

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	Promissory Note		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
PRORHYTHM, INC.		09/15/2008	CORPORATION: DELAWARE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	BOSTON SCIENTIFIC SCIMED, INC.		
<b>Street Address:</b>	One Scimed Place		
<b>City:</b>	Maple Grove		
<b>State/Country:</b>	MINNESOTA		
<b>Postal Code:</b>	55311-1565		
<b>Entity Type:</b>	CORPORATION: MINNESOTA		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	2656795	TRANSURGICAL	
<b>Registration Number:</b>	3269085	PRORHYTHM	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(650)849-4800		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	(650)849-4400		
<b>Email:</b>	mary.zimmerman@bingham.com		
<b>Correspondent Name:</b>	Mary R. Zimmerman		
<b>Address Line 1:</b>	Bingham McCutchen LLP		
<b>Address Line 2:</b>	Three Embarcadero Center		
<b>Address Line 4:</b>	SAN FRANCISCO, CALIFORNIA 94111-4067		
<b>ATTORNEY DOCKET NUMBER:</b>	0000333834		
<b>NAME OF SUBMITTER:</b>	Mary R. Zimmerman		
<b>Signature:</b>	/Mary R. Zimmerman/		

CH \$65.00 2656795

Date:

10/01/2008

**Total Attachments: 34**

source=PromissoryNote\_091508#page1.tif  
source=PromissoryNote\_091508#page2.tif  
source=PromissoryNote\_091508#page3.tif  
source=PromissoryNote\_091508#page4.tif  
source=PromissoryNote\_091508#page5.tif  
source=PromissoryNote\_091508#page6.tif  
source=PromissoryNote\_091508#page7.tif  
source=PromissoryNote\_091508#page8.tif  
source=PromissoryNote\_091508#page9.tif  
source=PromissoryNote\_091508#page10.tif  
source=PromissoryNote\_091508#page11.tif  
source=PromissoryNote\_091508#page12.tif  
source=PromissoryNote\_091508#page13.tif  
source=PromissoryNote\_091508#page14.tif  
source=PromissoryNote\_091508#page15.tif  
source=PromissoryNote\_091508#page16.tif  
source=PromissoryNote\_091508#page17.tif  
source=PromissoryNote\_091508#page18.tif  
source=PromissoryNote\_091508#page19.tif  
source=PromissoryNote\_091508#page20.tif  
source=PromissoryNote\_091508#page21.tif  
source=PromissoryNote\_091508#page22.tif  
source=PromissoryNote\_091508#page23.tif  
source=PromissoryNote\_091508#page24.tif  
source=PromissoryNote\_091508#page25.tif  
source=PromissoryNote\_091508#page26.tif  
source=PromissoryNote\_091508#page27.tif  
source=PromissoryNote\_091508#page28.tif  
source=PromissoryNote\_091508#page29.tif  
source=PromissoryNote\_091508#page30.tif  
source=PromissoryNote\_091508#page31.tif  
source=PromissoryNote\_091508#page32.tif  
source=PromissoryNote\_091508#page33.tif  
source=PromissoryNote\_091508#page34.tif

PROMISSORY NOTE

\$4,950,000.00

New York, New York  
September 15, 2008

FOR VALUE RECEIVED, PRORHYTHM, INC., a Delaware corporation with its chief executive offices at 105 Comac Street, Ronkonkoma, New York 11779, as debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code (as defined below) (hereinafter called the "Borrower"), promises to pay to the order of BOSTON SCIENTIFIC SCIMED, INC., a Minnesota corporation (hereinafter called the "Lender"), at its office at One Scimed Place, Maple Grove, Minnesota, or at such other place as the holder of this Promissory Note (this "Note") may from time to time designate in writing, the principal sum of FOUR MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$4,950,000) (the "Loan").

1. Definitions. As used herein, the following terms have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Adverse Bankruptcy Action" means any action (a) to challenge the validity, amount, priority, perfection or enforceability of the Lender's claims and liens granted in connection with this Note; (b) to invalidate, set aside, avoid or subordinate in whole or in part any of the Lender's claims or liens or to hinder or delay the Lender in any material respect in asserting or enforcing its claims and Liens; (c) to request to use cash collateral of the Lender without the Lender's consent; (d) to commence any action or proceeding on any claims, cause of action or defenses against the Lender or its officers, directors, employees, agents, attorneys, affiliates, assigns or successors, including without limitation any attempt to recover on an action taken by or on behalf of the Borrower, its bankruptcy estate, a bankruptcy trustee or a statutory committee under chapter 5 or section 724(a) of the Bankruptcy Code and proceeds thereof; (e) to authorize the Borrower to obtain post-petition credit or other financial accommodations pursuant to section 364(c) or (d) of the Bankruptcy Code other than from the Lender without the Lender's consent; or (f) that has or could have the effect of materially and adversely modifying or comprising the rights and remedies of the Lender or that is contrary, in a manner that is material and adverse to the Lender, to any term or condition set forth in this Note, or the Financing Order.

"Asset Purchase Agreement" means the Asset Purchase Agreement dated as of August 19, 2008 between the Borrower and the Lender.

"Asset Sale" means the sale, conveyance, transfer, lease or other disposition by the Borrower of any of its assets or any interest therein to any Person.

"Bankruptcy Code" means title 11 of United States Code, as amended from time to time.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware presiding over the Case.

A/72633617.2

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City.

"Carve Out" has the meaning set forth in the Financing Order.

"Case" means the bankruptcy case commenced by the filing of the voluntary petition for relief under chapter 11 of the Bankruptcy Code by the Borrower with the Bankruptcy Court.

"Closing Date" means the date on which the Loan is made hereunder on or after the date of this Note.

"Collateral" has the meaning specified in Section 7. All defined terms used in Section 7 and not otherwise defined herein shall have the meaning specified in Article 9 of the UCC.

"Contingent Payment" has the meaning specified in the Asset Purchase Agreement.

"Dispositive Bankruptcy Action" means any of the following actions: (a) to dismiss the Case; (b) to convert the same to a case under chapter 7 of the Bankruptcy Code; (c) seeking the appointment of a trustee or an examiner with enlarged powers to operate the Borrower's business; (d) the granting of a lien in parity with or of superior priority to the Lender's without the Lender's consent; (e) to stay, vacate or modify the Financing Order without the Lender's consent; or (f) relief from the automatic stay or any other injunction with similar effect to allow a third party to proceed against any material property or assets of the Borrower.

"Event of Default" has the meaning specified in Section 12.

"Financing Order" means an order of the Bankruptcy Court pursuant to section 364 of the Bankruptcy Code, approving this Note and any other loan documents and authorizing the incurrence by the Borrower of permanent post-petition secured and super-priority indebtedness in accordance with this Note, as to which no stay has been entered and which has not been reversed, modified, vacated or overturned, and which is in form and substance satisfactory to the Lender.

"Governmental Authority" means any nation, sovereign or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Indebtedness" means all liabilities, obligations and indebtedness of the Borrower to any Person, of any kind or nature, now or hereafter owing, arising, due or payable, howsoever evidenced, created, incurred, acquired, or owing, whether primary, secondary, direct, or indirect, contingent, fixed, or otherwise, consisting of indebtedness for borrowed money or the deferred purchase price of property.

"Intellectual Property" means, collectively, all rights, priorities and privileges of the Borrower relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses and trade secrets, and all rights to sue at law or in equity for any

infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Lien" means any mortgage, deed of trust, pledge, assignment, charge, deposit arrangement, encumbrance, lien (statutory or other), security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever intended to assure payment of any Indebtedness or other obligation.

"Loan" has the meaning specified in the preamble.

