, the next 24 months. Biosense agrees to reasonably cooperate in this regard, but will be under no obligation to take account of input from the Joint Steering Committee in relation to any such forecasts; and

3.1.2.8 Where appropriate requesting Biosense to provide relevant information to the Joint Steering Committee in respect of the issue of whether a Technical Failure has occurred.

3.1.3 Meetings. The Joint Steering Committee will hold its first meeting within thirty (30) days of the Effective Date. Thereafter, the Joint Steering Committee will determine its meeting schedule, provided that it will meet at least monthly by teleconference and semi-annually with personal attendance of representatives (where reasonably practicable).

3.2 Development of the Compatible CARTO System and Compatible NIOBE System.

3.2.2. Development.

3.2.2.1 Biosense will use reasonable commercial efforts to develop the Compatible CARTO System in accordance with the Compatible CARTO Specifications and the Milestones and four development stages ("Development Stage") described in Exhibit A and otherwise in the manner determined by the Joint Steering Committee pursuant to Section 3.1.2.6 and in this

regard Biosense will be responsible for providing all development engineers and other personnel, facilities, Biosense IP and Biosense Intellectual Property Rights and relevant regulatory resources required for the development of the Compatible CARTO System. Stereotaxis will be responsible for coordinating with and providing such information to Biosense in respect of the such development as may be reasonably required and further will make payments contributing to the costs of the development of the Compatible CARTO System in accordance with the terms of this Section 3.2 and with the terms and payment schedule set forth in Exhibit A. Stereotaxis's contribution to funding of development of the Compatible CARTO System will not exceed a maximum of [***]. All payments will be made in US Dollars ($). Subject to Section 3.1.2.6, Stereotaxis will be responsible for developing the Compatible NIOBE System.

3.2.2.2 Parties also agree to use reasonable commercial efforts to cooperate (but without obligation) to consider the development of a hybrid Compatible NIOBE System utilizing Biosense mapping and software and Stereotaxis Localization System hardware for the purpose of providing expedited entry to human clinical procedures by key common physician customers. In the event of Technical Failure that leads to the termination of the Development Program prior to the Critical Design Review milestone outlined in Exhibit A, Biosense will bear no risk of loss, but in any case, any unused portion of the finds provided to Biosense will be refunded to Stereotaxis.

3.2.2.3 In the event of Technical Failure that leads to the termination of the Development Program after the Critical Design Review milestone outlined in Exhibit A, Biosense will promptly refund to Stereotaxis and unused portion of its contribution to development funding of the Compatible CARTO System (which will be calculated by crediting to Stereotaxis amounts in the same manner as set out in Section 3.2.3 below) and also promptly refund to Stereotaxis one half of Stereotaxis' aggregate contribution for the period beyond the Critical Design Review milestone outlined in Exhibit A, to development funding of the Compatible CARTO System not otherwise repaid to Stereotaxis pursuant to Section 323 below.

3.2.3 Invoicing of Expenditures. Within ten (10) days of completion of each Development Stage, Biosense will provide Stereotaxis a written invoice stating the approximate the sum and breakdown of the following development expenditures ("Expenditures") incurred by Biosense in such stage:

3.2.3.1 [***]

3.2.3.2 [***]

3.2.3.3 [***]

[*** Indicates portions of this exhibit that have been omitted and filed

separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

3.2.3.4 [***]

3.2.3.5 [***]

3.2.4 Diligence. Each Party will complete its responsibilities hereunder in respect of the Milestones set forth in Exhibit A and bring about completion of such Milestones on a timely basis. Each Party will promptly inform the other Party if it reasonably believes that there will be a delay in meeting any Milestone, and keep the other Party apprised of its progress in completing its responsibilities in respect of such Milestone.

3.3 Development of the Daughter Products and Consulting. Biosense agrees to coordinate with and provide information to Stereotaxis to an extent reasonably required to allow Stereotaxis to develop the Daughter Products in accordance with the Daughter Products Specifications, the Milestones described in Exhibit A and otherwise as determined by the Joint Steering Committee pursuant to Section 3.1.4 and will use diligent efforts in this regard to complete its responsibilities and bring about completion of such Milestones on a timely basis. Each Party will promptly inform the other Party if it reasonably believes that there will be a delay in meeting any Milestone, and keep the other Party apprised of its progress in completing its responsibilities in respect of such Milestone. At Stereotaxis' election, Biosense will provide Stereotaxis with consulting on development and manufacturing of non-localized disposable devices on a reasonable consulting fee basis (to be mutually agreed upon).

3.4 Additional Daughter Products. Biosense agrees to coordinate with and provide information to Stereotaxis to an extent reasonably required to allow Stereotaxis to develop such additional Daughter Products ("Additional Daughter Products", which will be deemed to include any Localized devices developed or to be developed by Stereotaxis and having no corresponding Parent Products (but only products developed based on Stereotaxis IP and not including any products developed in concert with or based on the intellectual property of third parties)) as are reasonably nominated in writing by either Party, and to complete such development and relevant regulatory filings for clinical or commercial use (as the case may be) within a maximum period of one (1) year from the date of such nomination. Biosense will have the right to decline to distribute any such Additional Daughter Product, provided that in such event, Stereotaxis will have the right to distribute such product directly, through contract sales or

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through other third party distribution but not through a Restricted Party. Development, manufacture by Biosense and purchase by Stereotaxis from Biosense of any such Additional Daughter Products will be accomplished in accordance with the provisions of this Agreement.

3.5 Major Delays. In the event Biosense fails to meet a Milestone on Exhibit A within six (6) calendar months after the Target Completion Date for such Milestone, or in aggregate the period of delay in meeting Target Completion Dates exceeds nine (9) months, Stereotaxis will have the right to terminate this Agreement immediately upon written notice.

3.6 Failure to Obtain Approval. In the event that the Parties fail to obtain applicable 510K, PMA and CE Mark regulatory approvals or

clearances required by U.S. FDA or the relevant Notified Body in Europe, in respect of the Compatible NIOBE-CARTO System or components thereof prior to April 30, 2005, or in respect of the Initial Daughter Products, on April 30 2005, have not obtained or do not have prospects for obtaining such approvals or clearances in the near term (and thereafter do not obtain such approvals or clearances in the near term), then either Party may terminate this Agreement immediately upon written notice.

4 MARKETING, DISTRIBUTION AND MANUFACTURE

4.1 Biosense as Manufacturer. Daughter Products used for clinical trials and research in respect of the Daughter Products will be manufactured and supplied by Stereotaxis unless otherwise determined by the Joint Steering Committee. The Parties agree that Biosense will serve as manufacturer of the Daughter Products for commercial sale. To the extent required, the Parties agree to fully cooperate in the transfer of manufacturing know-how in respect of Daughter Products from Stereotaxis to Biosense in advance of commercialization thereof.

4.2 Marketing and Promotions, Distribution Obligations.

4.2.1 Daughter Products.

4.2.1.1 Biosense will Distribute and conduct Marketing and Promotions in respect of the Daughter Products and will use all reasonable commercial efforts in this regard to maximize the dollar sales volume of the Daughter Products. Biosense will be solely responsible for all costs and expenses related to the Marketing and Promotions and Distribution of Daughter Products and for performing its obligations and exercising its rights hereunder. Biosense agrees to provide at least the same economic incentives to its sales force to distribute Daughter Products as apply to comparable Biosense products.

4.2.1.2 Stereotaxis will have the right (at its own expense unless otherwise determined by the Joint Steering Committee), to conduct supplementary Marketing and Promotions in respect of the, Daughter Products. In exercising this right, Stereotaxis will consult in advance, to the extent permissible under relevant law, and thereafter on a regular basis, with the Joint Steering Committee to ensure that such Stereotaxis' Marketing and Promotions activities are sufficiently coordinated with Biosense' Marketing and Promotions activities in respect of the Daughter Products to avoid creating customer confusion or other negative effects.

Stereotaxis will be solely responsible for all costs and expenses related to performing its obligations and exercising its rights hereunder.

4.2.2 Compatible Stereotaxis NIOBE-CARTO Systems.

4.2.2.1 Biosense will be solely responsible for all costs and expenses related to the Marketing and Promotions and Distribution the Compatible CARTO System.

4.2.2.2 Stereotaxis will be solely responsible for all costs and expenses related to the Marketing and Promotions and Distribution of the Compatible NIOBE System.

4.2.2.3 The Parties further agree to cooperate in a commercially reasonable manner in respect of optimizing the number Compatible Stereotaxis NIOBE-CARTO Systems installed at hospital sites.

4.2.3 Biosense will provide commercially reasonable written proposals for sales of Compatible CARTO Systems to customers nominated by Stereotaxis within 45 days of such request. Such written proposals will be preceded or followed by at least the reasonable and customary level of Biosense sales force interaction with the prospective customer site as is typically required to secure sale of a CARTO System.

4.2.4 Biosense Distribution of Products. The parties recognize that in the event that Biosense is permitted to distribute any products under this Agreement, Biosense will be the Party solely responsible for setting price on products it distributes.

4.2.5 Stereotaxis Distribution of Products. In the event Stereotaxis has the right to distribute products under this Agreement (for instance, as specifically provided for, or by agreement of the Parties) Stereotaxis herein agrees that it shall not distribute any such products through a Restricted Party, except in the event where Stereotaxis is acquired by such Restricted Party. The parties recognize that in the event that Stereotaxis permitted to distribute any products under this Agreement, Stereotaxis will be the Party solely responsible for setting price on products it distributes.

4.2.6 Placement of Compatible CARTO Systems. In the event that the Compatible CARTO Installation Ratio is [***], Biosense agrees that it will sell Compatible CARTO Systems to Stereotaxis at [***] per system for resale to prior users of any CARTO system, and at [***] per system for resale to new users of the CARTO System, until such time as a [***] is reached.

4.3 Forecast. Ninety (90) days prior to the beginning of each calendar quarter, Biosense will provide Stereotaxis with a non-binding twelve (12) month rolling forecast (for the period commencing at the beginning of such calendar quarter) of Biosense's anticipated unit and dollar volume sales of Daughter Products in respect of each month and quarter during the such twelve month period. Additionally, in the event that Stereotaxis Distributes Daughter Products in accordance with the terms of this Agreement, Stereotaxis will provide a non-binding twelve

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(12) month rolling forecast to Biosense in the same manner. Biosense will consult with the Joint Steering Committee in respect of preparation of such forecasts.

4.4 Identification of Stereotaxis and Biosense.

4.4.1 The packaging and package insert for the Daughter Products will incorporate Stereotaxis's name and logo (which will be in a form as provided by Stereotaxis to Biosense from time to time). The size, prominence, location and other aspects of the incorporation of the Stereotaxis name and logo into such packaging and package insert will be at least of the size and prominence as is reasonable and customary for arrangements of this type and in any event will be co-located with the relevant Biosense' name and logo and not less than seventy-five percent (75%) of the size of such Biosense' name and logo.

4.4.2 Each Party agrees to incorporate the name and logo of the other Party, where reasonably practicable, into the visual and written output of its Compatible NIOBE System and Compatible CARTO System (at the case may be) in respect of electrophysiological procedures for which such systems are utilized together as an Compatible NIOBE System CARTO System. The size, prominence, location and other aspects of the incorporation of such other Party's name and logo into such output will be at least of the size and prominence as is reasonable and customary for arrangements of this type and in any event will be co-located with the relevant first Party's name and logo and not less than seventy-five percent (75%) of the size of such first Party's name and logo.

4.4.3 Each Party will submit all materials of any kind containing the other Party's Trademarks to the other Party before release to the public for inspection, and such other Party will have the right to approve such material prior to its distribution, and in absence of prompt approval will be deemed to have provided approval. Each Party agrees that their respective products and/or services that are associated with the other Party's Trademarks shall meet the same general level of quality as is

provided by the other Party in connection with its own Trademarks. Except as set forth in this Section, nothing in this Agreement shall grant or shall be deemed to grant to one Party any right, title or interest in or to the other Party's Trademarks. All use by each Party of the other Party's Trademarks (including any goodwill associated therewith) shall inure to the benefit of the Party that owns such Trademarks.

4.5 Product Labeling. Biosense will be responsible for developing all product packaging and labeling, including without limitation, Instructions for Use which will comply with all applicable laws for all Daughter Products. Biosense will include Stereotaxis patent and patent pending labeling on the Daughter Products or Compatible CARTO System as applicable. Stereotaxis will include Biosense patent and patent pending labeling on the Compatible NIOBE System as applicable.

5 STEREOTAXIS COMPONENT SUPPLY

5.1 Manufacture of Components. Stereotaxis, at the direction of the Joint Steering Committee, will manufacture and supply to Biosense such Components as are specified by the committee provided that Biosense will have the option to source directly from relevant vendors.

5.2 Forecasts. Ninety (90) days prior to the beginning of each calendar quarter, Biosense will provide Stereotaxis with a non-binding twelve (12) month rolling forecast of Biosense's anticipated requirements for delivery of Components in each respective quarter ("Component Forecast").

5.3 Pricing. Biosense will pay Stereotaxis a transfer price for each Stereotaxis Component equal to the Stereotaxis's Cost of Goods for such Components (including packaging) plus [***] in respect of delivery costs ("Component Transfer Price").

5.4 Vendor Requirements. Stereotaxis will conform to Biosense's vendor requirements set forth in Exhibit C.

5.5 Purchase Orders. Stereotaxis will accept all Biosense Purchase Orders that comply in all material respects with the terms of this Agreement. Stereotaxis will deliver a written acknowledgment of such a Purchase Order within ten (10) Business Days of receipt of the Purchase Order. No Biosense Purchase Order may modify or changes the terms set forth herein and any such terms changing or purporting to change the terms hereof are hereby rejected.

5.6 Terms. All prices set forth in this Section 5 will be F.O.B. Irwindale, California ("Biosense Delivery Point"). All Components delivered under this Agreement will be suitably packed for shipment, marked for shipment to the address specified in Biosense's written purchase order ("Purchase Order"), and delivered at the Delivery Point to a carrier or forwarding agent chosen by Biosense, at which time risk of loss and title pass to Biosense. Should Biosense fail to designate a carrier, forwarding agent or type of conveyance, Stereotaxis will make such designation in conformance with its standard shipping practices. All freight, insurance and other shipping expenses, as well as any special packing expenses, incurred prior to delivery at the Biosense Delivery Point will be incurred by Stereotaxis, and after delivery to the Biosense Delivery Point will be borne by Biosense. Stereotaxis will use reasonable efforts to ship all Components within the same calendar month as the Biosense Delivery Date as defined in Section 5.5.1.

5.7 Taxes. Biosense will be responsible for the payment of any excise, sales, use, value added, withholding or other taxes, tariffs or duties that may be applicable on the transfer of Components to Biosense at the Delivery Point, all of which will be Biosense's responsibility, and the amounts owing to Stereotaxis hereunder will be paid without deduction for, or with respect to, any of the foregoing.

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confidential treatment.]

5.8 Conflicting Terms. In ordering and delivering the Components, Biosense and Stereotaxis may use their standard forms, but nothing in such forms will be construed to amend or modify the terms of this Agreement and in case of conflict herewith, the terms of this Agreement will control. No Biosense Purchase Order may modify or changes the terms set forth herein and any such terms changing or purporting to change the terms hereof are hereby rejected.

5.9 Annual Stereotaxis Reports and Audits.

5.9.1 Reports. Within forty-five (45) days after the close of each Stereotaxis fiscal year, Stereotaxis will provide a report to Biosense which sets forth the Cost of Goods for Components, including a breakdown of the components and assumptions used to calculate such Cost of Goods and a schedule of the number of Components sold to Biosense during the applicable period.

5.9.2 Audits. Stereotaxis will keep accurate records in sufficient detail to enable the Cost of Goods for the Components to be determined. Upon the request of Biosense, Stereotaxis will permit an independent certified public accountant selected by Biosense to have access, once in each Biosense fiscal year during regular business hours and upon reasonable notice to Stereotaxis, to such of the records of Stereotaxis as may be necessary to verify the accuracy of the reports made during the previous Biosense fiscal year. The fees and expense of such accountant will be paid by Biosense; provided that if the audit reveals that the Cost of Goods reported by Stereotaxis are more than one-hundred and five percent (105%) of the actual Cost of Goods, such fees and expenses will be paid by Stereotaxis. The records from which the reports are prepared will be retained by Stereotaxis in keeping with Stereotaxis's document retention policy, but in no event less than three (3) years after preparation thereof. In the event an adjustment is made to the Cost of Goods that results in an adjustment to the applicable Component Transfer Price, Biosense will promptly pay Stereotaxis any underpayments resulting from such adjustment.

6. STEREOTAXIS MARKETING AND DISTRIBUTION

6.1 Right to Distribute. If Stereotaxis exercises its right to distribute the Daughter Products pursuant to this Agreement, Biosense will fulfill Stereotaxis' order for the Daughter Products in a timely manner as set forth in this Section 6, subject to a minimum order of at least 60 catheters per type per month for each year, to be transferred to Stereotaxis at Biosense's cost plus [***].

6.2 Forecast. Ninety (90) days prior to the beginning of each calendar quarter, Stereotaxis will provide Biosense with a non-binding twelve (12) month rolling forecast of Stereotaxis' anticipated requirements for delivery of Daughter Products in each respective quarter ("Daughter Product Forecast").

6.3 Pricing. Stereotaxis will pay Biosense a transfer price for each Daughter Product equal to [***] of the Cost of Goods (provided that in calculating the transfer price for the Daughter Product as a whole, the cost for Components will be deemed equal to their actual

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transfer price to Biosense from Stereotaxis) for a unit of such Daughter Product ("Daughter Product Transfer Price").

6.4 Purchase Orders.

6.4.1 Each delivery of the Daughter Products will be initiated by a written or electronic Stereotaxis Purchase Order in accordance with Section 6.4.2 below. All Purchase Orders will state unit quantities, unit descriptions, Purchase Order coverage dates, and shipping instructions; and all Purchase Orders will also state the requested delivery date for the Daughter Products ("Delivery Date").

6.4.2 Stereotaxis will accept all Stereotaxis Purchase Orders that comply in all material respects with the terms of this Agreement. Stereotaxis will deliver a written acknowledgment of such a Purchase Order within ten (10) Business Days of receipt of the Purchase Order.

6.5 Terms. All prices set forth in this Section 6 will be F.O.B. Irwindale CA ("Biosense Delivery Point"). All Daughter Products delivered under this Agreement will be suitably packed for shipment, marked for shipment to the address specified in Stereotaxis' written purchase order ("Purchase Order"), and delivered at the Biosense Delivery Point to a carrier or forwarding agent chosen by Stereotaxis, at which time risk of loss and title pass to Stereotaxis. Should Stereotaxis fail to designate a carrier, forwarding agent or type of conveyance, Biosense will make such designation in conformance with its standard shipping practices. All freight, insurance and other shipping expenses, as well as any special packing expenses, incurred prior to delivery at the Biosense Delivery Point will be incurred by Biosense, and after delivery to the Biosense Delivery Point will be borne by Stereotaxis. Biosense will use reasonable efforts to ship all Daughter Products within the same calendar month as the Delivery Date as defined in Section 6.4.1.

6.6 Taxes. Stereotaxis will be responsible for the payment of any excise, sales, use, value added, withholding or other taxes, tariffs or duties that may be applicable on the transfer of Daughter Products to Stereotaxis at the Delivery Point, all of which will be Stereotaxis' responsibility, and the amounts owing to Stereotaxis hereunder will be paid without deduction for, or with respect to, any of the foregoing.

6.7 Conflicting Terms. In ordering and delivering the Daughter Products, Biosense and Stereotaxis may use their standard forms, but nothing in such forms will be construed to amend or modify the terms of this Agreement and in case of conflict herewith, the terms of this Agreement will control. No Stereotaxis Purchase Order may modify or changes the terms set forth herein and any such terms changing or purporting to change the terms hereof are hereby rejected.

6.8 Annual Stereotaxis Reports.

6.8.1 Reports. Within sixty (60) days after the close of each Biosense fiscal year, Biosense will provide a report to Stereotaxis which sets forth the average Cost of Goods for a unit of each of the Daughter Products, including a breakdown of the components and assumptions used to

calculate such average Cost of Goods and a schedule of the number of Daughter Products sold to Stereotaxis during the applicable period.

6.8.2 Audits. Biosense will keep accurate records in sufficient detail to enable the average Cost of Goods for the Daughter Products to be determined. Upon the request of Stereotaxis, Biosense will permit an independent certified public accountant selected by Stereotaxis to have access, once in each Biosense fiscal year during regular business hours and upon reasonable notice to Biosense, to such of the records of Biosense as may be necessary to verify the accuracy of the reports made during the previous Stereotaxis fiscal year. The fees and expense of such accountant will be paid by Stereotaxis; provided that if the audit reveals that the Cost of Goods reported by Stereotaxis are more than one-hundred and five percent (105%) of the actual Cost of Goods, such fees and expenses will be paid by Biosense. This audit right may not be exercised more than once in any one Stereotaxis fiscal year. Biosense will retain the records from which the reports are prepared for a

length of time in keeping with its document retention policy, but in no event less than three (3) years after preparation thereof. In the event an adjustment is made to the average Cost of Goods for the Daughter Products that results in an adjustment to the applicable Daughter Product Transfer Price, Biosense will promptly pay Stereotaxis any underpayments resulting from such adjustment.

7 REVENUE SHARE

7.1 Daughter Product Sales. In respect of each quarter in each calendar year of the Term, Biosense will pay Stereotaxis a revenue share upon the sales of Daughter Products according to the following ("Revenue Share"):

7.1.1 [***]

7.1.2 [***]

7.2 Compatible NIOBE System.

7.2.1 [***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

7.2.2 [***]

7.2.3 [***]

7.2.4 [***]

7.2.5 [***]

7.2.6 [***]

7.3 Discounting. Biosense agrees that for computations made under Paragraphs 7.1 and 7.2 hereunder, the average discount applied to the list price for the sale of all Daughter Products in any given year will not exceed the average discount to the list price for corresponding Parent Products during the same period.

7.4 Exchange Rates. If any currency conversion is required to calculate the sales applied against the Net Revenue for Daughter Products, such conversion will be made by using the exchange rates used by Biosense in calculating Biosense's own revenues for financial reporting purposes in the United States in accordance with U.S. GAAP. If any currency conversion is required to calculate the Cost of Goods for Daughter Products, such conversion will be made by using the exchange rates used by Stereotaxis in calculating Stereotaxis's own costs for financial reporting purposes in the U.S. accordance with U.S. GAAP.

7.5 Payment. Biosense will pay Stereotaxis the applicable Revenue Share on a quarterly basis within thirty (30) days of the end of each quarter. With each such payment Biosense will include a report that sets forth in sufficient detail. the manner in which Biosense calculated the Revenue Share for the applicable quarter. All payments will be made in US Dollars($).

7.6 Annual Biosense Reports and Audits.

7.6.1 Reports. Within sixty (60) days after the end of each calendar year, Biosense will provide a report to Stereotaxis which sets forth: the Gross Profits and Cost of Goods, for Daughter Products sold (including the calculation thereof), and any difference in the Revenue Share

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payments actually made to Stereotaxis pursuant to Section 7.5 and the amounts due per the calculation. The Parties will review such report and agree upon the differences in amounts due. In the event the amounts of Net Revenue paid by Biosense to Stereotaxis during such fiscal year are less than the amounts due, Biosense will pay such difference to Stereotaxis within forty-five (45) days of submitting such report to Stereotaxis. In the event the amounts paid by Biosense in Revenue Share during such fiscal year are greater than the amounts due, Biosense can apply such amount to future Revenue Share amounts or, at Stereotaxis election, Stereotaxis will pay such difference to Biosense within sixty (60) days of receiving such report from Biosense.

7.6.2 Audits. Biosense will keep accurate records in sufficient detail to enable the aforesaid payment due under this Agreement to be determined. Upon the request of Stereotaxis, Biosense will permit a "big five" independent certified public accountant selected by Stereotaxis to have access, once in each Biosense fiscal year during regular business hours and upon reasonable notice to Biosense, to such of the records of Biosense and its Affiliates as may be necessary to verity the accuracy of the reports made during the previous Biosense fiscal year as provided for under Section 6.8.2.

8 MANUFACTURING QUALITY AND ACCEPTANCE

8.1 Conformance with Specifications. Biosense will manufacture or have manufactured Daughter Products, and Stereotaxis will manufacture or have manufactured the Components in a competent and workmanlike manner.

8.1.1 All Daughter Products delivered by Biosense to Stereotaxis, if any, and Components delivered by Stereotaxis, if any, hereunder will conform in all respects to the Daughter Product Specifications or Component Specifications, as the case may be, and to all applicable manufacturing specifications and all manufacturing processes.

8.1.2 All Daughter Products and Components will comply with all relevant provisions of the FDC Act, including without limitation, wherever applicable, the FDA QSR and other regulatory agency requirements.

8.1.3 All Daughter Products and Components will be CE-marked and ISO 9001 certified and not adulterated or misbranded under FDA guidelines.

8.2 Manufacturing Specifications. In the event that Stereotaxis exercises its rights to market and distribute the Daughter Products under Section 4.5, prior to the first delivery to Stereotaxis of Daughter Products, Biosense will provide to Stereotaxis a detailed manufacturing specification (the "DP Manufacturing Specifications") for the Daughter Products. Such DP Manufacturing Specifications will be consistent with the Daughter Product Specifications agreed upon by the Parties, and will be sufficient in all events to ensure that Daughter Products meet all criteria and specifications set forth in the applicable Daughter Product Specifications (including without limitation, performance specifications). At Biosense's direction, such DP Manufacturing Specifications will contain a level of detail necessary to make such products. Stereotaxis will

provide similar Manufacturing Specifications to Biosense for the Components prior to Stereotaxis' first shipment of commercial quantities of the Components to Biosense ("Component Manufacturing Specifications"). From and after the delivery of such Manufacturing Specifications, the Daughter Products and Components will mean for all purposes of this Agreement those certain Daughter Products and Components reflected by and defined in the Manufacturing Specifications. Biosense, in the case of the DP Manufacturing Specifications, and Stereotaxis, in the case of the Component Manufacturing Specifications, will have the right to modify and will

modify such Manufacturing Specifications from time to time to reflect modifications made by Biosense to the Daughter Products and by Stereotaxis to the Components, and in all cases, one party shall communicate such changes to the other party. Such modifications will in all cases be consistent with all applicable Daughter Product Specifications and Component Specifications. Any modifications not consistent with such specifications will require the unanimous approval of the Joint Steering Committee.

8.3 Packaging of Lots and Lot Sizes. The Daughter Products, in the case of Biosense, and Components, in the case of Stereotaxis, will be packaged and shipped in lots in accordance with the Daughter Product Specifications and the Component Specifications. Biosense will be solely responsible for all packaging of Daughter Products and Stereotaxis will be solely responsible for packaging of Components.

8.4 Quality Guidelines.

8.4.1 All Components supplied to Biosense by Stereotaxis will meet the requirements of the Component Specifications and the Component Manufacturing Specifications and the requirements of any applicable health regulatory agency.

8.4.2 All Daughter Products supplied by Biosense will be manufactured in accordance with the FDC Act, including, without limitation, the FDA QSR requirements at Biosense's plant located at Irwindale CA or other plants established by Biosense from time to time, including plants of Biosense's suppliers, if applicable (the "Facility"). It is understood that for all purposes of this Agreement "health regulatory agency" will include, without limitation, the European Commission.

8.5 Quality Control. Prior to each shipment of Daughter Products or Components, Stereotaxis or Biosense, as the case may be, will perform quality control procedures set forth in Section 8.4, to verify that such Daughter Products or Components, as the case may be, meet such Quality Guidelines and will provide the other Party with a certificate of compliance with each lot delivered to it.

8.6 Rejection. Biosense and Stereotaxis will have thirty (30) days following its receipt of a shipment of Daughter Products or Components, as the case may be, to reject Daughter Products or Components which fail to conform to the Quality Guidelines set forth in Section 8.4, which rejection will be accomplished in accordance with the provisions of Section 8.8 below. Each Party will have the right to reject shipment in lots based on prior agreed standards of statistically significant rejection rates of samples of such lot in accordance with the procedures

set forth in Section 8.7 below. If a Party rejects a shipment before the date on which payment therefore is due, it may withhold payment for such shipment or the rejected portion thereof. The limited warranties given by each of the Parties in Section 10 will survive any failure to reject by the other Party under this Section 8.6. Each Party will use commercially reasonable efforts to replace the quantities of Daughter Products or Components returned by the other Party within the shortest possible time, but no later than sixty (60) days from the return of such quantities.

8.6.1 If a Party fails to replace returned Daughter Products or Components, as the case may be, within ninety (90) days from the date such Daughter Products or Components are returned, the purchasing Party will have the right to:

8.6.1.1 cancel such replacement shipment by written notice; and

8.6.1.2 reclaim immediately the Daughter Product Transfer Price paid to Biosense or the Component Transfer Price paid to Stereotaxis, as the case may be, with respect to the Daughter Products or Components that were returned but not replaced, if payment for such Daughter Products or Components had already been made to Stereotaxis or Biosense.

8.7 Rejection by Lot. In the event that Biosense or Stereotaxis rejects an entire lot pursuant to Sections 8.6 and 8.8 (the "Rejecting Party"), the Parties will take the following actions. The rejecting Party will ship back to supplier an agreed upon sample size from such lot with written notice setting forth the reason for such rejection. Within fifteen (15) Business Days of receipt of the sample, Biosense or Stereotaxis, (the "Supplier"), will test the sample and provide notice of its determination to Rejecting Party. If, after testing the sample, Supplier determines that the lot was improperly rejected, the Supplier will so notify the rejecting Party. If the Parties cannot resolve the discrepancies within fifteen (15) Business Days, the Supplier will dispatch a quality assurance representative to the Rejecting Party's location. Such quality assurance representative will work with the Rejecting Party to determine the discrepancy in the finding with regards to the lot. If the Supplier representative and the Rejecting Party representative cannot come to agreement on the disposition of the lot within ten (10) days, then the matter will be submitted to an independent lab for determination.

8.8 Rejection Procedure. With respect to Daughter Products and Components which a Party intends to reject pursuant to Sections 8.6 or 8.7 above, the Rejecting Party will, within thirty (30) days following receipt of such Daughter Products or Components, as the case may be, give written notice to the Supplier specifying the manner in which such Daughter Products of Components, as the case may be, fail to conform to the Quality Guidelines set forth in Section 8.4 and in conjunction with such notice, the Rejecting Party will request authorization from the supplier prior to the return of each lot of such Daughter Products or Components, as the case may be. Upon such request, the Supplier will provide the Rejecting Party with an RMA tracer number to be prominently displayed on the shipping container for the returned Daughter Products or Components, as the case may be. The foregoing thirty (30) day period may be extended for up to an additional thirty (30) days upon written request by the Rejecting Party to the supplier if received prior to the expiration of the original notice period and stating a legitimate reason for such request for extension. If returned Daughter Products or Components,

as the case may be, are determined by the Supplier to conform to the applicable Quality Standards set forth in Section 8.4 the Rejecting Party will reimburse the Supplier's shipping costs associated with the return of such conforming or out-of-warranty Daughter Products or Components, as the case may be, and, at the request of the Rejecting Party, the Supplier will return such Daughter Products or Components, as the case may be, to the Rejecting Party at the Rejecting Party's expense. Biosense's and Stereotaxis's sole liability and the other Party's exclusive remedy in connection with rejected Daughter Products or Components under this Section 8 will be replacement of the rejected Daughter Products or Components.

8.9 Presence At Facility. Upon reasonable notice given by one party to the other and at reasonable frequency (not more than once per calendar year unless the party can demonstrate a reason for more frequent audits), such party will have the right to assign no more than two employees or consultants of such party to inspect and audit the Facility at which a product is manufactured during normal business hours; provided, however that:

8.9.1 such employees or consultants will not unreasonably interfere with other activities being carried out at the Facility;

8.9.2 such employees or consultants will observe all rules and regulations applicable to visitors and to individuals employed at the Facility; and

8.9.3 such employees or consultants will be bound by Section 16 hereof.

8.10 Exchange of Information. In the event that Stereotaxis markets and distributes the Daughter Products, Biosense agrees to provide technical information regarding Daughter Products as needed by Stereotaxis for packaging, labeling, package inserts, and customer support.

9 REGULATORY MATTERS

9.1 Regulatory Approvals.

9.1.1 Manufacturing. Biosense will obtain and maintain all regulatory licenses, permits and registrations necessary to manufacture the Daughter Products and Compatible CARTO System and Stereotaxis will obtain and maintain such regulatory licenses, permits and registrations as are necessary to manufacture the Components, in each case to supply them for sale in the United States and such other countries as are mutually agreed upon in writing-by the Parties.

9.1.2 U.S. 510K and/or PMA Clearance/Approval. Biosense will be responsible for obtaining 510K Clearance or, where applicable, PMA approval the Compatible CARTO System in the United States and, at Stereotaxis expenses, for the Daughter Products in the United States and Stereotaxis will be responsible for obtaining any such approvals required in respect of the Compatible NIOBE System; provided that the Parties agree to fully cooperate and coordinate their activities in order to achieve the most expeditious regulatory mechanisms reasonably available in respect of the Daughter Products, the Compatible NIOBE System and the

Compatible CARTO System, including coordinating with one another so as to jointly manage clinical and regulatory activities including without limitation protocol selection and site selection and so as to jointly participate, where practicable, in communications with FDA, provided that in case of disagreement in any respect, the final decision will be made by the sponsor of the relevant regulatory submission

9.1.3 Foreign Approvals. Subject to the direction of the Joint Steering Committee or as mutually agreed by the Parties, the Parties will file for and pursue applications for regulatory approval to sell the Daughter Products (at Stereotaxis expense) and Compatible CARTO System and Compatible NIOBE System in countries outside the United States comprising at least the filing and pursuing a CE Mark in Europe for such products.

9.2 Cooperation to Obtain and Maintain Approvals. The Parties agree to maintain all information regarding the Daughter Products and Compatible CARTO System and the Compatible NIOBE System filed with the FDA and other regulatory bodies current and reflective of current manufacturing practices and product specifications and to update this information as required. From time to time dining the term of this Agreement, Stereotaxis and Biosense will provide such further letters of authorization, instruments and/or documents, and take such other actions, as the other may reasonably request for purposes of obtaining regulatory approvals, in accordance with this Article 9, to Distribute the Daughter Products.

9.3 Exchange of Information. Each Party will keep appropriate records relating to its activities with respect to regulatory approvals hereunder and will report to the other Party on the status of such activities on a regular basis.

9.4 Inspections. The Parties will permit (and will use commercially reasonable efforts to cause its vendors to permit) the FDA and other regulatory agencies to conduct such inspections of the facilities at which the products are manufactured pursuant to this Agreement upon request by such agencies and will cooperate with the FDA or such

other regulatory agencies with respect to such inspections and any related matters. Each Party will give the other Party prompt written notice of any such inspections and will keep such other Party informed about the results and conclusions of each such regulatory inspection, including actions taken by the relevant Party or Parties to remedy conditions cited in such inspections. Each Party will provide the other Party with copies of any written inspection reports issued by such agencies and all correspondence between it and the agency involved pertaining to such inspections or products.

10 REPRESENTATIONS AND WARRANTIES

10.1 Stereotaxis. Stereotaxis represents and warrants that:

10.1.1 it has full power to enter into the Agreement and to perform its obligations hereunder,

10.1.2 it has obtained all necessary corporate approvals to enter and execute into this Agreement;

10.1.3 it is the owner or licensee of the Intellectual Property Rights in and to the Stereotaxis IP and has the right to grant to Biosense the rights granted herein;

10.1.4 to the best of Stereotaxis' knowledge, use, manufacture, sale, offer for sale or importation of the NIOBE System does not infringe any patent rights, trade secrets or other proprietary rights of any third party;

10.1.5 it has not previously granted and, subject to Sections 2.4 and 4.4, will not grant in the future, any rights that conflict with the rights and licenses granted to Biosense herein;

10.1.6 all Components sold by Stereotaxis to Biosense will be free from Defects in construction, materials, processing and workmanship until the end of the applicable warrant period specified by the Joint Steering Committee pursuant to this Agreement when used in and maintained in accordance with the specifications, instructions and packaging therefor.

10.2 Biosense.

10.2.1 General. Biosense represents and warrants that:

10.2.1.1 it has full power to enter into the Agreement and to perform its obligations hereunder; and

10.2.1.2 it has obtained all necessary corporate approvals to enter and execute into this Agreement.

10.2.2 Ownership. Biosense further represents, warrants and covenants that:

10.2.2.1 it is the owner or licensee of the Intellectual Property Rights in and to the Parent Products and CARTO System and has the right to grant to Stereotaxis the rights granted herein; and

10.2.2.2 to the best of Biosense's knowledge, use, manufacture, sale, offer for sale or importation of the Daughter Products and the CARTO System does not infringe any patent rights, trade secrets or other proprietary rights of any third party.

10.2.3 Process and Product Warranties. The parties represent, warrant and covenant:

10.2.3.1 all products sold by one party to the other hereunder will be free from Defects in construction, materials, processing and workmanship until the expiration date affixed thereto which date will be determined;

10.2.3.2 all products sold by one party to the other hereunder will comply in all material respects with the Specification, Manufacturing Specifications, the FDC Act including, without limitation, all FDA QSR requirements, for the products, and any other regulatory agency requirements agreed to by the Parties in accordance with Section 9 above;

10.2.3.3 all of the products sold by one party to the other hereunder will have been manufactured, packaged stored and shipped in conformance with the FDC Act including, without limitation, all applicable current FDA QSR or similar regulations which are hereinafter

adopted by the FDA or any successor agency thereto and any other regulatory agency requirements agreed to by the Parties in accordance with Section 9 above; and

10.2.3.4 title to all products sold by one party to the other hereunder will pass to such party as provided herein free and clear of any security interest, lien, or other encumbrance.