"Maturity Date" means the earliest of: (a) the fourth anniversary of the Closing Date; (b) the date on which a chapter 11 plan of reorganization for the Borrower which is not reasonably acceptable to the Lender becomes effective; and (c) the occurrence of an Event of Default, subject to applicable cure periods, if any.

"Net Cash Proceeds" means proceeds received by the Borrower after the Closing Date in cash from any (a) Asset Sale net of (i) reasonable cash costs of sale, including reasonable attorneys' fees and commissions or other broker fees, (ii) taxes paid or payable as a result thereof and (iii) any amount required by the Bankruptcy Court to be paid or prepaid on Indebtedness (other than the Obligations) secured by a perfected and unavoidable Lien on the assets subject to such Asset Sale or (b) Property Loss Event.

"Obligations" means the Loan and all other amounts, obligations, covenants and duties owing by the Borrower to the Lender of every type and description, arising under this Note or any other loan document, on or after the Closing Date, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and whether or not evidenced by any note, or other instrument or for the payment of money, including all fees, interest, charges, expenses, attorneys' fees and disbursements and other sums chargeable to the Borrower under this Note.

"Person" means an individual, partnership, corporation, joint stock company, estate, trust, limited liability company, unincorporated association, joint venture or other entity or a Governmental Authority.

"Petition Date" means the date that the Case was commenced.

"Property Loss Event" means any loss of or damage to property of the Borrower that results in the receipt by such Person of proceeds of insurance or any taking of property of the Borrower by a Governmental Authority that results in receipt by Borrower of a compensation payment, in either case in excess of \$50,000.

"Pre-Existing Lien" has the meaning set forth in the Financing Order.

"Qualified Event" means a reorganization plan shall be filed and confirmed in the Chapter 11 Case, upon terms and conditions satisfactory to the Lender.

"Requirements of Law" means all federal, state, local and foreign laws, rules and regulations, orders, judgments, decrees and other legal requirements or determinations of any

Governmental Authority or arbitrator, applicable to or binding upon the Borrower or any of its property or to which the Borrower or any of its property is subject.

"Restricted Payment" means (a) any dividend or other distribution, direct or indirect, on account of any stock of the Borrower now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any stock of the Borrower now or hereafter outstanding and (c) any payment or prepayment of principal, premium (if any), interest, fees or other charges on, or redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any indebtedness of the Borrower.

"Taxes" means any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding such taxes (including income taxes or franchise taxes) as are imposed on or measured by the Lender's net income in any jurisdiction under the laws of which the Lender is organized or maintains an office.

"UCC" means the Uniform Commercial Code (or any successor statute) as in effect from time to time of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the issue of perfection of security interest, provided, that to the extent that the UCC is used to define any term herein that is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern.

"Weekly Cash Budget" means a cash flow forecast prepared by the Borrower setting forth projected revenues and all categories of expenses, as annexed hereto as Exhibit A, and as may be supplemented from time to time in accordance with this Note.

2. Effectiveness of Agreement. This Note is the Third DIP Agreement referenced in the Financing Order. This Note shall not be effective, and the Borrower and the Lender shall not have any obligations or rights hereunder, unless and until the conditions precedent described below have been satisfied.

3. Loan. On the terms and conditions contained in this Note as provided for in and subject to the Financing Order, the Lender agrees to make the Loan to the Borrower on the date hereof under the terms and conditions set forth herein.

4. Repayment of Loan.

(a) Unless maturity is accelerated as provided herein, all principal plus accrued interest and any other sums payable hereunder shall be repaid in full upon the Maturity Date. The Borrower may, at any time prior to a Qualified Event, make voluntary prepayments of the Loan to the Lender, without premium or penalty. Upon receipt by the Borrower of any Net Cash Proceeds, the Borrower shall immediately repay the Loan in an amount equal to 100% of the Net Cash Proceeds. Any prepayment by the Borrower required to be made hereunder or voluntarily made shall be applied first to any unpaid interest then due and owing and then to repay the outstanding principal balance of the Loan until the Loan is repaid in full. Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day. All payments by the Borrower under this

Note and the Financing Order shall be made free and clear of and without deduction for any and all present or future Taxes.

(b) At such time as any Contingent Payment under the Asset Purchase Agreement is due and payable by Lender to the Borrower, the Lender shall make the Contingent Payment by applying the amount of the Contingent Payment as a prepayment of the Loan under Section 4(a). The failure of the Borrower to achieve a milestone under the Asset Purchase Agreement requiring the making of a Contingent Payment shall not otherwise affect the obligation of the Borrower to repay the portion of the Loan in the principal amount of such Contingent Payment together with any and all accrued and unpaid interest and other amounts owing with respect thereto.

5. Interest.

(a) The Borrower shall pay interest on the outstanding principal amount of the Loan, from and including the date on which the Loan is made until the date on which the Loan is fully paid in full at a rate equal to ten percent (10%) per annum. Interest accrued on the Loan shall be payable in arrears upon any voluntary or mandatory prepayment and if not previously paid in full, at maturity (whether by acceleration or otherwise) of the Loan. Notwithstanding the rate of interest specified above, effective immediately upon the occurrence of an Event of Default, and for as long thereafter as such Event of Default shall be continuing, the principal balance of the Loan shall bear interest at a rate equal to eighteen percent (18%) per annum. The interest rate shall be computed on the basis of a three hundred sixty (360) day year for the actual number of days in each period for which interest is charged.

(b) If any milestone under the Asset Purchase Agreement is achieved, then all accrued interest on the portion of the principal of the Loan in the amount of the Contingent Payment associated with such milestone shall be forgiven and shall not be required to be paid. If any milestone under the Asset Purchase Agreement is not achieved in accordance with the Asset Purchase Agreement, then all accrued interest on the portion of the principal of the Loan in the amount of the Contingent Payment associated with such milestone shall be due and payable, and interest on the principal of the Loan associated with such milestone shall thereafter be paid on a monthly basis commencing on the first day of the calendar month following the failure to achieve such milestone.

(c) Notwithstanding any other provision to the contrary set forth herein, if at any time implementation of any provision hereof shall raise the interest rate hereon above the lawful maximum, if any, in effect from time to time in the applicable jurisdiction, then any such interest collected shall be deemed to be a partial prepayment of principal and so applied.

6. Success Fee. Upon the completion of a Qualified Event, the Borrower hereby agrees to pay the Lender a non-refundable success fee in the amount equal to one percent (1%) of the original principal amount of this Note.

7. Collateral.

(a) Granting of Lien. To induce the Lender to make the Loan, the Borrower hereby grants to the Lender as security for the full and prompt payment when due (whether at stated

maturity, by acceleration or otherwise) of the Obligations, a continuing first priority Lien and security interest (subject only to the Carve-Out and any Pre-Existing Lien) in and to all Collateral. The term "Collateral" means all of the property and assets of the Borrower and its estate, real and personal, tangible and intangible, whether now owned or hereafter acquired or arising and regardless of where located, including, but not limited to: (i) all Accounts; (ii) all Inventory; (iii) all Equipment; (iv) all General Intangibles, including all Intellectual Property; (v) all Investment Property; (vi) all Documents, Instruments and Chattel Paper, (vii) all other goods and personal property of the Borrower, whether tangible or intangible, wherever located, including money, deposit accounts, letters of credit and all letter of credit rights, commercial tort claims, supporting obligations and any other contract rights or rights to the payment of money, (viii) all books and records pertaining to the property described in this Section, (ix) all proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents profits and products of, each of the foregoing; (x) the Borrower's leasehold interest and any other estate it may have in the real property located at 105 Comac Street, Ronkonkoma, New York; (xi) any recoveries under Chapter 5 of the Bankruptcy Code; and (xii) all Contingent Payments under the Asset Purchase Agreement.

(b) Perfection of Security Interest. The Borrower shall, at its expense, perform any and all steps requested by the Lender at any time to perfect, maintain, protect and enforce the Lender's security interest in the Collateral. The Borrower hereby authorizes the Lender to execute and file financing statements or continuation statements on the Borrower's behalf covering the Collateral. Until all Obligations have been fully satisfied the Lender's security interest in the Collateral and all proceeds and products therefore shall continue in full force and effect. Notwithstanding the foregoing, or any failure on the part of the Lender to take any of the actions set forth herein, the Liens and security interests granted herein shall be deemed valid, enforceable and perfected by entry of the Financing Order. No financing statement, notice of lien, mortgage, deed of trust, security agreement or similar instrument in any jurisdiction or filing office needs to be filed or any other action taken in order to validate and perfect the Liens and security interests granted by or pursuant to this Note or the Financing Order.

(c) Intellectual Property. The Borrower will not knowingly do or omit to do any act whereby any Intellectual Property may become invalidated, forfeited, abandoned or otherwise unprotectable. The Borrower will notify the Lender immediately if it knows that any application or registration relating to any Intellectual Property may become forfeited, abandoned or of any adverse determination or development regarding the Borrower's ownership of, right to use, interest in, or the validity of, any Intellectual Property. The Borrower will take all reasonable actions necessary or requested by the Lender to maintain each registration of any Intellectual Property.

(d) Remedies, Rights Upon Default. If any Event of Default shall occur and be continuing, the Lender may exercise in addition to all other rights and remedies granted to it in this Note and in any other loan document, if any, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, the Borrower expressly agrees that in any such event the Lender, without demand, advertisement or notice of any kind (except the notice required by the Bankruptcy Code and the Financing Order or the notice specified below of time and place of public or private sale) to or upon the Borrower or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived to the



maximum extent permitted by the UCC and other applicable law), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or any of the Lender's offices or elsewhere at such prices as it may reasonably deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Lender shall have the rights upon such public sale or sales to purchase the whole or any part of said Collateral so sold, free of any right or equity redemption, which equity redemption the Borrower hereby releases. To the maximum extent permitted by applicable law, the Borrower waives all claims, damages, and demands against the Lender arising out of the repossession, petition or sale of the Collateral except such as arise out of the gross negligence or willful misconduct of the Lender. The Borrower agrees that the Lender need not give more than ten (10) days' notice to the Borrower of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Borrower shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which the Lender is entitled, the Borrower also being liable for the fees and expenses of any attorneys employed by the Lender to collect such deficiency. The Borrower hereby waives presentment, demand, protest or any notice (to the extent permitted by applicable law) of any kind in connection with this Note or any Collateral.

(e) Appointment as Attorney-in-Fact. The Borrower hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof, with full power of substitution, as the Borrower's true and lawful attorney-in-fact with full power and authority in the place and stead of the Borrower and in the name of the Borrower, or in its own name, from time to time in the Lender's discretion, for the purpose of carrying out the terms of this Note and the Financing Order, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary and desirable to accomplish the purposes of this Note and the transactions contemplated hereby. The Lender agrees that it will forbear from exercising the power of attorney or any rights granted to the Lender pursuant to this Section, except upon the occurrence or during the continuation of an Event of Default. The Borrower waives applicability of the automatic stay provided by section 362 of the Bankruptcy Code with respect to such power of attorney. The power of attorney granted pursuant to this Section is a power coupled with an interest and shall be irrevocable until the Obligations are indefeasibly paid in full. The powers conferred on the Lender hereunder are solely to protect the Lender's interest in the Collateral and shall not impose any duty upon it to exercise any such powers. The Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act, except for its own gross negligence or willful misconduct.

8. Conditions to Lend. The obligation of the Lender to make the Loan on the Closing Date is subject to the satisfaction of all of the following conditions precedent:

(i) The Financing Order shall have been entered on or before 5:00 p.m. (New York City time) on [\_\_\_\_\_], 2008, shall be in effect and not the subject of any stay of its effectiveness, and shall be in form and substance acceptable to the Lender; and the

Financing Order shall contain a finding that the debt incurred and liens granted hereunder were made in good faith pursuant to Section 364(e) of the Bankruptcy Code.

(ii) Lender shall have received a certified copy of the Weekly Cash Budget in form and substance satisfactory to Lender.

(iii) No party in interest shall have commenced an Adverse Bankruptcy Action or a Dispositive Bankruptcy Action that shall remain uncontested.

(iv) No Event of Default shall have occurred and remain uncured beyond the applicable cure period, if any.

(v) Borrower or Lender shall have received a payoff letter from the Borrower's existing debtor in possession lender, evidenced by the Amended and Restated Promissory Note dated June \_\_, 2008 issued by the Borrower to L Capital Partners SBIC, L.P., and arrangements shall be in place satisfactory to Lender for such indebtedness to be paid with a portion of the proceeds of the Loan, and all existing Liens securing such indebtedness and any financing statement relating thereto to be terminated upon the portion of the proceeds of the Loan being applied to such indebtedness.

(vi) The Borrower shall have provided all information to the Lender required hereunder, and such information shall be in form and substance acceptable to the Lender.

(vii) The Borrower shall be in compliance with all terms, provisions, conditions and covenants of this Note.

(viii) Each of the representations and warranties contained herein remain true and correct.

(ix) There shall have been paid or will be paid concurrently with such advance to the Lender all fees and expenses (including reasonable fees and expenses of counsel to the Lender) of the Lender due and payable on or before the Closing Date.

9. Representations and Warranties of Borrower. Borrower hereby represents and warrants to Lender as follows:

(a) Organization of Borrower. Borrower (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is qualified to do business in each jurisdiction where it does, (iii) has all requisite power and authority to carry on its business, to own and hold its properties and assets, to enter into, issue and carry out the provisions of this Note and (iv) is a debtor-in-possession under Chapter 11 of the Bankruptcy Code.

(b) Authorization. Subject to the entry of the Financing Order, the execution, delivery and performance by Borrower of this Note have been duly and validly authorized by all necessary corporate or other action, including the consent of shareholders where required. This Note constitutes the legal, valid and binding obligations of Borrower and is enforceable against Borrower in accordance with its terms, except as such enforcement may be limited by

bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally.

(c) Intellectual Property. Schedule 9(c) lists all Intellectual Property of the Borrower owned on the date hereof, and all such Intellectual Property set forth thereon, together with any duly licensed Intellectual Property, constitutes all of the intellectual property rights necessary to conduct its business. On the date hereof, all Intellectual Property is valid, subsisting, unexpired and enforceable, has not been adjudged invalid and has not been abandoned and the use thereof in the business does not infringe the intellectual property rights of any other person. Except as set forth on the Schedule 9(c), none of the Intellectual Property is subject of any licensing or franchise agreement pursuant to which the Borrower is the licensor or franchisor. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or questions the validity of, or the Borrower's rights in, any Intellectual Property. No action or proceeding seeking to limit, cancel or question the validity of any Intellectual Property owned by the Borrower or the Borrower's ownership interest therein is on the date hereof pending or, to the knowledge of the Borrower, threatened. There are no claims, judgments or settlements to be paid by the Borrower relating to the Intellectual Property.

(d) Secured, Super Priority Obligations. On and after the Closing Date, the provisions of this Note and the Financing Order are effective to create in favor of the Lender, legal, valid and perfected Liens on and security interests (having the priority provided for herein and in the Financing Order) in all rights, title and interest in the Collateral, enforceable against the Borrower. Pursuant to subsections 364(c)(2) and (3) and 364(d) of the Bankruptcy Code and the Financing Order, all amounts owing by the Borrower under this Note will be secured by a first priority perfected Lien on the Collateral, subject only to (i) valid, perfected, non-avoidable and enforceable Liens existing as of the Petition Date and (ii) the Carve-Out. Pursuant to section 364(c) of the Bankruptcy Code and the Financing Order, all obligations of the Borrower will constitute allowed super-priority administrative expense claims having priority over all administrative expense of the kind specific in sections 503(b) or 507(c) of the Bankruptcy Code, subject only to the Carve-Out.