10.3 Sole Remedy. The foregoing warranties will survive inspections, acceptance and payment by Biosense and Stereotaxis. Subject to Section 12, each Party's sole and exclusive remedy for breach of the warranty in this Section 10 will be:

10.3.1 to have replaced products which are the subject of the warranty claim in accordance with the provisions of Section 10.4; and

10.3.2 return and have replaced unused Daughter Products and Components, as the case may be, with respect to which Biosense or Stereotaxis has discovered Defects upon inspection in accordance with the provisions of Section 10.4, as applicable.

10.3.3 Each Party will use its commercially reasonable efforts to provide replacement products within the shortest possible time, but no later than sixty (60) days from return.

10.4 Warranty Procedures.

10.4.1 The following warranty procedures will apply with respect to a product or component of a product sold by one party to the other: first, a party will provide the other with written notice of such claims. After receiving such notice, the receiving party will provide the reporting party with a Return Materials Authorization ("RMA") number, after which the reporting party will return the defective product or component to the manufacturing party. The returning party will display the RMA number prominently on the packaging, and must return the product or component in its original packaging, with shipping charges prepaid. The parties will not accept collect shipments. The receiving party in its sole discretion may refuse any product or component not returned in accordance with the terms of this Agreement.

10.4.1.1 In the event that the party determines that a returned product or component is defective, the party will have the right, at its sole option, to either:

10.4.1.2 repair or remedy the Defects; or

10.4.1.3 replace with conforming product or component. The foregoing sets forth the parties' sole remedy and sole liability, for any breach of the warranty set forth in this Section 10.

10.4.2 Daughter Products. The following warranty procedures will apply with respect to Daughter Products marketed and sold by Stereotaxis that are the subject of a customer complaint under the applicable Daughter Product warranty. Stereotaxis will notify Biosense of such Daughter Products to be replaced in response to customer complaints

(and return of product) and

Biosense will replace all such products without charge to Stereotaxis or the customer and will bear all costs associated with such replacement.

10.5 Recalls.

10.5.1 In the event that any recall of Daughter Products supplied by Biosense hereunder is

10.5.1.1 required by the US FDA; or

10.5.1.2 mutually agreed upon, in writing, by Biosense and Stereotaxis, which agreement will not be unreasonably withheld by either Party,

10.5.1.3 the Parties will confer for the purpose of determining how to conduct the recall in an efficient and economic manner prior to commencement of such recall.

10.5.2 The costs of any such recall will be allocated as follows:

10.5.2.1 to the extent that such recall is due to Biosense's failure to meet the Quality Guidelines set forth in Section 8.1.5 in manufacturing Daughter Products, the manufacture or sale of such products by Biosense, or the design of the Parent Product despite modification thereof to create the Daughter Product, Biosense will be responsible for all of the reasonably incurred costs of effecting such recall and will use commercially reasonable efforts to replace the defective Daughter Products within the shortest possible time, but no later than sixty (60) days following such recall;

10.5.2.2 to the extent that such recall is due to Stereotaxis' mislabeling, mishandling, modification or promotion of any Daughter Product sold hereunder (except if caused by incorrect information provided by Biosense), or the design of the Daughter Products, Stereotaxis will be responsible for the costs of such recall; or

10.5.2.3 if neither 10.5.2.1 nor 10.5.2.2 above is applicable:

10.5.2.3.1 in the event of a mutually agreed upon recall, the Parties will share equally in the costs of such recall (including, without limitation, the cost of replacement Daughter Products and Biosense's normal and customary catheter replacement and communications costs); or

10.5.2.3.2 in the event that either Party does not agree that a recall should be conducted, the other Party may trigger the recall at its own expense.

10.5.2.4 The Parties will cooperate and mutually agree upon the manner in which the recall is conducted; provided that in all cases, Biosense will have the first right to conduct the recall.

10.6 Correction of Flaws. Biosense will on a regular basis provide to Stereotaxis a summary of its customer error reports highlighting the most regularly occurring concerns reported by customers regarding Daughter Products

10.7 LIMITATION OF WARRANTIES. NEITHER PARTY MAKES ANY REPRESENTATIONS OR

WARRANTIES OTHER THAN THOSE EXPRESSLY STATED IN THIS SECTION 10, AND EACH PARTY SPECIFICALLY DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES OF NONINFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. STEREOTAXIS EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES REGARDING THE PARENT PRODUCTS, CARTO SYSTEM, DAUGHTER PRODUCTS AND COMPATIBLE CARTO SYSTEM.

11 INDEMNIFICATION

11.1 Indemnity. Biosense will indemnify, defend and hold harmless Stereotaxis, its directors, officers, employees and agents (each a "Stereotaxis Indemnitee") from and against any liabilities (including without limitation damages awarded to third parties), expenses or costs (including reasonable attorneys' and professional fees) ("Liabilities") resulting from any claim(s) brought by a third party against a Stereotaxis Indemnitee relating to the manufacture, marketing, promotion, sale or use of the Daughter Products, Compatible CARTO System or Biosense IP.

11.2 Procedure. In connection with indemnification under Section 11.1 Stereotaxis will:

11.2.1 provide Biosense with prompt notice of any such claim, demand or cause of action;

11.2.2 give Biosense sole control of the defense and all related settlement negotiations at Biosense's expense (which expenses will be included in the calculation of Liabilities hereunder); and

11.2.3 provide Biosense, at Biosense's reasonable expense, all assistance, information, and authority reasonably requested by Biosense to perform the foregoing.

11.3 Remedy. In the event the use, sale or manufacture of Daughter Products is enjoined, the indemnifying Party will use diligent efforts to either:

11.3.1 procure a license to allow the indemnified Party or to enjoy the rights granted under this Agreement, or

11.3.2 modify the Daughter Products to make them non-infringing.

11.4 Indemnity. Stereotaxis will indemnify, defend and hold harmless Biosense, its directors, officers, employees and agents (each a "Biosense Indemnitee") from and against any liabilities (including without limitation damages awarded to third parties), expenses or costs (including reasonable attorneys' and professional fees) ("Liabilities") resulting from any claim(s) brought by a third party against a Biosense Indemnitee relating to the manufacture, marketing, promotion, sale or use of the Compatible NIOBE System or Stereotaxis IP.

11.5 Procedure. In connection with indemnification under Section 11.4, Biosense will:

11.5.1 provide Stereotaxis with prompt notice of any such claim, demand or cause of action;

11.5.2 give Stereotaxis sole control of the defense and all related settlement negotiations at Stereotaxis' expense (which expenses will be included in the calculation of Liabilities hereunder); and

11.5.3 provide Stereotaxis, at Stereotaxis' reasonable expense, all assistance, information, and authority reasonably requested by

Stereotaxis to perform the foregoing.

11.6 Remedy. In the event the use, sale or manufacture of Components is enjoined, the indemnifying Party will use diligent efforts to either:

11.6.1 procure a license to allow the indemnified Party or to enjoy the rights granted under this Agreement; or

11.6.2 modify the Components to make them non-infringing.

12 PROPRIETARY RIGHTS

12.1 Stereotaxis. The Parties agree that, as between them, Stereotaxis retains all right, title, and interest in and to the Technology and Intellectual Property Rights that Stereotaxis owned prior to the commencement of this Agreement, including, without limitation, the Stereotaxis NIOBE System and all Intellectual Property Rights in or arising from such Technology and to all Technology and Intellectual Property Rights that which are created or made during the term of this Agreement by Stereotaxis, its employees, agents or other third parties acting under the authority from Stereotaxis working on matters relating to this Agreement ("Stereotaxis Personnel") (all such Technology and Intellectual Property Rights collectively "Stereotaxis IP").

12.2 Biosense. The Parties agree that, as between the Parties, Biosense retains all right, title, and interest in and to the Technology and Intellectual Property Rights that Biosense owned prior to the commencement of this Agreement, including, without limitation, the CARTO System, the Parent Products and all Intellectual Property Rights in or arising from such Technology and to all Technology and Intellectual Property Rights which are created or made during the term of this Agreement by Biosense, its employees, agents or other third parties acting under the authority from Biosense working on matters relating to this Agreement ("Biosense Personnel") (all such Technology and Intellectual Property Rights collectively "Biosense IP").

12.3 Joint Ownership.

12.3.1 Joint IP. The Parties will own jointly any Technology or Intellectual Property Rights made or created jointly by Biosense Personnel and Stereotaxis Personnel ("Joint IP"). For the purposes of the foregoing, a Patent will be considered to have been jointly created if at least one employee of Stereotaxis and Biosense are named inventors on such Patent as issued and a copyrighted work will be considered to be jointly created if it is a joint work within the

meaning of the United States Copyright Act. Except as set forth in this Section 12.3.1, the Parties intend that each Party hereto will have an equal and undivided joint ownership interest in the Joint IP related thereto. Each Party will have the right to use and exploit such Joint IP subject to the provisions of Sections 2.3, 2.4 and 4.5 and subject to each Party's obligations of confidentiality under Section 13. Neither Party will have any duty of accounting to the other Party with respect to such joint ownership interest. Each Party hereby unconditionally and irrevocably assigns to the other Party the joint ownership interest set forth in this Section 12.3.1 with respect to the portions of the Joint IP developed by such Party.

12.3.2 Licenses.

12.3.2.1 Stereotaxis hereby grants Biosense a non-exclusive, irrevocable, worldwide, non-transferable (except as set forth in Section 16.2), fully paid up, royalty-free, perpetual and sub-licensable right and license under all of its Intellectual Property Rights in and to its equal and undivided interest in the Joint Technology, to use, manufacture, have manufactured, sell, have sold and import products in the Biosense Field.

12.3.2.2 Biosense hereby grants Stereotaxis a non-exclusive, irrevocable, worldwide, non-transferable (except as set forth in Section 16.2), fully paid up, royalty-free, perpetual, and sub-licensable right and license under all of its Intellectual Property Rights in and to its equal and undivided interest in the Joint Technology, to use, manufacture, have manufactured, sell, have sold and import products in the Stereotaxis Field.

12.3.3 Applications and Registrations. To the extent that an application, registration, or other governmental procedure (collectively, a "Procedure") is required to obtain, perfect, or protect any Intellectual Property Right in the Joint Technology that the Parties may jointly own pursuant to Section 12.3.1 and either Party desires to pursue such Procedure, such Party will first consult with the other Party. If the other Party desires to participate in such Procedure, the Parties will then jointly and cooperatively pursue such Procedure, in which event they will bear all costs equally and jointly own any rights thereby obtained. If a Party declines to participate in such Procedure, the other Party will then have the right to pursue such Procedure alone, in which case such other Party will bear all costs of and, notwithstanding Section 12.3.1, exclusively own all rights resulting from, such Procedure.

12.3.4 Actions Against Third Party Infringers. Each Party will promptly notify the other Party if such former Party becomes aware of any possible infringement or misappropriation by a third Party of any of the Joint IP in which the Parties share a joint ownership interest under this Section 12. If either Party desires to take any action against such an infringing or misappropriating third Party, such Party will first notify the other Party hereto and consult with such other Party regarding such action. If the other Party desires to participate in such action, the Parties will then jointly and cooperatively pursue such action, in which event they will bear all costs equally and share in any damages or other recoveries equally. Either Party may at any time decide not to participate further in any such action, in which case any further costs will be borne by and all damages and other recoveries will be received by the Party that

continues to pursue such action. If a Party declines to participate in any such action, the other Party will then have the right to pursue such action alone, and will bear all costs of and receive all damages and other recoveries from such action. Notwithstanding the foregoing, if a Party declines to participate in such an action or withdraws from such an action, such Party will nevertheless, at the request of the other Party, cooperate with the other Party, at the cost of the other Party and subject to any reasonable conditions (including indemnification against counterclaims by the third party), to the extent necessary to enable the other Party to pursue such action effectively.

12.3.5 Cooperation. Each Party will execute all documents and take such further actions as may be reasonably required to evidence, perfect, or enforce any assignment of rights set forth in this Section 12.

12.4 Developed Intellectual Property.

12.4.1 Subject to the provisions in this Agreement, Biosense hereby grants to Stereotaxis a fully paid, irrevocable, nonexclusive license under

any Biosense Improvement Patents, to make, use, sell, offer to sell and import any product (or component for a product) that is substantially similar to the Stereotaxis NIOBE System.

12.4.2 "Biosense Improvement Patents" will mean any Patent rights of any kind that cover an invention made by Biosense Personnel that would infringe any Stereotaxis Intellectual Property Rights or an improvement based on any Stereotaxis IP during the term of this Agreement.

12.4.3 The license granted to Stereotaxis hereunder will include the right to grant and authorize sublicenses, but only in connection with the grant by Stereotaxis of a right to make, use and/or sell any product (or component for a product) that is substantially similar to the Stereotaxis NIOBE System. It is understood that the foregoing restriction on sublicensing will not impair Stereotaxis' rights under the license grant to have products or components thereof manufactured for Stereotaxis.

12.4.4 Subject to the provisions in this Agreement, Stereotaxis hereby grants to Biosense a fully paid, irrevocable, nonexclusive license under any Stereotaxis Improvement Patents, to make, use, sell, offer to sell and import any product (or component for a product) that is substantially similar to the CARTO System.

12.4.5 "Stereotaxis Improvement Patents" will mean any patent rights of any kind that cover an invention made by Stereotaxis Personnel that would infringe any Biosense Intellectual Property Rights or an improvement based on any Biosense IP or Intellectual Property Rights during the term of this Agreement.

12.4.6 The license granted to Biosense hereunder will include the right to grant and authorize sublicenses, but only in connection with the grant by Biosense of a right to make, use and/or sell any product (or component for a product) that is substantially similar to the CARTO

System. It is understood that the foregoing restriction on sublicensing will not impair Biosense's rights under the license grant to have products or components thereof manufactured for Biosense.

13 CONFIDENTIALITY

13.1 Definition.

13.1.1 "Confidential Information" as used herein will include:

13.1.1.1 written, recorded, graphical or other information in tangible form disclosed, during the term of this Agreement, by one Party to the other Party which is stamped "Proprietary," "Confidential," or with a similar legend denoting the proprietary interest therein of the disclosing Party,

13.1.1.2 oral information which is disclosed by one Party to the other Party to the extent it is identified as "Proprietary" or "Confidential" at the time of oral disclosure, is reduced to written or other tangible form within thirty (30) days of oral disclosure, and such written or tangible form is stamped "Proprietary", "Confidential", or with a similar legend denoting the proprietary interest therein of the disclosing Party;

13.1.1.3 the following information, whether or not marked "Proprietary" or "Confidential": any reports or forecasts provided hereunder;

13.1.1.4 information, data, or know-how derived from any information contained in items this Section 13.1.1 ("Derivative Information").

13.1.2 Notwithstanding the above, Confidential Information will not include information:

13.1.2.1 In the possession of the receiving Party prior to its disclosure by the disclosing Party and not subject to other restrictions on disclosure;

13.1.2.2 is or later becomes part of the public domain through no fault of the recipient Party;

13.1.2.3 independently developed by the receiving Party;

13.1.2.4 publicly disclosed by the disclosing Party;

13.1.2.5 rightfully received by the receiving Party from a third party without restrictions on disclosure; or

13.1.2.6 approved for unrestricted release or unrestricted disclosure by the disclosing Party.

13.2 Protection of Information.

13.2.1 Period of Protection. The Parties agree to comply with the obligations set forth herein regarding the other Party's confidential information for a period of ten (10) years from the date of disclosure.

13.2.2 Method of Protection. To protect the other Party's Confidential Information each Party agrees:

13.2.2.1 that it will not disclose to any third party, any Confidential Information of the disclosing Party without the disclosing Party's prior written consent;

13.2.2.2 to limit dissemination of the other Party's Confidential Information to only those of the receiving Party's officers, directors, agents and employees who require access thereto to perform their functions regarding the purposes of this Agreement;

13.2.2.3 to ensure that each person (including without limitation all individuals (excluding employees who are, as a condition to their employment, required to maintain the confidentiality of third party confidential information), corporations, partnerships and other entities) who receives or has access to Confidential Information has previously executed a written nondisclosure agreement containing terms substantially similar to those contained herein; and

13.2.2.4 to return to the disclosing Party, or destroy, all Confidential Information of the disclosing Party upon receipt of a written request therefor from the disclosing Party, without retaining any copy thereof, with the exception of documents containing Derivative Information which a receiving Party has a right to retain.

13.2.3 Standard of Care. The standard of care to be exercised by the receiving Party to meet these obligations will be the standard exercised by the receiving Party with respect to its own proprietary information of a similar nature, but in no event less than due care.

13.2.4 Exceptions. Nothing contained in this Section 13 will prevent either Party from disclosing any Confidential Information of the other Party:

13.2.4.1 to regulatory agencies for the purpose of obtaining approval to distribute and market Daughter Products and Compatible CARTO System

which are the subject of this Agreement; provided, however, that all reasonable steps are taken to maintain the confidentiality of such Confidential Information to be disclosed;

13.2.4.2 to accountants, banks, or another financing source (or their advisors) or in connection with a merger, acquisition or securities offering, subject in each case to the recipient entering into an confidentiality agreement containing terms substantially similar to those contained herein to protect such Confidential Information from disclosure; or

13.2.4.3 it is required by law or regulation to be disclosed; provided, however, that the Party subject to such disclosure requirement has provided written notice to the other Party promptly upon receiving notice of such requirement in order to enable the other Party to seek a protective order or otherwise prevent disclosure of the other Party's Confidential Information.

13.2.5 Proprietary Notices. Any reproduction of any Confidential Information by the receiving Party to the extent permitted under this Agreement will contain any and all confidential or proprietary notices or legends, which appear on the original.

13.2.6 Biosense IP. In order to ensure that the Biosense IP is not disseminated unintentionally or otherwise by Stereotaxis to any permitted Localization contract developer, Stereotaxis agrees that during the Term:

13.2.6.1 In respect of material communications, it will communicate with the developer only in writing.

13.2.6.2 All such written communications will be copied to Biosense. and

13.2.6.3 Any such communication that contains, or could reasonably be interpreted as disclosing information comprised in the Biosense IP or Biosense Intellectual Property will be submitted for pre-approval by Biosense (which approval will not be unreasonably withheld and which will be provided within twenty-four (24) hours of written request from Stereotaxis to Biosense' such employee or employees as nominated by Biosense from time to time for the purpose of responding to such requests) before being sent to such Localization contractor. Email will comprise written communication for the purposes hereof.

14 TERM AND TERMINATION

14.1 Term. This Agreement will become effective on the Effective Date and will remain in force and effect for seven (7) years or until terminated pursuant to the terms hereof, including pursuant to the provisions of Sections 2.3,4 and 14.2 (such period to be referred to as the "Term").

14.2 Termination.

14.2.1 For Breach. Either Party may terminate this Agreement effective upon written notice to the other if the other Party materially breaches any provision herein in any or fails to make any payment when due (provided such payment is not subject to bona fide dispute of which prior written notice has been given), which breach is not cured within thirty (30) days from the non-defaulting Party stating its intention to terminate this Agreement by reason of that default or failure or, provided that the defaulting Party has taken significant steps toward remedying the default, such longer period of time as is reasonably necessary defaulting Party to cure.

14.2.2 Change of Control to Restricted Party. In the event of a Change of Control of Stereotaxis to a Restricted Party, either Party may terminate this Agreement effective upon written notice to the other Party within ninety (90) days of the Change of Control becoming effective. In the event that one Party exercises the provisions of this Section 14.2.2, the Termination shall become effective one year after the Change of Control. In the event that Stereotaxis exercises its right under this Section 14.2.2, then Stereotaxis will pay a one-time cash termination fee to Biosense of five percent (5%) of the total equity valuation of Stereotaxis in the Change of Control transaction, up to a maximum of Ten Million Dollars (US) ($10,000,000).

14.2.3 For Commercial Failure, Technical Failure, Delay or Expiration of the Term and Certain Change of Control. In the event there has not been a termination according to Section 14.2.2 above, and this Agreement is terminated in accordance with the provisions of Sections 2.3.4 and Section 3.7 (in respect of Technical Failure, Commercial Failure, expiration of the Term, or Delay) or where terminated by Stereotaxis for breach pursuant to Section 14.2.1 above, the Localization License granted herein will continue for a period of three (3) years as provided for in Section 2.4.3, provided that where a Change of Control of Stereotaxis to a Restricted Party occurs within such three (3) year period, such license will continue until the earlier of one (1) year after such Change of Control or the expiration of such three (3) year period. For the avoidance of doubt, such license is, as provided herein, limited only to the Stereotaxis Localization System and not to any third party system. Thereafter, at its option, each Party will continue to have the right to distribute Daughter Products on a non-exclusive basis.

14.3 Effect of Termination or Expiration - Survival. The respective rights and obligations of the Parties under the provisions of Sections 2.4.3 , 3.2.2.3, 7.6, 10.4, 10.5, 12.3.2, 14.2.3 and all of Articles 11, 13 and 15 will survive any termination or expiration of this Agreement In addition, in case of termination by either Party, Biosense will have the right to continue to Distribute then commercially available Daughter Products to customers, for use with Compatible NIOBE -- CARTO Systems installed or purchased prior to such termination, on reasonable commercial terms (and, where applicable, on terms consistent with its then commercial practice in respect of like products) during the commercial life of such systems.

15 DISPUTE RESOLUTION

Any controversy or claim arising out of or relating to this Agreement or the validity, inducement, or breach thereof, shall be settled by arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then pertaining, except where those rules conflict with this provision,- in which case this provision controls. The decision of such arbitrator will be final and binding and will not be subject to appeal except in the case of substantive evidence that such decision was tainted by Wand. The parties hereby consent to the jurisdiction of the Federal District Court for the District of Delaware for the enforcement of these provisions and the entry of judgment on any award rendered hereunder. Should such court for any reason lack jurisdiction, any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitrator shall be an attorney specializing in business litigation who has at least 15

years of experience with a law firm of over 25 lawyers or was a judge of a court of general jurisdiction. The arbitration shall be held in Chicago IL, and the arbitrator shall apply the substantive law of Illinois, except that the

interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. Within 30 days of initiation of arbitration, the parties shall reach agreement upon and thereafter follow procedures assuring that the arbitration will be concluded and the award rendered within no more than six months from selection of the arbitrator. Failing such agreement, the AAA will design and the parties will follow such procedures. Each party has the right before or during the arbitration to seek and obtain from the appropriate court provisional remedies such as attachment, preliminary injunction, replevin, etc., to avoid irreparable harm, maintain the status quo or preserve the subject matter of the arbitration. THE ARBITRATOR SHALL NOT AWARD ANY PARTY PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, AND EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT TO SEEK SUCH DAMAGES.

16 ASSIGNMENT

Neither Party may assign this Agreement without the prior written consent of the other Party, except that each Party may assign this Agreement to a person or entity into which it has merged or which has otherwise succeeded to all or substantially all of its business or assets and which has assumed in writing or by operation of law its obligations under this Agreement. Each Party agrees that in any merger in which it is not the surviving company, the surviving company will assume, in writing or by operation of law, such Party's obligations under this Agreement. Any purported assignment in violation of the foregoing will be null and void. Subject to the foregoing, the provisions of this Agreement will apply to and bind the successors and permitted assigns of the Parties. Upon a permitted assignment of this Agreement, all references to the assigning Party herein will be deemed references to the assignee.

17 GENERAL

17.1 Force Majeure. Either Party will be excused from any delay or failure in performance hereunder, caused by reason of any occurrence or contingency beyond its reasonable control, including but not limited to, acts of God, earthquake, floods, lightning, labor disputes and strikes, other labor or industrial disturbances, riots, war, acts of the public enemy, insurrections, embargoes, blockages, regulations or orders of any government, agency or subdivision thereof, shortage of materials, rationing, utility or communication failures, casualty, and governmental requirements. The obligations and rights of the Party so excused will be extended on a day-to-day basis for the period of time equal to that of the underlying cause of the delay; provided that such Party will give notice of such force majeure event to the other Party and cure such delay as soon as reasonably possible. In the event such force majeure event does result or would result in an inability of Stereotaxis to supply Components to Biosense or Biosense to supply the Daughter Products to Stereotaxis for a period greater than ninety (90) days, the Parties agree to discuss in good faith alternate solutions to restore supply to Biosense or Stereotaxis as the case may be.

17.2 Insurance. During the Term, Stereotaxis will maintain liability insurance of not less than one million dollar ($1,000,000) per occurrence and five million dollars ($5,000,000) in aggregate.

17.3 Notices. All notices, payments, reports and other communications required or permitted hereunder will be in writing and will be mailed by first class, certified mail, postage prepaid, or otherwise delivered by hand, by messenger (including express mail courier services) or by facsimile, addressed to the addresses first set forth above or at such other address furnished with a notice in manner set forth herein. Such notices will be deemed to have been served when delivered or, if delivery is not accomplished by reason of some fault of the addressee, when tendered. Notices will be addressed as follows:

If to Stereotaxis:

Stereotaxis, Inc.
4041 Forest Park Avenue
St. Louis, MO, 63108
Attn.: Chief Executive Officer

With copy to: Chief Financial Officer, at the same address.

If to Biosense:

Biosense Webster, Inc.
3333 Diamond Canyon Rd.
Diamond Bar CA 91765
Attn.: Vice President, New Business Development

With copy to:

Office of General Counsel
Johnson & Johnson
1 Johnson & Johnson Plaza
New Brunswick NJ 08933

17.4 Entire Agreement. This Agreement sets forth the entire agreement and understanding between the Parties as to the subject matter hereof and merges all prior discussions between them, and neither of the Parties will be bound by any conditions, definitions, warranties, understandings or representations with respect to such subject matter other than as expressly provided herein or as duly set forth on or subsequent to the Effective Date in writing and signed by a proper and duly authorized representative of the Party to be bound thereby. No provision appearing on any

form originated by either Party will be applicable unless such provision is expressly accepting in writing by the other Party.

17.5 Captions and Section Headings. The captions and section and paragraph headings used in this Agreement are inserted for convenience only and will not affect the meaning or interpretation of this Agreement.

17.6 Partial Invalidity. If any paragraph, provision, or clause thereof in this Agreement will be found or be held to be invalid or unenforceable in any jurisdiction, in which this Agreement is being performed, the remainder of this Agreement will be valid and enforceable and the Parties will negotiate, in good faith, a substitute, valid and enforceable provision that most nearly reflects the Parties' intent in entering into this Agreement.

17.7 Presumptions. In construing the terms of this Agreement, no presumption will operate in either Party's favor as a result of its counsel's role in drafting the terms or provisions hereof.

17.8 Waiver. The failure of either Party to enforce at any time the provisions of this Agreement, or the failure to require at any time performance by the other Party of any of the provisions of this Agreement, will in no way be construed to be a present or future waiver of such provisions, nor in any way affect the right of either Party to enforce each and every such provision thereafter. The express waiver by either Party of any provision, condition or requirement of this Agreement will not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

17.9 Cumulative Remedies. The remedies under this Agreement will be cumulative and not alternative and the election of one remedy for a breach will not preclude pursuit of other remedies unless as expressly provided in this Agreement.

17.10 Independent Contractors. In performing their respective services hereunder, each of the Parties will operate as, and have the status of, an independent contractor and will not act as or be an agent, partner, co-venturer or employee of the other Party. Neither Party will have the right or authority to assume or create any obligations or to make any representations or warranties on behalf of any other Party, whether express or implied, or to bind the other Party in any respect whatsoever.

17.11. Confidentiality of Agreement. Each Party agrees that the terms and conditions of this Agreement will be treated as confidential information and that neither Party will disclose the terms or conditions to any third party without the prior written consent of the other Party; provided, however, that each Party may disclose the terms and conditions of this Agreement, to the extent necessary;

17.11.1 as required by any court or other governmental body;

17.11.2 as otherwise required by law;

17.11.3 to legal counsel of the Parties, accountants, and other professional advisors;

17.11.4 in confidence:

17.11.4.1 to banks, investors and other financing sources and their advisors, or

17.11.4.2 to Parties with whom the disclosing Party has or is proposing to enter into a business relationship not prohibited by the terms of this Agreement and only to the extent such Parties have a need to know such terms and conditions in order to conduct or assess such business relationship.

17.11.5 in connection with the enforcement of this Agreement or rights under this Agreement; or

17.11.6 in confidence, in connection with an actual or prospective merger or acquisition or similar transaction

17.11.7 With respect to disclosure required by a court order, the disclosing Party will provide prior notification of such impending disclosure to the non-disclosing Party. All reasonable efforts to preserve the confidentiality of the terms of this Agreement will be expended by the disclosing Party in complying with such an order, including obtaining a protective order to the extent reasonably possible. The Parties will cooperate in preparing and releasing an announcement or other form of publicity, if any, relating to this Agreement.

17.12 Authority. Each Party represents that all corporate action necessary for the authorization, execution and delivery of this Agreement by such Party and the performance of its obligations hereunder has been taken.

17.13 Counterparts. This Agreement may be executed in two (2) or more counterparts, all of which, taken together, will be regarded as one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Development and Supply Agreement to be signed by duly authorized officers or representatives.

STEREOTAXIS, INC. BIOSENSE WEBSTER, INC.

By: /s/ BJ HOGG	By: /s/ GUY LEBEAU
Print Name: BJ Hogg	Print Name: Guy Lebeau
Title: CEO	Title: WW President
Date: May 9, 2002	Date: May 9, 2002

EXHIBIT A

GUIDELINES FOR COMPATIBLE CARTO SYSTEM DEVELOPMENT
AND DEVELOPMENT PAYMENT SCHEDULE

[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

[***]

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[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

EXHIBIT B

DEFINITION OF GROSS PROFIT AND COST OF GOODS

The default calculation of Gross Profits and/or Costs of Goods, will be according to the following formulas:

[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

EXHIBIT C

BIOSENSE VENDOR REQUIREMENTS

The following requirements must be achieved and maintained in order for Stereotaxis to become and remain an Approved Supplier for Products.

1. Quality System Requirements

1.1 Assessment: Biosense Webster will perform a Quality System Audit of Stereotaxis' quality systems to determine that the requirements of this section have been satisfied. Once the Biosense Webster auditor has performed the audit with satisfactory results, Biosense Webster will notify Stereotaxis in writing that the supplier approval process is complete. Minor deficiencies or non-conformances identified during these audits that are not indicative of a lack of control and will not preclude Stereotaxis from supplier approval. However, such observations will be brought to the attention of Stereotaxis and Biosense Webster and Stereotaxis will identify actions that will be taken to correct these items and agree upon a time schedule in which these actions will be implemented.

1.2 Stereotaxis will attain a general state of compliance with the FDA and international medical device requirements.

1.3 Stereotaxis will have, or will develop, quality systems which comply with current GMP QSR (CFR 820), ISO9000, ISO14001, and EN46001, as determined by Biosense Webster and or FDA or EC Notified Body assessment. However, the development of appropriate quality systems will occur in a timely fashion so as to permit commercialization of Products as soon as other factors permit.

1.4 Written requirements, including but not limited to specifications, drawings, test methods and procedures, will be utilized by Stereotaxis for all Products manufactured for Biosense Webster. All requirements will be mutually developed and agreed upon by Stereotaxis and Biosense Webster.

1.5 Stereotaxis will not make any changes to components, processes, systems (e.g. quality, measurement, testing) which are relevant to the admission of the products or suppliers used to produce, test and or release Products

manufactured for Biosense Webster without prior written approval from Biosense Webster Quality Assurance management.

1.6 Stereotaxis will establish and implement a system that ensures Device History Records (DHR) for each batch, lot, or unit are created to demonstrate that the Product is manufactured in accordance with all applicable specifications and requirements.

1.6.1 DHR's will contain adequate information to provide traceability of all components and manufacturing aids (if any) used in the manufacture of a finished Product.

1.6.2 DHR's will contain adequate information to identify the processing methods and personnel involved in the manufacture of a finished Product.

1.6.3 DHR's will contain adequate information to demonstrate that the manufactured Product was evaluated (tested and/or inspected) and found to meet the appropriate specifications.

1.7 Stereotaxis will establish written requirements, including specifications and drawings, for purchased materials and components and will implement a system to ensure that the materials and components supplied meet these specifications.

1.8 Stereotaxis will obtain agreements with suitable suppliers for all components, materials and services used in the manufacture of Products and that no changes in the goods or services supplied will be made without adequate notification to Stereotaxis.

1.9 Stereotaxis will have a system for assisting Biosense Webster with handling customer complaints.

1.9.1 All complaints involving Products supplied to Biosense Webster will be initially reported to Biosense Webster customer service. Stereotaxis will be promptly informed if the complaint involves a product supplied by Stereotaxis, and within seven (7) calendar days, provide a written preliminary investigation report to Biosense Webster Quality Assurance. This preliminary report will include an initial assessment of device reporting under MDR or Vigilance reporting requirements.

1.9.2 Stereotaxis will cooperate fully and promptly in the investigation of complaints involving supplied Products. All complaints should be investigated and a written response provided to Biosense Webster Quality Assurance within thirty (30) days of receipt. All correspondence with the complainant will be handled by Biosense Webster, unless other arrangements are made by Stereotaxis with Biosense Webster on a case-by-case basis.

1.9.3 Biosense Webster will be responsible for filing any device report under MDR or Vigilance reporting requirements.

1.9.4 In the event that corrective actions are warranted as the result of customer complaints for the supplied Products, these corrective actions will be incorporated and tracked as part of the Biosense Webster Corrective Action system.

1.10 If a problem that potentially affects the safety, efficacy or reliability of the Products is identified by either Stereotaxis or Biosense Webster, the problem and all known facts will be brought to the attention of both company's Quality Assurance management as soon as possible, but within 24 hours of the identification of the problem. In the event that a field action is contemplated, Biosense Webster and Stereotaxis will work together to determine whether a field action should take place; however, the final decision to implement a field action will be made by the Biosense Webster Quality Management. Biosense Webster will be responsible for implementing any

field action, including informing customers and defining the logistics of the field action. Stereotaxis will cooperate fully in the implementation of any field action.

1.11 Stereotaxis will establish a document retention procedure to ensure that all documents required to meet the quality requirements herein set forth, including distribution records, are retained for a minimum of 5 years from the date of Product, including but not limited to Design History Files and Complaint Files will be retained for a minimum of 10 years.

1.12 Biosense Webster may provide assistance to conduct interim audits of Stereotaxis' quality systems to ensure that those systems are being developed in accordance with Biosense Webster's supplier qualification requirements.

1.13 Stereotaxis will maintain 97% on time delivery and 99% quality acceptance of Products.

2 PRODUCT REQUIREMENT

Assessment. Biosense Webster will conduct Design Validation, Design Verification and Product Performance Qualification (PPQ) testing to determine if the Current Products or Modified Products meet their pre-established specifications and quality attributes. Once the Products have successfully met all requirements of the Design Validation Verification and PPQ testing, and all Quality Systems Requirements stated above have been met, Stereotaxis will be considered a Qualified Supplier and added to the Biosense Webster QSIL (Qualified Supplier Items List).

EXHIBIT D

DESCRIPTION OF STEREOTAXIS LOCALIZATION SYSTEM

1 Hardware

The Stereotaxis Localization System (currently being developed by a Stereotaxis subcontractor) is designed to use AC magnetic fields to localize single coil receivers, and provides five degree-of-freedom Localization for up to six coils. The sample rate is 50 samples per second per channel.

2 Applications currently targeted

2.1 Expected to be in the clinic (i.e. human clinical trials) by Q3 2002: User interface for electrophysiology navigation in which the system changes the magnet field in real-time in response to input from the user, via a 3D input device. The catheter advancer will also be fully compatible into the user interface to provide telemetric control to the physician. Other features include three dimensional (3D) point capture and tissue contact estimation.

2.2 Expected to be in the clinic by Q4 2002: This phase adds 3D visualization and target-based navigation. A pre-operative CT will be imported to the system and registered, such that the localized EP catheter can be graphically rendered within the 3D CT heart chamber rendering. This enables the physician to visualize precisely where the catheter lies, relative to the complex anatomy he/she is trying to ablate. Additionally the physician will be able to point-and-click on 3D anatomic targets within the image, and the system will, via the magnet field.

EXHIBIT E

INITIAL JOINT STEERING COMMITTEE REPRESENTATIVES

Biosense:

1. Shlomi Nachman,
2. Uri Yaron
3. Avinoam Dayan

Stereotaxis:

1. Doug Bruce, Senior Vice President, Research & Development
2. Paul Burmeister, Vice President, Product Development
3. Nicola Young, Chief Financial Officer

EXHIBIT 10.12

AMENDMENT TO DEVELOPMENT AND SUPPLY AGREEMENT

This amendment ("Amendment") is made this 3rd day of November 2003 to the Development and Supply Agreement (the "Master Collaboration Agreement") between Biosense Webster, Inc. ("Biosense Webster") and Stereotaxis, Inc. ("Stereotaxis").

PREAMBLE

Pursuant to this Amendment, Biosense Webster and Stereotaxis set forth the principal terms and conditions for an expanded strategic alliance for the development of new technologies focusing on the key role of Biosense Webster's catheter technology and Stereotaxis' NIOBE System in the integrated digital "Catheterization lab of the future" through the combination of Stereotaxis' advanced programmatic digital instrument control technology and Biosense Webster's advanced catheter technology in electrophysiology mapping and ablation.