(e) Use of Proceeds. The Borrower may use Loan proceeds only to (i) repay in full the Borrower's existing debtor in possession financing obligations pursuant to the Amended and Restated Promissory Note dated June \_\_, 2008 issued by the Borrower to L Capital Partners SBIC, L.P and (ii) with respect to any balance of the proceeds of the Loan, to operate its business during the Case to fund post-petition operating expenses of the Borrower incurred in the ordinary course of business, to pay certain other costs and expenses of administration of the Case, including without limitation professional fees, and for working capital and other general corporate purposes of the Borrower not in contravention of any laws or the Financing Order, provided that, in each case such payments shall be made in accordance with the Weekly Cash Budget and any amount in the Weekly Cash Budget shall be presumed to be for an approved purpose unless the Lender notified the Borrower to the contrary prior to the week for which such expense is budgeted. Any amounts not used in one budget category may not be carried over into any other category or budget item, without the consent of the Lender. Any Loan proceeds not used for a budgeted expense in the projected week, may be used for such purpose(s) in future weeks. Nothing herein shall in any way prejudice or prevent the Lender from objecting, for any reason, to any requests, motions or applications made in the Bankruptcy Court, including any

applications for interim or final allowances of compensation for services rendered or reimbursement of expenses incurred under sections 105(a), 330 or 331 of the Bankruptcy Code, by any party in interest.

10. Affirmative Covenants of Borrower. Borrower makes the following covenants to Lender for so long as any principal, interest or any other sums payable hereunder remains outstanding under this Note, upon which Lender is relying hereunder:

(a) Payments Under This Note, Etc. The Borrower will make punctual payment of all of its financial obligations under this Note and will faithfully and fully keep and perform all of the terms, conditions, covenants and agreements contained on the Borrower's part to be paid, kept or performed under this Note.

(b) Corporate Existence, Properties and Insurance. The Borrower will use its commercially reasonable efforts to do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises, and comply with all laws applicable thereto; at all times maintain, preserve and protect all licenses, copyrights, franchises, patents, and trade names and preserve all the rights and remainder of its property used or useful in the conduct of its business and keep the same in good condition and repair (normal wear and tear and obsolescence excepted); and maintain insurance on all properties with responsible and reputable insurance companies and cause all such insurance to name the Lender as additional insured or loss payee, as appropriate.

(c) Compliance with Laws, Etc. The Borrower shall comply with all applicable Requirements of Law (including the Employee Retirement Income Security Act, the Bankruptcy Code, the Bankruptcy Rules and any order of the Bankruptcy Court).

(d) Notices. The Borrower will advise the Lender in the event that the Borrower receives notice or actual knowledge that: (i) any of the Collateral is not, to the Borrower's knowledge, free and clear of claims and encumbrances other than those of which the Borrower has previously informed the Lender; (ii) the Borrower is party to litigation of which the Borrower has not previously informed the Lender; (iii) the Borrower is in default in the performance of any obligation to which it is bound and of which it has not informed the Lender; (iv) the Borrower has not paid any tax when due except those of which it has informed the Lender; (v) the Borrower is not in compliance with any applicable law, regulation or court order; or (vi) the Borrower has a material liability not reflected in its financial statements.

(e) Financial Reporting; Weekly Cash Budget; Information. Borrower shall deliver to the Lender the following: (i) within 15 days after the end of each calendar month, financing information regarding the Borrower consisting of unaudited balance sheets as of the close of such month and related statement of income and cash flow for such month certified by the Borrower, (ii) within 3 days after the end of each week, a cash flow report showing all the expenses of the Borrower by item and a comparison of that week's expenses to the Weekly Cash Budget; (iii) within 15 days after the end of each four (4) week period commencing on the date hereof, a new Weekly Cash Budget, setting forth the information for the next four (4) week period to be added to the previously existing Weekly Cash Budget (with no changes to the cash flow report for the previously delivered weeks) and (iv) such additional information as the

Lender may from time to time reasonably request regarding the financial and business affairs of the Borrower. The Borrower will regularly inform the Lender as to the progress of and developments in the Chapter 11 Case, including the Borrower's progress in developing a chapter 11 plan of reorganization. The Borrower will use its best efforts to obtain the approval of the Bankruptcy Court of this Note and any other loan documents and will promptly deliver to the Lender and the Lender's counsel all pleadings, motions and other documents filed on behalf of the Borrower with the Bankruptcy Court.

(f) Payment of Taxes. The Borrower shall pay and discharge before the same shall become delinquent, all lawful governmental claims, taxes, assessments, charges and levies arising after the Petition Date, except where contested in good faith, by proper proceedings and adequate reserves therefore have been established on the books of the Borrower in conformity with Generally Accepted Accounting Principles as in effect in the United States of America.

(g) Use of Proceeds. The Borrower shall use the entire amount of the proceeds of the Loan as provided in Section 9(e).

#### 11. Negative Covenants of the Borrower.

(a) Debt, Liens, Etc. The Borrower will not, directly or indirectly: (i) create, incur, assume or otherwise become or remain liable with respect to any indebtedness except (A) the Obligations; (B) the Indebtedness existing on the date hereof; and (C) any Indebtedness incurred in the ordinary course of the Borrower's business, set forth on the Weekly Cash Budget and paid promptly pursuant to the terms thereof; (ii) prepay or accelerate the payment of any indebtedness to any Person other than the Lender; (iii) create or suffer to exist any Lien upon or with respect to any of its properties or assets, whether now owned or hereafter acquired, except (A) Liens created pursuant to this Note and the Financing Order and (B) Liens existing on the date of this Note and disclosed on Schedule 11(a); (iv) loans or advances to employees of the Borrower made in the ordinary course of business of the Borrower; or (v) guarantee or otherwise become responsible for the debt of any other Person.

(b) Limitation on Fundamental Changes. The Borrower shall not, without the Lender's consent, (i) merge or consolidate with or into any other firm or corporation, dissolve or liquidate; (ii) convey, sell, lease or otherwise dispose of all or substantially all of its property, assets or business; (iii) change its corporate name; (iv) acquire any other entity; (v) make any change to its senior management; or (vi) make any change in its capital structure (including in the terms of its outstanding stock) or otherwise amend its organizational documents or in any of its business objectives, purposes and operations.

(c) Restricted Payments. The Borrower will not, directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Payment, except Restricted Payments (i) which are made pursuant to authority granted by an order of the Bankruptcy Court which is in full force and effect, as to which no stay has been entered and which has not been reversed, modified, vacated or overturned, or (ii) which are made in the ordinary course of business consistent with the Weekly Cash Budget; provided, that, no such payment shall be made after the occurrence and during the continuance of an Event of Default.

(d) Bankruptcy Actions. The Borrower will not: (i) take, or suffer to remain uncontested for more than five (5) Business Days (or, if less, the relevant deadline to contest such action) any Adverse Bankruptcy Action; (ii) file, or suffer to remain uncontested for more than five (5) Business Days (or, if less, the relevant deadline to contest such action) any pleading, motion application or other paper seeking to effectuate a Dispositive Bankruptcy Action; (iii) create, assume, suffer to exist or permit any administrative expense, unsecured claim, other super-priority claim or lien which is *pari passu* with or senior to the claims of the Lender, or apply to the Bankruptcy Court for authority to do so, except the Carve-Out and any Pre-Existing Lien.

12. Default.

(a) Events of Default. The occurrence of any one or more of the following events or conditions shall constitute an "Event of Default" under this Note:

(i) Failure to make any payment of principal, interest or any other Obligation as and when due pursuant to the terms and conditions of this Note.

(ii) Any warranty or representation or other statement made or furnished to the Lender by or on behalf of the Borrower herein or in any document or instrument furnished in connection herewith proves to have been false or misleading in any material respect when made or furnished.

(iii) Breach of, or failure in, the due observance or performance of any covenant, condition or agreement on the part of the Borrower to be observed or performed pursuant to this Note (and the failure to cure (if curable) any such breach or failure within ten (10) Business Days after receipt of written notice thereof from the Lender to the Borrower).

(iv) The pursuit by the Borrower of an Adverse Bankruptcy Action or a Dispositive Bankruptcy Action.

(v) The entry and becoming final of an order granting an Adverse Bankruptcy Action or a Dispositive Bankruptcy Action.

(vi) The issuance, filing or levy against the Borrower of an attachment, injunction, execution, tax lien or judgment for the payment of money which is not discharged in full or stayed within thirty (30) days after issuance, filing or levy.

(vii) The entry of an order directing the appointment of a trustee under chapter 7 or chapter 11 of the Bankruptcy Code or of any examiner with enlarged power to operate the Borrower's business.

(b) Remedies. During the continuance of any Event of Default, without further order of, application to, or action by the Bankruptcy Court, the Lender (a) may by notice to the Borrower declare that all or any portion of the advances not yet made be terminated, whereupon the obligation of the Lender to make any advances shall immediately terminate, and/or (b) may declare the Loan, all interest thereon and all other amounts and Obligations payable under this Note to be forthwith due and payable, whereupon the Loan, all such interest and all such

amounts and Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. In addition, subject solely to any requirement of the giving of notice by the terms of the Financing Order, the automatic stay provided in section 362 of the Bankruptcy Code shall be deemed automatically vacated without further action or order of the Bankruptcy Court and the Lender shall be entitled to exercise all of its rights and remedies under this Note and applicable law, including, without limitation, all rights and remedies with respect to the Collateral.

13. Miscellaneous Provisions.

(a) Amendment, Waivers, Etc. No amendment or waiver of any provision of this Note or any other loan document nor consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by the Lender, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) Costs and Expenses. Borrower shall pay (a) all reasonable out-of-pocket expenses of Lender associated with the preparation, execution, delivery and administration of the Loan and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel), (b) all out-of-pocket expenses of Lender (including the fees, disbursements and other charges of counsel) in connection with the protection, collection or enforcement of any of the Obligations or the enforcement of this Note or any other loan documents, if any, and (c) all other charges related to due diligence items.

(c) Indemnities. Lender (and its affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent resulting from the gross negligence or willful misconduct of the indemnified party).

(d) Waiver of Right to Trial by Jury. The Borrower and the Lender hereby waive the right to trial by jury in any action or proceeding of any kind or nature in any court in which an action may be commenced arising out of this Note or by reason of any other cause or dispute between the Borrower and the Lender.

(e) Jurisdiction. The Borrower and the Lender hereby agree that the Bankruptcy Court shall have exclusive jurisdiction to hear and determine any claims or disputes between the Borrower and the Lender pertaining directly or indirectly to the Loan, this Note or to any matter arising therefrom, and if the Bankruptcy Court does not have (or abstains from) jurisdiction, then the State and Federal Courts of the State of New York shall have non-exclusive jurisdiction.

(f) No Waiver; Rights Cumulative. The Borrower agrees that no delay or failure on the part of the holder in exercising any power, privilege, remedy, option or right hereunder shall operate as a waiver thereof or of any other power, privilege, remedy or right; nor shall any single or partial exercise of any power, privilege, remedy, option or right hereunder preclude any other or future exercise thereof or the exercise of any other power, privilege, remedy, option or right. The rights and remedies expressed herein are cumulative, and may be enforced successively,

alternately, or concurrently and are not exclusive of any rights or remedies which holder may or would otherwise have under the provisions of all applicable laws, and under the provisions of all agreements between the Borrower and the Lender.

(g) Binding Effect. All rights and obligations of the Lender hereunder shall inure to the benefit of and be binding upon its successors and assigns, and all the obligations of the Borrower contained in this Note shall bind the successors and permitted assigns of the Borrower.

(h) Governing Law. This Note shall be governed and construed in accordance with the laws of the State of New York, without reference to its conflict of laws principles (other than Section 5-1401 of the General Obligations Law of the State of New York), and the Bankruptcy Code.

(i) Severability. If any provision of this Note or application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Note or the application of such provision to persons, entities or circumstances other than those as to which it is held invalid, shall not be affected thereby and each provision of this Note shall be valid and enforceable to the fullest extent permitted by law.

(j) Right of Set-off. Upon the occurrence and during the continuance of any Event of Default the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply and all deposits at any time held and other indebtedness at any time owing by the Lender to or for the credit or the account of the Borrower against any and all of the Obligations now or hereafter existing whether or not the Lender shall have made any demand under this Note or any other loan document and although such Obligations may be unmaturred.

(k) Assignment; Restrictions on Transfer. The rights and obligations of the Borrower set forth herein may not be assigned or delegated by the Borrower without the prior written consent of the Lender. This Note may not be transferred or assigned by Borrower to any person or entity without the prior written consent of the Lender. The Lender may sell, transfer, negotiate or assign to one or more Persons all or a portion of its rights and obligations hereunder (including all of its rights and obligations with respect to the Loan), all without the consent of the Borrower.

(l) Notices. All notices, requests and other communications given or made pursuant hereto to any party hereunder shall be in writing (including facsimile or similar writing) and shall be given:

if to Lender, to:

Boston Scientific Corporation  
One Boston Scientific Place  
Natick, Massachusetts 01760  
Facsimile: 508-650-8956  
Attention: General Counsel



with a copy to:

Bingham McCutchen LLP  
One Federal Street  
Boston, Massachusetts 02110  
Attention: Johan V. Brigham  
Facsimile: (617) 951-8736

if to the Borrower, to:

ProRhythm, Inc.  
105 Comac Street  
Ronkonkoma, New York 11779  
Attention: Reinhard Warnking  
Facsimile: (631) 981-4068

with a copy to:

Richards, Layton & Finger, P.A.  
920 N. King Street  
Wilmington, Delaware 19801  
Attention: Michael Merchant  
Facsimile: (302) 651-7701

or such other address or facsimile numbers as such party may hereafter specify for the purpose by notice to the other parties hereto. Each such notice, request or other communication shall be effective during business hours (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section and the appropriate facsimile confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section.

IN WITNESS WHEREOF, this Note is executed as of the date set forth above.