RECITALS

WHEREAS Stereotaxis and Biosense Webster have pursuant to the Master Collaboration Agreement agreed to jointly develop a Compatible NIOBE -- CARTO System and to jointly develop certain associated proprietary, interventional, disposable, electrophysiology devices and to manufacture, market and sell such products

WHEREAS, Stereotaxis and Biosense Webster desire to extend their alliance under the Master Collaboration Agreement to include collaboration in respect of the development and commercialization of non-Localized electrophysiology ablation and mapping comprising devices described in or pursuant to the Appendix ("Partnered NL Catheters") having the functionality of non-Localized electrophysiology devices that are products of Biosense Webster ("Biosense Webster NL Catheters") and that are navigable with the NIOBE System; and

WHEREAS, Stereotaxis has developed a computerized instrument control system known as the NIOBE System(TM) that enables navigation utilizing externally applied magnetic fields of inter alia associated proprietary, interventional, disposable, electrophysiology devices;

WHEREAS, Biosense Webster has developed and commercialized an electrophysiology mapping and Localization system known as the CARTO(TM) system and associated proprietary, interventional, disposable, electrophysiology devices; and

WHEREAS Biosense Webster will contribute to the costs of the development and commercialization of the Partnered NL Catheters by inter alia providing development support, manufacturing, engineering and administrative support, regulatory resources and intellectual property rights and Biosense Webster will also contribute certain costs allocated to the marketing, promotions and distribution of products and Stereotaxis will contribute inter alia intellectual property

and certain development and regulatory resources, certain supplemental promotions and marketing as set forth in and pursuant to this Amendment;

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS HEREIN, THE PARTIES AGREE AS FOLLOWS:

AMENDMENT

1A. Interpretation: Terms and definitions used in the Master Collaboration Agreement will have the same meaning in this Amendment unless otherwise indicated and references herein to this Amendment or provisions thereof include references to terms of the Master Collaboration Agreement incorporated herein by reference. Unless expressly provided for herein, the Master Collaboration Agreement remains in full force and effect. In the event of conflict between

this Amendment and the Master Collaboration Agreement, this Amendment will control.

1B. For purposes of giving effect to this Amendment, references in the Master Collaboration Agreement to Daughter Products contained in the definitions "Components", "Defects" and "Net Revenue" will be taken to include references to Partnered NL Catheters (as that term is defined in the Amendment) in addition to Daughter Products.

1C. The definition in the Master Collaboration Agreement of "Daughter Product Specifications", is amended to include a reference to Partnered NL Catheters and Additional Partnered NL Catheters in addition to references to Daughter Product One and Daughter Product Two and Additional Daughter Products.

1D. The definition in the Master Collaboration Agreement of "Technical Failure" is amended to include a reference to all catheters sold under this Agreement by Biosense, including Partnered NL Catheters and other Stereotaxis Catheters as well as the reference to Initial Daughter Products.

1E. Where applicable for purposes of giving effect to Section 2 below of this Amendment, references in Section 7 of the Master Collaboration Agreement to Parent Products are taken to comprise references to Biosense NL Catheters

1F. Further Definitions

(i) "Additional Partnered NL Catheters" shall have the meaning set forth in Section 12 below.

(ii) "Amendment Exclusivity Period" shall have the meaning set forth in Section 5 below.

(iii) "Biosense NL Catheters" shall have the meaning set forth in the Recitals above.

(iv) "Delay Date" shall have the meaning set forth in Section 6 below.

(v) "High Technology Partnered NL Catheter" shall have the meaning set forth in Section 2.1 below.

(vi) "Partnered NL Catheters" shall have the meaning set forth in the Recitals above. Upon consultation with Biosense Webster, Stereotaxis shall have the ability to amend the identification of Partnered NL Catheters at any time within three (3) months of the signing of this Amendment, such that the catheters so identified are of similar scope and function as those currently identified in the Appendix attached hereto.

(vii) "Partnered NL Catheter Launch Date" shall have the meaning set forth in Section 5.3 below.

(viii) "Standard Partnered NL Catheter" shall have the meaning set forth in Section 2.1 below.

(ix) "Stereotaxis Catheters" shall mean any interventional non-Localized electrophysiology mapping or ablation devices that have been commercialized by Stereotaxis at the Partnered NL Catheter Launch Date (and, upon regulatory clearance for commercial use, any such devices for which Stereotaxis has applied for such regulatory clearance prior to such date.)

(x) "Utilization Management Committee" has the meaning set forth in Section 7 below.

LICENSE GRANTS

2. Intellectual Property Rights: Section 2.1.1 of the Master Agreement is amended to include references to Partnered NL Catheters and Stereotaxis Catheters in addition to Daughter Products. Sections 2.1.3, 2.2.1 and 2.2.3 are amended to include references to Partnered NL Catheters in addition to Daughter Products.

3. Development and Distribution Collaboration Regarding Certain Non-Localized Devices: Sections 3.1.2.3, 3.1.2.4 and 3.1.2.7, 3.3 and 3.4. Sections 4.1 (subject to Section 3 of this Amendment), 4.2.1, 4.3, 4.4.1, 4.4.3, 4.5, Section 6, Section 7, Section 8, Section 9 (subject to Section 6 of this Amendment), Section 10 and Section 11 of the Master Collaboration Agreement are amended to include references to Partnered NL. Catheters in addition to references to Daughter Products and to include references to Additional Partnered NL Catheters in addition to Additional Daughter Products (in all events as appropriate to give meaning to this Amendment); and in any event the Parties agree to cooperate in the same manner (where applicable) as set forth in the Master Collaboration Agreement in respect of Daughter Products (developed from Parent Products) to develop and commercialize Partnered NL Catheters (developed from Biosense Webster NL Catheters) and for purposes of giving effect to the foregoing such applicable terms of the Master Collaboration Agreement. Biosense Webster acknowledges and agrees that, in accordance with this Amendment and Sections 3 and 4 of the Master Collaboration Agreement it will inter alia:

(i) serve as sole manufacturer of the Partnered NL Catheters for commercial use;

(ii) distribute and conduct marketing and promotions in respect of Partnered NL Catheters, and will use all reasonable commercial efforts in this regard to maximize the sales volume of the Partnered NL Catheters; and

(iii) coordinate with and provide information to Stereotaxis to an extent reasonably required to allow Stereotaxis to develop the Partnered NL Catheters.

Without limitation to the foregoing, the average selling price(s) of Partnered NL Catheter(s) will not be greater than the lesser of: (a) [***] of the average selling price of corresponding Biosense Webster NL Catheter(s) during the past [***] months (provided that such pricing is sufficiently profitable in order to achieve compliance with relevant laws); and (b) in the event that Biosense Webster is generally regarded in the electrophysiology industry as having exited the relevant segment of the electrophysiology ablation business, [***] of the average selling price of corresponding manually navigable non-localized electrophysiology catheter(s) marketed by a Restricted Party (provided such catheter(s) are generally regarded in the electrophysiology industry as having a significant market share) that are available in the marketplace. The Parties acknowledge that the average selling price of any such Restricted Party competitive catheters may not be publicly available and agree that they will, upon written request by either Party, mutually determine in good faith within one month of such written request a reasonable estimate of such average selling price.

3.1. During the Term (as defined below), Biosense Webster will provide Biosense Webster NL Catheters (and at such time as Biosense Webster is manufacturing Partnered NL Catheters, Partnered NL Catheters) to Stereotaxis, for purposes of Stereotaxis' development of Partnered NL Catheters and for limited promotions with NIOBE System customers provide that such promotions will be reasonably coordinated with Biosense Webster in terms of development, clinical and promotional activities, the greater of (i) up to 500 units per calendar year; or (ii) up to 10 units per installed NIOBE System per calendar year (where an installed NIOBE System comprises any NIOBE System that is commercially operational during such calendar year); at a transfer price of [***].

3.2. Stereotaxis acknowledges and agrees that it will use all reasonable commercial efforts to develop the Partnered NL Catheters together with Biosense Webster and to devote appropriate resources to such development and clinical activities (which may include, for example, an appropriate subset of such resources as specified in the current Stereotaxis operating budget for electrophysiology device development). Stereotaxis will utilize Biosense Webster as an exclusive subcontractor for Stereotaxis' responsibilities in respect of development of Partnered NL Catheters on commercially reasonable terms to be mutually agreed and subject to reasonable budgetary constraints.

4. Revenue Share to Stereotaxis For Partnered NL Catheters: Stereotaxis Revenue Share will be as follows:

4.1. Where a Partnered NL Catheter comprises a magnetically navigable version of a Parent Product that is based on highly differentiated technology compared with competitive products in the marketplace ("High Technology Partnered NL Catheter") then Stereotaxis' Revenue Share in respect of such High Technology Partnered NL Catheter shall be the same as is set forth in the Master Collaboration Agreement for Daughter Products. Without limitation to the foregoing, examples of High Technology Partnered NL Catheters include magnetically navigable catheters utilizing Biosense Webster' irrigated catheter technology;

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

4.1.1. Where a Partnered NL Catheter comprises a magnetically navigable version of a Parent Product that does not contain a differentiated technology compared with competitive products in the marketplace, ("Standard Partnered NL Catheter") then in recognition that the Stereotaxis IP comprised in such Standard Partnered NL Catheter could provide a degree of differentiation for the Standard Partnered NL Catheter in the marketplace and of Stereotaxis commitment of resources to develop such Standard Partnered NL Catheter, Stereotaxis' Revenue Share in respect of such Standard Partnered NL Catheter will be: (i) the same as provided for in the Master Collaboration Agreement regarding Daughter Products (excepting [***]; plus (ii) an additional [***].

4.1.2. In the event that no corresponding Biosense Webster NL Catheter referred to above is distributed by Biosense Webster or in the event that Biosense Webster is generally regarded in the electrophysiology industry as having exited the relevant segment of the electrophysiology ablation business, then the pricing premium (if any) for the relevant Partnered NL Catheter referred to in Section 4.1.1 above will be calculated with reference to the average selling price of corresponding manually navigable non-localized electrophysiology catheters marketed by a Restricted Party (provided such catheters are generally regarded in the electrophysiology industry as having a significant market share) that are available in the marketplace. The Parties acknowledge that the average selling price of any such Restricted Party competitive catheters may not be publicly available and agree that they will, upon written request by either Party, mutually determine in good faith within one month of such written request a reasonable estimate of such average selling price.

5. Biosense Webster as Manufacturer.

5.1 Biosense Webster will manufacture Partnered NL Catheters used for clinical trials and research unless it notifies Stereotaxis otherwise in writing and in such case Stereotaxis will manufacture such Partnered NL Catheters.

5.2 Stereotaxis Catheters used for clinical trials and research will be manufactured by Stereotaxis unless otherwise agreed in writing by the Parties.

5.3 The Parties agree that Biosense will serve as exclusive manufacturer of Partnered NL Catheters (and at Biosense written election, Stereotaxis Catheters) for commercial sale and Section 4.1 of the Master Collaboration Agreement is amended to include references to Partnered NL Catheters (and where applicable, Stereotaxis Catheters) in addition to Daughter Products and without limitation, to the extent required, the Parties agree to fully cooperate in the transfer of manufacturing

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

know-how in respect of Stereotaxis Catheters from Stereotaxis to Biosense in advance of commercialization thereof.

5.4 Manufacturing subcontractors that Stereotaxis may utilize to give effect to this Amendment shall be those that are reasonably acceptable to Biosense Webster.

6. Certain Amendment Exclusivity: The Parties agree, subject to the terms of this Amendment, that:

6.1. Certain Amendment Exclusivity During The Term: During the Amendment Exclusivity Period (as defined below), Stereotaxis will not engage in any development or commercialization activities with respect to interventional non-Localized electrophysiology mapping or ablation devices in concert or cooperation or otherwise with any Restricted Party or other material competitor to Biosense Webster regarding devices of such type;

6.2. Amendment Exclusivity Period. The Partnered NL Catheter Amendment Exclusivity Period is six (6) years from the date of this Amendment, provided that in respect of any Additional Partnered NL Catheter, the Amendment Exclusivity Period for that catheter will comprise 5 years from the date of first commercial sale of such Additional Partnered NL Catheter in accordance with the provisions of this Amendment and provided that such catheters are commercialized expeditiously in a reasonable commercial manner and in good faith by the Parties.

6.3. Certain Exclusive Distribution: Except as expressly set forth herein:

6.3.1. Subject to Section 6.3.3 below, until the date of the first commercial sale of a Partnered NL Catheter in the U.S. ("Partnered NL Catheter Launch Date"), Stereotaxis will continue its commercialization of interventional non-Localized electrophysiology mapping and ablation devices;

6.3.2. Subject to Section 6.3.3 below, during the period commencing on the date of the Partnered NL Catheter Launch Date and ending at the expiration of the Term, Stereotaxis will not engage in any commercialization activities in respect of interventional non-Localized electrophysiology mapping or ablation devices;

6.3.3. At its election (by written notice to Stereotaxis) Biosense Webster may conduct exclusive Marketing and Promotions and Distribution (subject to Stereotaxis rights under Section 4.2.1.2 of the Master Collaboration Agreement) of some or all Stereotaxis Catheters (and associated non-exclusive Marketing and Promotions and Distribution of the Stereotaxis CardioDrive(TM) disposable device in the manner set out below) in some or all markets prior to the Partnered NL Catheter Launch Date, provided that Stereotaxis may continue its clinical development activities in close coordination with Biosense Webster in respect of the Stereotaxis Catheters during this period (which will include investigational use of a catheter for an application regardless of whether the catheter has been cleared for commercial use for any other application in the relevant market)

6.3.4. Upon the Partnered NL Catheter Launch Date, Biosense Webster will conduct exclusive commercial Marketing and Promotions and Distribution of the Stereotaxis Catheters (subject to Stereotaxis rights under Section 4.2.1.2 of the Master Collaboration Agreement).

6.4. Distribution of Stereotaxis' Catheters

6.4.1. The transfer price paid by Biosense Webster to Stereotaxis for Stereotaxis Catheters that are manufactured by Stereotaxis shall be as mutually agreed in writing by the parties on reasonable commercial terms but not to exceed [***]. Notwithstanding the foregoing, Biosense Webster will be under no obligation to continue such Marketing and Promotions and sales of any Stereotaxis Catheter in a market in which an equivalent Partnered NL Catheter is

commercially available (provided that Biosense Webster will fulfill specific customer orders requesting any such Stereotaxis Catheter thereafter). An example of equivalency (for purposes of the foregoing only) would be a Partnered NL Catheter that is a 4mm temperature sensing ablation catheter and a Stereotaxis' 4mm temperature sensing ablation catheter.

6.4.2. Upon the Partnered NL Catheter Launch Date and during the Term, in order to avoid customer confusion regarding the manner of use of certain devices, Stereotaxis agrees that Biosense Webster (upon its election) may conduct Marketing and Promotions and Distribution of the Stereotaxis' CardioDrive(TM) catheter advancer disposable on a non-exclusive basis, provided that such Marketing, Promotions and Distribution is solely targeted at the use of such product in conjunction with Partnered NL Catheters and/or Stereotaxis Catheters, and in no other fashion, and that such devices will be (again, upon Biosense Webster election) co-branded by the parties, provided that the foregoing will not limit Sections 4.4 and 4.5 of the Master Collaboration Agreement.

6.4.3. Biosense Webster may procure such CardioDrive(TM) devices from Stereotaxis at a transfer price per quarter comprising [***] of the average selling price to end users of such devices in such quarter (which price will be estimated in good faith by the parties for purposes of invoicing at the time of procurement and will be subject to prompt adjustment based upon actual pricing data when available) and otherwise on relevant terms set forth in the Master Collaboration Agreement If either: there is no average selling price to end users; or [***] of the average selling price of the CardioDrive(TM) to end users is less than [***], then the price to Biosense Webster shall be [***].

6.4.4. In the event there are regulatory agency requirements pertaining to the Marketing and Promotions and Distribution of the CardioDrive(TM) devices by Biosense Webster in the manner set out above, then Section 9 of the Master Collaboration Agreement will be taken to apply to the CardioDrive device in addition to Partnered NL Catheters.

6.5. Certain Training and Promotions: The Parties will mutually determine in good faith and cooperate to implement appropriate training programs for the Biosense Webster non-Localized electrophysiology disposables salesforce and the Stereotaxis systems and software salesforce in order to facilitate the Distribution of Partnered NL Catheters in accordance with the terms of this Amendment.

6.6. Certain Development Conditions: The Parties acknowledge and agree that: (i) in order to evaluate the suitability of certain candidate interventional non-Localized electrophysiology mapping

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or ablation devices as Additional Partnered NL Catheters; and (ii) to ensure expeditious availability of such candidate devices for non-commercial clinical use where such expeditious availability is a significant factor in facilitating adoption or utilization of NIOBE Systems by customers; then Stereotaxis may during the Term develop such devices and make them available for non-commercial clinical use in close coordination with Biosense Webster representatives; provided that Stereotaxis will consult with Biosense Webster regarding such clinical use and evaluation of the results thereof for purposes of determining whether such device is nominated as an Additional NL Partnered Catheter.

7. Regulatory: Pursuant to the provisions of Section 9 of the Master Collaboration Agreement, the Parties will pursue expeditious regulatory approval of Partnered NL Catheters in the USA and Europe and subject to mutual agreement in foreign countries (provided that Stereotaxis may in its discretion elect that the Parties will also pursue regulatory clearance in Japan) and the provisions related to Marketing, Promotions and Distribution and otherwise as applicable in this Amendment will apply in respect of such foreign territories; provided that Stereotaxis, as the Party with primary development responsibility for Partnered NL Catheters, may elect in its discretion to pursue its own PMA or other applicable FDA marketing authorization as the filing entity (naming

Biosense Webster as Distributor, as applicable) for any Partnered NL Catheter. In the event that relevant regulatory approval in the U.S. of a Partnered NL Catheter comprising a magnetically navigable non-Localized 4mm thermocouple ablation catheter, or a magnetically navigable non-Localized 8mm thermocouple ablation catheter or a magnetically navigable non-Localized irrigated catheter is not achieved by 30 months from the date hereof ("Delay Date"), then either Party may elect that this Amendment will no longer be of any force or effect, provided that where at the Delay Date the Parties have reasonable prospects of obtaining such approval in the near term (to be considered within six (6) months of the expiration of the thirty (30) month Delay Date expiration), such period will be extended for an additional 6 months. If at the end of the first six (6) month extension period, approval is not yet obtained, but it appears the Parties have reasonable prospects of obtaining such approval within the next six months, the period will be extended for an additional six (6) months. No further extensions will be allowed unless the parties agree to such an extension in writing.

8. Pacing and Other Devices Excluded: For the avoidance of doubt and notwithstanding anything elsewhere contained in this Amendment, nothing contained in this Amendment will restrict Stereotaxis in any way in respect of development and commercialization of: (i) devices used for the delivery of pacing leads in electrophysiology or comprising such leads or associated with the placing of any such leads; or (ii) other devices used outside the field of endovascular ("interventional") non-Localized electrophysiology mapping and ablation (including without limitation in the fields of surgery, interventional cardiology, interventional radiology and interventional neuroradiology); or (iii) accessories to the NIOBE System including without limitation components of the Stereotaxis' CardioDrive catheter advancement mechanism; and this Amendment does not relate to or establish any rights or restrictions in respect of such devices.

8.1. During the Term, at least thirty (30) days (or sixty (60) days in the case of a Restricted Party) prior to Stereotaxis entering into material and substantial negotiations regarding a potential agreement for magnetically enabling interventional devices in cardiology fields outside of non-Localized electrophysiology and mapping (other than: supply agreements with non-Restricted Parties related to this field; or the field of delivery of pacing leads) Stereotaxis agrees to notify

Biosense Webster in writing, together with a summary description of the proposed potential agreement that would be the subject of such negotiations ("Initial Notice"). Stereotaxis herein assures Biosense Webster that any agreement referred to in this Section 8.1 will provide that such agreement shall be terminable on reasonable commercial terms following a change of control of Stereotaxis. Upon request by Biosense Webster given within fifteen (15) days of the date of such Initial Notice, Stereotaxis and Biosense Webster will discuss the terms and conditions under which Stereotaxis and Biosense Webster would enter into an agreement like the proposed potential agreement with a third party. In the event that Stereotaxis and Biosense Webster have not agreed upon such terms and conditions within fifteen (15) days (or forty (40) days in the case of a Restricted Party) after the date Stereotaxis provided the Initial Notice to Biosense Webster, Stereotaxis will be free to enter into such agreement with a third party without further obligations to Biosense Webster, and on any terms that Stereotaxis considers appropriate. It is understood that, because Stereotaxis will be providing the Initial Notice to Biosense Webster prior to the commencement of material and substantial negotiations with a third party, Stereotaxis may not be able to define the entire or exact scope of the rights and obligations of the potential agreement, and accordingly, so long as the Initial Notice describes in general terms a product, field or rights that overlap with the product, field or rights actually negotiated with, or granted to, a third party, Stereotaxis will be deemed to have satisfied its obligations, under this Section 6.1; also, it is understood that Stereotaxis need only provide one (1) such Initial Notice in any twelve (12) month period before engaging in such material and substantial negotiations with any third party or parties.

9. Utilization Management:

i. The Parties will establish a Utilization Management Committee comprising two appointees from either Party that will, subject to the terms of this Amendment, meet quarterly to review utilization of Partnered NL Catheters and Stereotaxis

Catheters with NIOBE Systems and discuss in good faith strategies for mutual cooperation and coordination of the Parties in order to drive increased utilization of NIOBE Systems.

ii. Without limitation to the foregoing, the Utilization Management Committee will consider from time to time at the request of either Party whether inclusion of Stereotaxis catheter advancer disposables in the packaging of Partnered NL Catheters would increase utilization of NIOBE Systems in electrophysiology. Where the committee determines that utilization is reasonably likely to be thereby increased, it will recommend to the Parties for their consideration in good faith a proposal for such inclusion of catheter advancer disposables in packaging and an appropriate payment to Biosense Webster

iii. In its role of conducting Marketing, Promotions and Distribution of the Partnered NL Catheters and Stereotaxis Catheters pursuant to this Amendment, Biosense Webster will in good faith but in its sole discretion determine any implementation of such strategies (excepting in respect of the potential inclusion of the catheter advancer disposable in packaging of Partnered NL Catheters, which will be determined by Stereotaxis in good faith but in its sole discretion)

iv. Either Party may convene a special meeting of the Utilization Management Committee upon 7 days written notice to the other.

v. The Utilization Management Committee will on a quarterly basis (commencing immediately after signing of this Amendment) confer in good faith in order to recommend to Biosense Webster and Stereotaxis goals to be mutually agreed upon for selling Partnered NL Catheters and, where applicable, Stereotaxis Catheters that are mutually agreed in writing by the Parties.

10. Fulfillment of Orders: Biosense Webster will fulfill orders for Partnered NL Catheters and Stereotaxis Catheters without substitutions and with the same degree of promptness and customer responsiveness as for Parent Products, Biosense NL Catheters and other comparable Biosense Webster products. Without limitation, Biosense will fulfill orders whether such orders are placed directly with Biosense Webster by a customer or where placed with Biosense Webster through Stereotaxis on a customer's behalf

10.1. Biosense Webster will utilize such inventory control and management policies in respect of Partnered NL Catheters as are used in the rest of its interventional devices business and will accordingly maintain levels of inventory and parts for Partnered NL Catheters relative to anticipated demand that are no lower than for such other interventional devices.

10.2. Without limitation to the above provisions of this Section 10, at the written request of Stereotaxis Biosense Webster agrees to maintain an inventory cage at its site of stock purchased by Stereotaxis from Biosense to be used as an emergency inventory supply in case of unforeseen delays in supply and further to allow Stereotaxis to maintain a similar emergency inventory supply that is purchased by Stereotaxis at Stereotaxis' own facilities.

10.3. In the event Biosense Webster has not fulfilled any customer order for Partnered NL Catheters within the period specified in such order (or where no period is specified, within 7 days) and has not cured such failure within ninety-six (96) hours ("Cure Period") of written notice from the customer (or Stereotaxis on a customer's behalf), then Stereotaxis may fulfill such order from inventory maintained at Stereotaxis' own facility, and Biosense will reimburse Stereotaxis for its reasonable expenses relating to this transaction.

10.4. Inventory maintained by Stereotaxis in accordance with Sections 10.2 and 10.3 above will be purchased by Stereotaxis at the average selling prices for such items in the quarter in which such inventory is acquired by Stereotaxis, which average selling prices will be estimated in good faith by the

Parties for purposes of invoicing and subject to prompt adjustment based on actual selling price data for the relevant quarter. The Revenue Share to Stereotaxis for sale of such inventory to customers will be calculated in the same manner as if such devices had been sold by Biosense Webster in accordance with this Amendment.

11. Certain Supply of Catheters To Stereotaxis:

11.1 Upon a Change of Control of Stereotaxis, Biosense Webster will cease to conduct Marketing or Promotions for, or Distribute, Partnered NL Catheters and Stereotaxis Catheters and will for a period of three years (or until the First Competitive Sale Date, as defined below, or a period of three years after termination of this Amendment, whichever is the earlier) after such Change of Control

manufacture and supply Stereotaxis with Partnered NL Catheters by fulfilling orders from Stereotaxis in the same manner as set out in Section 6(i) above and those provisions of this Amendment required for purpose of giving effect to the foregoing will continue in force and effect and other provisions of this Amendment) will no longer be of force or effect except in respect of any antecedent breach. The transfer price and revenue share to Biosense Webster will be the same as set forth in the Master Collaboration Agreement relating to any distribution of Daughter Products by Stereotaxis, provided that in order to provide incentive to Stereotaxis to expedite occurrence of the First Competitive Sale Date, a premium of [***] of cost of goods sold to be included in the calculation of such transfer price will be added in respect of each of the last three 6-month periods of such three year period. The "First Competitive Sale Date" means the date following a Change of Control of Stereotaxis upon which Stereotaxis or its affiliates first sell magnetically navigable electrophysiology mapping or ablation catheters other than those acquired from Biosense Webster in accordance with this Section 11.

11.2. Upon expiration of the Term or other termination of this Amendment (other than via a Change of Control pursuant to Section 11.1 above) and in order to ensure continuity of supply for customers, Biosense Webster agrees that it will supply to customers (or in lieu thereof will supply to Stereotaxis for supply to customers) Partnered NL Catheters on the same terms as set forth in this Amendment (other than those relating to Amendment Exclusivity and new product development and subject to relevant minimum order volumes set forth in the Master Collaboration Agreement) for a 3 year period.

11.3. Certain Supply of Catheters to Customers: Following termination or expiration of the Master Collaboration Agreement, Biosense Webster will supply to customers (or in lieu thereof will supply to Stereotaxis for supply to customers that acquired a Compatible NIOBE System or issued a purchase order for a Compatible NIOBE System prior to such expiration or termination) Daughter Products in the same manner as set out in such agreement (including minimum order volumes) for a period of 3 years.

12. Additional Partnered NL Catheters: For purposes of this Amendment, Additional Partnered NL Catheters in respect of non-Localized electrophysiology catheters will have a corresponding meaning to Additional Daughter Products in respect of Localized electrophysiology catheters. In the same manner as the Parties may nominate Additional Daughter Products pursuant to the Master Collaboration Agreement, Stereotaxis has the right to nominate Additional Partnered NL Catheters (without limitation, based either on Stereotaxis IP or intellectual property licensed in by Stereotaxis from third parties other than Restricted Parties), which will then be developed and commercialized in the same manner as described for Additional Daughter Products under the Master Collaboration Agreement. In the event Biosense Webster elects not to distribute any such Additional Partnered NL Catheter in accordance with the foregoing, it may also decline to manufacture such device, in which case Stereotaxis may manufacture or procure manufacture of such device (other than through a Restricted Party).

13. Master Collaboration Agreement: In the event of early termination for any reason (other than Change of Control) of the Master Collaboration Agreement, Stereotaxis may elect to terminate this Amendment at any time within 12 months after any such early termination of the Master Collaboration Agreement.

[*** Indicates portions of this exhibit that have been omitted and filed

separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

14. Force and Effect of This Amendment: This Amendment will be of no force or effect unless and until Biosense Webster executes the Purchase Agreement, Joinder Agreement and Amended Certificate of Incorporation regarding the investment by Biosense Webster or its Affiliate of $9.5 million in preferred stock of Stereotaxis. Stereotaxis agrees to provide executed copies of the same to Biosense Webster for its countersignature immediately upon written notice by Biosense Webster that it is prepared to execute the same; provided that in the event that such documents have not been so executed by the parties prior to December 31, 2003, this Amendment will be of no force or effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be signed by duly authorized officers or representatives.

STEREOTAXIS, INC.	BIOSENSE WEBSTER INC.
By: /s/ BEVIL J. HOGG	By: /s/ RON T. TANAKA
Print Name: BEVIL J. HOGG	Print Name: RON T. TANAKA
Title: CEO/PRESIDENT	Title: PRESIDENT
Date: NOVEMBER 3, 2003	Date: NOVEMBER 3, 2003

APPENDIX

[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

EXHIBIT 10.13

SUPPLY AGREEMENT

This Supply Agreement ("Agreement") dated July 1, 2002 is by and between Stereotaxis, a Missouri corporation, having places of business at 4041 Forest Park Ave, St Louis, MO 63108 and Magnet Sales & Manufacturing Inc., ("Supplier), a California corporation, having its place of business at 11250 Playa Court, Culver City, CA 90230.

In consideration of the mutual promises and consideration provided for in the Agreement, the parties agree as follows:

1. GENERAL

1.1 DESCRIPTION OF AGREEMENT PRINCIPLES

This Agreement defines the relationship and requirements between Stereotaxis and Supplier to ensure a consistent supply of Items that meet Stereotaxis' Specifications. Stereotaxis may, from time to time, issue Purchase Orders to Supplier for the purchase of Items. Supplier agrees that it shall, throughout the term of this Agreement, sell and deliver such Items under the terms and provisions of this Agreement. All Items delivered under this Agreement shall comply with the requirements of this Agreement.

1.2 ENTIRE AGREEMENT

This Agreement, including any Exhibits or Attachments which are incorporated by reference into this Agreement, sets forth the entire understanding and agreement of the parties as to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions between the parties as to the subject matter. No amendment to or modification of this Agreement will be binding unless in writing and signed by a duly authorized representative of each party.

1.3 ITEMS COVERED

All Items supplied to Stereotaxis by Supplier will be covered by this Agreement. The list of Items covered by this Agreement is shown in Attachment 1. New Items may be added to Attachment 1 upon mutual written agreement of Stereotaxis and Supplier from time to time.

1.4 DURATION OF AGREEMENT

This Agreement commences on and as of the date of the later of the two signatures shown in Section 13, provided each party shall have executed and delivered one or more counterparts of this Agreement to the other (the "Effective Date").

This Agreement will remain in effect for a term of two (2) years from the Effective Date (the "Initial Term") unless earlier terminated in accordance with its provisions. At any time before expiration of the Initial Term, Stereotaxis may, at Stereotaxis' option, extend the term of this Agreement subject to all other provisions of this Agreement for an additional period of up to 2 years, by notifying Supplier in writing of such extension.

2. CONFIDENTIAL INFORMATION

Both Stereotaxis and Supplier have executed mutual Non-Disclosure Agreements with respect to their respective proprietary and confidential information.

Stereotaxis has developed magnets and control systems that are its intellectual property and proprietary to it.

Supplier has developed manufacturing and assembly methods for such Stereotaxis designed magnets that are its intellectual property and are proprietary to it.

Stereotaxis and Supplier acknowledge such confidential and proprietary information and agree to be bound by the Non-Disclosure Agreements that have been signed and are in force.

In the event that Supplier becomes unable for any reason to produce and deliver Items per this Agreement, Stereotaxis may review and purchase from Supplier its intellectual property (as above) at a price of [***].

3. OPERATION OF AGREEMENT

3.1 PURCHASE ORDERS

Stereotaxis will issue firm Purchase Orders for Items, providing Supplier with sufficient lead-time to manufacture Items. Supplier will identify the lead-time to be used for planning purposes by Stereotaxis.

Stereotaxis will provide monthly, rolling six-month delivery forecasts to be used for the purposes of providing guidance to Supplier for scheduling its production and procurement. This is not intended to serve as a purchase commitment.

Stereotaxis does not commit to buy a specific volume of any part number or Item from Supplier, except as detailed in Purchase Orders issued by Stereotaxis to Supplier.

3.2 PURCHASE ORDER CANCELLATIONS AND SCHEDULE PUSH-OUTS

If Purchase Orders are canceled, Supplier may invoice Stereotaxis for all reasonable materials, direct, indirect, and overhead costs incurred to the date of cancellation with a margin of [***], plus reasonable costs for disposal and/or destruction of items that are in completed or semi-completed form, if applicable. Supplier shall provide Stereotaxis with a detailed breakdown of costs incurred, and explain its efforts to mitigate these costs at notice of Purchase Order cancellation. Stereotaxis reserves the right to physically audit Items and WIP for which reimbursement claims have been submitted and to take possession and ownership of Item, WIP and relevant raw materials for which it pays reimbursement claims.

Any amount for reimbursement of costs associated with excess, obsolete or cancelled Items shall be paid as if such claim were an invoice pursuant to Section 5.

Purchase Order delivery schedules may be modified upon mutual written agreement. Specific time fences will be mutually established to allow quantity changes to be made and the charges associated with each time fence will be established. However Stereotaxis may not delay the delivery date of items against any Purchase Order by more than six (6) months from the original delivery dates without incurring holding costs.

3.3. DISPOSAL OF MATERIALS RELATING TO PURCHASE ORDER CANCELLATIONS

Supplier agrees to physically dispose of all excess and obsolete Items as directed by Stereotaxis' authorized purchasing representative. Excess and obsolete Items that are to be delivered to Stereotaxis' facilities must be delivered in accordance with the requirements of this Agreement and/or any supplemental instructions provided by Stereotaxis' authorized purchasing representative. In lieu of delivery to Stereotaxis, Stereotaxis may require that Supplier destroy or otherwise scrap these Items so that they are non-functional. Supplier agrees to destroy or otherwise scrap these Items in a manner that is satisfactory to Stereotaxis and to provide Stereotaxis with a certification of destruction and/or evidence of proper disposal of such Items. Costs for the disposal or destruction of such Items (including costs for demagnetization if necessary) shall be reimbursed to Supplier as in 3.2 above.

3.4 DELIVERY REQUIREMENTS

Supplier will manufacture, sell and deliver all Items to Stereotaxis for which a Purchase Order has been issued subject to the other provisions of this Agreement. Shipments to Stereotaxis, or to other locations specified by Stereotaxis, by Supplier will be delivered in the correct quantities ordered by Stereotaxis.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

3.5 PERFORMANCE CONSTRAINTS

Supplier is responsible for anticipating (1) any inability on its part to perform its obligations and (2) any limitations in meeting the objectives of this Agreement with regard to manufacturing, delivery and other required performance. Supplier is also responsible for informing Stereotaxis when such constraints will occur and initiating action plans to resolve them. Typical constraints might include, but are not limited to:

(a) Quality problems

(b) Capacity/production problems

(c) Sub-tier supplier supply-chain management problems

(d) Other business issues

3.6 RESOLUTION OF PERFORMANCE CONSTRAINTS

Supplier will notify the Supplier Account Team Lead as soon as a constraint is identified and promptly advise Stereotaxis of an action plan to resolve the constraint without impacting Supplier's performance obligations under this Agreement.

3.7 PACKAGING REQUIREMENTS

Supplier will have all Items packaged "ready for use" in accordance with Stereotaxis' packaging specifications. Packaging specifications shall be supplied by Stereotaxis for each type of shipment to be made by Supplier (for example, via truck, via sea freight, or via airfreight). Supplier will mark and identify every Item in compliance with Stereotaxis' part marking identification specifications and requirements. In addition, Stereotaxis may require and specify specific fit-for-use packaging for certain Items and/or deliveries.

3.8 TRANSPORTATION REQUIREMENTS

Supplier must include a valid packing slip number or package ID on each package or shipment.

Supplier shall ship all Items "F.O.B. Origin". Stereotaxis will specify the applicable destination point, which may be a Stereotaxis Facility or another location. Supplier shall ship all Items in accordance with Stereotaxis' Routing Guide, including use of approved carriers. In the absence of such a Routing Guide, Supplier shall select appropriate carriers for shipment of Items. Supplier shall produce and ship all Items to accomplish delivery of all Items at the applicable destination point on time.

Stereotaxis may require, from time to time, the Supplier to ship to locations outside of the United States of America. Supplier will prepare the export paperwork and be the exporter of record. Supplier must utilize Stereotaxis' preferred carriers for the export of the Items. Stereotaxis will pay the freight charges based on Stereotaxis' rates with its preferred carriers. Stereotaxis will be responsible for importing the goods into the destination country.

3.9 FREIGHT AND DELIVERY COSTS

All freight and delivery costs for Items shall be specified as "Freight Prepaid" on bills of lading, to be paid directly by Supplier and billed to Stereotaxis.

3.10 TITLE AND RISK OF LOSS

For all Items shipped Stereotaxis shall bear all risk of loss as to such Items while in transit. For those Items where Stereotaxis has provided prior written agreement that Supplier will ship Items using Supplier owned trucks, Supplier shall bear all risk of loss as to all such Items while in transit and continuing until Stereotaxis or its designee has received the Items at the specified destination point and Stereotaxis has acknowledged receipt of the Items.

4. QUALITY REQUIREMENTS

4.1 CERTIFICATIONS AND ACCEPTANCE TESTS

Supplier agrees to certify that Items have passed all production acceptance tests and configuration requirements as specified by Stereotaxis and to provide to Stereotaxis, if required, raw materials certifications for all magnet materials used in Items, a Certificate of Conformance and documentary evidence of passing any specified Acceptance Test Procedures.

4.2 QUALITY REQUIREMENTS DOCUMENT

Stereotaxis will develop a quality requirements document for each Item pursuant to this Agreement, defining all quality requirements and including all applicable elements of the Item (a "Quality Requirements Document"). Supplier will provide reasonable assistance to Stereotaxis in its development of a Quality Requirements Document. Supplier agrees to comply with all quality requirements defined by such Quality Requirements Document.

4.3 QUALITY SYSTEM

Supplier's quality system must be in compliance with ISO 9000. Certification to ISO 9000 is desired.

4.4 QUALITY PROBLEMS

Should Stereotaxis identify a quality issue or problem on a component or subassembly and request Supplier to implement containment action on the part failure, Supplier shall, within 3 business days after receipt of Stereotaxis' request, deliver to Stereotaxis a documented containment plan. Stereotaxis will review the proposed plan and will promptly notify Supplier of acceptance or revisions to the plan. Upon acceptance of the containment plan Supplier shall commence implementation of plan and diligently proceed with implementation of plan to completion. Supplier will substantiate this containment plan with a closed loop corrective action identifying a permanent fix. Additionally, Supplier will implement a preventative action plan, as necessary, to prevent the occurrence of a quality issue or problem on a component or subassembly.

4.5 SUPPLIER AUDITS

At its option, Stereotaxis may conduct audits to ensure a high level of quality of parts and assemblies purchased from Supplier. Such audit may include product, process and/or system audits.

4.6 SOURCE INSPECTION

All Items purchased under this Agreement may be subject to source inspection and test by Stereotaxis at Supplier's facilities at any time, including during the period of manufacture and anytime prior to Stereotaxis' final acceptance. Supplier will provide all reasonable facilities and assistance for the safety and convenience of Stereotaxis' inspectors at no charge to Stereotaxis. The parties may agree to conduct source inspection and test at an alternate location. No preliminary inspection or test shall constitute acceptance. Records of all inspection work shall be kept complete and available to Stereotaxis during performance under this Agreement and for such further period as Stereotaxis may determine. Performance of source inspection does not constitute acceptance of the Items nor waive Supplier's responsibility for any defects that might subsequently be identified by Stereotaxis or its customers.

4.7 SUB-TIER SUPPLIER QUALITY CONTROL

Supplier agrees to provide Stereotaxis with a quality plan for the selection, control and maintenance of its sub-tier suppliers (which shall include special process suppliers). The quality plan will include requirements for Supplier to conduct periodic quality testing of sub-tier supplier parts and to validate compliance with Stereotaxis' Specifications. Supplier shall demonstrate compliance to its quality plan by (i) establishing and maintaining an approved

supplier list of sub-tier suppliers that have passed an on-site quality audit and (ii) confirming that there are no open corrective actions resulting from Supplier's audit of sub-tier suppliers. Supplier will, upon Stereotaxis' request, provide evidence that Supplier quality representatives have conducted periodic sub-tier supplier on-site audits and have confirmed with sub-tier suppliers that all sub-tier supplier corrective actions resulting from Supplier quality audits are closed in a timely manner. At

Stereotaxis' request, Supplier will ensure Stereotaxis' access to any sub-tier supplier facility for the purpose of conducting on-site quality audits of such sub-tier supplier.

4.8 ITEM QUALITY CONTROL

Supplier agrees to provide Stereotaxis with a quality plan that will include a timeline showing critical milestones for the implementation of all the requirements of the Quality Requirements Document. Periodic assessment of this quality plan may be conducted by Stereotaxis' quality organization to ensure conformance to requirements.

4.9 FIRST ARTICLE INSPECTIONS

First Article inspections for Items shall be conducted by Supplier in compliance with the Quality Requirements Document.

A new component, a component with revised drawings, or components manufactured after a change in Supplier's manufacturing location or other changes as delineated in the Quality Requirements Document, must have a First Article of such component evaluated and accepted by Supplier, prior to incorporation into Items. Supplier will maintain a First Article qualifications/evidence data file with content as defined by Stereotaxis for the components. Stereotaxis may conduct a First Article validation on any subassembly or component at any time.

5. PAYMENT

5.1 DEPOSITS

In recognition of the complexity of the Items to be produced and the long lead-times associated with production of Items, Stereotaxis agrees that certain deposits shall be made upon placement of Purchase Orders and upon completion of certain milestones. Such deposits and their application to invoices are detailed in Attachment 2.

5.2 INVOICES

All invoices must be sent directly to Stereotaxis' Accounts Payable Department. Invoices shall contain the following information: Purchase Order number, Item number, description, sizes, quantities, unit prices, and extended totals in addition to tax amounts and any other information requested. Stereotaxis' payment of an invoice or other account does not in itself represent unconditional acceptance of Items and Stereotaxis may revoke acceptance at any time until final inspection and acceptance of Items. All payments made prior to receipt, inspection, and final acceptance by Stereotaxis will be subject to adjustment for errors, shortages, non-conformities or defects. Stereotaxis shall not be required to elect among its remedies, including revocation of acceptance and remedies for breach of warranty or non-conformity.

5.3 PAYMENT TERMS

Payment will be made net forty-five (45) days from receipt of invoice, in form and substance acceptable to Stereotaxis. Supplier shall generate invoices upon evidence being sent to Stereotaxis of satisfactory completion of Acceptance Test Procedure on Items.

Stereotaxis may request Supplier to store completed Items until Supplier is instructed to ship Items to locations specified by Stereotaxis.

5.4 METHOD OF PAYMENT

Stereotaxis is authorized by Supplier to make payments under this Agreement by either check or electronic funds transfer. Supplier will provide Stereotaxis with the required bank routing coordinates and other information that may be required by Stereotaxis to establish electronic funds transfer capability. All payments will be made in United States currency.

Supplier shall quote all prices in US dollars; prices for foreign manufactured Items will not be adjusted to reflect changes in the exchange rate.

5.5 EFFECT OF PAYMENT

The time and method of payment shall not alter the time at which title to Items passes to Stereotaxis nor shall it preclude revocation of acceptance as permitted by law. As to Items that are non-conforming, Stereotaxis may revoke acceptance, recover and offset or adjust payments in respect of such Items, and return same to Supplier, in which case title shall revert to Supplier, or Stereotaxis may enforce any of its other remedies for non-conforming Items, including warranty remedies.

6. PRICING FRAMEWORK

Attachment 1 contains Contract Prices for all Items.

Any remaining balance of undelivered Items on open Purchase Orders as of the date of this Agreement will not become subject to the Contract Prices on the Effective Date of this Agreement.

Specific circumstances may result in mutual review and mutually agreed written changes of Agreement terms, including Contract Prices. These circumstances include, but are not limited to:

(a) Volume increases or decreases resulting in an increase or decrease in the value of the Agreement value of over [***] (subsequent to completion of negotiations on the existing prices);

(b) Addition or subtraction of Items to the Agreement increasing or decreasing the value of the Agreement over [***];

(c) Cost reductions/savings in Supplier's performance plan; and

(d) Changes in market prices for equivalent materials and services.

Unless otherwise indicated, prices are exclusive of all city, state and federal taxes. Any taxes which Supplier may be required to pay or collect under any existing or future law upon or with respect to the sale, purchase delivery, storage, processing, use or consumption of any of the material covered hereby, including taxes upon or measured by the receipts from the sale, thereof, shall be for the account of Stereotaxis and Stereotaxis shall promptly pay such amount to Supplier upon demand.

Both Stereotaxis and Supplier will separately and jointly work towards identifying process and product changes that will reduce cost. Supplier will participate in benefits of cost savings under Contract Prices so as to preserve a commercially reasonable profit margin to Supplier.

7. TECHNICAL ISSUES

7.1 ENGINEERING CHANGE ORDERS

Stereotaxis may change its drawings, design, and Specifications at any time and generate a proposed Engineering Change Order (ECO). A Stereotaxis supplier engineer will review with Supplier all proposed ECO's that affect the form, fit, or function of Items. Stereotaxis will provide, in writing, approved ECO's indicating the effective dates of all changes. Unless otherwise notified, Stereotaxis' receiving inspection will inspect to the latest revision in effect

at the time of receipt of Items.

Supplier may submit requests for engineering changes to an Item, submitting the proposed change and reasons for change. Reasons for change may include but are not limited to:

(a) Manufacturability of Items

(b) Cost reduction opportunities

(c) Enhanced reliability of Items

(d) Safety of manufacture, transportation or use of items

Such changes may include without limitation changes in component parts, testing or manufacturing procedures or cosmetic changes.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Supplier shall request any such engineering changes via a detailed letter and shall submit such request to Stereotaxis designated buyer who shall submit such request to the appropriate Stereotaxis engineering personnel.

The Supplier shall not implement any changes (and Supplier shall not ship any Items with any such changes) until written permission to proceed is given by Stereotaxis' authorized purchasing representative and the Purchase Order is modified accordingly.

7.2 TOOLING

Any tooling which is built or procured by Supplier and which is unique to the Items and/or relevant to the manufacture, testing, maintenance, repair or troubleshooting of Items and has not previously been charged to Stereotaxis will, upon Stereotaxis' request, be sold to Stereotaxis by Supplier at [***].

Supplier agrees to provide a separate line Item quote for tooling. Stereotaxis will, upon its agreement to a quote for tooling, pay for the tooling cost separately. Title to any non-unique tooling shall remain with Supplier, unless required to allow production continuation as described in Section 2.

Supplier shall not at any time use the tools (including test fixtures) furnished by or purchased from or by Stereotaxis ("Stereotaxis tooling") for the production of goods for persons other than Stereotaxis or in any manner other than in performance of this Agreement without Stereotaxis' written approval. Supplier will use commercially reasonable best efforts to maintain the Stereotaxis tooling in good condition and repair and to provide all necessary calibration services for the Stereotaxis tooling. Stereotaxis and Supplier agree to execute a tooling loan agreement as set out in Attachment 3 for any Stereotaxis tooling in Supplier's possession. Supplier will be responsible for obtaining the requisite insurance coverage and conducting appropriate inspections for such loaned tooling.

7.3 DESIGN CHANGES

For the term of this Agreement, Supplier will not make changes to the design of any Item that may alter the Specifications, form, fit, function or manufacturing process of such Items, without first submitting a detailed written description of proposed changes to Stereotaxis' authorized representative. Supplier may make such authorized design changes only upon obtaining prior written approval from Stereotaxis' authorized purchasing representative and modification of Purchase Orders relating to the Item in question.

If Stereotaxis' design changes affect the pricing, delivery, lead-time, or other terms and conditions of this Agreement and the parties cannot agree upon alternate terms, then Stereotaxis may remove the affected Items from this Agreement without affecting the remaining Items.

7.4 PROCESS CHANGES

Supplier agrees to inform Stereotaxis of any process or sub-tier supplier changes to Items, including without limitation any changes in the manufacturing process of a sub-tier supplier, even when Specifications are being met. Supplier must receive approval in writing from Stereotaxis before implementing such changes.

7.5 SUPPLIER'S SUBCONTRACTS

Supplier shall not subcontract for components, processes or completed or substantially completed Items supplied to Stereotaxis without prior written approval from Stereotaxis. Supplier will ensure that all sub-tier suppliers of Supplier who have access (directly or indirectly) to Stereotaxis' specifications or internal Stereotaxis data or other Confidential Information will sign and be governed by an Non-Disclosure Statement (NDA) that is similar in form and substance to Stereotaxis' NDA with Supplier. Approval by Stereotaxis of a subcontractor selected by Supplier shall not alter Supplier's obligations to Stereotaxis.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

7.6 FIRST ARTICLE AND SOURCE INSPECTIONS

First Article and Source Inspections shall be conducted in compliance with the quality provisions of this Agreement (Section 4).

7.7 PRODUCT SUPPORT

Supplier agrees to maintain capability to provide Items and technical and service support to Stereotaxis for all of the Items for a minimum of five (5) years from the date of final shipment of an Item to Stereotaxis. Alternatively, the parties may agree to establish a product support period of less than five (5) years, provided that Supplier agrees to sell to Stereotaxis as part of such alternative a non-exclusive, irrevocable, royalty free, worldwide and transferable license of intellectual property to make, or have made the Items, in a form and on terms acceptable to Stereotaxis.

8. NONCONFORMANCE

8.1 SUPPLIER NON-CONFORMANCE AND CORRECTIVE ACTION

All Items are warranted to meet all applicable Stereotaxis Specifications as stated in this Agreement (including all Attachments, technical Specifications and manufacturing work instructions). Supplier will replace or repair defective Items at Supplier's expense within the time period necessary to meet Stereotaxis' production requirements. Supplier is required to use the most expeditious manner possible to effect the corrections; at Stereotaxis' request, in certain circumstances, Suppliers may be asked to provide new Items in lieu of repairing a part to ensure immediate corrective action or credit for the failed part.

Stereotaxis will notify Supplier of defects and obtain a Return Material Authorization number from the Supplier. Stereotaxis will then return the Item to the Supplier together with a discrepant material report ("DMR"). Supplier will promptly respond as appropriate to meet the production or repair requirements of Stereotaxis. A corrective action process to resolve nonconformance will be documented and used by the parties. In addition, Supplier will participate in continuous improvement plans and programs as defined by Stereotaxis and Supplier.

Should any Item fail to conform to the Specifications established in this Agreement, in addition to any other remedies in this Agreement, Stereotaxis may purchase products comparable to the items or substitutes for Items in the open market or from other suppliers as necessary to meet its requirements.

8.2 STEREOTAXIS NON-CONFORMANCE AND CORRECTIVE ACTION

Stereotaxis will, at its option, return at its expense Items that do not conform to Stereotaxis' requirements due to Stereotaxis' errors. These Items will be returned to Supplier for repair or potential rework. Stereotaxis and Supplier will agree in advance of repairs on "standard" repair costs (labor, Items and freight) for Items not covered under warranty.

Prior to Supplier's return of a repaired Item to Stereotaxis, Supplier will mark such Item with Stereotaxis' part number, and serial number. Stereotaxis shall bear the risk of loss or damage during transit of repaired or reworked Items whether or not the Items meet warranty or other requirements.

8.3 WARRANTY

Supplier warrants (a) that, for a period of 12 months from delivery to Stereotaxis, all Items delivered to Stereotaxis (i) will be free from defects in workmanship, material, and manufacture, (ii) will comply with the requirements of this Agreement, and (iii) to the extent design is Supplier's responsibility, will be free from defects in design and (b) that all services will be performed in a competent, professional and workmanlike manner, free from defects and in accordance with the best professional practices in the industry. Supplier further warrants that all Items purchased or repaired will consist of new materials (not used, recycled or of such age as to impair its

usefulness or safety, except as may be approved in advance by Stereotaxis). These warranties are in addition to all other warranties, whether expressed or implied, and will survive any delivery, inspection, acceptance, or payment by Stereotaxis. If any Items delivered by Supplier do not meet the warranties specified herein or otherwise applicable, Stereotaxis may, at its option, take one or more of the following actions and/or any other action permitted by law or equity:

(i) Require Supplier to correct at no cost to Stereotaxis any defective or nonconforming Items by repair or replacement;

(ii) Return such defective or nonconforming Item at Supplier's expense to Supplier and recover from Supplier the purchase price thereof; or

(iii) Notify the Supplier that Stereotaxis will correct the defective or nonconforming Item itself and charge Supplier with the reasonable cost of such correction.

Stereotaxis' approval of Supplier's material or design will relieve Supplier of the warranties established in this agreement. If Stereotaxis waives any drawing or specification requirement for one or more of the Items, it will not constitute a waiver of all requirements for the remaining Items to be delivered unless stated by Stereotaxis in writing.

9. TERMINATION

9.1 TERMINATION BY STEREOTAXIS

This Agreement may be terminated by Stereotaxis if:

a) Supplier fails to perform its obligations to deliver Items that meet the specifications agreed upon by Stereotaxis and Supplier, and fails to cure such deficiencies within 30 days of Stereotaxis' written notice;

b) Supplier fails to perform its obligations to deliver Items within the agreed upon delivery schedule, for reasons that are within its control, and fails to cure such deficiencies within 30 days of Stereotaxis' written notice; or,

c) Supplier fails to meet documented market prices received from other potential suppliers that are capable of producing Items, with terms, conditions, and specifications being materially the same as those offered by Supplier. In this case,

Stereotaxis will provide Supplier evidence of market pricing, name the potential competition, provide Supplier with evidence of potential supplier's capability to produce Items, and allow Supplier 30 days to study its own cost model in order to respond to such pricing.

9.2 TERMINATION BY SUPPLIER

This Agreement may be terminated by Supplier if:

a) Stereotaxis fails to make payments as they become due (provided such payments are not subject to bona fide dispute) and fails to cure such breach of this Agreement within 30 days of receipt of written notification by Supplier. By termination the Agreement for this reason, Supplier does not relinquish its rights under law to collect payments as properly due. In this case, Supplier reserves the right to charge a financing charge of 1.5% per month until amounts properly due are collected.

9.3 NOTICE AND PERIOD TO CURE

Stereotaxis and Supplier shall each provide the other with notice of any of the termination events described above and provide the other with an opportunity to cure such default within 30 days or within such other time period as the parties may mutually agree.

10. AMENDMENTS AND MODIFICATIONS

Amendments or revisions to this Agreement must be in writing, signed by both Stereotaxis and Supplier duly authorized representatives, traced by revision numbers and attached to this original Agreement. The master copy of this Agreement and any revisions are to be maintained by Stereotaxis and Supplier. Captions in this Agreement are for the convenience of the parties only and shall not affect the interpretation or construction of this Agreement. The provisions of this Agreement (including Exhibits and Attachments) shall be construed as a whole, each supplementing the other. In the event any provision of this Agreement is held to be invalid or unenforceable, such provision shall be severed from the remainder of this Agreement, and such remainder will remain in force and effect. This Agreement, including also any Purchase Order issued for Items, shall control over any invoice, delivery ticket, or other document issued by Supplier, and Supplier's acceptance of this Agreement shall constitute agreement to the terms set out in this Agreement.

11. LIABILITY

11.1 SUPPLIER ASSUMES NO LIABILITY ON USE OF ITEMS

Stereotaxis unconditionally releases Supplier, its raw material suppliers, and other sub-tier suppliers from all liabilities that may occur in the use of Items by Stereotaxis for whatever purpose.

SUPPLIER ASSUMES NO LIABILITY FOR CONSEQUENTIAL DAMAGES. UNDER NO CIRCUMSTANCES SHALL SUPPLIER BE LIABLE TO STEREOTAXIS OR ANY OTHER PERSON FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES BASED UPON USE OF ITEMS FOR WHATEVER PURPOSE, LOST GOODWILL, LOST SALES OR PROFITS, WORK STOPPAGES, DELAY WHETHER ARISING OUT OF BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE OF OTHERWISE, and in any case, Supplier's liability for any and all losses and damages sustained by the Stereotaxis and others, arising out of or by reason of this Agreement shall not exceed the original purchase price of the products upon which liability is founded.

11.2 FORCE MAJEURE.

Failure of Supplier to deliver hereunder, or delay in making shipments, if occasioned by fire, explosion, flood, earthquake, war, riots, insurrection, civil disturbance, accident, storm, interruption or delay in transportation, shortage, strike or other labor dispute, inability to obtain materials and

supplies, acts of government, any act of God, or any other causes of like or different character beyond Supplier's control shall not subject Supplier to any liability to Stereotaxis.

12. NOTICES

Revisions, updates or other amendments or modifications to this Agreement (including Exhibits and Attachments) may be communicated via memos sent by mail, fax or e-mail, or by other electronic transaction means, where authorized, to the individuals listed below. Each party shall advise the other in writing of any change to such party's contact persons.

All notices shall be delivered as follows:

If to Supplier:
Anil Nanji
Magnet Sales & Manufacturing Inc.
11250 Playa Court
Culver City CA 90230
Phone: 310-391-7213
Fax:310-390-4357
E-Mail:aniln@magnetsales.com

If to Stereotaxis
Contact Name:
Attention: Chief Financial Officer;
Attention: Messrs. Jim Eby and Doug Bruce
Address: 4041 Forest Park Avenue
St. Louis, MO. 63108
Phone: 314-615-6924
Fax: 314-615-6948
E-Mail:

13. ACCEPTANCE

The signature below show acceptance of this Agreement in its entirety by Stereotaxis and Supplier.

Stereotaxis:	Magnet Sales & Manufacturing Inc. (Supplier):
/s/ NICOLA YOUNG	/s/ ANIL NANJI
Signature NICOLA YOUNG	Signature
Its CFO	Its President
Dated: 6/17/03	Dated: 7-01-03

ATTACHMENT 1
DESCRIPTION OF ITEMS AND PRICING SCHEDULE

PRICING SCHEDULE

STEREOTAXIS ITEM NUMBER	REVISION	DESCRIPTION	QUARTER	VOLUME	UNIT PRICE
635-003701-1	-	Assy, Permanent Magnet	Q4-03	[***]	[***]
635-003701-1	-	Assy, Permanent Magnet	Q1-04	[***]	[***]

635-003701-1	-	Assy, Permanent Magnet	Q2-04	[***]	[***]
635-003701-1	-	Assy, Permanent Magnet	Q3-04	[***]	[***]
635-003701-1	-	Assy, Permanent Magnet	Q4-04	[***]	[***]

DELIVERY SCHEDULE FOR FIRST PURCHASE ORDER - Q4-03 & Q1-04

QTY TO DELIVER	DELIVERY DATE	QTY TO DELIVER	DELIVERY DATE
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]		
[***]	[***]		

The above "Description of Items and Pricing Schedule" is intended to portray a schedule of Stereotaxis' intent of procurement and an integrated Magnetics commitment to pricing based on that intent. Stereotaxis will place an original Purchase Order for the Q4-03 and Q1-04 quantities and pricing for a total of [***] magnets for a total price of [***]. As time passes and deliveries are made, Stereotaxis intends to place additional purchase orders based on updated forecasts and requirements, but specific purchase orders will be released to firm those commitments. Stereotaxis will maintain purchase order commitments to cover periods not less than the following:

Magnet material commitments for 5 months in the future and completed magnet assembly commitments of 5 months in the future. For example when the delivery date of the last magnet on purchase order is five (5) months away, Stereotaxis will place a purchase order for additional magnet material to cover at least 1 more month worth of magnets. When the delivery date of the last magnet on purchase order is three (3) months away, Stereotaxis will place a purchase order for additional magnets to cover at least 1 more month worth of magnets. If finished magnets are not ordered to consume the committed magnet material within a period of four (4) months, Stereotaxis will pay for the committed material.

Stereotaxis may adjust the quantity of magnets on purchase order to correspond to the requirements of sales orders. Deliveries may be delayed up to six (6) months from the above schedule (i.e., deliveries could be rescheduled out through [***]). Changes in delivery shall require a minimum of three (3) months notice, Pricing of the magnets will correspond to the quarter in which they are scheduled for delivery on the purchase order, provided that the quantities ordered are within 20% of the quantities forecasted. Magnets that are scheduled for delivery in 2005 shall be priced at the Q4-04 price in the table above.

CREDITS

Stereotaxis shall receive a credit of [***] for each complete magnet crate that is returned to Supplier. Partial magnet crates shall be saved until a complete crate can be assembled, at which time Stereotaxis shall receive the [***] credit.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

ATTACHMENT 2
DEPOSIT AMOUNTS, SCHEDULE, AND APPLICATION OF DEPOSITS TO INVOICES

PURCHASE ORDER VALUE	DEPOSIT	WHEN PAID

Q4-03 and Q1-04 quantities and pricing	[***]	Upon Order

APPLICATION OF DEPOSIT AMOUNTS:

Deposit amounts shall be applied to invoices for the first [***] magnets of this agreement at a rate of [***] per magnet.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

ATTACHMENT 3
STEREOTAXIS OWNED TOOLING LOAN AGREEMENT WITH SUPPLIER

Stereotaxis may, at its option, loan Supplier special tooling, owned by Stereotaxis, in order to assist in the manufacture, assembly, inspection, or test of Items. Supplier shall be responsible for storing such tooling safely in a manner that shall preserve its functionality. Supplier shall be responsible for maintaining such tooling per instructions of Stereotaxis or manufacturer of tooling as appropriate. Supplier shall be responsible for providing adequate insurance coverage for such tooling in case of loss or damage. All such tooling shall be clearly marked with a tag showing the part number, revision, date received, and that it is owned by Stereotaxis.

Stereotaxis may at any time audit the condition of such loaned tooling to ensure that it is stored and maintained in an acceptable manner.

Supplier shall reimburse Stereotaxis if such tooling is lost or damaged while in Supplier's possession, unless damage has occurred upon use of tooling at Stereotaxis' specific instructions.

EXHIBIT 10.16

LETTER AGREEMENT
STEREOTAXIS, INC. ("STEREOTAXIS") AND PHILIPS MEDICAL SYSTEMS
DMC GMBH ("PHILIPS")

1. PREAMBLE

PURSUANT TO THIS LETTER AGREEMENT, PHILIPS AND STEREOTAXIS SET FORTH THE BINDING HEADS OF AGREEMENT OUTLINING THE PRINCIPAL TERMS AND CONDITIONS FOR THEIR STRATEGIC ALLIANCE FOR THE DEVELOPMENT OF IMPORTANT NEW TECHNOLOGIES FOCUSING ON THE KEY ROLE OF PHILIPS' INTEGRIS ALLURA FLAT DETECTOR CATH LAB SYSTEM AND STEREOTAXIS' NIOBE SYSTEM IN INTEGRATED DIGITAL CATH LAB OF THE FUTURE, ALL TO BE FURTHER ELABORATED IN A DETAILED CO-DEVELOPMENT AND COMMERCIAL AGREEMENT ("DETAILED AGREEMENT") TO BE NEGOTIATED IN GOOD FAITH AND TO BE AGREED UPON BETWEEN THE PARTIES AS PART OF THE DEVELOPMENT PROGRAM. The Detailed Agreement shall contain commercially reasonable terms, conditions, representations, warranties and covenants customary and appropriate for a transaction of the type contemplated, that will be subject to and including those summarized in this Letter Agreement.

The parties initial alliance focus is in the field of interventional cardiology, with additional emphasis in the field of electrophysiology and on the development of unique solutions as mutually agreed in the fields of interventional radiology, interventional neuro-radiology and on potential applications for their combined digital platform in additional fields of medicine.

The parties agree to collaborate on the integration of a modified version of the Stereotaxis' NIOBE System (an FDA cleared medical device) and Philips' latest generation Integris Allura flat detector Cath lab system ("Philips X-Ray") to provide clinicians with a user-friendly advanced interventional suite with integration of digital instrument control and X-ray imaging comprising an integrated system (collectively, "Integrated Cath Lab") and designed to ensure effective and safe use of integrated imaging and instrument control.

The intention of the parties is that the Integrated Cath Lab will primarily be designed to focus on interventional cardiology applications, while also including features making the system suitable for use in electrophysiology (including integration capability for third party three dimensional instrument localization systems) and, to the extent mutually agreed by the parties from time to time, in writing, in interventional radiology, interventional neuro-radiology or other applications.

Features of the parties' collaborative alliance include, without limitation:

- Development of Integrated Cath Labs;
- Co-placement and co-marketing of Integrated Cath Labs;
- Co-development of new solutions & technologies (as mutually agreed in writing from time to time and primarily comprising applications for Integrated Cath Labs, primarily focusing in interventional cardiology as noted above);
- Service, training and support for Integrated Cath Labs;
- Development funding for Integrated Cath Labs;

and otherwise as set out below or agreed between the parties.

Initial Philips: Initial Stereotaxis:

/s/ JURGEN TIEMANN /s/ BEVIL HOGG

1. INTEGRATION SCHEDULE AND JOINT DEVELOPMENT PLAN

- The parties will use all reasonable commercial efforts and will coordinate and cooperate in good faith to achieve completion of the Integrated Cath Lab so as to allow demonstration of the first customer-ready system by TCT in September, 2004 or earlier

- Immediately after signing of this Letter Agreement each party will appoint and will notify the other in writing of its integration project manager responsible for coordinating integration development work

- The project managers will promptly coordinate and prepare a detailed schedule and joint development plan for achieving development of the Integrated Cath Labs, focusing in particular on inclusion of features tailored for high volume and important interventional cardiology applications and compliance with the integration schedule designated above. Such detailed schedule and joint development plan shall be subject to review and written approval of duly authorized officers of both parties.

2. DEVELOPMENT WORK.

- The development work will be carried out in close cooperation between the parties and based on a joint development plan which includes appropriate milestones in an effort to keep cost and expenditures to a minimum

- The parties intend to negotiate in good faith regarding mutually agreeable research and development collaborations for future generations of the Integrated Cath Lab.

- Guiding principles for the development work will be that Stereotaxis undertakes all work required to modify the NIOBE System (including user interface software compatibility, mechanical integration required to achieve requisite magnetic and C-arm angles for interventional cardiology etc.) and Philips undertakes all work required to modify the Philips X-Ray (user interface software compatibility, C-arm motion integration, magnetic shielding etc.). Each party provides the other with requisite permissions (and represents that is has associated authority) to integrate its products with those of the other party as comprised in the Integrated Cath Lab in the manner contemplated by this Letter Agreement.

- Philips will pay Stereotaxis for its engineering and other resources and costs of the integration and related research and development work via a milestone driven research and development payment up to a maximum of $[***] ("R&D Milestone Payment") as set out below. Both parties will provide all commercially reasonable and expeditious completion of its development work and coordination with the other party in good faith in order to facilitate completion of development work by both parties. Stereotaxis' deliverables set out below are subject to change by mutual written agreement based upon the detailed schedule and joint development plan as referred to above or otherwise. Within 30 days of signing of this Letter Agreement, Philips will pay Stereotaxis [***]$ by way of prepayment of the estimated development work. The parties agree that any prepayment of research and development funding set out below are repayable to Philips in absence of fulfillment of Stereotaxis' contractual obligations in respect of research and development work pursuant to this agreement.

- Development work to be undertaken by Stereotaxis will comprise:

    PHASE 1. CONCEPT & FEASIBILITY, INITIAL DESIGN.

    Working in full coordination with the dedicated Philips' integration team, during Phase 1 Stereotaxis will:

Initial Philips: Initial Stereotaxis:

/s/ JURGEN TIEMANN /s/ BEVIL HOGG

[*** Indicates portions of this exhibit that have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

1. Develop a set of consolidated requirement documents, standards, and plans addressing product functionality; testing and integration standards, installation and support plans, regulatory approval plans and the clinical validation process

2. Provide these requirements to a second dedicated team, spanning multiple disciplines, which will create a joint system concept including x-ray system magnetic and physical range of motion compatibility

Upon completion of Phase 1 (as certified in writing by Stereotaxis and confirmed thereafter in writing by Philips) Philips will pay Stereotaxis the calculated expenditures of the R&D Milestone Payment by Stereotaxis for Phase 1 as reflected in the specified Stereotaxis invoice, in accordance with the calculations set out below and a prepayment of [***]$ in respect of Phase 2 and provided that in no event will Philips be required to pay Stereotaxis an aggregate of more than $[***] for all phases)

PHASE 2. DETAILED DESIGN. Working in full coordination with the dedicated Philips' integration team during Phase 2, Stereotaxis will:

1. Expand this team to address the detailed system design, including unique user interface components, joint installation planning documents, design validation and verification testing, production, and support process development

2. Progress the software design effort concurrently to address real-time motion feedback, collision avoidance, X-ray graphic overlays, and image registration issues

Upon completion of Phase 2 (as certified in writing by Stereotaxis and confirmed thereafter in writing by Philips) Philips will pay Stereotaxis a prepayment of [***]$ in respect of Phase 3 and the calculated expenditures of the R&D Milestone Payment by Stereotaxis for Phase 2 as reflected in the specified Stereotaxis invoice, in accordance with the calculations set out below and provided that in no event will Philips be required to pay Stereotaxis an aggregate of more than $[***] for all phases)

PHASE 3. TESTING AND VALIDATION; REGULATORY. Working in full coordination with the dedicated Philips' integration team during Phase 3, Stereotaxis will: Provide dedicated systems support to the joint integration testing and the regulatory design validation process as well as the ongoing sustaining engineering efforts

1. In parallel, preparing for market introduction activities through production and support groups including installer taming, support engineering processes, parts logistics and service agreements

2. Beta installations and testing, final design freeze no later than 6 months after first beta installation

Upon completion of Phase 3 (as certified in writing by Stereotaxis and confirmed thereafter in writing by Philips) Philips will pay Stereotaxis the calculated expenditures of the R&D Milestone Payment by Stereotaxis for Phase 3 as reflected in the specified Stereotaxis invoice, less any underage left over from, or plus any overage above, the prepayments already made for prior phases, in accordance with the calculations set out below and provided that in no event will Philips be required to pay Stereotaxis an aggregate of more than $[***] million for all phases)

Initial Philips: Initial Stereotaxis:

/s/ JURGEN TIEMANN /s/ BEVIL HOGG

[*** Indicates portions of this exhibit that have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request

for confidential treatment.]

3. INVOICING OF DEVELOPMENT EXPENDITURES

Within ten (10) days of completion of each Phase of integration Research and Development, Stereotaxis will provide Philips a written invoice stating the approximate sum and breakdown of the following development expenditures ("Expenditures") incurred by Stereotaxis in such stage:

1. The number of Stereotaxis employees allocated to the development work in such Phase and their titles;

2. The percentage of each such employees' time allocated to work on the Phase (on a monthly basis);

3. The remuneration (on a fully loaded basis) of each such employee in the pertinent Phase;

4. A statement of related materials and/or other related third party costs expended during such Development Phase as included in the invoice.

4. CENTERS OF EXCELLENCE

The parties will establish a minimum of three promotional "Center of Excellence" Integrated Cath Labs. The parties intend that the Centers of Excellence will be the focus of development of unique solutions in areas of technology leadership to be mutually agreed. The Centers of Excellence will be installed at mutually agreed sites, which could include:

- St. Georg, Hamburg
- University of California at San Francisco
- Others to be determined.

The installation timeline for Centers of Excellence will be mutually agreed promptly after signing of this Letter Agreement.

Philips will purchase a maximum of three NIOBE Systems (comprising components of Integrated Cath Labs to be placed by Philips at Centers of Excellence) by purchase order issued by no later than December 31, 2004 (or, at Stereotaxis election, January 1, 2005) each system individually payable in three terms (first term upon placing the order, second term upon delivery of the system and a final term upon hand-over to the customer) at [***].

5. CO PLACEMENTS

- The parties will work together to maximize sales through co-placement and co-marketing of Integrated Cath Labs, including cooperating in good faith to achieve co-ordination and cooperation of sales forces to facilitate co-placements at mutually agreed targeted sites, provided that the parties continue to maintain distinct and separate sales operations and identities
- Philips will provide project management at customer sites for Integrated Cath Labs addressing room preparation and installation
- By way of sharing of co placement economics Philips will pay to Stereotaxis a co placement fee according to the following schedule:
  - [***]
  - [***]
  - [***]

Initial Philips: Initial Stereotaxis:

/s/ JURGEN TIEMANN /s/ BEVIL HOGG

[*** Indicates portions of this exhibit that have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

- The total amount as at the date of signing of this Letter Agreement, and based upon commercially reasonable principles of calculation, of the sum of: (i) the aggregate R&D Milestone Payment; (ii) the aggregate payments per co placement to Stereotaxis; and (iii) the aggregate purchase price of the three NIOBE System purchased by Philips for placement in Centers of Excellence described above will never exceed 7.5M$

6. [***]

7. FIELD SERVICE

The parties will co-ordinate installation of delivery of their respective components of Integrated Cath Labs.

Stereotaxis will provide service and support for its components of not less than three of installations of Integrated Cath Labs for initial periods after installation to be mutually agreed.

Philips to provide service for Integrated Cath Labs other than at mutually agreed sites and geographies on commercially reasonable terms.

Stereotaxis' to provide training for a reasonable number of Philips' specialists in the service of Stereotaxis' components of Integrated Cath Labs.

Stereotaxis to provide a commercially reasonable level of helpdesk service as backup support for Philips service of Stereotaxis components of Integrated Cath Labs

8. OPEN ARCHITECTURE

Philips recognizes that Stereotaxis can integrate with third party X-ray systems without limitation in the same manner as is comprised in Integrated Cath Labs or otherwise.

9. LEGAL FEES AND EXPENSES

Each party shall pay its own fees and expenses in connection with this Letter Agreement including, without limitation, legal fees and other expenses.

10. LOGISTICS

Each party intends to ship directly to the customer site in accordance with the schedule coordinated by the Philips' project manager

The first Integrated Cath Labs will be tested at Philips before shipment to the customer to assure compatibility

11. CONFIDENTIALITY

The parties agree that they shall not disclose and shall keep confidential any information furnished to them by the other party in connection with the alliance set forth in this Letter Agreement and as elaborated in the mutual Non Disclosure Agreement between the parties dated January 24th 2003 and will not make any disclosure in relation to the alliance without the prior written consent of the other. The parties will mutually agree an announcement regarding their strategic alliance on signing of this Letter Agreement.

The parties acknowledge and agree that regulatory constraints including in the U.S. and Europe, prohibit their promoting or marketing either directly or indirectly, through announcements, sales force representations or otherwise the specifications, functionality, anticipated time to market or other details of any jointly developed products pursuant to this strategic alliance prior to relevant regulatory

Initial Philips: Initial Stereotaxis:

/s/ JURGEN TIEMANN /s/ BEVIL HOGG

[*** Indicates portions of this exhibit that have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

clearances being obtained and each party will take all steps required to ensure that it and its representatives comply with all such regulatory constraints.

12. AMENDMENT

This Letter Agreement may not be amended without the written consent of the parties

13. ASSIGNMENT TO PHILIPS' SUBSIDIARY/ASSOCIATED COMPANY

Philips shall have the right to assign its rights and obligations hereunder to any of its subsidiaries and/or associated companies

14. GOVERNING LAW

This Letter Agreement and the Detailed Agreement contemplated herein shall be governed by and construed in accordance with the laws of Germany without regard to the conflicts of laws provisions thereof. This Term Sheet is executed in the English language version which version shall prevail over any translation hereof.

AGREED:

SIGNATURE: /s/ JURGEN TIEMANN

NAME: JURGEN TIEMANN

TITLE: EXECUTIVE VICE PRESIDENT & CEO

COMPANY: PHILIPS MEDICAL SYSTEMS DMC GMBH

DATE SIGNED: 15 SEPT. 2003

SIGNATURE: /s/ BEVIL HOGG

NAME: BEVIL HOGG

TITLE: PRESIDENT & CEO

COMPANY: STEREOTAXIS, INC.

DATE SIGNED: 6 OCT. 2003

Initial Philips: Initial Stereotaxis:

/s/ BEVIL HOGG

EXHIBIT 10.18

SOFTWARE DISTRIBUTION AGREEMENT

by and between

STEREOTAXIS INC., UNITED STATES OF AMERICA

- hereinafter referred to as "Stereotaxis" -
and

SIEMENS AKTIENGESELLSCHAFT, BERLIN AND MUNCHEN,
Federal Republic of Germany

- hereinafter referred to as "Siemens" -

concerning the "3D Pre-Operative Image Navigation" software

CONFIDENTIAL TREATMENT

REQUESTED BY STEROTAXIS, INC.

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PREAMBLE

WHEREAS, Siemens and Stereotaxis have entered into an extended collaboration agreement to improve interventional procedures in the cardiac cathlab by enabling visualization and navigation with pre-operative anatomical 3D images

(hereinafter referred to as the "Extended Collaboration Agreement");

WHEREAS, Siemens and Stereotaxis do not intend for any provision of this Agreement to alter or amend the rights or obligations provided under the Extended Collaboration Agreement;

WHEREAS, Siemens has developed the Siemens "Pre-operative Imaging Component" software and/or is the owner of or is entitled to dispose of the proprietary rights of and/or titles to such software product;

WHEREAS, Stereotaxis desires to obtain license and distribution rights in such software product;

WHEREAS, Siemens is willing to license such software product to Stereotaxis as consideration for license fees stated herein and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained Stereotaxis and Siemens agree as follows:

ARTICLE 1 - DEFINITIONS

Wherever used in this Agreement, unless otherwise indicated expressly in the context of this Agreement, the following terms shall have the following meanings ascribed to them:

1.1 "Agreement" shall mean this software distribution agreement including all Annexes and any matters specifically incorporated herein by reference and made a part hereof.

1.2 "End-user" shall mean the customer of Stereotaxis who uses the Licensed Software as embedded within the Product for its own medical or scientific purposes.

1.3 "Licensed Software" shall mean the software program presently known as 3D Pre-Operative Image Navigation V1.00 in Object Code and finally and conclusively described in ANNEX 1 and all Updates thereto.

1.4 "Software Documentation" shall mean the information needed to draft End-user manuals and all other information related to the Licensed Software, as set-out in ANNEX 2 and all Updated Software Documentation thereto. Siemens will provide this in machine-readable form.

1.5 "Effective Date" shall mean the date on which the last of the Parties has executed this Agreement.

1.6 "Hardware" shall mean the hardware equipment as described in ANNEX 3.

1.7 "Object Code" shall mean code for the Licensed Software resulting from translation of source code into machine readable format appropriate for operation on the Hardware.

1.8 "Product" shall mean the Stereotaxis Navigant system or similar or extended successor systems.

1.9 "Reference Environment" shall mean a system consisting of the Hardware and the software described in ANNEX 1 and shall be used for testing the Licensed Software and for communicating, duplicating and reproducing errors of the Licensed Software.

1.10 "Updated Software Documentation" shall mean any change in the Software Documentation that is needed because of an Update or changes of the Hardware.

1.11 "Update" shall mean a new release of the Licensed Software that incorporates error corrections; software changes due to vendor-

required Hardware changes, or for migration to higher versions of Windows software or DICOM networking standard, improved performance and other minor changes, none of which will delete any functionality. Improved performance will only be part of Updates, if and to the extent Siemens is contractually allowed to license such improvement to Stereotaxis. It is designated by a change in the second digit to the right of the decimal point in the Licensed Software version number.

1.12 "Affiliate" shall mean a corporation, company or other entity

(i) more than fifty percent (50%) of whose outstanding shares or securities representing the right to vote for the election of the board of directors or a similar managing authority or a supervisory board are, or

(ii) which does not have outstanding shares or securities, as may be the case in a partnership, joint venture or unincorporated association, but more than fifty percent (50%) of the ownership interest representing the right to make decisions for such entity is

now or hereafter, owned or controlled directly or indirectly, by Stereotaxis or its parent companies or Siemens, respectively, but such corporation, company or other entity shall be deemed to be an Affiliate only so long as such ownership or control exists.

1.13 "Party" shall mean either Siemens or Stereotaxis.

1.14 "Parties" shall mean both Siemens and Stereotaxis.

ARTICLE 2 - LICENSE GRANT

2.1 Subject to the terms of this Agreement and without limiting the rights of the parties under the Extended Collaboration Agreement, Siemens hereby grants to Stereotaxis for the term of this Agreement subject to the payment of the license fees as set forth in Article 8 a non-exclusive, non-transferable, worldwide license to use, copy, distribute to End-users and to sublicense End-users the right to use the Licensed Software.

2.2 Subject to the terms of this Agreement, Siemens hereby grants to Stereotaxis for the term of this Agreement, subject to the payment of the license fees as set forth in Article 8, a non-exclusive, non-transferable, worldwide license to use, copy, change, translate and distribute to End-users the Software Documentation as part of an End-user manual that is handed over to the End-user. There shall be no reference in End-user manuals as to the origin of the Software Documentation.

2.3 Each licensing of Licensed Software to End-users shall be subject to legally binding, written license agreements the terms and conditions of which shall contain appropriate terms that are substantially similar to the terms of Articles 2, 3 and 11 of this Agreement.

2.4 If the Parties agree to incorporate freeware, shareware or open source software into the Licensed Software, no license fee shall be charged to Stereotaxis for the use of such freeware, shareware or open source software. Stereotaxis acknowledges and agrees that Siemens provides no warranties and shall have no liability whatsoever in respect of Stereotaxis's possession and/or use of the freeware, shareware or open source software. Regarding such portions of Licensed Software, Stereotaxis hereby accepts the specific license conditions either being part of the Software Documentation or accompanying the Hardware ("Open Source Conditions"). Upon request of Stereotaxis, Siemens shall provide a copy of the source code of the open source software, if required by the Open Source Conditions. To the extent there is a conflict between

this Agreement and the Open Source Conditions, the terms of the Open Source Conditions shall prevail over the terms and conditions of this Agreement with regard to the open source software.

ARTICLE 3 -- COPYRIGHT, TRADEMARKS, TITLE

3.1 All rights, title and interest in and to the Licensed Software (and any part thereof) and the Software Documentation (and any part thereof), other than those expressly granted herein, shall remain wholly vested in Siemens or its third party licensors. Stereotaxis acknowledges that it has no rights whatsoever in respect of the Licensed Software and Software Documentation save for those expressly granted to it by this Agreement.

3.2 Nothing in this Agreement entitles either Party to use any trademark of the other Party or its Affiliates or any other mark confusingly similar thereto, without the express written consent of the other Party.

3.3 Stereotaxis shall in any case use reasonable efforts to safeguard the Licensed Software and the Software Documentation in its possession and control the rights therein with the same degree of case as is used with respect to Stereotaxis's own equally important software, documentation and rights therein, but at least with

reasonable care.

Other than as permitted hereunder, as contemplated under the Extended Collaboration Agreement or required by law, Stereotaxis shall not copy, translate, modify, create derivative works, disassemble, reverse engineer, decompile, attempt, directly or indirectly, to otherwise obtain or create source code of the Licensed Software or otherwise use the Licensed Software and Software Documentation

3.4 Stereotaxis agrees that using, distributing, copying, duplicating or otherwise reproducing all or any part of the Licensed Software other than in accordance with this Agreement, and Stereotaxis's failure to perform its obligations for End-users as set forth in this Agreement, may be considered a material breach of this Agreement.

3.6 In case of Siemens' knowledge or reasonable assumption that, as a result of an action or inaction by Stereotaxis a third party is using or has used the Licensed Software or Software Documentation without proper authorization, then upon receipt of written request from Siemens, Stereotaxis shall confirm in writing whether such third party is an End-user or not. If such third party is an End-user, then Siemens and Stereotaxis shall mutually decide on the proper course of action to address the potential infringement. If such third party is not an End-user, then Stereotaxis shall reasonably assist Siemens in enforcing its rights (which assistance shall not include preparation for or participation in litigation) against such third party, and shall furnish all available information thereto which Stereotaxis is permitted to disclose.

ARTICLE 4 - SUPPLY OF LICENSED SOFTWARE AND SOFTWARE DOCUMENTATION

4.1 Siemens will supply to Stereotaxis the Object Code of the Licensed Software and Software Documentation on CD or other electronic form as a master copy. During the term of this Agreement, Stereotaxis may use, copy and distribute the Licensed Software and the Software Documentation. Stereotaxis shall provide to Siemens on a quarterly basis a list of the number of new End-users. Siemens may audit Stereotaxis in accordance with Section 9 below.

4.2 Siemens will without undue delay make available to Stereotaxis any new Update for licensing under the terms and conditions of this Agreement.

ARTICLE 5 - TIMELINES

Both Parties will use commercially reasonable efforts to meet the timelines set forth in Annex 1. As part of these efforts, Siemens will support Stereotaxis, at no cost to Stereotaxis, in Stereotaxis's integration of the Licensed Software into the Product by providing assistance with respect to the Licensed Software, including, but not limited to, providing error corrections on a timely basis for any errors identified in the Licensed Software, during Stereotaxis's initial integration testing and subsequent Alpha and Beta testing with potential End-users.

ARTICLE 6 - WARRANTY

6.1 Siemens warrants that the Licensed Software: 1) is free of viruses and/or programming devices (e.g. license keys) that are designed to (a) disrupt the use of the Licensed Software, or any system with which the Software operates, or (b) destroy or damage data or make data inaccessible or delayed; and 2) as originally delivered by Siemens to Stereotaxis, is free from and will remain free from substantial non-conformities in design, material and workmanship during the warranty period of twelve months from the date of delivery. The Licensed Software is considered free from such non-conformities if it operates in substantial conformance with the Software Documentation. In the event of a breach of the foregoing warranties, Siemens shall perform maintenance service as defined in Article 10, below, at no cost to Stereotaxis or any End-user, during the warranty period of twelve months from the date of delivery and thereafter on a fee-paid basis as defined in Article 6.2, below.

6.2 With respect to an End-user, such cost-free maintenance period shall start at the time such End-user's sublicense of the Licensed Software commences for such End-user. The maintenance shall be provided without cost to Stereotaxis or its End-users for twelve (12) months from the End-user's sublicensing of the Licensed Software, after which Siemens may charge for its performance of maintenance services as described in Annex 5.

6.3 UNLESS EXPLICITLY STATED IN THIS AGREEMENT, SIEMENS MAKES NO WARRANTIES RELATED TO THE LICENSED SOFTWARE OR SOFTWARE DOCUMENTATION EITHER, EXPRESS, STATUTORY, OR IMPLIED INCLUDING

BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

ARTICLE 7 - INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES

7.1 (A) Except as set forth below in this Article, and subject to the conditions and limitations stated below in this Article, Siemens shall be liable for any claim, suit, action or proceeding brought against Stereotaxis, or an End-user, by a third party to the extent it is based on: a) any alleged infringement of patents, trademarks or copyrights of a third party and protected under the laws of the USA or Germany b) any alleged unlawful or improper disclosure or use or misappropriation of a trade secret; or (c) any alleged violation of any other intellectual property or moral right, in any such case, asserted against Stereotaxis or an End-user by virtue of Stereotaxis's or an End-user's use, distribution or possession of the Licensed Software or Software Documentation or respective updates as provided in this Agreement (hereinafter collectively referred to as "Claim(s)").

(B) If, as a result of such a Claim, Stereotaxis becomes enjoined or it is likely, in Siemens' reasonable opinion, that Stereotaxis will become enjoined from using the Licensed Software, Software Documentation, Updates and/or Updated Software Documentation, Siemens shall at its

election and its cost - except as set forth below in this Article, and subject to the conditions and limitations stated below in this Article: (i) procure for Stereotaxis the right to continue to use the Licensed Software, Software Documentation, Updates and/or Updated Software Documentation as provided in this Agreement; (ii) provide Stereotaxis with a non-infringing replacement product and/or documentation, or modify the Licensed Software, Software Documentation, Updates and/or Updated Software Documentation so that it becomes non-infringing, provided that the replacement/modified Licensed Software and/or Updates meet substantially the same performance and functional specifications provided in the Software Documentation or Updated Software Documentation; or, only if options (i) and (ii) are not possible despite the exercise of commercially reasonable efforts, (iii) upon return of the infringing Licensed Software at Siemens request, refund to Stereotaxis the purchase price actually paid. Except with respect to the obligations in the following paragraph (C), upon Siemens' execution of one of the options set out in this Section, Siemens shall be relieved of any further obligation or liability to Stereotaxis as a result

of any such infringement and Siemens shall not be obligated to deliver any replacement Licensed Software if Siemens has met the requirements to exercise option (iii) above. Any modified or replacement software and/or documentation provided under this Article 7 shall be subject to all of the terms and conditions of this Agreement, including without limitation, the provisions of this Article 7.

(C) Siemens agrees to defend and to the extent a Claim is asserted against Stereotaxis or an End-user, indemnify and hold the End-user and Stereotaxis, its officers, directors, shareholders, agents and employees (collectively, "Stx Indemnified Parties") harmless from and against any and all loss, cost, damage or liability, including counsel fees and costs, arising out of or related to any Claim. Siemens shall control and direct the investigation, defense and settlement of each such Claim and Stereotaxis agrees, at Siemens' request and expense, to reasonably cooperate with Siemens in connection with the foregoing and in Siemens' efforts to mitigate any potential damages, costs and expenses incurred by Siemens under this provision.

7.2 Stereotaxis, the End-user and the Stx Indemnified Parties shall give Siemens prompt written notice of any alleged or threatened Claims. Stereotaxis, the End-user and the Stx Indemnified Parties shall not consent to any judgment or decree or compromise of any Claim without first obtaining Seimens' written consent. Siemens shall give prompt, written notice to Stereotaxis of any actual or threatened Claim against Siemens or customers of Siemens which Siemens, in its reasonable discretion, deems to be of importance to Stereotaxis.

7.3 Siemens shall not be liable with respect to any Claim to the extent arising out of our relating to either:

(i) use or incorporation in any Licensed Software of any design or technique, furnished or requested by Stereotaxis or an End-user; or

(ii) the combination with or incorporation of the Licensed Software into the Product, software, or subassembly not supplied or specified by Siemens if such infringement would not have occurred without such combination or use thereof; or

(iii) the modification of Licensed Software by Stereotaxis or an End-user unless such modification is in accordance with Siemens' instructions; or

(iv) the use of Licensed Software by Stereotaxis or an End-user other than as permitted under this Agreement; or

(v) use or distribution by Stereotaxis of other than the most

current Update of the Licensed Software (if such Claim would have been prevented by the use of such Update) after such Update has been made available to Stereotaxis at no additional charge.

7.4 (A) Except as set forth below in this Article, and subject to the conditions and limitations stated below in this Article, Stereotaxis shall be liable for any claim, suit, action or proceeding brought against Siemens by a third party to the extent it is based on: a) any alleged-infringement of patents, trademarks or copyrights of a third party and protected under the laws of the USA or Germany b) any alleged unlawful or improper disclosure or use or misappropriation of a trade secret; or (c) any alleged violation of any other intellectual property or moral right; in any such case, asserted against Siemens or one of the Siemens Indemnified Parties by virtue of Siemens' authorization of Stereotaxis for the use, incorporation, combination, distribution or possession of the Licensed Software or Software Documentation or respective updates as provided in this Agreement (hereinafter referred to as "Stx Claim(s)").

(B) Stereotaxis agrees to defend and to the extent a Stx Claim is asserted against Siemens, indemnify and hold Siemens, its officers, directors, shareholders, agents, and employees ("Siemens Indemnified Parties") harmless from and against any and all loss, cost, damage or liability, including counsel fees and costs, arising out of or related to any Stx Claim. Stereotaxis shall control and direct the investigation, defense and settlement of each such Stx Claim and Siemens agrees, at Stereotaxis's request and expense, to reasonably cooperate with Stereotaxis in connection with the foregoing and in Stereotaxis's efforts to mitigate any potential damages, costs and expenses incurred by Stereotaxis under this provision.

7.5 Siemens shall give Stereotaxis prompt written notice of any alleged or threatened Stx Claims. Siemens shall not consent to any judgment or decree or compromise of any Stx Claim without first obtaining Stereotaxis's written consent. Stereotaxis shall give prompt, written notice to Siemens of any actual or threatened Stx Claim against Stereotaxis which Stereotaxis, in its reasonable discretion, deems to be of importance to Siemens.

7.6 Stereotaxis shall not be liable with respect to any Stx Claim to the extent arising out of or relating to either:

(i) the modification of the Product by any person or entity other than Stereotaxis or not in accordance with Stereotaxis's instructions; or

(ii) use or modification in the Product of any design or technique, furnished or requested by Siemens.

7.7 THE FOREGOING SECTIONS STATE THE ENTIRE LIABILITY OF EACH PARTY AND THE EXCLUSIVE PERFORMANCE REMEDY OF THE OTHER PARTY WITH RESPECT TO INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS, EITHER STATUTORY OR EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY PATENT RIGHTS, COPYRIGHTS, UTILITY MODELS, DESIGN PATENTS, MASK WORK RIGHTS, MORAL RIGHTS, TRADE SECRETS, TRADEMARKS, TRADE NAMES, SERVICE MARKS, KNOW-HOW AND ANY OTHER SIMILAR RIGHTS OR INTANGIBLE ASSETS RECOGNIZED UNDER ANY LAWS OR INTERNATIONAL CONVENTIONS, AND IN ANY COUNTRY OR JURISDICTION IN THE WORLD AS INTELLECTUAL CREATIONS TO WHICH RIGHTS OF OWNERSHIP ACCRUE, AND ALL REGISTRATIONS, APPLICATIONS, DISCLOSURES, RENEWALS, EXTENSIONS, CONTINUATIONS OR REISSUES OF THE FOREGOING NOW OR HEREAFTER IN FORCE. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, ALL WARRANTIES AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS AS MENTIONED BEFORE ARE HERBY DISCLAIMED TO THE FULLEST EXTENT PERMITTED BY LAW.

7.8 Article 12 (Limitation of Liability) is applicable to Siemens' and Stereotaxis's liability under this Article 7. This Article 7 shall survive any termination or expiration of this Agreement.

ARTICLE 8 - PRICE, PAYMENT

8.1 As compensation for the license rights granted to Stereotaxis under this Agreement,

Stereotaxis agrees to pay to Siemens for each copy of the Licensed Software that has been licensed by Stereotaxis to and accepted by an End-user the license fees as stated in ANNEX 4 under terms and conditions detailed therein. There will be no license fee due during a trial period for an End-user, which shall not exceed six (6) months.

8.2 Siemens may issue invoices for fees and other amounts due hereunder quarterly for Licensed Software, as described in Section 8.1 above, and maintenance services. Such invoices shall regularly follow the receipt of the list of End-users provided by Stereotaxis in accordance with Section 4.1 above. Stereotaxis shall pay to Siemens all undisputed amounts set forth on each such invoice within thirty (30) days of Stereotaxis's receipt of such invoice.

8.3 Any payments to be made by Stereotaxis to Siemens under or in connection with this Agreement, shall be made by Stereotaxis to the following bank account of Siemens (until the next payment due after written notice of change is given by Siemens):

[***]

8.4 If Stereotaxis fails to make any payment (other than payments reasonably disputed by Stereotaxis) in the manner described in this Article 8, i.e., within thirty (30) days of Stereotaxis's receipt of the corresponding invoice, then Siemens shall notify Stereotaxis in writing of the nature of such failure. If Stereotaxis fails to make such payment within thirty (30) days of Stereotaxis's receipt of such notice from Siemens that a payment has not been made within thirty (30) days of Stereotaxis's receipt of the corresponding invoice, then an interest at a rate of five percent (5%) per year above the 3 Month US $ LIBOR rate shall be paid by Stereotaxis on such payment.

ARTICLE 9 - AUDITING RIGHTS

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

CONFIDENTIAL TREATMENT
REQUESTED BY STEREOTAXIS, I

9.1 Stereotaxis shall keep records of all sublicenses granted to End-users. Siemens shall have the right to appoint an independent, certified public accounting firm, provided that such firm regularly performs audit work for Fortune 500 companies but is not the predominant accounting firm of Siemens, to audit such Stereotaxis records, as well as such other documents as may be reasonably required, solely for the purpose of verifying Stereotaxis's compliance with its Licensed Software-related payment obligations hereunder. Such audit shall be conducted upon at least five (5) business days notice, during Stereotaxis's normal working hours, at the Stereotaxis location where such records are maintained and in a manner that will not be unduly disruptive to Stereotaxis's operations. The auditor shall prepare a report either verifying such compliance or summarizing the total of any deviations therefrom, which report shall be furnished to each Party but shall be deemed to be the Confidential Information (as defined in Article 11 below) of Stereotaxis. Such audit shall be conducted no more often than once every twelve (12) months and shall be conducted at Siemens' expense, except in those cases where the auditor detects deviations that are greater than ten percent (10%) from Stereotaxis's payment obligations hereunder to the disadvantage of Siemens, in which latter case the cost of the audit shall be borne by Stereotaxis.

9.2 Any and all reports or records or notes other than the report mentioned in Section 9.1 above taken by the auditor shall not be disclosed to Siemens and shall be maintained by the auditor in confidence as Confidential Information of Stereotaxis, pursuant to a written agreement with Stereotaxis that is no less protective of Confidential information than the corresponding terms of this Agreement.

ARTICLE 10 - MAINTENANCE

10.1 Siemens shall provide software maintenance services as detailed in Annex 5. The maintenance services for the Licensed Software are subject to the maintenance fees set out in Annex 5, except as specified otherwise in Article 6 above.

10.2 Stereotaxis will communicate to Siemens suspected errors in the Licensed Software along with information reasonably requested by Siemens in order to reproduce the errors on the Reference Environment. Siemens agrees to respond and correct such

errors without undue delay.

10.3 The Parties will promptly notify each other of any suspected bugs or errors in the Licensed Software.

10.4 Notwithstanding any other provision of this Agreement, Siemens shall have no obligation to provide maintenance services:

- With respect to any non-Siemens computer programs, technology or hardware not provided by Siemens; or

- With respect to any Licensed Software that is not current within two (2) prior Updates of the most recent Updates.

10.5 Siemens represents and warrants that the maintenance services shall be provided in accordance with this Agreement and with reasonable care and skill.

ARTICLE 11 - CONFIDENTIALITY

11.1 Each Party acknowledges and agrees that it will have access to information, including, but not limited to, intellectual property, trade secrets, business, commercial or technical information, ideas, expressions and the terms of this Agreement, which are represented to be proprietary to the other Party, irrespective of the medium in which such information or data is embedded which shall - when disclosed in tangible form - be marked "Confidential" or with a similar legend by the disclosing Party or which shall - when disclosed orally or visually - be identified as such prior to disclosure and summarized in writing by the disclosing Party and said summary (which shall be marked "Confidential" or with a similar legend) is given to the receiving Party within thirty (30) days after such disclosure (hereinafter referred to as "Confidential Information"). In case of disagreement, the receiving Party must present its objections to the summary in writing within thirty (30) days of receipt. Confidential Information shall include any copies or abstracts made thereof as well as any apparatus, modules, samples, prototypes or parts thereof.

CONFIDENTIAL TREATMENT
REQUESTED BY STEREOTAXIS, INC.

11.2 The terms and conditions of this Agreement shall be deemed to be Confidential Information of both Parties.

11.3 All Confidential Information exchanged between the Parties:

11.3.1 shall be used by the receiving Party exclusively for the purposes of this Agreement, unless otherwise expressly agreed to in writing by the disclosing Party;

11.3.2 shall during the term of the Agreement and for a period of 5 years after its termination or expiration not be distributed or disclosed in any way or form by the receiving Party to anyone except its employees or those of an Affiliate, consulting firm, counsel or other professional advisors who reasonably need to know such Confidential Information for the purposes of this Agreement and who are bound to confidentiality either by their employment agreement or otherwise that is substantially similar to the confidentiality obligations under this Agreement. Prior to any disclosure to its Affiliates or to its

consulting firms, the receiving Party must have an appropriate agreement with any such Affiliate or any such consulting firm sufficient to require the Affiliate or the consulting firm to treat Confidential Information in accordance with this Agreement. Any unauthorized disclosure of the disclosing Party's Confidential Information by the receiving Party, its Affiliates or Affiliates' employees or by its consultants shall constitute a breach of this Agreement by the receiving Party;

11.3.3 shall be treated by the receiving Party with the same degree of care as is used with respect to the receiving Party's own equally important confidential information of a similar nature to avoid disclosure to any third party, but at least with reasonable care; and

11.3.4 shall remain the property of the disclosing Party.

11.4 The obligations of Section 11.3 above shall, however, not apply to any Confidential Information which:

11.4.1 was lawfully in the receiving Party's possession without confidentiality obligation prior to receipt from the disclosing Party;

11.4.2 is at this time of disclosure already in the public domain or becomes available to the public through no breach by the receiving Party;

11.4.3 is lawfully obtained by the receiving Party from a third party without an obligation of confidentiality, provided such third party is not, to the receiving Party's knowledge, in breach of any confidentiality obligation relating to such information;

11.4.4 is developed by the receiving Party or its Affiliates independently from and without reference to such Confidential Information;

11.4.5 was approved for release by written agreement with the disclosing Party.

11.5 The receiving Party will derive no rights of any kind, in particular no rights of prior use, from the fact that they as a result of the Confidential Information may possibly obtain knowledge of patentable inventions for which the disclosing Party may possibly apply for intellectual property rights.

11.6 Upon any termination or expiration of this Agreement, unless otherwise instructed in writing by the disclosing Party, the receiving Party shall cease using any Confidential Information of the disclosing Party including such Confidential Information on record-bearing media, as well as any copies thereof. Upon request of the disclosing Party, made in writing to the receiving Party within ninety (90) days after termination of this Agreement the receiving Party shall as per the notice either return such Confidential Information to the disclosing Party or destroy it. This shall not apply to routinely made back-up copies of electronically-exchanged data. In case of a destruction, the receiving Party shall confirm in writing such destruction to the disclosing Party within fourteen (14) days after receipt of the respective request.

11.7 The receiving Party shall not be considered to have breached its obligations under this Article for disclosing Confidential Information of the other Party if such disclosure is required by law or regulation, government authority, duly authorized subpoena or court order or regulatory request. Promptly upon receiving notice of any such requirement or request and to the extent that it may legally do so, such Party shall take reasonable commercial efforts to advise the other Party of the required disclosure prior to making such disclosure in order to afford the other Party a reasonable opportunity to take such action as it deems appropriate to protect such Confidential Information.

Article 12 - Limitation of Liability

12.1 Each Party will without limit be liable for personal injury for which such Party can be held responsible. Each Party will be liable for

damages to the other Party's property for which such Party can be held responsible up to a maximum amount of [***] Euro [***] per damage event.

12.2 SUBJECT TO THE EXCLUSION OF EACH PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER, NEITHER PARTY SHALL BE LIABLE, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE THEORY FOR DAMAGE TO OR LOSS OF OTHER PROPERTY OR EQUIPMENT, BUSINESS INTERRUPTION OR LOST REVENUE, LOSS OF PROFITS OR SALES, COST OF CAPITAL, FOR ANY LOSS OF USE, FOR ANY LOSS OR CORRUPTION OF DATA OR FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES OR FOR ANY OTHER LOSS, COSTS OR EXPENSES OF A SIMILAR TYPE, EVEN IF THE PARTY SOUGHT TO BE HELD LIABLE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12.3 THE LIABILITY OF EACH PARTY FOR ANY ACT OR OMISSION, OR WITH RESPECT TO LICENSED SOFTWARE FURNISHED AS WELL AS SERVICES RENDERED UNDER THIS AGREEMENT, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), INDEMNITY, OR ANY OTHER LEGAL OR EQUITABLE THEORY, WILL IN NO EVENT EXCEED [***] EURO [***] FOR ALL LIABILITY IN THE AGGREGATE.

12.4 The rights and remedies explicitly contained in this Agreement are exclusive, not cumulative and the Parties accept these remedies in lieu of all rights and remedies available at law or otherwise, in contract (including warranty) or in tort (including negligence), for any and all claims of any nature arising under this Agreement or any performance or breach arising out of this Agreement.

12.5 This Article 12 shall survive any termination or expiration of this Agreement.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

ARTICLE 13 - FORCE MAJEURE

Neither Party shall be liable to the other for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by events or circumstances beyond the Party's reasonable control such as, but not limited to, riots, civil commotions, wars, strikes, lock-outs, hostilities between nations, governmental laws, orders or regulations, actions by the government or any agency thereof, storms, fires, sabotages, explosions or any other contingencies beyond the reasonable control of the respective Party and of its sub-contractors (hereinafter referred to as "Force Majeure"). In such events, the affected Party shall immediately inform the other Party of such circumstances together with documents of proof and the performance of obligations hereunder shall be suspended during, but not longer than, the period of existence of such cause and the period reasonably required to perform the obligations in such cases. Unavailability of funds shall not be deemed Force Majeure. Notwithstanding the foregoing, the non-affected Party may, in its sole discretion, terminate this Agreement if the period of delay exceeds six (6) months.

ARTICLE 14 - ARBITRATION

14.1 Any differences or disputes arising from this Agreement or from agreements regarding its performance shall be settled by an amicable effort on the part of both parties to the Agreement. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the parties to the Agreement so notifies the other party in writing.

14.2 If an attempt at settlement has failed, the disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce in Paris (Rules) by three arbitrators appointed in accordance with the Rules.

14.3 The place of arbitration shall be Berne, Switzerland. The procedural law of this place shall apply where the Rules are silent.

14.4 The arbitral award shall be substantiated in writing. The arbitral tribunal shall decide on the matter of costs of the arbitration.

ARTICLE 15 -- SUBSTANTIVE LAW

All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in the Canton of Berne, Switzerland, without reference to other laws.

ARTICLE 16 -- TERM OF THE AGREEMENT

16.1 This Agreement shall commence on the Effective Date and remain in effect for a period of six (6) years thereafter, unless terminated earlier by either Party as hereinafter provided, and shall automatically be renewed for consecutive one (1) year periods unless either Party provides written notice to the other Party of an intention not to renew at least ninety (90) days prior to the end of the original six (6) year period or any subsequent one (1) year renewal periods (the original period along with any extension periods, the "Term").

16.2 The rights to use paid-up copies of the Licensed Software will not be affected by the expiration hereof pursuant to Section 16.1 of this Agreement.

ARTICLE 17 -- TERMINATION

17.1 This Agreement may by written notice be forthwith terminated by a Party having such right as herein provided -- and save of any other rights such Party may have -- upon the occurrence of either one or more of the following events stated below:

-- by either Party in the event that the other Party has failed in the performance of any material obligation under this Agreement by giving not less than forty-five (45) days written notice specifying any such breach (hereinafter referred to as "Notice") unless within the period of such Notice all breaches specified shall have been remedied or a plan for remedying such breaches has been proposed by the other Party and has been accepted by the first Party mentioned during such forty-five (45) day period, with the understanding that Notice shall not be required for

any failure in the performance of any material obligation under this Agreement which cannot be remedied or which relates to Siemens' warranty or support obligations under this Agreement; or

- by either Party in the event that the other Party voluntarily files a petition in bankruptcy or has such a petition involuntarily filed against it (which petition is not discharged within sixty (60) days after filing), or is placed in an insolvency proceeding, or if an order is issued appointing a receiver or trustee or a levy or attachment is made against a substantial portion of its assets which order shall not be vacated, or set aside within sixty (60) days from date of issuance, or if any assignment for the benefit of its creditors is made, or

- by either Party if there is a change in control of the other Party which in the reasonable opinion of the terminating Party adversely affects such Party's position, rights or interests.

17.2 Upon termination or expiration of this Agreement, Stereotaxis shall promptly pay Siemens any undisputed amounts due to Siemens and cease any use of the Licensed Software, including copies thereof and Software Documentation in Stereotaxis's possession. Notwithstanding the

foregoing, Stereotaxis may continue to provide Licensed Software support (including previously received Updates) to existing End-users for a period not to exceed six (6) months after such termination or expiration but may not sublicense the Licensed Software to any new End-users and Siemens is not obligated to provide any continuing support. All obligations of either Party accrued prior to termination, and those obligations relating to confidentiality, protection of the Software and the Software Documentation and restriction to use shall survive termination. Any sublicenses granted to End-users prior to the termination or expiration of this Agreement shall not be affected by such termination or expiration.

ARTICLE 18 - EXPORT REGULATIONS

Stereotaxis shall comply with all export laws applicable to the Licensed Software and/or the Software Documentation in effect from time to time. Without limiting the generality of the foregoing, Stereotaxis expressly warrants that it will not directly or indirectly

export, re-export, or tranship the Licensed Software or the Software Documentation in violation of any export laws, rules or regulations of Germany or the United States.

Stereotaxis when sublicensing the Licensed Software to End-users shall also oblige such End-users to adhere to the aforementioned export provision.

The Licensed Software has no bit encryption.

ARTICLE 19 - MISCELLANEOUS

19.1 Each Party shall name to the other authorized representatives forthwith after signing of the Agreement who shall bring about any and all decisions in connection with the performance of this Agreement.

19.2 This Agreement shall not be modified or amended except by a written agreement dated subsequently to the date of this Agreement and signed on behalf of Siemens and Stereotaxis by their respective duly authorized representatives as an amendment hereto. This requirement of written form can only be waived in writing.

19.3 All Annexes shall be considered as an integral part of this Agreement.

19.4 If Stereotaxis licenses Licensed Software, including Software Documentation, to the US Government, the following provisions apply: if Licensed Software is supplied to the Department of Defense ("DOD"), Licensed Software is subject to "Restricted Rights" including a legend to be affixed to the Licensed Software, as that term is defined in the DOD Supplement to the Federal Acquisition Regulations ("DFAR") in paragraph 252.227-7013(c)(1); if Licensed Software is supplied to any unit or agency of the US Government other than DOD, the US Government's rights in the Licensed Software will be as defined in paragraph 52.227-19(c)(2) of the Federal Acquisition Regulations ("FAR"). Any failure by Siemens to affix a Restricted Rights legend on Licensed Software shall not be deemed to constitute a waiver of any obligation of Stereotaxis imposed by this Agreement.

Under no circumstances shall Siemens be obligated to comply with any requirements imposed by the US Government regarding submission of, or the request for exemption

from, submission of cost or pricing data or cost accounting requirements for any distribution or license of Licensed Software that would require compliance by Siemens with US Governmental requirements relating to cost or pricing data or cost accounting requirements.

19.5 Nothing contained in this Agreement shall be construed as creating a joint venture, partnership or employment relationship. Except as specified herein, neither Party shall have the right, power or implied authority to create any obligation or duty, express or implied, on behalf of the other Party hereto.

19.6 Press releases or other information on the conclusion or content of this Agreement shall only be made available to third parties, in particular press agencies, with the prior written consent of the other Party hereto, provided, however, Stereotaxis may disclose this Agreement to third parties that have a sincere interest in acquiring Stereotaxis or any share of the company exceeding 5% under an obligation of confidentiality not less stringent than the provisions provided for in Article 11 for purposes of legal or financial due diligence after informing Siemens in detail of such event. Neither Party will use any of the other Party or its Affiliates' trademarks, trade names or representations of the other Party or its Affiliates' products or services, or refer directly or indirectly to the other Party or its Affiliates', or the products or services of either in order to make known and/or publicize its relationship with the other Party or its Affiliates' without, in any case, obtaining the prior written permission of the other Party and its parent companies, if any.

CONFIDENTIAL TREATMENT
REQUESTED BY STEREOTAXIS, INC.

19.7 Notices and communications between Stereotaxis and Siemens shall be given in writing or by e-mail or facsimile in English language to the following addresses of the Parties or to such other address as the party concerned may subsequently notify in writing to the other Party:

If to Stereotaxis:

Stereotaxis, Inc.
4041 Forest Park Avenue
St. Louis, MO 63108
Attention: Chief Executive Officer and Sr. Vice President of Research & Development
Tel. 314-615-6940
Fax 314-615-6922

and, if to Siemens:

Siemens Aktiengesellschaft
Attn.: Dr. Reinmar Killmann
SiemensstraBe 1
91301 Forchheim
Germany
Tel. +49 (9191) 18 8979
Fax +49 (9191) 18 8951
E-Mail reinmar.killmann@siemens.com

19.8 A waiver of any default by either Party of any of the terms and conditions of this Agreement shall not be deemed to be a continuing waiver or a waiver of any other provisions of this Agreement, but shall apply solely to the instances to which such waiver is granted.

19.9 Should individual provisions of this Agreement be illegal or unenforceable for legal reasons then, unless the basic intentions of the Parties under this Agreement are materially altered, the validity of the remaining provisions of this Agreement shall not be

affected thereby. In such a case the Parties shall come to an agreement approximating as closely as possible the arrangement originally envisaged in this Agreement.

19.10 The titles to the Articles of this Agreement are for convenience or reference only and are not part of this Agreement and shall not in any way affect the interpretation thereof.

19.11 This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous communications, representations, understanding and agreements,

either oral or written, between the Parties with respect to such subject matter hereof. Notwithstanding the foregoing, this Agreement shall not alter or amend the rights or obligations of either party as set forth in and provided under the Extended Collaboration Agreement.

19.12 Neither the rights nor the obligations of this Agreement may be assigned or transferred in any manner, except with the prior written consent of the other Party or except as part of a transfer of all or of a substantial part of the activities to which the subject matter of this Agreement pertains whether by sale, merger or consolidation, provided, however, that either Party may assign any and all of its rights and obligations without the prior written consent of the other Party to an Affiliate. In case of such a transfer the respective Party shall ensure that the transferee, assignee or successor will comply with the terms of this Agreement.

19.13 Siemens agrees to discuss with Stereotaxis any plans that Siemens may now or in the future have to create upgrades that are not specified in Annex 1 of the Licensed Software and to offer Stereotaxis the ability to negotiate the functionality of any such upgrades on reasonable terms and conditions to be agreed upon by the Parties.

19.14 By the signature of each of the representatives of the Parties placed on this Agreement, each such signatory represents and warrants that he or she is authorized to sign this Agreement on behalf of the Party for whom he or she is acting.

CONFIDENTIAL TREATMENT
REQUESTED BY STEREOTAXIS, INC.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their respective duly authorized representatives.

Date:	Date: 3-March-2004
Stereotaxis Inc.	Siemens Aktiengesellschaft
/s/ Michael P. Kaminski --- Name: Michael P. Kaminski Title: COO	/s/ Dr. Reinmar Killmann --- Name: Dr. Reinmar Killmann Med AX PLM-I FC /s/ Dr. Ralf Thomas --- Name: Dr. Ralf Thomas Med KL AX

ANNEX 1: "LICENSED SOFTWARE"

1. FUNCTIONALITY

The requirements of the Licensed Software are described in the following document:

Requirement Specification "3D Pre-Operative Image Navigation", V1.0, by Walter Blume and Jan Boese, released 22.05.2003, signed by Siemens AX, Stereotaxis and Siemens SCR.

2.DELIVERY

The Licensed Software will be delivered via CD-ROM. The delivery will include:

- binaries (e.g. executables, libraries, OCXs, lib-files, dll-files)
- include files
- documentation (see Annex 2)

- software containing application examples for using the interfaces of delivered components

3.SOFTWARE ENVIRONMENT

The Licensed Software will run under Windows 2000. The Licensed Software is intended to run as a component (library) of the software of the Product.

CONFIDENTIAL TREATMENT
REQUESTED BY STEREOTAXIS, INC.

ANNEX 2: "SOFTWARE DOCUMENTATION"

Software Documentation will be delivered as follows:

- Detailed description of the programming interface

  This description will be delivered in form of header files containing description of functions and variables.

ANNEX 3: HARDWARE

The Licensed Software will run as part of the Product on the Product hardware platform, which is as follows:

PC with the following properties (minimal configuration):

-	CPU	Intel P4 2GHz
-	Memory	1 Gb Kingston DDR RAM (2x512)
-	CD.RW	IDE 12*10*32 (At least)
-	Graphics Card	OpenGI support of 3d texture rendering required

Confidential Treatment
Requested by Stereotaxis, Inc.

ANNEX 4: LICENSE FEES

Fee for one license: [***]

Invoices will be issued in Euro.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

ANNEX 5: MAINTENANCE SERVICES AND MAINTENANCE FEES

1. MAINTENANCE SERVICES

Maintenance service covers:

- Error correction
- Migration to higher versions of Windows compatible operating systems
- Migration to higher versions of the DICOM standard in order to read/import the actual version of single, static, uncompressed cardiac 3D DICOM images (CT, MR)
- Vendor-required hardware changes

2. MAINTENANCE FEES

Maintenance service is free for 12 months after sublicensing, as per Article 6 above.

- Maintenance fee for one license is [***] E per year.

- The above maintenance fees are mandatory for the first three years after the one-year period of cost-free maintenance as described in article 6.2.

- Stereotaxis has the option to extend this pricing after the first mandatory 3 years on yearly basis on unchanged conditions (concerning maintenance service and maintenance fees) through no less than the end of the original six (6) year period of the Term.

3. HOURLY SERVICE

- If maintenance service is required due to an event at an End-user site at which no service and maintenance contract is in effect between Stereotaxis and Siemens (i.e. if the maintenance contract is not prolonged after the 3 years of mandatory maintenance), Siemens will provide this service to Stereotaxis at an hourly rate of [***] E. This service will be provided by Siemens through any of its Affiliates deemed to be appropriate by Siemens. This price shall be fixed until the end of the original six (6) year period of the Term and subject to renegotiation thereafter.

Invoices will be issued in Euro

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit 10.19

THIRD PARTY SERVICES AGREEMENT

This THIRD PARTY SERVICES AGREEMENT (the "Agreement") is made as of this 5th day of August, 2002 ("Effective Date") by and between STEREOTAXIS, Inc., a Delaware corporation with an address at 4041 Forest Park Ave., St. Louis, Missouri 63108 (hereafter referred to as "Stereotaxis") and SIEMENS MEDICAL SOLUTIONS USA, Inc., a Delaware corporation with an address at 51 Valley Stream Parkway, Malvern, PA 19355 (hereafter referred to as "Siemens").

WITNESSETH:

WHEREAS, Stereotaxis and Siemens Aktiengesellschaft, Medical Solutions, Forchheim, Germany, have entered into a Collaboration Agreement dated June 8, 2001 ("Collaboration Agreement"), with respect to the integration of Stereotaxis' magnetic guiding component (NIOBE) [***] (collectively, the "Stereotaxis Products") with Siemens' Cardiac, Angio and Neuro X-Ray and imaging components (collectively, the "Siemens Products"); and

WHEREAS, Stereotaxis will enter into agreements with customers for the sale, installation and servicing of the Stereotaxis Products; and

WHEREAS, Stereotaxis has determined that it may be more cost-efficient for Siemens to provide certain services with respect to the Stereotaxis Products in conjunction with the services that Siemens provides for the Siemens Products; and

WHEREAS, Stereotaxis wishes to retain Siemens to provide certain site planning, project management and equipment maintenance and support services with respect to the Stereotaxis Products, which Stereotaxis is obligated to provide under the terms of agreements with its customers;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties agree as follows:

1. SCOPE of AGREEMENT. This Agreement has been entered into by the parties in order to implement some of the requirements of the Collaboration Agreement and will be read subject to the terms of the Collaboration Agreement. Subject to the terms and conditions of this Agreement, Stereotaxis hereby engages Siemens and Siemens hereby accepts such engagement to provide site planning, project management and equipment maintenance and support services with respect to the Stereotaxis Products in accordance with the terms of this Agreement and further in accordance with the terms and conditions set forth in one or more Purchase Orders to be issued by Stereotaxis to Siemens in accordance with Section 5 hereof (the "Services").

2. TERM. The term of this Agreement shall be for a period commencing on the Effective Date and ending on December 31, 2004, unless sooner terminated in accordance with the terms of this Agreement. The term of this Agreement may be extended for additional periods of one (1) year each upon mutual written consent of the parties. In the event that Stereotaxis has issued one or more Purchase Orders to Siemens in accordance with Section 5 of this Agreement and the Services to be performed by Siemens pursuant to the terms thereof extend beyond the termination of this Agreement, then Siemens shall continue to act under the terms of this Agreement until all Services pursuant to any outstanding Purchase Order(s) have been completed.

3. PRICING. Prices for the Services are as set forth in Exhibit A (captioned "Pricing for Services"). Siemens shall provide the Services at the Prices specified in Exhibit A as ordered by Stereotaxis pursuant to Purchase Orders issued pursuant to Section 5 of this Agreement.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

4. PAYMENT TERMS. Siemens shall invoice Stereotaxis for its Services on a monthly basis. Payment terms are net thirty (30) days from the date of the invoice. Past due amounts shall bear interest at the rate of 1 1/2% per month unless subject to bona fide dispute. If Stereotaxis disputes any invoice, it must notify Siemens in writing within ten (10) days of receipt of the invoice and must pay the undisputed portion of the invoice in accordance with the terms of this Agreement. In the event it is determined that the disputed amount is owed to Siemens, then Stereotaxis shall pay interest on such amount at the rate set forth of 0.7% per month, which interest shall accrue from the date such payment was originally due.

5. ORDERING OF SERVICES. Siemens agrees to provide the Services described herein, at such locations and times and in accordance with the specific requirements set forth in one or more purchase orders ("Purchase Orders") to be issued by Stereotaxis from time to time during the term of this Agreement and directed to the attention of William Paines at the Siemens Uptime Service Center Processing Department (or to such other individual who is designated by Siemens). Purchase Orders shall refer to and indicate that they are being submitted subject to the terms and conditions of this Agreement. All Purchase Orders submitted under this Agreement shall be governed and controlled by the conditions of this Agreement. In the event of any inconsistency between the terms of this Agreement and the terms of a specific Purchase Order, the terms of the Agreement shall prevail.

6. TERMINATION.

(a) It shall constitute a default under the Agreement, with the corresponding right of termination as stated below, if any of the following shall occur:

(i) In the event of a material violation by a party of any provision of this Agreement (the non-payment of undisputed monies due to Siemens shall constitute a material violation of the Agreement) which violation continues uncured for a period of thirty (30) days after written notice to the other party specifying such violation, then the Agreement may be immediately terminated by the non-breaching party.

(ii) In the event a party makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated insolvent or bankrupt, a proceeding is filed against said party to declare said party a bankrupt and said proceeding is not dismissed within thirty (30) days, or said party commences any proceeding under any reorganization, arrangement, readjustment of debt or similar law or statute of any jurisdiction, then this Agreement may be terminated by the other party on five (5) days written notice.

(b) In addition, either party may terminate this Agreement by giving thirty (30) days prior written notice to the other party in the event that the obligations in respect of the provision of service to Stereotaxis pursuant to the Collaboration Agreement expire or terminate, in which case Siemens will continue to provide through the effective date of termination any Services accepted and acknowledged prior to its receipt of Stereotaxis' notice or the date of its notice of termination, and Stereotaxis will accept and pay for all such Services in accordance with the terms of this Agreement.

(c) Any termination of this Agreement shall not affect any obligations that accrued prior to the effective date of termination.

7. COOPERATION. The parties will use their reasonable best efforts to effectuate the purposes of this Agreement and shall cooperate with each other respecting the same. Specifically, the parties shall cooperate in reviewing and determining the desired performance level of each item of equipment covered by this Agreement. Although Siemens shall assume primary responsibility for assembling the service documentation, Stereotaxis and Siemens agree to cooperate in this effort. Further, equipment performance and cost analysis will be reviewed semi-annually and any changes to the Services may be discussed. Each site may be reviewed and evaluated at this time.

8. FORCE MAJEURE. Siemens will not be liable for any failure to fulfill its obligations under this Agreement due to causes beyond its reasonable control and without its fault or negligence including, but not limited to, governmental laws and regulations, acts of God or the public, war or other violence, acts of terrorism, civil commotion, blockades, embargoes, calamities, floods, fires, earthquakes, explosions, accidents, storms, strikes, lockouts, work stoppages, labor disputes, or unavailability of labor, raw materials, power or supplies. In addition, in the event of any determination pursuant to the provisions of a collective bargaining agreement preventing or hindering the performance of any of the obligations of Siemens under this Agreement, or determining that the performance of any such obligations violates provisions of that collective bargaining agreement, or in the event a trade union, or unions, otherwise prevents Siemens from performing any such obligations, then Siemens shall be excused from the performance of such obligations unless Stereotaxis makes all required arrangements with the trade union, or unions, to permit Siemens to perform the work. Any additional costs incurred by Siemens that are related to such arrangements made by Stereotaxis in respect of such labor dispute(s) shall be paid by Stereotaxis.

9. DEVELOPMENT OF A JOINT PLANNING GUIDE. Stereotaxis shall provide reasonably sufficient information to jointly develop with Siemens a site-planning guide for use in preparing customer sites to accept the Stereotaxis Products. This activity shall consist of reviewing the AXIOM Artis dFC planning guide 100.891.01 and developing specifications, drawings and verbiage to describe the required room construction for the Stereotaxis Products. This data and information shall be incorporated into a joint site-planning guide and issued by Siemens as a released document with an assigned Siemens document number. The information to be provided shall include, but not be limited to, the following:

- Structural requirements including:
  - Component weights and centers of gravity
  - Desired anchoring methods for the following floor types:
    - Slab on grade
    - Screed floors
    - Computer flooring
    - Through bolting
- Electrical requirements including:
  - Power specification(s)
  - Power Distribution
  - Cable types and lengths including a connection diagram with fixed points
  - Cable separation requirements, if any
  - Conduit sizes required
- Environmental requirements including:
  - Temperature and humidity specification
  - Temperature and humidity gradients
  - Heat dissipation of components
  - Cabinet airflow
  - Noise
  - Temperature & Humidity specifications for transport and storage
- Room Planning
  - Minimum and recommended room sizes

- Movement ranges of equipment
- Service Access
- Detailed drawings of equipment sizes
- Details of magnetic shielding options

- Equipment Transportation & Delivery
  - Requirements for equipment ingress, weights, sizes, special precautions, etc.
  - Details of pre-installations kit and required work by the contractor

10. CREATION OF SITE PLANS.

(a) SIEMENS' RESPONSIBILITIES. Siemens shall create site plans for customer installations that include details of room preparation requirements for both the Stereotaxis Products and the Siemens

Products. These site plans shall be based upon the information provided in the joint site-planning guide. Siemens shall provide to Stereotaxis details of turnaround commitments for specific site planning drawings. Siemens shall provide the estimated amount of extra work (hours) for each site plan over and above those required in respect of the Siemens Products when including details for the Stereotaxis Products. Based upon this estimate, the parties shall negotiate the compensation to be paid to Siemens by Stereotaxis for these services, which shall be on a time basis at the rate set forth in Exhibit A. Siemens will use its best efforts to provide Preliminary plans or revisions to Preliminary plans within a 7 calendar day turnaround time. Siemens will use its best efforts to provide final plans or revisions to final plans within a 21 calendar day turnaround time.

(b) STEREOTAXIS' RESPONSIBILITIES. Until such time as Siemens and Stereotaxis agree upon site planning proficiency, Stereotaxis will review each site plan involving Stereotaxis Products and will not unreasonably withhold its approval of same.

11. PROJECT MANAGEMENT OF THE ROOM PREPARATION.

(a) SIEMENS' RESPONSIBILITIES. Siemens' project managers shall coordinate the site construction of the room for both the Stereotaxis Products and the Siemens Products. Siemens' project managers shall provide Stereotaxis with weekly updates on current construction projects via e-mail. Should Stereotaxis choose to initiate visits to a customer site during the construction process, Siemens' project managers shall assist in facilitating these visits. Siemens' project managers shall furnish a project timeline for each construction project including projected installation start dates and such timelines shall be consistent to the extent reasonably feasible with the installation start dates agreed to at the time of issuance by the relevant customer of purchase orders to Stereotaxis and Siemens for the Stereotaxis Products and the Siemens Products. This timeline shall be updated regularly by Siemens' project managers (no less than monthly). Siemens shall provide the estimated amount of extra work (hours) for each site's project management activities over and above those required in respect of the Siemens Products. Based upon this estimate, the parties shall negotiate the compensation to be paid to Siemens by Stereotaxis for these services, which shall be on a time basis at the rate set forth in Exhibit A.

(b) STEREOTAXIS' RESPONSIBILITIES. Stereotaxis will visit each site one time at the completion of the site construction to verify that the room is correctly prepared. Siemens and Stereotaxis will mutually determine if additional Stereotaxis visits are to be made during the construction phase. Stereotaxis will provide technical support to Siemens' project managers as reasonably required. Stereotaxis will provide a dedicated telephone number for service related issues. Stereotaxis will track all questions and develop a frequently asked questions list for distribution to Siemens' personnel and inclusion in the site-planning guide.

12. PRE-INSTALLATION MATERIALS/DEVELOPMENT OF PRE-INSTALLATION KIT. Stereotaxis will develop a pre-installation kit for use prior to equipment delivery. This kit will comprise the following:.

- Alignment jig for locating Niobe floor bolt locations relative to the AXIOM Artis dFC system.
- All items that can be installed prior to equipment delivery such as floor plates, rotational tracks, etc.

The pre-installation kit shall be available for shipment to the customer site as requested by Siemens' project manager. For the first 5 systems installed, a Stereotaxis service representative shall visit the site to aid in accurate installation of the pre-installation kit. Detailed instructions on the use/installation of the pre-installation kit shall be provided by Stereotaxis in both English and German.

13. INSTALLATION SERVICES. Stereotaxis, where commercially feasible, will contract with the same subcontractor that Siemens uses for the mechanical installation and cabling part of the equipment installation. Stereotaxis will provide adequate training and documentation for the subcontractor to perform these duties in accordance with the required specifications. Stereotaxis will also provide a field service engineer on site to complete power on, system verification and calibration. Siemens' customer service engineer ("CSE") shall be available on site for the duration of this phase for on site training.

14. WARRANTY/SUPPORT SERVICES.

(a) Siemens' CSEs will provide front line (first call) support for the Stereotaxis Products during the term of this Agreement, including the product warranty period (generally one year from the date of installation).

(b) Subject to Section 14(f) below, Siemens will provide the following break/fix services during the term of this Agreement: (i) initial call receipt by Siemens UPTIME Service Center (available 24/7 hours); (ii) remote diagnosis, if available, by Siemens technical support; (iii) dispatch of Siemens CSE to customer site; (iv) diagnosis of problem and corrective action (no part call); (v) ordering of necessary part(s), removal and replacement of parts, calibration and corrective action; (vi) escalation of problems to Stereotaxis that are beyond the level of training provided to Siemens' CSEs; and (vii) continued on-site support as required to assist the Stereotaxis field service engineer and to resolve the customer problem.

(c) Siemens will install all software and hardware updates as released by Stereotaxis.

(d) Siemens will provide reporting of any complaints related to Stereotaxis' Products to Stereotaxis.

(e) Reimbursement to Siemens for these services will be on a time basis at the rates set forth in Exhibit A attached hereto.

(f) Prior to Siemens dispatching a Siemens CSE to a customer site, as described in Section 14(b)(iii) above, Siemens shall notify Stereotaxis' technical support staff and obtain its approval to render such service. In the event that Stereotaxis fails to respond to Siemens within one (1) hour of such notification, then Siemens will proceed to render such services. If Siemens dispatches a CSE to the customer site before receiving the approval of Stereotaxis or, in the absence of any such approval, before the expiration of the one (1) hour period, then Siemens will not bill the travel time to Stereotaxis. The response time for Siemens to provide to any customer the services described in Sections 14(b)(i) through 14(b)(iii) inclusive shall not exceed 4 hours during the customer's principal coverage period; provided,

however, that the time during which Siemens is waiting for Stereotaxis' approval to dispatch a CSE to the customer site shall not count towards the 4 hours' response time requirement.

15. STEREOTAXIS TECHNICAL SUPPORT.

(a) Stereotaxis will provide 24x7 hours technical support to Siemens' CSEs. The initial support plan is as follows:

- Stereotaxis will create a toll-free, dedicated service support telephone number.
- This number will ring at key personnel's desks in St. Louis during regular work hours. If the line is not answered within 4 rings or it is after regular business hours, the call will forward to an answering service.
- The answering service will page the on-call service support engineer.
- Response time for technical support is within 2 hours of call receipt.
- Technical support will log all inbound calls including all pertinent information such as date, time, customer, problem description, problem resolution, etc.

(b) After Stereotaxis has completed a sufficient number of sales of Stereotaxis Products, Stereotaxis will investigate the following alternatives based upon the service needs/frequency of calls/installed base requirements gathered during the initial sales phase. The preferred option of Stereotaxis will be discussed and agreed by Siemens before implementation:

- Option 1. Establish a dedicated support staff that are available 24x7 hours and are Stereotaxis employees.
- Option 2. Outsource technical support to a 3rd party company that is staffed 24x7 hours. This will require in depth training for the 3rd party company. Maintain a level 3 support response on an as required pager basis.

- Option 3. Should after hours support needs be low as the mean time between failures ("MTBF") is found to be very high, Stereotaxis may elect to stay with after hours technical support provided on an as required pager basis.

16. SPARE PARTS LOGISTICS. All spare parts necessary to repair the Stereotaxis Products shall be provided to Siemens at no charge.

(a) SPARE PARTS LIST. Stereotaxis will create a recommended spare parts list. This list will include anticipated replacement parts items along with expected MTBF.

(b) SPARE PARTS INVENTORY. Stereotaxis will maintain an inventory of spare parts in the United States. Spare parts will be defined and assigned Stereotaxis and Siemens part numbers according to service needs and requirements. Returnable parts will be marked with "REP". Spare parts inventory levels will be determined by Stereotaxis. At a minimum Stereotaxis will review inventory levels annually and make any necessary adjustments based upon usage. If Siemens elects, it can stock above the inventory level established by Stereotaxis by purchasing additional parts from Stereotaxis. Stereotaxis will reimburse Siemens for parts used from this additional inventory level.

(c) PARTS ORDERING AND ORDER FULFILLMENT. For the Siemens CSE, the process for order processing and fulfillment will be the same as for Siemens parts:

- Siemens CSE identifies the need for replacement part(s) and places an order as with Siemens spare parts.
- The order is processed by Siemens and shipped by the order

processing and fulfillment center.

- Certain pre-selected parts, based upon cost or complexity, require pre-approval by Stereotaxis' service personnel to ensure complete and accurate troubleshooting has been conducted.

- Siemens ships returnable parts (REP) to Stereotaxis.

- Stereotaxis repairs returned parts as appropriate and returns them to service stock.

17. TECHNICAL TRAINING.

(a) In order for Siemens' service personnel to be adequately prepared to service the Stereotaxis Products, Stereotaxis will provide technical training classes (including on-site training) for a commercially reasonable number of Siemens service personnel and will, based on reasonable requests by Siemens, make such classes available at various locations, including (i) St. Louis (at the Stereotaxis facility) for Niobe stand alone training, (ii) Forchheim, Germany (at the Siemens facility) for the first year or until the Niobe system is de-installed, and (iii) at customer facilities.

(b) The training materials to be provided by Stereotaxis shall contain, at a minimum, the following: (i) theory of operation, (ii) installation & calibration, (iii) interface with Siemens Products, (iv) user interface, (v) periodic maintenance, (vi) troubleshooting, (vii) hands-on lab time, and (viii) magnetic precautions and personal safety.

(c) Course length will vary but will generally consist of 3-5 days of instruction. Two Siemens CSEs will be trained for each Niobe installation (a primary and a secondary CSE). Should additional training be required later (e.g., due to any personnel changes), it will be provided with the next training class/on site training under the same conditions. All costs for delivering training shall be borne by Stereotaxis. Travel expenses for Siemens CSEs, including airfare, meals and lodging, while attending training shall be borne by Siemens.

18. FIELD MODIFICATION INSTRUCTIONS AND TRACEABILITY.

(a) Stereotaxis will maintain files that track software and hardware revisions for all customers. All installed updates will have return paperwork that will trigger a revision to this database upon receipt.

(b) For all Field Modification Instructions (FMIs), Stereotaxis will contract Siemens to install the updates. Safety FMIs will be installed on an emergency basis; routine FMIs will be installed at the next routine service calls. Siemens will be reimbursed for these services on a time basis in accordance with the rates set forth on Exhibit A attached hereto.

(c) Distribution of the FMIs and routing of return paperwork for traceability shall be agreed to by the parties, with the goal of using Siemens normal distribution channels. Stereotaxis will write the instructions and Siemens will distribute the FMIs to the responsible person(s) within Siemens. If parts are needed they will be handled like spare parts with a Siemens Part number and distributed by the order processing and fulfillment center.

19. SERVICE DOCUMENTATION. Stereotaxis will develop the following service documents for the Stereotaxis Products. Stereotaxis will provide a hard copy of such documents (in English) to each customer and such documents will be provided in Adobe Acrobat Portable Document Format (PDF) for Siemens" internal use and distribution.

Site Planning Guide
Pre-Installation Manual
Installation Manual
Service Manual
Periodic Maintenance
Parts & Special Tools Manual
User Manual
System Maintenance Requirements, Hazardous Waste Disposal instructions

20. SERVICE TOOLS. Standard service tools will be used by Siemens during installation of the Stereotaxis Products prior to the time of magnet mounting. Specialized tools required for installation of the magnet and for servicing of the same will be provided by Stereotaxis and will remain on the customer site after installation is completed. The kit will include the test leads for limit switch adjustment and a small kit of fuses, drift pins, etc. Stereotaxis will provide Siemens with a list of part numbers of the specialized tools and the toll kit in order to expedite any ordering of additional items. Subsequent service work performed by both Siemens and Stereotaxis can be performed using standard tools so long as adequate safety precautions are taken. Service training shall include instruction on such safety precautions.

21. ACCESS. Stereotaxis will provide Siemens with access to the equipment being serviced, subject to Stereotaxis' customers' reasonable security requirements. Stereotaxis' personnel will be available to respond to Siemens' technicians when Siemens is performing Services.

22. INSURANCE. At all times throughout the term of this Agreement, Siemens shall maintain in full force and effect the following insurance coverage, and shall provide Stereotaxis with a certificate of insurance evidencing such coverage upon request of Stereotaxis:

(a) Workman's compensation insurance in accordance with the jurisdiction in which the work is to be performed.

(b) General liability Insurance with limits of at least [***] per occurrence and an annual aggregate of [***].

23. INDEPENDENT CONTRACTORS. Based solely on this Agreement, and without regard to relationships based on other agreements to which Siemens and Stereotaxis may be parties, Siemens and Stereotaxis are independent contractors, neither is the agent or representative of the other; and neither is authorized to enter into any agreements to bind the other. The relationship between Siemens and Stereotaxis based on this Agreement shall remain that of independent contractors and nothing herein shall create or imply any relationship or agreement of joint venture, partnership, franchise, or hire. Siemens' personnel that are assigned to perform any Services hereunder shall be and remain at all times during such assignment employees of Siemens. Siemens and its employees and personnel shall be solely responsible for any and all city, state and federal income taxes, social security

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

withholding taxes and any other tax obligation to which the employees and personnel of Siemens may be subject. NEITHER PARTY HAS AUTHORITY TO ASSUME OR CREATE ANY OBLIGATIONS ON THE OTHER'S BEHALF, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR OTHERWISE. Without limiting the generality of the foregoing, neither party shall make any representation, guarantee or warranty on the other party's behalf. Neither party shall use the other party's company name, logo, artwork designs or abbreviations thereof in any way which may result in confusion as to Stereotaxis and Siemens being separate entities.

24. CONFIDENTIAL INFORMATION. During the term of this Agreement, and in fulfilling each party's obligations under this Agreement, the parties and their respective employees and agents will be exposed to and learn confidential information belonging to the other party. All confidential information shall be and remain the sole property of the disclosing party and may only be used or disclosed by the receiving party and its employees and agents for the sole purpose of fulfilling its obligations under this Agreement and for no other purpose. The parties shall use all reasonable precautions to assure that the confidential information of the disclosing party is protected from unauthorized persons and from unauthorized use or disclosure. The restrictions on disclosure of confidential information shall not apply to information (i) which is or becomes public knowledge through no fault of the receiving party and its employees and agents, or any third party not under an obligation of non-disclosure to the disclosing party, (ii) which is made available to the receiving party or its employees or agents by an independent

third party with no obligation of non-disclosure to the disclosing party, (iii) which is already in the possession of the receiving party or its employees or agents at the time of receipt from the disclosing party (and such prior possession can be properly demonstrated by documentary evidence), or (iv) which is required by law to be disclosed. Confidential information shall not be deemed to be public knowledge merely because any part of said information is embodied in general disclosures or because individual features, components or combinations thereof are now or become known to the public. The receiving party's obligations with respect to confidential information shall continue for a period of five (5) years from the expiration or termination of this Agreement. For purposes of this Agreement, "confidential information" means any information belonging to the disclosing party which it considers to be valuable and proprietary including but not limited to, know-how, technical data, processes, diagnostic software, techniques, developments, inventions, research products, and plans for future developments, and proprietary matter of a business or technical nature, including but not limited to information about cost, profits, markets, products sales, and names and lists of customers. confidential information includes all written materials (including correspondence, memoranda, manuals, notes and notebooks) and all computer software, models, mechanisms, devices, programs, drawings, or plans which shall be disclosed or made available embodying confidential information.

25. SOFTWARE LICENSE.

(a) To perform its obligations under this Agreement, Siemens may need to use certain Stereotaxis software ("Software"). This Software is and shall remain included in the definition of Confidential Information. Stereotaxis hereby grants to Siemens a royalty-free, non-assignable, non-exclusive license to use the Software solely to service equipment as required to fulfill Siemens' obligations under this Agreement and for no other purpose. Upon termination of this Agreement, the Software (and all full or partial copies thereof) will be returned to Stereotaxis or Siemens will certify as to the destruction thereof.

(b) Except as provided in Section 25(a) above, Siemens has no right, title or interest in the Software, including but not limited to, no right to (a) make or have made any copy or copies of the Software except as otherwise required to perform its obligations under this Agreement, (b) make or have made any products incorporating all or any part of the Software, (c) modify, adapt, disassemble or create any derivative work or works based on the Software, unless in any case consented to by Stereotaxis.

(c) Siemens shall use its best efforts to ensure that its employees comply with the restrictions herein. Siemens shall make its employees aware of the limited scope of this license. Siemens will, at its sole cost and expense, upon the written request of Stereotaxis, take any action reasonably requested to prevent any unauthorized use of the Software arising out of or caused by Stereotaxis' license of the Software to Siemens.

26. NOTICES. All notices from one party to the other under this Agreement shall be in writing and either personally delivered or sent by overnight delivery service or certified mail (E-mail or other electronic media are not acceptable), postage prepaid and return receipt requested to:

Stereotaxis: Stereotaxis, Inc.
4041 Forest Park Ave.
St. Louis, MO 63108
Attn: CEO and CFO

Siemens: Siemens Medical Solutions USA, Inc.
110 MacAlyson Court
Cary, NC 27511-6495
Attn: Richard Kubsch

With copy to: Siemens Corporation
Legal Department
Associate General Counsel
51 Valley Stream Parkway
Malvern, PA 19355

or to such other person or places as either party may designate from time to time by notice hereunder. Such notices shall be deemed effective upon receipt if sent by personal delivery or by overnight delivery service or three (3) days after deposit in the mails in accordance herewith.

27. GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to choice of laws provisions thereunder.

28. SEVERABILITY. If any one or more of the provisions, or portions of provisions, of this Agreement shall be deemed by any court or quasi-judicial authority to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions, or portions of provisions contained herein, shall not in any way be affected or impaired thereby, so long as the Agreement still expresses the intent of the parties. If the intent of the parties cannot be preserved, this Agreement shall either be renegotiated or rendered null and void.

29. LANGUAGE CONSTRUCTION. The language of this Agreement shall be construed in all cases, according to its fair meaning, and not for or against any party hereto. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

30. DISPUTE RESOLUTION. Any disputes or differences arising from or relating to this Agreement or the breach, termination, or validity thereof, whether at common law or under statute shall be settled by an amicable effort of the parties. An attempt to arrive at a settlement shall be deemed to have failed as soon as one party so notifies the other party in writing. If an attempt at settlement has failed, such disputes and differences shall be exclusively and finally settled by arbitration brought before the American Arbitration Association in New York, New York, according to its Commercial Arbitration Rules, by three (3) arbitrators appointed in accordance with such Rules. Unless prohibited or restricted by law, each party agrees to provide to the arbitrators and to the other party such documents, other evidence or witness testimony as may reasonably be requested by the other party and as are relevant to the issues being arbitrated. Such request shall be subject to a strict confidentiality agreement and shall not affect time limits provided for in such Rules and/or in this Agreement. The award, determinations and decisions of the arbitrators shall be substantiated in writing. The arbitration tribunal shall decide on the matter of costs of the arbitration and which of the parties shall bear the costs or in what proportions the costs shall be borne by the parties. The award of the arbitrators shall be final and binding, and no appeal shall lie therefrom. Judgment on the award or any order final or interim ordered

by the arbitrators may be entered, registered or filed for enforcement purposes in any court having jurisdiction thereof.

31. GOVERNMENT ACCESS CLAUSE. Until the expiration of four (4) years after the furnishing of any services under this Agreement, the parties shall make available upon written request of the Secretary of Health and Human Services, the Comptroller General, or any of their duly authorized representatives, this Agreement and the books, documents and records of the each of the parties that are necessary to certify the nature and extent of costs incurred under this Agreement or any agreements that Stereotaxis enters into with customers for the sale, installation and servicing of the Stereotaxis Products. This clause shall apply if, and solely to the extent that, Section 1861(V)(1)(I) of the Social Security Act applies to this Agreement or any agreements that Stereotaxis enters into with customers for the sale, installation and servicing of the Stereotaxis Products.

32. DEBARMENT CERTIFICATION. The parties each represent that (i) neither it nor any of its employees or agents has been debarred, excluded or suspended from, or otherwise determined to be ineligible to participate in, Medicare, Medicaid or any other federal or state health care programs, nor is it or any of its employees or agents the subject of any inquiry or investigation regarding participation in such programs which could reasonably lead to suspension, debarment or exclusion from, or ineligibility to participate in, such programs, (ii) neither it nor any of its employees or agents has ever been convicted of a

criminal offense related to the provision of health care items or services, and (iii) it shall not knowingly employ or contract with, with or without compensation, any individual or entity listed by a federal agency as debarred. The parties hereby agree to promptly notify the other party of any threatened, proposed, or actual exclusion from Medicare, Medicaid or any federal or state health care programs. In the event that a party or any of its employees or agents is debarred, excluded or suspended from, or otherwise determined to be ineligible to participate in, Medicare, Medicaid or any federal or state health care programs during the term of this Agreement, or if at any time after the Effective Date, it is determined that a party is in breach of this Section 32, this Agreement shall, at the option of the other party as of the effective date of such debarment, exclusion, suspension or breach, terminate.

33. HIPAA. Without limiting the obligations of either party as otherwise set forth in this Agreement or imposed by applicable law, the parties agree and acknowledge that they shall comply with all applicable requirements of the Health Insurance Portability and Accountability Act ("HIPAA"). Without limiting the generality of the foregoing, the parties represent and warrant that they will appropriately safeguard protected health information ("PHI") of their respective customers that is made available to or obtained by the parties pursuant to this Agreement or otherwise in the course of performing services hereunder, and that they shall each indemnify and hold the other party harmless from any and all claims, liabilities, damages, suits, causes of action, judgments, penalties, fines, costs and expenses arising from or related to that party's breach of the foregoing. The parties agree that this Agreement shall be amended from time to time if, and to the extent required by, the provisions of HIPAA and regulations promulgated thereunder, in order to assure that this Agreement is compliant therewith.

Specifically, each of the parties agrees that it shall:

(a) not use or further disclose PHI other than as permitted or required by this Agreement or as required by law;

(b) use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement;

(c) report to the other party and customer any use or disclosure of PHI of such customer not provided for by this Agreement of which a party becomes aware;

(d) ensure that any approved subcontractors who may have access to PHI agree to the same restrictions and conditions that apply to the parties with respect to PHI;

(e) make PHI available to the customer in accordance with applicable law;

(f) make its internal practices, books, and records relating to the use and disclosure of PHI received from Siemens or customer available to the Secretary of the United States Health & Human Services for purposes of determining the customer's compliance with applicable law; (in addition, a party shall immediately notify the other party and the customer upon receipt by that party of any such request, and shall provide the other party with copies of any such materials);

(g) make available the information required to provide an accounting of disclosures of PHI pursuant to applicable law, and

(h) on termination of this Agreement, return or destroy all PHI that a party still maintains in any form and retain no copies of PHI.

34. FURTHER ASSURANCES. Each party agrees to do such further acts, execute such further documents, secure such written assignments and acknowledgments necessary to carry out the terms and conditions hereof.

35. ADDITIONAL DOCUMENTS. Each of the parties hereto agrees to execute any document or documents that may be reasonably requested from time to time by the other party to implement or complete such party's obligation pursuant to this Agreement

36. WAIVER. No term or provision of this Agreement, or of the Exhibits attached hereto, shall be deemed to be waived, or a breach excused, unless such

waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any waiver of a breach, whether express or implied, shall not constitute a consent to or waiver of any different or subsequent breach.

37. ADVERSE ACTS. Each party shall not at any time engage in any acts (including entry into any agreements or arrangements with third parties) to oppose, dilute, reduce, defeat, or adversely affect the rights of the other party under this Agreement.

38. HEADINGS; NUMBER. The titles or headings used herein are inserted merely for convenience and shall be given no legal effect. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely.

39. ENTIRE AGREEMENT. This Agreement, together with the attached Exhibits, each of which is incorporated fully and is made part of this Agreement by this reference, sets forth the entire and only agreement between Siemens and Stereotaxis concerning the subject matter hereof. No provisions of this Agreement can be modified except by a written amendment signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SIEMENS MEDICAL SOLUTIONS USA, INC.	STEREOTAXIS, INC.
By: /s/ Richard Kubsch	By: /s/ Nicola Young
Title: Product Manager	Title: CFO
Date: 11-24-02	Date: 11/18/02

EXHIBIT A -- PRICING FOR SERVICES

CREATION OF SITE PLANS (Reference: Section 10(a) of the Agreement): Stereotaxis will reimburse Siemens for Site Planning services for all booked orders at the rate of [***] per hour; Siemens estimates that for most projects the cost of these services will be [***] (6 hours of work). Preliminary site plans for lost orders can be billed to Stereotaxis should the quantity of these plans become excessive.

PROJECT MANAGEMENT (Reference: Section 11(a) of the Agreement): . Stereotaxis will reimburse Siemens for Project Management services at the rate of [***] per hour; Siemens estimates that for most projects the cost of these services will be [***] (34 hours).

WARRANTY/SUPPORT SERVICES (References: Sections 14(e) and 18(b) of the Agreement):
Stereotaxis will reimburse Siemens for travel and services performed by Siemens and referred to in Sections 14(e) and 18(b) of the Agreement at Siemens' current applicable commercially reasonable hourly rates, which rates, at the date of the Agreement, are those specified in Schedule 1 for Angio/Cardiac under the subheadings "All Travel", "Regular", "Overtime", and "Double time", subject to the following discount schedule:

0 -- 100 hours in 1 year or less: a [***] discount will be granted off the applicable rates.

101 -- 200 hours in 1 year or less: a [***] discount will be granted off the applicable rates.

201 hours and more in 1 year or less: a [***] discount will be granted off the applicable rates.

The hours will be monitored quarterly and the discounts adjusted, if applicable.

SPARE PART LOGISTICS (Reference: Section 16 of the Agreement):
Costs for the handling fees incurred by Siemens for returns processing and to be paid by Stereotaxis will be determined under separate agreement or amendment to the Agreement.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

SCHEDULE 1

HOURLY SERVICE RATES

The following hourly service rates will be in effect as of June 15, 2002. These rates are subject to change in accordance with the then applicable commercially reasonable rates of Siemens.

[***]

GENERAL TERMS

Regular time hours will be in effect from 8:00 AM - 5:00 PM, Monday - Friday, excluding Siemens holidays.

Overtime hours will be in effect from 5:00 PM -- 8:00 AM, Monday - Friday, and all day Saturday until 5:00 PM.

Double time hours will be in effect from 5:00 PM Saturday - 8:00 AM Monday, and on the following Siemens holidays: New Years Day, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day, Christmas Day. If one of the foregoing holidays falls on a Saturday, then the holiday will be observed on the previous Friday, and if the holiday falls on a Sunday, the holiday will be observed on the following Monday.

A minimum charge of 4 hours plus travel time applies for labor requested outside of regular working or contract coverage hours.

TIME AND MATERIAL CUSTOMERS

Customers will be charged at the applicable billing rate for the hours worked at either the regular, overtime or double-time rate plus travel.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

EXHIBIT 10.20

RESEARCH AGREEMENT

between

SIEMENS AG
MEDICAL SOLUTIONS
SIEMENSSTRA(beta)E 1,91301 FORCHHEIM

("SIEMENS AG")

AND

STEREOTAXIS, INC
4041 FOREST PARK AVE.
ST. LOUIS, MO
63108

("STEREOTAXIS")

and

LANDESBETRIEB KRANKENHAUSER, BODY CORPORATE (LBK HAMBURG), REPRESENTED BY ITS EXECUTIVE BOARD, REPRESENTED BY THE MANAGEMENT OF PRORESEARCH CLINICAL RESEARCH AND DEVELOPMENT, RUBENKAMP 148,22291 HAMBURG, GERMANY

("PRORESEARCH")

PREAMBLE

Stereotaxis intends that the Stereotaxis Niobe magnetic navigation system ("Magnetic Navigation System") will be used in Research Projects and Clinical Studies in respect of various applications of the Magnetic Navigation System. The Stereotaxis NIOBE system will be integrated with a Siemens AXIOM Artis dFC Magnetic Navigation Digital Flat Panel Fluoroscopy System.

Siemens will be the Executive Project Manager for the project. This includes that Siemens is to built the Laboratory, as well to install the ARTIS - NIOBE system. Siemens will also be responsible for first level service of NIOBE in addition to its own products after the installation.

LBK Hamburg, represented by proresearch is interested in conducting this Research program and wants to form this joint research collaboration.

SECTION 1 PERFORMANCE OF THE RESEARCH PROGRAM AND CONTRACT BASIS

Therefore, Siemens AG and Stereotaxis commission proresearch with the conduct of a Research Program and proresearch intends to initiate a Center of Excellence for the Stereotaxis Niobe system in Europe with a focus of electrophysiology and interventional cardiology. This Center of Excellence shall be directed by:

Prof. Dr. med. Karl-Heinz Kuck, Head of the Department of Cardiology,

AK St. Georg, Lohmuhlenstr. 5, 20099 Hamburg.

The project leader of the research laboratory shall be:

Dr. rer. physiol. Gabriele Schonharl-Voss, Projectmanager medical products,
proresearch,
AK St. Georg, Lohmuhlenstr.5,20099 Hamburg.

For each Research Project or Clinical Study a Subagreement ("Subagreement") will be generated between proresearch and the respective contract partner (hereinafter "the Sponsor").

Based on the Research Agreement the following Attachments will be generated:
Attachment A:

It regulates in detail the obligations of Siemens AG Medical Solution

and proresearch.

Added is an offer from Siemens Med.

Attachment B:

It regulates the obligations of Stereotaxis Inc. and proresearch, e.g. the price and placement conditions for the Niobe system and is based on the Stereotaxis placement Agreement.

Attachment C:

It regulates in detail the obligations of Siemens SGT and proresearch as well as the cost and conditions for the building of the Labratory.

Attachment D:

It governs the maintenance of the system, e.g. maintenance contracts between Siemens Med and proresearch, and Stereotaxis Inc. and proresearch, and contains additional agreements like First Level Service.

Attachment E:

Leasing contract

SECTION 2 TERM AND TERMINATION

2.1 The term of this Agreement commences on the date it is executed by all parties and ends after 60 months. The parties may extend the term of this agreement three months before expiration by mutual written consent from year to year.

2.2 The completion of the Laboratory and the appropriation of the system should take place in the last quarter of the year 2002.

2.3 Should Siemens or Stereotaxis not be able to fulfil its substantial obligations, proreseach shall have the right for termination of the contract with a notice period of 30 days.

proresearch may return the NIOBE or AXIOM Artis dFC system, if Siemens and/or Stereotaxis during the installation period is not able to fulfil its substantial obligations.

Acceptance of the NIOBE System shall be deemed to have occurred upon written notification by Stereotaxis (signed by an officer of Stereotaxis) to proresearch that installation is completed in all material respects and that Stereotaxis in good faith determines the NIOBE System is (i) operating according to specifications and (ii) is completely ready for clinical use of following completion of the first five animal or human procedures with the NIOBE System (proresearch will provide immediate written notice of such completion to Stereotaxis), whichever is the earlier.

Acceptance of AXIOM Artis dFC system is governed by VOL.

SECTION 3 FINANCIAL CONSIDERATION AND PAYMENT SCHEDULE

3.1 According to the performance of the research collaboration, Siemens AG/ Stereotaxis will provide proresearch with the equipments needed by the investigators site to carry out the Research Program. The conditions of acquirement are agreed upon by the above mentioned attachments ("Attachment") to this Research Agreement.

3.2 The costs for the operating Laboratory are:

Axiom Artis	[***]
NewCor	[***]
Niobe	[***]

Additional equipment	[***]
Building of the laboratory	[***]
	[***]
Financial Support for Research projects Stereotaxis Inc.	[***]
Financial Support for Research projects Siemens Med	[***]

(the first rate of [***] for research efforts will be paid by Siemens Med within 30 days after acceptance of the system)

Cost for the Niobe / Artis Laboratory including all services	[***]
VAT	[***]
Total amount incl. VAT	[***]

3.3 For the performance of Research Projects and Clinical Studies proresearch will be entitled to the financial compensation according the Payment Schedules listed in the Subagreements. The consideration will be remitted to the proresearch bank account. Further fee claims are excluded, in particular any separate fee agreements with the Director of the Center of Excellence or his employees. Payments/ Benefits in kind (congress fees, Investigator meetings, appliances etc.) for employees and/ or the performing department must be approved by proresearch.

SECTION 4 OWNERSHIP OF DATA, CONFIDENTIALITY AND PUBLICATION

4.1 Ownership. All case report forms and other data generated according to the Protocol of a Research Project or a Clinical Study (the "Data"), shall be the property of the Sponsor of the Subagreement, which may utilize the Data in any way it deems appropriate, with the exception that the Sponsor shall not sell, transfer, publish, disclose or otherwise make available the Data to a competitor of Siemens or Stereotaxis.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

4.2 Confidentiality. All information concerning the Research Program covering the Sponsor's operations, such as the Sponsor's patent applications, formulas, manufacturing processes, basic scientific data, prior clinical data and information regarding the device which is supplied by the Sponsor to the investigators site and not previously published are considered confidential.

The provisions in this article 4.2 shall survive the termination or expiration of this Research Agreement, the duration of the non-disclosure agreement shall be limited to 5 years.

4.3 Publication. The Center of Excellence , proresearch and the Sponsors shall be free to publish any scientific results obtained from the evaluation. In doing so, the contribution of each party shall be given proper regard and be duly mentioned in all such publications. The content and timing so such publications shall be subject to the prior consent of the other party, which consent shall not be unreasonably withheld.

SECTION 5 PATENTS

5.1 All points concerning patents will be governed in detail by the particular Subagreement for each of the different research projects.

SECTION 6 COMPLIANCE WITH APPLICABLE LAWS

proresearch agrees to conduct the Research Projects and Clinical Studies and maintain records and Data during and after the term of this Service Contract in compliance with all applicable legal and regulatory requirements.

SECTION 7 PUBLICITY

None of the parties shall use the name of any other party for promotional purposes without the prior written consent of the party whose name is proposed

to be used, nor shall either party disclose the existence or substance of this Service Contract except as required by law.

SECTION 8 INDEPENDENT CONTRACTOR

proresearch is acting in the capacity of an independent contractor hereunder and not as employee or agent of Siemens AG or Stereotaxis.

SECTION 9 INDEMNIFICATION

11.1 Siemens AG and Stereotaxis shall defend, indemnify and hold harmless proresearch, its trustees, officers, agents and their employees (collectively the "Indemnitees") from any and all losses, costs, expenses, liabilities, claims, actions and damages, including, without limitation, interest penalties and reasonable attorney's fees, based on a personal injury arising out of or connected with the performance of the activities to be carried out pursuant to this Research Agreement.

11.2 The above obligation of Siemens AG or Stereotaxis shall not apply and Siemens AG or Stereotaxis shall not be liable for any indemnification or expenses for actions or claims in any way arising from or caused by the willful, reckless, or negligent acts or omissions, or professional malpractice of the Indemnities.

SECTION 10 ENTIRE AGREEMENT AND MODIFICATIONS

This Agreement contains the complete understanding between the parties and supersedes any prior agreement, whether oral or in writing, between the parties, with the exception that the right on patents will be governed in named subagreements. It may not be altered, amended or modified except by written document signed by all parties.

SECTION 11 NOTICE

Any notices given hereunder shall be sent by mail, by fax or personally delivered as follows:

TO: Siemens AG
Legal Services Med
Werner von Siemens Str. 50
91052 Erlangen
Germany

TO: Stereotaxis Inc.
4041 Forest Park Ave.
St. Louis, MO 63108
USA

TO: LBK Hamburg
proresearch clinical research and development
Ruebenkamp 148, Haus 10
D-22291 Hamburg
Germany
Attn: Dr. Gabriele Schonharl-Voss

SECTION 12 GOVERNING LAW

This Research Agreement shall be governed by and construed in accordance with the laws of Germany.

SECTION 13 JURISDICTION

If any provision of this Research Agreement will be or become unenforceable, this does not effect the validity of the other contract provisions. The invalid provision shall be replaced by a legally valid provision, the contents of which will best correspond to the objective of the invalid provision. Siemens AG, Stereotaxis.Inc. and proresearch undertake to come to an understanding in case of any queries or conflicts arising from this Research Agreement or from its execution. Modifications and supplements of this Agreement will be agreed as amendments and have to be provided in writing.

If the contracting parties consent, disputes arising out of or in connection with the present Agreement or its validity shall be finally settled in accordance with the rules of arbitration of the Deutsche Institution fur Schiedsgerichtsbarkeit e.V. (German Arbitration Institution) in Bonn without the possibility of recourse legal action. The arbitration court can also make binding decisions on the validity of this arbitration agreement.

BANK ACCOUNT FOR REMITTING THE FINANCIAL CONSIDERATION

Account holder:	[***]
Account no.:	[***]
Bank:	[***]
Sort code:	[***]

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

PRORESEARCH CLINICAL RESEARCH AND DEVELOPMENT

	/s/ Jurgen Finsterbusch	/s/ Cornelia Wolf
	---	---
Hamburg,	Jurgen Finsterbusch (Managing Director)	Cornelia Wolf (Manager Administration)
	/s/ Dr. Ralf Thomas	/s/ Hans-Soachim Reich
	---	---
SIEMENS AG	Dr. Ralf Thomas (Medical solutions, WAX)	Hans-Soachim Reich (Medical solutions, AXMC)

STEREOTAXIS, LNC.

	/s/ Patricia Kennedy	/s/ Illegible
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EXHIBIT 10.29

DISTRIBUTOR AGREEMENT

This Agreement (this "Agreement") made this 17 day of SEPTEMBER, 2003, by and between Stereotaxis, Inc., a Delaware corporation ("Stereotaxis") having its principal place of business at 4041 Forest Park Avenue, St. Louis, MO, 63108 USA, and [AB Medica], a INCORPORATED COMPANY organized under the laws of ITALY having its principal place of business at VIA NERVIANO 31 LAINATE (H1) ("Distributor"). Stereotaxis and Distributor are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

I. Appointment.

A. Subject to all the terms and conditions of this Agreement, Stereotaxis hereby appoints Distributor, and Distributor accepts such appointment, as its distributor within the Territory (as defined below) for resale, for use only in the Territory, of those particular products and services (the "Products") described in SCHEDULE ONE attached hereto. Notwithstanding the foregoing, Products shall not include any products or services that are subject to distribution alliances or agreements with major manufacturers of imaging or interventional products including, without limitation, those products or services which are subject to the agreement dated May 7, 2002 between Stereotaxis and Biosense Webster, Inc. The list of Products may be enlarged or diminished in respect of the provisions of Section V.E. at any time and from time to time during the term of this Agreement, but only by written notice from an authorized representative of Stereotaxis.

B. Stereotaxis and Distributor acknowledge and agree that the foregoing appointment is exclusive, provided that Distributor both (i) at all times and continuously achieves at least one hundred percent (100%) of the sales quota (the "Sales Quota") as set forth below in Section I.C. for the years ending December 31, 2003 and December 31, 2004 and in each and every annual Sales Quota Agreement (as defined below) between the Parties, and (ii) is not at any time in breach of any of its obligations under this Agreement, then Stereotaxis shall not appoint any other distributor for distribution of the Products, nor shall Stereotaxis itself distribute the Products, in the Territory during the term hereof. The preceding sentence contains additional, and not exclusive, remedies available to Stereotaxis in the event that Distributor breaches this Agreement. Notwithstanding the foregoing, Stereotaxis shall be entitled to appoint other distributors within or for the Territory for any of its products not specified in SCHEDULE ONE, including products identical to the Products except for the brand name, during the term hereof, or to sell such products itself in the Territory.

C. For the year ending December 31, 2003, the Sales Quota shall equal [***] ordered and installed. For the year ending December 31, 2004, the Sales Quota shall equal

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

[***] It shall be a mutual goal of the Parties that each NIOBE System placed by Distributor hereunder shall be utilized by Distributor's customers for an average of five procedures per week by 12 months following installation, and any NIOBE System which does not reach such level of customer utilization shall not be counted toward Distributor achieving any Sales Quotas hereunder.

II. Territory. "Territory" shall mean Italy and the following

[cantons/regions] in Switzerland, which comprise the Italian speaking geographic region in Switzerland: [Ticino]. [DISTRIBUTOR TO CONFIRM AND/OR COMPLETE WITH ADDITIONAL REFERENCES.]

III. Certain Covenants of Distributor. Distributor agrees during the term of this Agreement, and at its own cost:

A. In order to ensure patient safety, not to use or permit others to use the NIOBE System with any disposable devices, software or other accessories except those provided by or approved in writing by Stereotaxis or with any fluoroscopy system other than the Siemens ARTIS digital fluoroscopy system that has been integrated by Stereotaxis and Siemens to allow use with the NIOBE System or any other fluoroscopy system approved in writing by Stereotaxis. Distributor further agrees that it will not, or permit others to, modify the NIOBE System or any of the devices or software provided by Stereotaxis for use with the system;

B. To use its best efforts to sell, advertise and otherwise promote the sale and use of the Products throughout the Territory, to maintain a representative, and to fulfill such additional goals as it may agree upon with Stereotaxis;

C. To maintain an adequate sales and service staff, as well as adequate facilities;

D. To use its best efforts to assist end users in acquiring replacement of defective parts, through Stereotaxis or an approved vendor of Stereotaxis;

E. To appoint and supervise such persons as may be necessary to provide adequate sales throughout the Territory and instruct them as to appropriate methods of sales, advertisement, demonstration and promotion of the Products;

F. To prepare and transmit to Stereotaxis regular, timely, accurate and complete reports and other information pertinent to the sale of the Products and semi-annual, annual and other statements of its financial condition, all in form and substance satisfactory to Stereotaxis. Such information shall include (i) a quarterly non-binding forecast of Products to be purchased by Distributor (which shall include projected NIOBE System and disposable sales) from Stereotaxis during the following year (on a quarterly basis) and (ii) a list of customers and potential customers of Distributor, including information describing the contacts with such potential customer and the status of the discussions, in reasonable detail;

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

G. To pay and perform in a timely and full manner all obligations owing to Stereotaxis at any time. Stereotaxis reserves the right to charge, and Distributor agrees to pay, a finance charge in respect of any past due obligation or indebtedness of 3 months libor $ + spread 4 points on a yearly basis, subject to the maximum amount permitted under Delaware law;

H. To comply with any and all Stereotaxis instructions regarding the recall of the Products. In the event Stereotaxis instructs Distributor to recall the Products, Stereotaxis shall reimburse Distributor for direct costs incurred by Distributor in connection with such recall, except those direct costs that Stereotaxis determines, in its reasonable discretion, are outside the scope of the acts required by Distributor to effect the recall. Notwithstanding the foregoing, Distributor shall reimburse Stereotaxis for all costs and expenses of or related to the recall incurred by Stereotaxis if the recall

arises in whole or in part from an act or omission of Distributor;

I. Beginning on January 1, 2005, and annually thereafter, but in no event later than January 30th of each calendar year, to mutually agree in good faith with Stereotaxis the targeted sales quota for such calendar year (a "Targeted Sales Quota Agreement"), on reasonable commercial terms and substantially in the form attached hereto as SCHEDULE TWO, or in such other form as Stereotaxis may from time to time prescribe. The Targeted Sales Quota Agreements may be amended from time to time by the mutual written consent of the Parties;

J. Not to distribute, sell or solicit the sale of the Products outside of the Territory, or for use outside of the Territory, or to any Distributor within the Territory which Distributor has reason to believe intends to use, distribute or resell any of the Products outside of the Territory;

K. To pay from its own funds and without reimbursement from Stereotaxis all direct selling, marketing, translation and advertising expenses, costs of all promotional expenses and all general and administrative expenses incurred in connection with the discharge of its duties hereunder;

L. To promptly notify Stereotaxis of any complaints from customers regarding the Products and to cooperate with Stereotaxis to administer and resolve any such complaints;

M. To protect the proprietary rights of Stereotaxis as specified in this Agreement and agrees to notify Distributor's employees of its obligations specified and enforce their compliance therewith; and

N. To promptly notify Stereotaxis of any infringement of the proprietary rights of Stereotaxis that come to Stereotaxis' attention, and to cooperate with Stereotaxis without charge, in any action by Stereotaxis to investigate or remedy any such infringement or said rights.

IV. Certain Covenants of Stereotaxis.

A. Stereotaxis agrees to provide initial training for all sales, marketing and service employees of Distributor, who are employees of the Distributor at the time of execution of this Agreement and who will sell and/or service the Products (the "Initial Training"). Such training shall consist of two sessions, one of which shall relate to the sales and marketing of the Products and one of which shall relate to the servicing of the Products. Distributor shall require its personnel performing functions covered by any such training course to attend such course. The costs of travel and related expenses shall be borne by the Party incurring such travel. The Parties agree that such training shall be provided at locations and with methods that minimize the total cost of travel and location expense. Upon completion of the Initial Training and other than as provided in Section IV.B., Distributor agrees to be responsible for the training of all of its sales, marketing and service employees, including the training of any new employees.

B. Distributor shall appoint a marketing or training coordinator in order to supervise the training, including the Initial Training, of such personnel. In connection with any new advancements in technology related to the Products, Stereotaxis agrees to provide additional training to the marketing or training coordinator selected by the Distributor. Distributor shall require its marketing or training coordinator to attend such training. The costs of travel and related expenses of such training shall be borne by the Party incurring such travel. The Parties agree that such training shall be provided at locations and with methods that minimize

the total cost of travel and location expense.

C. Stereotaxis agrees to provide, or cause to be provided, clinical applications support to the customer for the [***] NIOBE Systems sold by Distributor until the Distributor sells its [***] NIOBE System. Upon the sale by the Distributor of its third NIOBE System, Stereotaxis will cease providing clinical applications support to the customers for any of the NIOBE Systems sold by the Distributor and Distributor agrees to become solely responsible for providing such clinical applications support to such customers for all NIOBE Systems sold by the Distributor. Distributor represents and warrants to Stereotaxis that Distributor will establish and maintain an adequate Stereotaxis trained technically competent staff to provide all required service and support to Distributor's customers. This representation is a material inducement for Stereotaxis to enter into and continue this Agreement.

D. Stereotaxis shall have the right to subcontract to Siemens AG or a designated affiliate thereof any services to be performed by Stereotaxis in connection with any NIOBE Systems sold hereunder by Distributor.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

V. Sales and Terms.

A. Products will initially be sold to Distributor at such prices and terms as set forth on SCHEDULE THREE attached hereto. Thereafter, in November of each year during the term hereof, Stereotaxis shall establish the prices for the Products, which shall be equal to [***] below the net sales price in the US (exclusive of shipping and installation charges). Such prices shall be effective for purchase orders made by the Distributor in the following calendar year, provided that any Products so ordered are shipped within nine months of such order; otherwise the effective price for Products shipped more than nine months after the date of the purchase order shall be the then-prevailing pricing in effect for such Products. Distributor shall submit a written purchase order in substantially the form provided to Distributor by Stereotaxis from time to time, for each of the Products sold hereunder, which shall be subject to the terms and conditions in this Agreement.

B. Distributor shall be responsible for and shall defray all costs and expenses pertaining to the importation of the Products into the Territory (including all costs associated with shipping and installation) and shall pay all taxes, duties, fees and charges, including all value added taxes, related to the importation of the Products into the Territory and the conclusion and fulfillment of this Agreement (other than as provided in Section V.G.).

C. Sales shall be governed only by this Agreement and Stereotaxis' standard terms and conditions for the Products in effect at the time of shipment. A current form of Stereotaxis' standard terms and conditions is attached hereto as SCHEDULE FOUR and is hereby incorporated by reference into this Agreement. Resales by the Distributor shall also be made subject to Stereotaxis' standard terms and conditions. The terms and conditions of this Agreement take precedence over all purchase orders, acknowledgment forms and other documents between the Parties relating to the Products. The provisions of this Section shall survive termination, for whatever reason, of this Agreement.

D. Stereotaxis will endeavor to make the Products available as ordered, but reserves the right to allocate its available Products as it may determine in its sole and absolute

discretion, without thereby incurring any liability to Distributor or otherwise provided that the delivery of the ordered Products is not unreasonably delayed and that Stereotaxis, upon written request of the Distributor, is able to indicate an estimated date of delivery and respects such date of delivery. Stereotaxis also reserves the right to add a service charge, or alternatively to refuse orders for Products for less than minimum dollar values or less than standard quantities as established by Stereotaxis from time to time.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

E. Stereotaxis reserves the right from time to time in its sole and absolute discretion, without thereby incurring any liability to Distributor or otherwise, to discontinue or to limit its production of any Product, to alter the design or construction of any Product, and to add new and additional Products. In case Stereotaxis decides to discontinue or limit the Production of any product, then Stereotaxis will need to give the Distributor a sixty (60) day written notice, and will be bound to deliver Distributor any Product ordered prior to the decision to discontinue or limit the production or during the sixty (60) day notice period in order to limit potential liabilities of Distributor toward its Customers.

F. Distributor agrees not to sell (i) as Stereotaxis products any merchandise or accessories that have not been made, approved in writing, or supplied by Stereotaxis or (ii) any merchandise or accessories for use with or incorporation onto or into the Products that, in Stereotaxis' sole and absolute discretion, adversely affect the operation or safety of the Products.

G. Stereotaxis shall be responsible for using all reasonable commercial efforts to obtain the necessary regulatory approval for the Products from the European Union and shall be responsible for all costs and expenses associated therewith. Distributor and Stereotaxis agree to cooperate with each other in order to obtain such approval.

H. Distributor agrees to comply with all laws and regulations of the Territory pertaining to the importation, distribution, sale and marketing of the Product in the Territory and agrees to be responsible for obtaining all necessary regulatory approvals in the Territory (other than as provided in Section V.G.) and agrees to be responsible for all costs and expenses associated therewith. Stereotaxis and Distributor agree to cooperate with each other in order to comply with such laws and regulations. Without limiting the generality of the foregoing, Distributor agrees not to make any incorrect or false claims regarding the features, operations or marketing of any Product(s); not to make any incorrect or false claims regarding the features, operations or marketing of any Product(s); not to employ deceptive, illegal or unethical practices in marketing the Product(s); and to represent Stereotaxis in a way that will protect and enhance the reputation of Stereotaxis.

I. The ownership of the legal and beneficial title to, the risk of loss and the right to possession and control over, all of the Products to be distributed by Distributor hereunder shall be F.O.B. Origin (factory).

J. Payment for the Products shall be made in U.S. dollars within sixty (60) days following the date of Stereotaxis' invoice.

VI. Labeling

A. Stereotaxis shall provide Distributor with Product information

needed by Distributor to prepare labeling in compliance with applicable laws and

regulations. For jurisdictions within the Territory where Distributor advises Stereotaxis that Stereotaxis' U.S. labeling is acceptable, Stereotaxis shall be responsible for preparing and attaching said labeling to the Product. Stereotaxis warrants that the content of such labeling shall be in compliance with any applicable U.S. governmental regulations. When Stereotaxis' U.S. labeling is not in compliance with applicable laws and regulations in a particular jurisdiction in the Territory, Distributor shall be responsible, at Distributor's sole cost and expense, for providing Stereotaxis with "camera-ready" label art work and content as required by applicable laws and regulations within such Territory and as reasonably required by Stereotaxis' production schedule, and Stereotaxis shall prepare the labeling in accordance with Distributor's art work and attach said labeling to the Product.

VII. Installation.

A. The installation of the Products covered shall be the responsibility of, and at the expense of, Distributor. Distributor will cause the Products covered hereby and to be installed and connected in accordance with installation specifications supplied by Stereotaxis. Distributor is responsible for ensuring compliance with local regulations relating to installation at its sole cost and expense.

VIII. Warranties.

A. Distributor agrees to make no warranty in respect of the Products to its customers or otherwise in addition to, different from or inconsistent with any warranty contained in Stereotaxis' standard terms and conditions (or in any other applicable Product warranty form of Stereotaxis in effect at the date of sale). The provisions of this Section shall survive termination, for whatever reason, of this Agreement.

B. Stereotaxis warrants that the Products manufactured by Stereotaxis and sold hereunder will be free from defects in material or workmanship under normal use and service for the period a period of one year following completion of installation in accordance with the terms hereof, which date will be confirmed in writing by Stereotaxis. Stereotaxis makes no warranty for any Products made by persons other than Stereotaxis, or its affiliates, and Distributor's sole warranty therefore, if any, is the original manufacturer's warranty, which Stereotaxis agrees to pass on it Distributor, as applicable.

C. No warranty extended by Stereotaxis will apply to any Products which have been damaged by accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence or by the Distributor's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Distributor or any third party or due to the attachment and/or use of non-Stereotaxis supplied equipment without Stereotaxis' prior written approval; which failed due to causes from the use of operating

supplies or consumable parts not approved by Stereotaxis. In addition and without limitation, no warranty extended by Stereotaxis will apply to any failure to comply with Section III.A or any failure due to events such as cracking from high

impact drops, cable rupture from rolling equipment over cables, or delamination from cleaning with inappropriate solutions. Stereotaxis' obligation under this warranty is limited to the repair or replacement, at Stereotaxis' option, of defective parts. Stereotaxis may effectuate such repair at the installed site for any NIOBE System sold, delivered and installed hereunder, provided Stereotaxis is furnished safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements will not interrupt, extend or prolong the term of the warranty. Distributor will pay Stereotaxis its normal charges for service and parts for any inspection, repair or replacement that is not, in Stereotaxis' sole judgment, required by noncompliance with the warranty set forth in Section VIII.B. Stereotaxis' warranty does not apply to consumable materials, except as specifically stated in writing, nor to products or parts thereof supplied by Distributor.

D. This warranty is made on condition that immediate written notice of any noncompliance is given to Stereotaxis and Stereotaxis' inspection reveals that the Distributor's claim is valid under the terms of the warranty (i.e. that the noncompliance is due to traceable defects in original materials and/or workmanship).

E. All services performed at times outside of any standard service package purchased by Distributor's customers shall be at an additional charge at Stereotaxis' then current rates. Stereotaxis may utilize sub-contractors for purposes of carrying out warranty service.

F. STEREOTAXIS MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN, WHICH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE ONLY WARRANTY MADE WITH RESPECT TO THE PRODUCTS AND ANY PRODUCT, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.

G. The Parties acknowledge that the Products available for resale by Distributor will include Stereotaxis' standard service maintenance, repair and service plans in effect from time to time (which currently include the "Gold" and, where available, "Platinum" service plans), which will be priced at [***] below the net sales price in the US for such plans, subject to adjustment on an annual basis each November during the term hereof as provide in Section V.A. above.

IX. LIMITATION OF LIABILITY

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

A. In no event will Stereotaxis' liability hereunder exceed the actual loss or damage sustained by Distributor, up to the purchase price of the Products.

B. STEREOTAXIS SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS, LOSS OF STORED, TRANSMITTED OR RECORDED DATA, OR FOR ANY INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. This provision does not affect third party claims for personal injury arising as a result of Stereotaxis' negligence or product defect. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

X. INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS.

A. Infringement by Stereotaxis. Stereotaxis warrants that the Products manufactured by Stereotaxis and sold hereunder do not infringe any patent or copyright in the Territory. If Distributor receives a claim that any such Product, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright, Distributor will notify the Stereotaxis in writing. As to all infringement claims relating to Products or parts manufactured by Stereotaxis or one of its affiliates:

(1) Distributor will give Stereotaxis information, assistance and exclusive authority to evaluate, defend and settle such claims; and

(2) Stereotaxis will then, at its own expense, defend or settle such claims, procure the right to use the Products, or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Stereotaxis, then Distributor will return (or cause to be returned) the Products to Stereotaxis, and Stereotaxis will refund to Distributor the purchase price paid by the Distributor less reasonable depreciation for Distributor's use of the Products.

B. Infringement by Distributor. If some or all of the Products sold hereunder are made by Stereotaxis pursuant to drawings or specifications furnished by the Distributor or one of its customers, or if the Distributor modifies or combines, operates or uses the Products other than as specified by Stereotaxis or with any product, data, software, apparatus or program not provided or approved by Stereotaxis, then the indemnity obligation of Stereotaxis under Section 13.1 will be null and void and should a claim be made that such Products infringe the rights of any third party under patent, trademark or otherwise, then Distributor will indemnify and hold Stereotaxis harmless against any liability or expense, including reasonable attorneys fees, incurred by Stereotaxis in connection therewith.

XI. DESIGNS AND TRADE SECRETS/LICENSE

A. Any drawings, data, designs, software programs or other technical or confidential information supplied by Stereotaxis to Distributor in connection with the sale of the Products are not included in the sale of the Products to Distributor, will remain Stereotaxis' property and will at all times be held in confidence by Distributor. Such information will not be reproduced or disclosed to others without Stereotaxis' prior written consent.

B. Distributor acknowledges and agrees that any and all software incorporated into the NIOBE System, or contained or comprised in any Products or other accessories provided by Stereotaxis to Distributor for use with the NIOBE System remains the property of Stereotaxis or where applicable, its licensor(s) and is licensed to Distributor on a non-exclusive, non-transferable basis (for the license fees described in any purchase order), not sold. This software is the confidential information of Stereotaxis and Distributor will not copy or modify this software, reverse engineer, decompile or disassemble or use this software except in conjunction with the NIOBE System at the installation site. Notwithstanding anything else contained in this Agreement there is no warranty or condition of non-infringement, quiet enjoyment or possession or title regarding such software. Distributor acknowledges that the software is of such complexity that it may have inherent or latent defects and agrees that its sole remedy for any defects during the warranty period is that Stereotaxis will correct documented software errors. There are no licenses or rights in respect of software upgrades or

future software products implied or provided for by this Agreement

C. Distributor agrees that it will not use the Products in a manner that infringes any of Stereotaxis' patents.

XII. Distributor is not Agent. Distributor is an independent contractor and this Agreement does not create the relation of principal and agent between Stereotaxis and Distributor. Distributor shall not act or assume to act as a representative or agent of Stereotaxis, nor will it contract or incur debts or other obligations in the name of or on behalf of Stereotaxis. Stereotaxis shall have no obligation to make withholdings of any kind from amounts payable to Distributor, including without limitation, any obligations for income tax, workers compensation or unemployment compensation.

XIII. Term; Breach and Termination.

A. This Agreement shall be effective as of the date first written above upon signature hereof by the Parties and shall remain in effect through December 31, 2004, unless earlier terminated or extended pursuant to the provisions hereof. This Agreement shall be automatically renewed for one (1) year at the end of the initial term hereof and for successive one-year renewal periods thereafter, unless either Party shall provide written notice to the other Party at least ninety (90) days prior to the end of the initial term or any subsequent one-year renewal thereof.

B. Stereotaxis shall have the right in its discretion and at its option upon the occurrence of any one or more of the following events, to terminate this Agreement by giving notice of such termination to Distributor, the same to become effective upon the giving of such notice or, if so stated in such notice, upon the termination date specified therein:

1. If the Distributor breaches or fails to perform any term or provision hereof, or covenant or obligation herein, or to pay promptly when due any sum owed to Stereotaxis under this Agreement or otherwise and fails to cure it breach or failure to perform within thirty (30) days from reception of written notice from Stereotaxis;

2. If the Distributor is declared insolvent (however defined or evidenced) or commits an act of bankruptcy or assignment for the benefit of creditors or appoints a committee of creditors or makes or sends notice of an intended bulk transfer or if there shall be convened a meeting of the creditors or principal creditors of Distributor;

3. If any petition or application to any court or tribunal, at law or in equity, by or against Distributor, is made for the appointment of a custodian, receiver or trustee for Distributor or for any substantial portion of the property or assets of Distributor;

4. If Distributor shall cease to function as a going concern or if the usual business of Distributor shall be terminated or suspended; or

5. If any representation or warranty or any other statement of fact made to Stereotaxis at any time, whether in writing or orally, by or on behalf of Distributor pursuant to or in connection with this Agreement or otherwise, shall have been false or misleading in any material respect when made.

C. Upon the giving of such notice of termination, Stereotaxis may, at its option, with or without further notice to or

demand upon Distributor, declare all obligations of Distributor to Stereotaxis under this Agreement or otherwise, immediately due and payable.

D. This Agreement (except those covenants, terms and provisions that are intended to survive termination) may be terminated at any time by either Party hereto, in the event there is a Change in Control of either Party, said termination to be effective immediately. "Change in Control" shall be defined as: (i) any merger or other business combination involving either Party after which the former stockholders of such Party own less than two-thirds of the outstanding stock of the surviving company; (ii) any sale of all or substantially all of the assets of either Party, or any similar transaction; or (iii) any transaction or series of related transactions by a Party in which in excess of 50% of the voting securities of such Party are transferred; but will exclude effects on ownership occurring pursuant to a public offering of securities by a Party.

E. The right of termination, as provided herein, is absolute and the parties recognize that termination of this Agreement may result in loss or damage to either Party, but hereby expressly agree that neither Party shall be liable to the other by reason of any loss or damage resulting from the termination of this Agreement by the other for cause including, without limitation, any loss of prospective profits, or any damage occasioned by loss of goodwill or by reason of any expenditures, investments leases or commitments made in anticipation of the continuance of this Agreement. Without limiting the generality of the foregoing reciprocal releases of liability for loss or damage occasioned by termination, Distributor agrees that Stereotaxis may, at any time, be at liberty to negotiate with and appoint any other person, firm or corporation with respect to the replacement of Distributor in whole or in part as a distributor in the Territory, and Stereotaxis shall not be liable or responsible to Distributor for any loss of profits or other damage that may be suffered by Distributor by reason of any publicity attendant upon any such negotiation or appointment or otherwise.

F. Any notice of termination shall be deemed fully and completely given upon the posting of the same by registered or certified mail, return receipt requested, in an envelope properly addressed to the other Party at the address set forth above or to such other or further address as such other Party, by like notice, may have theretofore designated or by personal delivery to the office of the other Party.

XIV. Rights and Obligations of the Parties Upon Termination.

A. Upon the giving by either Party of notice of termination, Stereotaxis shall have the following rights, each exercisable in its sole and absolute discretion:

1. to reject, in whole or in part, any order or orders for the Products theretofore submitted by Distributor;

2. Upon termination of the Agreement, the Distributor shall be entitled to receive the products that are necessary to fill valid and binding orders received from its customers before termination and/or to respect contractual obligation undertaken with Public Hospitals through tendering procedures before termination. To this extent, within 20 days from effective termination date, the Distributor will provide Stereotaxis with a detailed list of the binding orders received from its Customers and of the contractual obligation undertaken to Public Hospital before termination, together with an estimate of the requested delivery dates of such products. For these

supplies, if termination is a consequence of Ab Medica's breach of its contractual obligations, Stereotaxis will be entitled to demand anticipated or immediate payment of the merchandise to be delivered.

3. to purchase from Distributor at such time or times, within the ninety day period immediately following the termination date or such other period as Stereotaxis in its sole discretion may determine, and on the terms and conditions hereinafter set forth all or any portion of Distributor's inventory

of the Products on the termination date, which is defined as the date upon which this Agreement terminates pursuant to any notice of termination provided for by this Agreement.

B. The purchase price of such Products as are undamaged, in original packaging and still listed in Stereotaxis' most current price sheets as of the date of such sale by Distributor to Stereotaxis shall be at Stereotaxis' original invoice price to Distributor less a handling and restocking charge in effect at the time of such purchase (which shall in no event be less than [***] of the price as determined above).

C. If Stereotaxis elects to purchase the Products as provided above, Distributor shall deliver to Stereotaxis, not more than fifteen days after the termination date, an itemized listing showing all such Products on the termination date, together with serial numbers where appropriate. Distributor shall immediately ship and deliver to Stereotaxis at such shipping point as Stereotaxis may designate, the Products to be purchased by Stereotaxis. Stereotaxis shall have the right to inspect and approve the Products so shipped and the sale shall be complete only upon such inspection and written approval by Stereotaxis.

D. The provisions of this Section XI shall survive termination, for whatever reason, of this Agreement.

E. From and after the termination of this Agreement, and such termination notwithstanding, the parties shall remain liable to one another for any and all indebtedness incurred prior to the effective date of such termination and for any breach of the Agreement occurring prior thereto, and for the performance of all obligations hereunder that expressly or impliedly are to survive termination of the Agreement.

F. The acceptance of any order from, or the sale of any Product to, Distributor shall not be deemed a waiver of the effect of such termination or renewal or extension of this Agreement.

XV. Advertising. Distributor agrees to provide Stereotaxis with sample copies (in English) of advertisements and promotional materials prepared by Distributor relating to the Products. Stereotaxis reserves the right to disapprove any advertising used by Distributor in promoting and selling Products, in which case Distributor shall not utilize such advertising. Failure of Stereotaxis to disapprove advertising shall not constitute any waiver of its right of approval of such advertising.

XVI. Parts Purchases/Redemption against Warranties. The dollar value of the replacement parts charged back to Stereotaxis annually under the Product's warranty must not exceed the corresponding dollar value of the parts purchased from Stereotaxis during the prior calendar year. Distributor agrees that all costs and expenses related to any Product's warranty shall be billed to Siemens AG, or a designated affiliate thereof, which shall then bill Stereotaxis directly.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for

confidential treatment.]

XVII. Compliance with Law. In performing under this Agreement and in conducting its business, Distributor shall comply, at Distributor's cost, with all applicable federal, state and local laws, regulations and rules.

XVIII. Indemnity. Distributor shall indemnify, defend and hold Stereotaxis harmless from and against any and all expenses, costs (including reasonable attorney's fees), claims, demands, damages, liability, suits or the like arising from or related to (a) the failure of Distributor to perform any of its obligations hereunder; (b) breach on the part of Distributor of any representation, warranty, covenant, term or provision herein; (c) provision by Distributor of any services or products (other than the Products), including by way of example and not limitation, provision of any replacement parts not supplied by Stereotaxis; or (d) any act or omission on the part of Distributor or its employees, agents or representatives. The provisions of this Section shall survive termination, for whatever reason, of this Agreement.

XIX. Agreement Not Assignable. The rights and privileges granted herein are personal in character and cannot be assigned or transferred by Distributor, by operation of law or otherwise, without the consent in writing of an authorized representative of Stereotaxis and any purported assignment or transfer without such consent shall have no legal effect whatsoever.

XX. Entire Agreement, etc. This Agreement constitutes the entire understanding between the parties and shall be deemed to supersede any and all prior agreements, verbal or written, between the parties. All previous negotiations and representations not included herein are hereby abrogated. Except as provided herein, this Agreement cannot be changed, modified or varied, except by a written instrument signed by the authorized representatives of the parties hereto. The captions of the various sections of this Agreement shall not be construed as a waiver of any such term and the right of Stereotaxis thereafter to enforce such term.

XXI. Governing Law. This Agreement shall be exclusively governed by and construed in accordance with the laws of the State of Delaware, United States of America, without giving effect to any conflict-of-law rules requiring the application of the substantive law of any other jurisdiction; provided, however, that the United Nations Convention on Contracts for the International Sale of Goods shall in no way apply to the interpretation of this Agreement.

XXII. Arbitration.

A. All disputes arising out of or in connection with this Agreement (the "Dispute") including the arbitrability of any Dispute, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "ICC") in effect on the date of this Agreement (the "Rules") by three arbitrators. In the event of a conflict between the Rules and the provisions of this Section, the provisions of this Section shall govern. The place of arbitration shall be in St Louis, Missouri. The arbitration shall be governed by Chapter 2 of the United States Arbitration Act, 9 U.S.C. Sections 201-208. The two arbitrators appointed by the parties shall

appoint the third arbitrator, who shall be neither a citizen nor resident of either the United States or the Territory, within thirty (30) days of the appointment of the second arbitrator. The language of the arbitration shall be English, and all three arbitrators must be fluent in English.

B. Each Party acknowledges and agrees that arbitration pursuant to this Section shall be the sole and exclusive procedure for resolving any Dispute, and that any award rendered by the arbitral tribunal shall be final and binding upon the parties. Judgment upon the award may be entered, and application for judicial confirmation or enforcement of the award may be made, in any competent court having jurisdiction thereof, and the parties hereto submit to the jurisdiction of such court for purposes of enforcement of this Section and any award rendered hereunder.

C. In the event of any Dispute, the parties shall continue to perform their respective obligations under this Agreement during the pendency of arbitration proceedings unless and until the arbitral tribunal otherwise orders.

D. The expenses of the arbitration, including all arbitrators' and attorneys' fees, shall be borne by the non-prevailing Party unless the arbitral tribunal determines that it would be unjust or inequitable by reason of the substantive effect of its award to have one Party bear all such expenses and fees, in which case it shall, in its award, so divide and allocate all such expenses on a basis which it determines to be just and equitable in the circumstances.]

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION, WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date set forth above.

FOR DISTRIBUTOR:

By /s/ Filippo Pacinotti

Name: Filippo Pacinotti
Title: Business Manager Robotics
Company: AB Medica

FOR STEREOTAXIS:

By /s/ Michael P. Kaminski

Name: Michael P. Kaminski
Title: COO
Company: Stereotaxis, Inc.

SCHEDULE ONE - PRODUCTS*

NIOBE(TM) MAGNETIC SYSTEM	001-003000-2
NAVIGANT(TM) ADVANCE USER INTERFACE	020-004500-2
ENDOCARDIAL(TM) APPSPEC	
ENDOVASCULAR(TM) APPSPEC	
HELIOS(TM) ABLATION CATHETER	001-001140-2
HELIOS(TM) CABLE	001-001255-1
CRONUS(TM) PROGRAMMABLE GUIDEWIRE FAMILY ENDOVASCULAR 210CM FULL COAT	001-001096-1

ENDOVASCULAR 300CM FULL COAT	001-001096-2
ENDOVASCULAR 210CM PARTIAL COAT	001-001096-3
ENDOVASCULAR 300CM PARTIAL COAT	001-001096-4
FLOPPY 180CM FULL COAT	001-001232-1
FLOPPY 300CM FULL COAT	001-001232-2
FLOPPY 180CM PARTIAL COAT	001-001232-3
FLOPPY 300CM PARTIAL COAT	001-001232-4
I WIRE 210CM FULL COAT	001-001263-1
I WIRE 210CM PARTIAL COAT	001-001263-3
CARDIODRIVE(TM)	001-001169-3
CONNEXION(TM) VECTOR PEN	503-000763-101

* Products shall not include any products or services which are subject to distribution alliances or agreements with other distributors, including, without limitation, those products or services which are subject to the agreement dated May 7, 2002 between Stereotaxis and Biosense Webster, Inc.

SCHEDULE TWO -
TARGETED SALES QUOTA AGREEMENT

Date:_____

DISTRIBUTOR:_____

Address:_____
_____
_____

Distributor Number:_____

Territory (primary area of responsibility):_____
_____
_____

Minimum/Sales Quota:_____

Special Notes:_____
_____
_____
_____

By:_____
Name:_____
Distributor Representative

By:_____
Name:_____
Stereotaxis Representative

SCHEDULE THREE -
PRICES

NIOBE(TM) MAGNETIC SYSTEM	001-003000-2	[***]
NAVIGANT(TM) ADVANCE USER INTERFACE	020-004500-2	
ANNUAL LICENSING FEE AFTER 1ST YEAR		[***]
HELIOS(TM) ABLATION CATHETER	001-001140-2	[***]
HELIOS(TM) CABLE	001-001255-1	[***]
CRONUS(TM) PROGRAMMABLE GUIDEWIRE FAMILY		
ENDOVASCULAR 210CM FULL COAT	001-001096-1	[***]
ENDOVASCULAR 300CM FULL COAT	001-001096-2	[***]
ENDOVASCULAR 210CM PARTIAL COAT	001-001096-3	[***]
ENDOVASCULAR 300CM PARTIAL COAT	001-001096-4	[***]
FLOPPY 180CM FULL COAT	001-001232-1	[***]

FLOPPY 300CM FULL COAT	001-001232-2	[***]
FLOPPY 180CM PARTIAL COAT	001-001232-3	[***]
FLOPPY 300CM PARTIAL COAT	001-001232-4	[***]
I WIRE 210CM FULL COAT	001-001263-1	[***]
I WIRE 210CM PARTIAL COAT	001-001263-3	[***]
CARDIODRIVE(TM)	001-001169-3	[***]
CONNEXION(TM) VECTOR PEN	503-000763-101	[***]

*Pricing on the Niobe Magnetic System is for systems sold through March 2004.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

SCHEDULE FOUR - STANDARD TERMS AND CONDITIONS

1. GENERAL

1.1 Contract Terms

These terms and conditions constitute an integral part of the quotation to which they are attached ("the Quotation") provided by the Seller to sell products ("Products", which includes the Niobe Magnetic Navigation System) to Purchaser and will govern the sale of the Products. Seller will not be bound by, and specifically objects to, any term, condition or other provisions which are different from or in addition to the provisions of this Agreement (whether or not it would materially alter this Agreement) which is proffered by Purchaser in any purchase order, receipt, acceptance, confirmation, correspondence or otherwise, unless Seller specifically agrees to any such provision in writing signed by Seller. Products may contain used, reworked or refurbished parts and components that comply with performance and reliability specifications. Purchaser acknowledges that this is a commercial and not a consumer transaction.

1.2 Acceptance

Acceptance of an order by Seller is expressly made conditional on Purchaser's acceptance of these terms and conditions. Purchaser will be deemed to have assented to Purchaser's completion or execution of this Agreement and Purchaser's acceptance of all or any part of the Products subject to this Agreement or by issuance of a purchase order to Seller pursuant to the Quotation ("Purchase Order).

1.3 Authorized Use

In order to ensure patient safety Purchaser agrees that it will not use or permit others to use the Niobe Magnetic Navigation System with any disposable devices, software or other accessories except those provided by or approved in writing by Seller or with any fluoroscopy system other than the Siemens ARTIS FD digital fluoroscopy system or any other fluoroscopy system approved in writing by Seller. Purchaser further agrees that it will not modify the Niobe Magnetic Navigation System or any of devices or software provided by Seller for use with the system.

2. PRICING

2.1 Quotations

Unless otherwise agreed to in writing or set forth in the quotation, all prices quoted by Seller are based on U.S. dollars F.O.B. Seller's facility or other shipping point and include standard and customary packaging. Domestic prices apply only to purchasers located in, and who will use the Products in, the U.S. International prices apply to all purchasers located outside of, or who will use or ship or facilitate shipment of the Products outside of, the U.S. Unless otherwise stated, the Quotation will only be valid for forty-five (45) days from the date thereof.

2.2 Delay in Acceptance of Delivery

Should the agreed delivery date be postponed by Purchaser, Seller will have the right to delivery to storage at Purchaser's risk and expense, and any payments

due upon delivery will become on the agreed delivery date provided Seller is ready to deliver.

2.3 Escalation

Unless otherwise agreed to in writing, except as to goods to be delivered within six (6) months of Seller's acceptance by Seller of Purchaser's order, Seller reserves the right to increase its prices to those in effect at the time of shipment.

2.4 Disposable Devices

Seller will make available to Purchaser from during the life of the Niobe Magnetic Navigation System such disposable devices as are cleared by applicable regulatory bodies for use with such system on reasonable commercial terms and in a manner consistent with Seller's then general pricing and other practices in respect of the same.

3. TAXES

Any sales, use or manufacturer's tax which may be imposed upon the sale or use of Products, or any property tax levied after readiness to ship, or any excise tax, license or similar fee required under this transaction, will be in addition to the quoted prices and will be paid by Purchaser.

4. TERMS OF PAYMENT

4.1 Due Date

Unless otherwise set forth in the Quotation, Seller's payment terms are as follows: an initial deposit of 10% of the purchase price for each Product is due upon submission of the purchase order, an additional 80% of the purchase price for each Product is due upon its delivery and the final 10% of purchase price is due upon completion of installation (or in the case of Products for which no installation is required, upon delivery of the Product). Unless otherwise agreed, all payments other than the initial deposit are due net thirty (30) days from the date of invoice. Unless otherwise agreed to in writing, all amounts payable pursuant to this Agreement are denominated in United States dollars, and Purchaser will pay all such amounts in lawful money of the United States. Partial shipments will be billed as made, and payments for such shipments will be made in accordance with the foregoing payment terms.

4.2 Late Payment

A service charge of 1 1/2% per month, not to exceed the maximum rate allowed by law, will be made on any portion of Purchaser's outstanding balance which is not paid within thirty (30) days after invoice date, which charge will be determined and compounded on a daily basis from the due date until the date paid. Payment of such service charge will not excuse or cure Purchaser's breach or default for late payment. In addition, in the event that Purchaser fails to make any payment to Seller within this thirty (30) day

period, including but not limited to any payment with Seller, then Seller will have no obligation to continue performance under any agreement with Purchaser.

4.3 Payment of Lesser Amount

If Purchaser pays, or Seller otherwise receives, a lesser amount than the full amount provided for under this Agreement, such payment or receipt will not constitute or be construed other than as on account of the earliest amount due Seller. Seller may accept any check or payment in any amount without prejudice to Seller's right to recover the balance of the amount due or pursue any other right or remedy. No endorsement or statement on any check or payment will constitute or be construed as an accord or satisfaction.

4.4 Where Upon Installation or Completion

In respect of amounts payable upon completion of installation, where such completion is delayed for any reason for which Seller is not responsible, the Products will be deemed installed within 30 days of delivery and, if no other terms were agreed in writing by the parties, the balance of payments will be due no later than thirty (30) days thereafter, regardless of the actual date of completion of installation.

4.5 Failure of Purchaser to Pay

Upon Purchaser's failure to pay when due any amount required to be paid to Seller under this Agreement the, at Seller's election: (a) the entire amount of any indebtedness and obligation due Seller under this Agreement and interest thereon will become immediately due and payable without notice, demand, or period of grace; (b) Purchaser will put Seller in possession of the Products upon demand; (c) Seller may enter any premises where the Products are located and take possession of the Products without notice or demand and without legal proceedings; or (d) at the request of Seller, Purchaser will assemble the Products and make them available to Seller at a place designated by Seller which is reasonable and convenient to all parties. Where this Agreement is referred to an attorney for collection or realization then Seller will be entitled to recover amounts including, without limitation, a reasonable sum for attorneys fees, expenses of title search, all court costs and other reasonable legal expenses and where any partial collection is made, Purchaser will pay any deficiency remaining after collection of or realization by Seller on the Products.

5. EXPORT TERMS

5.1 Permits & Licenses

Purchaser will procure all necessary permits and licenses for shipment and compliance with any governmental regulations concerning control of final destination of Products.

5.2 Compliance With Regulations

Purchaser will not, directly or indirectly, violate any applicable law, regulation or treaty, or any other international treaty or agreement relating to the export or re-export of any Product or associated technical data, to which the U.S. adheres or with which the U.S. complies. Purchaser will defend, indemnify and hold Seller harmless from any claim, damage, liability or expense (including but not limited to reasonable attorney fees) arising out of or in connection with any violation of the preceding sentence. If Purchaser purchases a Product at the domestic price and exports such Product, or transfers such Product to a third party for export, outside of the U.S., Purchaser will pay to Seller the difference between the domestic price and the international retail price of such Product pursuant to the payment terms set forth herein. Purchaser will deliver to Seller, upon Seller's request, written assurance regarding compliance with this section in form and content reasonably acceptable to Seller.

6. DELIVERY, RISK OF LOSS

6.1 Delivery Date

Delivery and completion schedules are approximate only and are based on conditions at the time of acceptance of Purchaser's order by Seller. Seller will make every reasonable effort to meet delivery date(s) quoted or acknowledged, but will not be liable for any failure to meet such date(s). Partial shipments may be made.

6.2 Risk of Loss, Title

Unless otherwise agreed to in writing, delivery will be complete upon transfer of possession to common carrier, F.O.B. point of origin, whereupon title to and all risk of loss, damage to or destruction of the Products will pass to Purchaser. All freight charges and other transportation, packing and insurance costs, license fees, customer duties and other similar charges will be the sole responsibility of the Purchaser unless otherwise agreed to in writing by the Seller. In the event of any loss or damage to any of the Products during shipment, Purchaser should make claim against the carrier.

7. SECURITY AND INTEREST/FILING

Seller will have a purchase money security interest in the Products (and all accessories and replacements thereto and all proceeds thereof) until payment in full by Purchaser and satisfaction of all other obligations of Purchaser hereunder. Purchaser authorizes Seller to file (and Purchaser will promptly execute, if requested by Seller) and (ii) irrevocably appoints Seller its agent and attomey-in-fact to execute in the name of Purchaser and file, with such authorities and at such locations as Seller may deem appropriate, any financing

statements required by applicable regulation with respect to the Products and/or this Agreement. Purchaser also agrees that an original or a photocopy of this Agreement (including any addenda, attachments and amendments hereto) may be filed by Seller as a Uniform Commercial Code financing statement in the U.S. Purchaser further represents and covenants that (a) it will keep the Products in good order and repair until the purchase price has been paid in full, (b) it will promptly pay all taxes and assessments upon the Products or the use thereof, (c) it will not attempt to transfer any interest in the Products until the purchase price has been paid in full, and (d) it is solvent and financially capable of paying the full purchase price for the Products.

8. CHANGES, CANCELLATION, AND RETURN

8.1 Orders Final

Orders accepted by Seller are not subject to change except upon written agreement. Orders accepted by Seller are non-cancelable.

8.2 Design Updates

Seller will have the right to change the manufacture and/or design of its Products if, in the judgment of Seller, such change does not alter the general function of the Products.

9. FORCE MAJEURE

Seller will make every effort to complete shipment, and installation where indicated, but will not be liable for any loss or damage for delay in delivery, inability to install or any other failure to perform due to causes beyond its reasonable control including, but not limited to, acts of government or compliance with any governmental rules or regulations, acts of God or the public, war, civil commotion, blockades, embargos, calamities, floods, fires, earthquakes, explosions, storms, strikes, lockouts, labor disputes, or unavailability of labor, raw materials, power or supplies. Should such a delay occur, Seller may reasonably extend delivery or production schedules or, at its option, cancel the order in whole or part without liability other than to return any unearned deposit or prepayment.

10. WARRANTY

10.1 Seller warrants that the Products manufactured by Seller and sold hereunder will be free from defects in material or workmanship under normal use and service for the period a period of one year following completion of installation in accordance with 12.6 hereof, which date will be confirmed in writing by Seller. Seller makes no warranty for any Products made by persons other than Seller, or its affiliates, and Purchaser's sole warranty therefore, if any, is the original manufacturer's warranty, which Seller agrees to pass on it Purchaser, as applicable.

10.2 No warranty extended by Seller will apply to any Products which have been damaged by accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence as described in Section 9 hereof or by the Purchaser's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Purchaser or any third party or due to the attachment and/or use of non-Seller supplied equipment without Seller's prior written approval; which failed due to causes from the use of operating supplies or consumable parts not approved by Seller. In addition and without limitation, no warranty extended by Seller will apply to any failure to comply with Section 1.3 or any failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over cables, or delamination from cleaning with inappropriate solutions. Seller's obligation under this warranty is limited to the repair or replacement, at Seller's option, of defective parts. Seller may effectuate such repair at Purchaser's facility, and Purchaser will furnish Seller safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements will not interrupt, extend or prolong the term of the warranty. Purchaser will pay seller its normal charges for service and parts for any inspection, repair or replacement that is not, in Seller's sole judgment, required by noncompliance with the warranty set forth in Section 10.1. Seller's warranty does not apply to consumable materials, except as specifically stated in writing, nor to products or parts thereof

supplied by Purchaser.

10.3 This warranty is made on condition that immediate written notice of any noncompliance is given to Seller and Seller's inspection reveals that the Purchaser's claim is valid under the terms of the warranty (i.e. that the noncompliance is due to traceable defects in original materials and/or workmanship).

10.4 Warranty service will be provided without charge during Seller's regular working hours (8:30 - 5:00), Monday through Friday, except Seller's recognized holidays. If Purchaser requires that service be performed other than during these times, such service can be made available at an additional charge, at Seller's then current rates. Seller may utilize sub-contractors for purposes of carrying out warranty service.

SELLER MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN, WHICH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE ONLY WARRANTY MADE WITH RESPECT TO THE PRODUCTS AND ANY PRODUCT, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.

11. LIMITATION OF LIABILITY

11.1 In no event will Seller's liability hereunder exceed the actual loss or damage sustained by Purchaser, up to the purchase price of the Products.

11.2 SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS, LOSS OF STORED, TRANSMITTED OR RECORDED DATA, OR FOR ANY INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. This provision does not affect third party claims for personal injury arising as a result of Seller's negligence or product defect. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

12. INSTALLATION

12.1 General

Unless otherwise expressly stipulated in writing, the Products covered hereby will be installed (where applicable) by and at the expense of Seller.

12.2 Installation bv Seller.

Subject to fulfillment of the obligations set forth in 12.4 below, Seller will install the Products covered hereby and connect same to the requisite safety switches and power lines to be installed by Purchaser. Except as otherwise specified below, if such installation and connection are performed by Seller's technical personnel, prices shown include the cost thereof, provided that the installation

and connection can be performed during normal business hours. Any overtime charges or other special expenses will be additional charges to the prices show.

12.3 Trade Unions

If a trade union, or unions, prevents Seller from performing the above work, the Purchaser will make all required arrangements with the trade union, or unions, to permit Seller completion of said work. Moreover, any additional costs related to such any such arrangements or labor disputes will be paid by the Purchaser and Seller's obligations under such circumstances will be limited to providing engineering supervision of installation and connection of Seller equipment to existing wiring.

12.4 Purchaser's Obligations

Purchaser will, at its expense, provide all proper and necessary labor and materials for plumbing service, carpentry work, conduit wiring, and other preparations required for such installation and connection. All such labor and materials will be completed and available at the time of delivery of the Products by Seller. Additionally, the Purchaser will provide free access to the premises of installation and, if necessary, safe and secure space thereon for storage of Products and equipment prior to installation by Seller. If any

special work of any type must be performed in order to comply with requirements of any governmental authority, including procurement of special certificates, permits and approvals, the same will be performed or procured by Purchaser at Purchaser's expense. Purchaser will provide a suitable environment for the Products and will ensure, at its sole cost and expense, that its premises are free of asbestos, hazardous conditions and any concealed dangerous conditions and that all site requirements are met. Purchase is responsible for ensuring compliance with local regulations relating to installation. Seller is not an architect and all drawings furnished by Seller are not construction drawings.

12.5 Regulatory Reporting

Seller will only report activity performed by its authorized personnel and in all other respects Purchaser will be responsible for fulfilling any and all regulatory reporting requirements.

12.6 Completion of Installation

Installation will be complete upon the conclusion of final calibration and checkout under Seller standard procedures to verify that the Products meet applicable written performance specifications. Notwithstanding the foregoing, first use of the Products by Purchaser, its agents or employees for any purpose after delivery will constitute completion of installation.

13. INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS

13.1 Infringement by Seller.

Seller warrants that the Products manufactured by Seller and sold hereunder do not infringe any patent or copyright in the country of the installation site identified in the Quotation. If Purchaser receives a claim that any such Product, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright Purchaser will notify the Seller in writing. As to all infringement claims relating to Products or parts manufactured by Seller or one of its affiliates:

(a) Purchaser will give Seller information, assistance and exclusive authority to evaluate, defend and settle such claims; and

(b) Seller will then, at its own expense, defend or settle such claims, procure for the Purchaser the right to use the Products, or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Seller, then Purchaser will return the Products to Seller and Seller will refund to Purchaser the purchase price paid by the Purchaser less reasonable depreciation for Purchaser's use of the Products.

13.2 Infringement bv Purchaser

If some or all of the Products sold hereunder are made by Seller pursuant to drawings or specifications furnished by the Purchaser, or if the Purchaser modifies or combines, operates or uses the Products other than as specified by Seller or with any product, data, software, apparatus or program not provided or approved by Seller, then the indemnity obligation of Seller under Section 13.1 will be null and void and should a claim be made that such Products infringe the rights of any third party under patent, trademark or otherwise, then Purchaser will indemnify and hold Seller harmless against any liability or expense, including reasonable attorneys fees, incurred by Seller in connection therewith.

14. DESIGNS AND TRADE SECRETS/LICENSE

14.1 Any drawings, data, designs, software programs or other technical or confidential information supplied by Seller to Purchaser in connection with the sale of the Products are not included in the sale of the Products to Purchaser, will remain Seller's property and will at all times be held in confidence by Purchaser. Such information will not be reproduced or disclosed to others without Seller's prior written consent.

14.2 Purchaser acknowledges and agrees that any and all software incorporated into the Niobe Magnetic Navigation System, or contained or comprised in any Products or other accessories provided by Seller to Purchaser for use with the Niobe Magnetic Navigation System remains the property of Seller or where applicable, its licensor(s) and is licensed to Purchaser on a non exclusive, non-transferable basis (for the license fees described in the Quotation) not sold. This software is the confidential information of Seller and Purchaser will not copy or modify this software, reverse engineer, decompile or

disassemble or use this software except in conjunction with the Niobe Magnetic Navigation System at the installation site. Notwithstanding anything else contained in this Agreement there is no warranty or condition of non-infringement, quiet enjoyment or possession or title regarding such software. Purchaser acknowledges that the software is of such complexity that it may have inherent or latent defects and agrees that its sole remedy for any defects during the warranty period is that Seller will correct documented software errors. There are no licenses or rights in respect of software upgrades or future software products implied or provided for by this Agreement

14.3 Purchaser agrees that it will not use the Products in a manner that infringes any of Seller's patents.

15. ENGINEERING CHANGES

Seller makes no representation that engineering changes that may be announced in the future will be suitable for use on, or in connection with, the Products.

16. ASSIGNMENT

Neither party may assign any right or obligations under this Agreement without the written consent of the other and any attempt to do so will be void, except that Seller may assign this Agreement without consent to any subsidiary or affiliated company or an acquirer of all or a substantial portion of the assets of Seller. This Agreement will inure to and be binding upon the parties and their respective successors, permitted assigns and legal representatives.

17. DAMAGES, COSTS AND FEES

In the event that any dispute or difference is brought arising from or relating to this Agreement or the breach, termination or validity thereof, the prevailing party will NOT be entitled to recover from the other party any punitive damages. The prevailing party will be entitled to recover from the other party all reasonable attorneys fees incurred, together with other such expenses, costs and disbursements as may be allowed by law.

18. MODIFICATION

This Agreement may not be changed, modified or amended except in writing signed by duly authorized representatives of the parties.

19. GOVERNING LAW

This Agreement will be governed by the laws of the State of Delaware.

20. INTEGRATION

These terms and conditions, including any attachments or other documents incorporated by reference herein, constitute the entire agreement and the complete and exclusive statement of agreement with respect to the subject matter hereof, and supercedes any and all prior agreements, understandings and communications between the parties with respect to the Products.

21. SEVERABILITY; HEADINGS

No provision of this Agreement that may be deemed unenforceable will in any way invalidate any other portion or provision of this Agreement. Section headings are for convenience only and will have no substantive effect.

22. WAIVER

No failure and no delay in exercising, on the part of any party, any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude the further exercise of any other right.

23. NOTICES

Any notice or other communication under this Agreement will be deemed properly given if given in writing and delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at its address specified on the face hereof. Either party may from time to time change such address by giving the other party notice of such change in accordance with this section.

24. RIGHTS CUMULATIVE

The rights and remedies afforded to Seller under this Agreement are in addition to, and do not in any way limit, any other rights or remedies afforded to Seller by any other agreement, by law or otherwise.

25. END USER CERTIFICATION

Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for lease back financing)

26. TRANSFER OF PRODUCTS

Purchaser grants Seller a right of first refusal on substantially equivalent terms with respect to any proposed sale of any Products to any third part

EXHIBIT 10.31

RETIREMENT AND CONSULTING AGREEMENT

THIS Retirement and Consulting Agreement ("Agreement") is made and entered into by and between Nicola Young (hereinafter "Young" or "you" or "your"), and Stereotaxis, Inc. ("Stereotaxis"," "Company" or "we" or "us"). For and in consideration of the following promises, the parties agree to the following:

WHEREAS, for medical reasons and following a leave of absence YOUNG has submitted her resignation from STEREOTAXIS effective December 1, 2003 ("Effective Date") and STEREOTAXIS has with regret accepted such resignation.

WHEREAS, the parties acknowledge that Young has made substantial contributions to the success of Stereotaxis that the parties desire that YOUNG will continue to contribute financial advisory and transaction management services to STEREOTAXIS going forward at least until July 31, 2004 or such later date as is mutually agreed ("Finish Date") on the terms set forth in this Retirement and Consulting Agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and undertakings hereinafter set forth, and for other good and valuable consideration, which each party hereby acknowledges, it is agreed as follows:

1. Young will provide Stereotaxis with ongoing financial advisory and transaction management services ("Consulting Services") during reasonable working hours and including advising as to and conducting work regarding:

   a. Negotiation, documentation and due diligence relating to strategic alliances and business combinations;

   b. Budgeting;

   c. Financial modeling and forecasting;

   d. Due diligence relating to financing activities including an initial public offering ("IPO") of the common stock of the Company and including making presentations to underwriters and others in this regard;

   e. The drafting relating to an IPO;

   f. Preparation of audiovisual and verbal presentations for an IPO "roadshow"; and

   g. Investor relations;

   and such other services as are mutually agreed. In this regard the parties agree to minimize Young's air travel subject to providing reasonably appropriate services to the Company.

2. Young and Stereotaxis may agree upon a later Finish Date, including agreeing on month to month extensions, on the same terms as set forth in this agreement.

3. Compensation For Consulting Services. Compensation to Young from Stereotaxis for the Consulting Services will comprise the cash, stock and other elements set forth in the Appendix hereto.

4. Standard Release of Claims. Young agrees to execute upon request by Stereotaxis and effective as at December 1, 2003 the Company's standard form release of claims applicable in context of a senior executive's resignation provided that such release is on reasonable commercial terms.

5. Choice of Law. This Agreement shall be construed and governed by the

laws of the State of Missouri.

6. Modification, Entire Agreement, Severability. The parties acknowledge that this Agreement and the Standard Release of Claims constitutes the entire agreement between them superseding all prior written and oral agreements regarding your separation, and there are no other understandings or agreements, written or oral, among them on the subject of your separation. The parties hereto agree that this Agreement may not be modified, altered, or changed except by a written agreement signed by the parties hereto. If any provision of this Agreement is held to be invalid, the remaining provisions shall remain in full force and effect.

7. Confidential Information. Young agrees to abide by the confidentiality agreement set forth in your employment agreement signed on January 15, 2001. Young agrees to adhere to this commitment now and in the future.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement, effective as of the Effective Date.

/s/ Nicola Young

Nicola Young

STEREOTAXIS, INC.

By:/s/ John Aplin

John Aplin, Director

APPENDIX
COMPENSATION FOR CONSULTING SERVICES

Payments and Benefits. In return for the Consulting Services, Stereotaxis will provide to Young the payments and benefits described below.

(A) Cash Payments; Loan Repayment. Young will be paid the sum of $18,200 per month in semi-monthly increments commencing December 1, 2003. After January 1, 2004, Stereotaxis may accelerate that monthly payment. Young agrees to repay the outstanding principal and interest of the Promissory Note dated November 20, 2001 made by Young in favor of the Company by exchanging a number of shares of the Company's common stock owned by Young on a date (the "Exchange Date") which is the earlier of (i) the date of the pricing of an initial public offering of the Company's common stock pursuant to a registration statement filed the Company on Form S-1 with the SEC (with settlement and exchange of the shares in such case to occur one day following such closing) or (ii) August 31, 2004 or, if later, the Finish Date. The number of shares that will be exchanged will be equal to (a) the outstanding principal and interest on the Promissory Note as of the Exchange Date, divided by (b) the per share value of the common stock, which per share value shall be equal to (x) in the event of an initial public offering, the per share offering price to the public (before underwriting discounts and commissions) or (y) otherwise, the then current value per common share as determined by the Compensation Committee of the Company. Young agrees that interest will continue to accrue in respect of the promissory note until the Exchange Date. The number and value of the shares shall take into account any stock splits that may be effected in connection

with the initial public offering.

(B) Early Exercise Shares; Stock Options.

(i) Early Exercise Shares. The parties acknowledge that a certain number of the 400,000 shares of the Company's Common Stock you purchased pursuant to that certain Early Exercise Agreement dated as of November 20, 2001 will be subject to the Purchase Option (as defined in the Early Exercise Agreement) as of December 1, 2003. Stereotaxis agrees that it will exercise its Purchase Option for 50,000 of such shares at $0.30 per share for an aggregate consideration of $15,000. The parties agree that the Company shall continue to hold the shares which it currently holds and which are not so repurchased by the Company in escrow to facilitate the share exchange described in Section (A) of this Appendix. Immediately following the determination of the number of shares to be exchanged, the Company shall, upon receipt of a stock power from you, issue a certificate to you and deliver it at your direction for the balance of such shares.

(ii) Stock Options. As to the remaining incentive stock options granted to you under the Stock Option Agreement dated February 19, 2002 (25,000 shares) and the Stock Option Agreement dated May 28, 2003 (150,000 shares), we understand that you do not currently intend to exercise any options vested under such agreements within 90 days of the Effective Date. Accordingly, we will amend those Stock Option Agreements to provide that they will continue to vest on their current schedule through the Finish Date, which will cause such options to be treated as non-qualified options. In the case of the Stock Option Agreement dated February 19, 2002, this may require the Company to amend its 1994 Stock Option Plan, and the Company shall take all reasonable steps to accomplish such amendment unless there are formidable impediments to achieving such amendment.

(C) Performance Bonus. You will receive a performance bonus for fiscal year 2003 in the amount of Forty-five thousand dollars ($45,000.00). Such bonus will be paid by Stereotaxis at the same time otherwise paid to eligible employees during calendar 2004.

(D) Indemnification. Stereotaxis will indemnify you and your estate against any claims made against you in your capacity as an officer of Stereotaxis for actions arising out of or in the course of your employment while an officer of Stereotaxis and for such actions arising out of or in the course of your consulting services to the Company described above.

(E) Health Insurance Continuation. Stereotaxis shall continue your current healthcare coverage under the Company's healthcare policy for the same period set forth in paragraph 1(A) above, the consulting period, or, if not available, then we will pay your COBRA payments for said period, after which time such benefits will cease unless you choose to continue healthcare benefits pursuant to COBRA.

(F) Vacation Pay. On or by November 30, 2003 or the next following payroll period, Stereotaxis will pay you all accrued, but unused vacation compensation.

(G) Moving Expenses. Stereotaxis will reimburse you for your reasonable moving expenses to Arizona from St. Louis provided that such reimbursement will not exceed the amount of Ten thousand dollars ($10,000).

(H) Vested Rights. The parties agree that this Agreement shall not adversely affect, alter, or extinguish any vested rights you may have with respect to any pension or 401k plan to which you

are or may be entitled by virtue of your employment with Stereotaxis, and nothing in this Agreement will prohibit you from enforcing your rights to any such pension or 401k plan.