PRORHYTHM, INC., as debtor and debtor-in-  
possession

By: 

Name:

R. WARKING

Title:

Pres + CEO

---

Exhibit A

(Weekly Cash Budget)

See attached

ProRhythm, Inc.  
Weekly Cash Flow Summary (Thousands)

	9/25	9/12	9/19	9/26	10/3	10/10	10/17	10/24	10/31	11/7	11/14	11/21	11/28	12/5	12/12	12/19	12/26
Cash/Equity	\$ 148	\$ 147	\$ 36	\$ 3,749	\$ 3,427	\$ 3,314	\$ 3,225	\$ 3,212	\$ 2,963	\$ 2,821	\$ 2,792	\$ 2,749	\$ 2,656	\$ 2,552	\$ 2,338	\$ 2,365	\$ 2,301
Inventory/ing related	(5)	(5)		(10)	(15)	(10)	(5)	(10)	(15)	(10)	(5)	(10)	(15)	(5)	(10)	(10)	(10)
AV total costs	(23)	(23)		(30)	(30)	(30)	(30)	(100)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)
Patent/DA Attorney Fees				(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
Richardson, Layton & Finper			(110)		(50)		(5)	(45)	(7)	(14)	(10)	(15)	(22)	(15)	(15)	(15)	(10)
BSS legal fees																	
Sanjourney Costs																	
IMI																	
Rare		(5)		(11)	(20)	(10)	(15)	(15)	(14)	(15)	(15)	(15)	(22)	(15)	(15)	(15)	(22)
Utilities/Facility related																	
Foundation																	
Expense Reports/Travel	(6)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Insurance/Benefits	(25)	(25)		(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
Payroll		(69)	(75)	(71)		(71)				(71)				(71)			
PM DIP Loan			4,950														
AF fees																	
PM fees																	
L Capital DIP Payoff			(1,150)														
Ending Cash	\$ 117	\$ 36	\$ 3748	\$ 3,427	\$ 3,314	\$ 3,225	\$ 3,212	\$ 2,963	\$ 2,821	\$ 2,792	\$ 2,749	\$ 2,656	\$ 2,552	\$ 2,338	\$ 2,365	\$ 2,301	\$ 2,108

Schedule 9(c)

(Intellectual Property)

See listing attached

ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 10, 2008

TRANS	CLASS	APP. NO.	INVENTOR	FILED	TITLE	ACT DUE	DUE DATE	COMPLETED
TRANS 3.4-001	CHINA	98805399.4 ZL58805359.4		22MY1998 07BR2005	MRI-GUIDED THERAPEUTIC UNIT AND METHOD	PEITION FOR EXAM RESPONSE DUE RESPONSE DUE NEXT TAX DUE EXPIRATION	22MY2001 29JA2005 22JR2005 22MY2009 22MY2018	22MY2001 21JA2005 13JE2005
TRANS 3.4-001	EUROPA	98928811.1		22MY1998	MRI-GUIDED THERAPEUTIC UNIT AND METHOD	RESPONSE DUE RESPONSE DUE RESPONSE DUE GRANT FEE-NO EXT NEXT TAX DUE	21FE2001 27AO2006 14MY2007 19JE2008 28NO2008 31MY2009	20FE2001 19OL2006 11MY2007 02JE2008
TRANS 3.0-001		09/063,414 6,128,522		22MY1998 01OC2000	MRI-GUIDED THERAPEUTIC UNIT AND METHODS	INFO DISCL STMT DUE FILE INFO DISCL STMT AMENDMENT DUE DRAWINGS REQUIRED FINAL FEE DUE FILE CONTINUATION NEXT TAX DUE EXPIRATION REFUND SMALL ENTITY FILE ASSIGNMENT FILE EXECUTED DECL	22AO1998 22SE1998 14SA2000 05AO2000 05AO2000 05AO2000 03AP2012 22MY2018	28SE1999 28SE1999 14PE2000 01AU2000 01AU2000 09AO2000
TRANS 3.0-001	CORF	09/635,162 6,374,132		09AO2000 16AP2002	MRI-GUIDED THERAPEUTIC UNIT AND METHODS	INFO DISCL STMT DUE FILE INFO DISCL STMT AMENDMENT DUE FINAL FEE DUE NEXT TAX DUE EXPIRATION	09RO2003 02MR2001 22JE2001 14MR2002 16OC2009 22MY2018	22FE2001 22FE2001 24SE2001 07MR2002
TRANS 3.0-001	DIV I	09/610,826 6,516,211		06JL2000 04PE2003	MRI-GUIDED THERAPEUTIC UNIT AND METHODS	FILE INFO DISCL STMT AMENDMENT DUE REQ FOR CONT EXAM FINAL FEE DUE NEXT TAX DUE EXPIRATION INFO DISCL STMT DUR	02MR2001 18AU2001 01JA2002 09DR2002 04AU2010 22MY2018	22FE2001 17AU2001 21MG2001 25NO2002

ALL ACTIVE TRADEMARK PATENTS  
AS OF SEPTEMBER 10, 2008

TRANS	CLASS	OFFICE	APP. NO.	APP. DATE	ISSUE DATE	STATUS	TITLE	ACT. DUE	DUE DATE	COMPLETED
TRANS 3.0-001	DIV IV		09/611,092 PATENT: 6,773,408	06JL2000 10AUG2004			MRI-GUIDED THERAPEUTIC DRUG AND METHODS	AMENDMENT DUE REQ FOR CONT EXAM AMENDMENT DUE FINAL FEE DUE NEXT TAX DUE EXPIRATION REQ FOR CONT EXAM INFO DISCL STMT DUE	22MR2001 05FE2002 20OC2003 19JL2004 10FE2002 22MAY2018 04OC2001 06JL2006	22FE2001 30NO2001 27JAN2004 29JUN2004
TRANS 3.0-011			09/206,443 PATENT: 6,208,342	07DE1998 27MR2001			MAGNETIC RESONANCE APPARATUS AND METHODS WITH SHIM ADJUST- MENT	INFO DISCL STMT DUE FOREIGN FILING ? FINAL FEE DUE DRAWINGS REQUIRED NEXT TAX DUE EXPIRATION	07MR1999 07DE1999 26NO2000 28NO2000 27SE2008 07DE2018	07MR1999 07DE1999 21NO2000 16NO2000
TRANS 3.4-013	CANADA		2,368,707 PATENT: 2368707	02FE2000 06JUN2006			INTRABODY HIFU APPLICATOR	RESPONSE DUE PETITION FOR EXAM NEXT TAX DUE EXPIRATION	17AP2004 02FE2005 02FE2009 02FE2020	31MR2004 02FE2005
TRANS 3.4-013	ISRAEL		144513 PATENT: 144513	02FE2000 11JUL2006			INTRABODY HIFU APPLICATOR	RESPONSE DUE RESPONSE DUE BACK TAXES TO BE PD NEXT TAX DUE EXPIRATION	21SE2005 16FE2006 11OC2006 01FE2010 02FE2020	25SE2005 19JAN2006 11JUL2006
TRANS 3.0-013			09/496,988 PATENT: 6,461,314	02FE2000 08OC2002			INTRABODY HIFU APPLICATOR	INFO DISCL STMT DUE FILE EXECUTED DECL FILE ASSIGNMENT FILE INFO DISCL STMT RESTRICTION REQ AMENDMENT DUE FINAL FEE DUE FILE DIVISIONAL NEXT TAX DUE EXPIRATION	02MAY2000 04JUN2000 04JUN2000 16JUN2000 05AUG2001 03JAN2002 29AUG2002 08AUG2010 02FE2020	24OC2000 05JUN2000 05JUN2000 07AUG2000 29AUG2001 30JAN2002 27AUG2002
TRANS 3.0-016			09/478,454 PATENT: 6,278,351	06JUN2000 21AUG2001			MULTI-COIL MRI MAGNET	INFO DISCL STMT DUE AMENDMENT DUE FINAL FEE DUE DRAWINGS REQUIRED NEXT TAX DUE EXPIRATION	06AUG2000 16SEP2000 27JUN2001 27JUN2001 21FE2009 06JAN2020	25JUL2000 14DE2000 15JUN2001 01MAY2001

ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 16, 2008

TRANS	APPLICATOR:	PATENT:	TITLE	ACT DUE	DUE DATE	COMPLETED
TRANS 3.0-017	09/523,975 6,508,774	09MR2008 21JAP2003	HIFU APPLICATIONS WITH FEEDBACK CONTROL USING BURELE DETECTION	INFO DISCL STMT DUE FILE DRC + ADD'L FEE FILE ASSIGNMENT FOREIGN FILING ? FILE INFO DISCL STMT AMENDMENT + DRAW FINAL FEE DUE NEXT TAX DUE EXPIRATION	09JUL2008 10JUL2000 15JUL2000 06MR2001 06MR2001 23MR2001 02AP2002 02MY2002 12OC2002 21JUL2010 09MR2020	09JUL2000 10JUL2000 15JUL2000 06MR2001 06MR2001 23MR2001 02AP2002 02MY2002 12OC2002 21JUL2010 09MR2020
TRANS 3.0-021	09/537,614 6,492,762	22MR2008 10DE2002	ULTRASONIC TRANSDUCER, TRANSDUCER ARRAY, AND FABRICATION METHOD	FILE ASSIGNMENT INFO DISCL STMT DUE FILE EXECUTED DECL FILE INFO DISCL STMT AMENDMENT + DRAW AMENDMENT IUR FINAL FEE DUE NEXT TAX DUE EXPIRATION	22MY2000 22JUL2000 26JUL2000 14SE2000 05OC2001 04MY2002 08NO2002 10JUL2010 22MR2020	09MY2000 26JUL2000 07JUL2000 18JUL2000 01NO2001 17JUL2002 23OC2002 23OC2002
TRANS 3.0-023	09/752,603 6,501,978	29DE2000 31DE2002	INTERLEAVED OPERATION OF MRI AND ELECTRONIC EQUIPMENT	INFO DISCL STMT DUE FILE EXECUTED DRCL FILE ASSIGNMENT FILE INFO DISCL STMT PUBLISHED FINAL FEE/PUB FEE DRAWINGS REQUIRED NEXT TAX DUE EXPIRATION EXTENSION	29MR2001 15AP2001 15AP2001 15AP2001 30JUL2001 30JUL2002 30DE2002 30JUL2010 31JUL2021	30MR2001 30MR2001 30MR2001 30MR2001 04JUL2002 13NO2002 23OC2002
TRANS 3.4-026 EUROPEAN	00961707.7	11SE2000	OCCCLUSION OF TUBULAR ANATOMICAL STRUCTURES BY ENERGY APPLICATION	RESPONSE DUE CONFIRMATION RECD? F NEXT TAX DUE	14SE2008 14SE2008 30JUL2008	
TRANS 3.4-026 JAPAN	531249/2001 3848572	11SE2000 01SE2006	OCCCLUSION OF TUBULAR ANATOMICAL STRUCTURES BY ENERGY APPLICATION	RESPONSE NO EXT RESUBM NO EXT BACK TAXES TO BE PD PETITION FOR EXAM NEXT TAX DUE EXPIRATION	28AD2005 27AP2006 01OC2006 11SE2007 01SE2009 11SE2020	22AD2005 23AP2006 01SE2006 19DE2002





ALL ACTIVE TRADE PATENTS  
AS OF SEPTEMBER 10, 2008

TRANS	CLASS	COUNTRY	APP. NO.	FILED	INVENTOR	TITLE	ACT DUE	DUE DATE	COMPLETED
TRANS 3.0-035			09/815,863 6,625,984	23MR2001 12AU2003		APPARATUS AND METHODS FOR INTRABODY THERMAL TREATMENT	INFO DISCL STMT DUE FILE EXECUTED DECL FILE ASSIGNMENT PUBLISHED FILE INFO DISCL STMT FILE INFO DISCL STMT FINAL FEE/EXT FEE NEXT TAX DUE EXPIRATION EXTENSION	23MR2001 29JL2001 29JL2001 24SR2001 08NO2001 27ER2002 21JL2003 12FZ2011 21SA2022	07AU2001 27JL2001 26JL2001 03JA2002 23OC2001 04ER2002 20JR2003
TRANS 3.4-037 EUROPAI			01997325.2	31NC2001		ULTRASOUND TRANSDUCER UNIT AND PLANAR ULTRASOUND LENS	NEXT TAX DUE	30NO2008	
TRANS 3.0-037			09/989,997 6,787,974	21NO2001 07SE2004		ULTRASOUND TRANSDUCER UNIT AND PLANAR ULTRASOUND LENS	PUBLISHED FILE ASSIGNMENT INFO DISCL STMT DUE FILE INFO DISCL STMT RESTRICTION REQ AMENDMENT DUE FINAL FEE/EXT FEE NEXT TAX DUE EXPIRATION EXTENSION	22SE2000 21JA2002 21FE2002 30ER2002 24JA2003 02MR2004 13AU2004 07MR2012 30AU2020	14MR2002 24FE2002 22FE2002 17JE2002 15JA2003 02AP2004 15JL2004
TRANS 3.4-038 AUSTRALIA			2001273471 2001273471	13JL2001 02RO2006		THERMAL TREATMENT METHODS AND APPARATUS WITH FOCUSED ENERGY APPLICATION	FILE INFO DISCL STMT REQUEST EXM NO EXT RESPONSE DUE ACCEPTANCE BY FTO OF PETITION FOR EXAM ACCEPTANCE FINAL FILE SEARCH RESULTS NEXT TAX DUE EXPIRATION	29JA2004 09AU2004 30AU2005 19NY2006 13JL2006 19FE2007 02MY2007 13JL2009 13JL2021	29MR2004 19JA2006 03AU2006 13JL2006 03AU2006 02MY2007
TRANS 3.4-038 CANADA			2415134	13JL2001		THERMAL TREATMENT METHODS AND APPARATUS WITH FOCUSED ENERGY APPLICATION	PETITION FOR EXAM RESPONSE NO EXT NEXT TAX DUE	13JL2006 24SE2006 13JL2009	29JA2003 19SE2006
TRANS 3.4-038 CHINA			01815408.1 2101815508.1	13JL2001 15FE2006		THERMAL TREATMENT METHODS AND APPARATUS WITH FOCUSED ENERGY APPLICATION	PETITION FOR EXAM RESPONSE DUE RESPONSE DUE BACK TAXES TO BE PD NEXT TAX DUE EXPIRATION	13JL2004 09MR2005 05JER005 29AP2006 13JL2009 13JL2021	24MR2003 16VE2005 05MY2005 15FE2006

ALL ACTIVE TRADEMARKS  
AS OF SEPTEMBER 10, 2008

TRANS	CLASS	COUNTRY	APPLICATION:	PATENT:	TITLE	ACT DUE	DUE DATE	COMPLETED
TRANS 3.4-038	038	EUROPE	01952750.6		THERMAL TREATMENT METHODS AND APPARATUS WITH FOCUSED ENERGY APPLICATION		13JUL2001	16MR2003 16SE2005 16SE2006 16JAN2007 16CC2006 27NO2007 20NO2007 31JUL2009
TRANS 3.4-038	INDIA		IN/PCY/02/01585 200728		THERMAL TREATMENT METHODS AND APPARATUS WITH FOCUSED ENERGY APPLICATION		13JUL2001 16MY2007	14AP2005 17AP2006 23AP2006 17FE2006 17FE2006 24JAN2007 24MR2007 31MR2009 13JUL2009 13JUL2021
TRANS 3.4-038	JAPAN		2002-531759 4099388		THERMAL TREATMENT METHODS AND APPARATUS WITH FOCUSED ENERGY APPLICATION		13JUL2001 21MR2008	12NO2007 16MR2008 19FE2008 20AP2008 28MY2008 28MY2008 13JUL2009 21MR2011 13JUL2021
TRANS 3.0-038			09/905,227 6,635,054		THERMAL TREATMENT METHODS AND APPARATUS WITH FOCUSED ENERGY APPLICATION		13JUL2001 21OCT2003	13NO2001 27OCT2001 26OCT2001 13JAN2002 30MY2002 23AUG2002 15JAN2003 30JAN2003 11JUL2003 28MY2003 17SEP2003 31JUL2003 21AP2011 13JUL2021
TRANS 3.4-038A	AUSTRALIA		2001273468 2001273468		ENERGY APPLICATION WITH INFLATABLE ANNUULAR LENS		13JUL2001 12SEP2005	30DE2003 16MY2004 30JUL2004 07FE2004 19JAN2005 22FE2005 01OCT2005 27MR2005 12MR2006 12MR2006 13JUL2006 13JUL2009 13JUL2021
TRANS 3.4-038A	CANADA		2415671		ENERGY APPLICATION WITH INFLATABLE ANNUULAR LENS		13JUL2001	07JUL2006 13JUL2006 29JAN2003 13JUL2009

ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 10, 2008

TRANS	ACT DUE	TITLE	APP. NO.	FILE NO.	DATE	STATUS
TRANS 3.4-038A CHINA	13JUL2001	ENERGY APPLICATION WITH INFLATABLE ANNULAR LENS	01812752.5	ZL 01812752.5	13JUL2001	01FE2006
						13JUL2004
						04JUL2005
						15AF2006
						13JUL2009
						13JUL2021
TRANS 3.4-038A EUROPAT	13JUL2001	ENERGY APPLICATION WITH INFLATABLE ANNULAR LENS	01982746.4		13JUL2001	04AP2003
						08MY2005
						08MY2005
						21MR2005
TRANS 3.4-038A INELA	13JUL2001	APPARATUS AND METHOD FOR APPLYING ULTRASONIC ENERGY TO TISSUE WITHIN THE BODY OF A LIVING SUBJECT	IN/PCT/02/01586	210835	13JUL2001	14AE2005
						22FE2006
						18MY2006
						16CC2006
						05JUL2007
						31MR2009
						13JUL2009
						13JUL2021
TRANS 3.4-038A CON	04NOV2005	ENERGY APPLICATION WITH INFLATABLE ANNULAR LENS	11/267,123		04NOV2005	04MR2006
						25OC2006
						04NOV2005
TRANS 3.4-038A EUROPAT	10JUL2002	ULTRASONIC TRANSDUCERS	02761063.3		10JUL2002	31JUL2009
TRANS 3.4-038B	13JUL2001	ULTRASONIC TRANSDUCERS	09/904,620	6,763,722	13JUL2001	13NOV2001
						26OC2001
						28SE2001
						09AUG2002
						16JUL2003
						07NOV2003
						11JUL2004
						01NOV2021

ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 10, 2008

TITLE	ACT DUE	DUE DATE	COMPLETED
TRANS 3.0-038 DIV CONT	APPLICATION: 11/228,575 PATENT: 7,326,201	16JAN2006 30SEP2006 20DEC2007 05AUG2011 27JAN2021	12JAN2006 26DEC2006 07DEC2007
TRANS 3.0-038 DIV	APPLICATION: 10/227,092 PATENT: 7,003,614	23AUG2002 01AUG2006	13MR2003 17JUN2004 13AUG2004 28JUL2004 02FEB2005 18FEB2005 16JUN2005 16MR2006 16MR2006 03MR2006 01FEB2010 10FEB2022
TRANS 3.0-046	APPLICATION: 10/062,693 PATENT: 6,672,312	31JAN2002 06JAN2004	07MR2002 07MR2002 19AUG2002 23MAY2002 24JUL2003 07NOV2003 27OCT2003 06JUL2011 20FEB2022
TRANS 3.4-052 EUROPEAN	APPLICATION: 03763254.4 PATENT:	03JUL2003	17MAY2008 31JUL2009
TRANS 3.3-052	APPLICATION: 10/520,535 PATENT:	28SEP2005	06MAY2005 09OCT2005 11AUG2008 06JAN2005 28SEP2005 12MAY2008 06JAN2005

ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 10, 2008

TRANS	CLASS	CTP	APP NO	APP NO	APP NO	TITLE	ACT DUE	DUE DATE	COMPLETED
TRANS 3.0-053			10/244,271	6,803,524	260C2004	BALLOON ALIGNMENT AND COLLAPSING SYSTEM	FILE ASSIGNMENT FOREIGN APPROVD-DUE PUBLISHED AMENDMENT DUE DRAWINGS REQUIRED FINAL FEE/FUB FEE NEXT TAX DUE EXPIRATION EXTENSION INFO DISCL STMT DOK	16NOV2002 11SEP2003 16MR2004 02JUN2004 19OCT2004 19OCT2004 26APR2012 18NOV2022	02JAN2003 12SEP2003 18MR2004 27MY2004 10SEP2004 16SEP2004
TRANS 3.4-053	CTP CHINA		03621846.1	2163921846.1	13SE2003 24CC2007	BALLOON ALIGNMENT AND COLLAPSING SYSTEM	PETITION FOR EXAM RESPONSE DUE BACK TAXES TO BE PD NEXT TAX DUE EXPIRATION	16SEP2005 15MR2007 07JAN2008 12SEP2008 12SEP2023	11MR2005 02FEB2007 24OCT2007
TRANS 3.4-053	CIP EUROPAI		03749615.5		12SE2003	BALLOON ALIGNMENT AND COLLAPSING SYSTEM	NEXT TAX DUE	30SEP2008	
TRANS 3.4-053	CIP JAPAN		2004-571988		12SE2003	BALLOON ALIGNMENT AND COLLAPSING SYSTEM	PETITION FOR EXAM	12SEP2006	17AUG2006
TRANS 3.0-053	CIP		10/635,170	7,189,229	06AUG2003 13MR2007	BALLOON ALIGNMENT AND COLLAPSING SYSTEM	INFO DISCL STMT DUE FILE EXECUTED DECL FILE ASSIGNMENT PUBLISHED FILE PETITION FINAL FEE/FUB FEE DRAWINGS REQUIRED FINAL FEE DUE DRAWINGS REQUIRED PETITION GRANTED? FINAL FEE DUE SUPPLEMENTAL NOA PETITION GRANTED? NEXT TAX DUE EXPIRATION EXTENSION	06NOV2003 04JAN2004 04JAN2004 16MR2004 09APR2004 04JAN2006 05JAN2006 07NOV2005 05JAN2006 25OCT2005 08MY2006 16MR2006 08MY2006 02MR2006 03JUN2006 05JAN2006 05SEP2006 16AUG2006 06OCT2006 13SEP2010 11DEC2023	11FEB2004 10NOV2003 10NOV2003 08APR2004 05JAN2006 07NOV2005 25OCT2005 16MR2006 02MR2006 05JAN2006 16AUG2006 09MY2006
TRANS 3.4-055	EUROPAI		04713413.5		20FEB2004	CARDIAC ABLATION DEVICES	NEXT TAX DUE	28FEB2009	

ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 10, 2006

TRANS	APP NO	APP NO	ACT DER	DUE DATE	COMPLETED
TRANS 3.4-055 JAPAN	2006-503779	20FE2004	PETITION FOR EXAM	20FE2007	14FE2007
TRANS 3.4-055 JAPAN	167783.310	20FE2004	INFO DISCL STMT DUE FILE EXECUTED DECL FILE ASSIGNMENT PUBLISHED PETITION GRANTED? RESTRICTION REQ AMENDMENT DUE FINAL REJECTION REQ FOR CONT EXAM PETITION GRANTED? AMENDMENT DUE	20MY2004 17JL2004 17JL2004 20AU2004 20NO2004 21JL2006 25JA2007 25AU2007 25NO2007 03FE2008 30CC2008	20MY2004 19MY2004 17JL2004 09SE2004 15NO2004 15AU2006 23AP2007 16CC2007 19NO2007 24MR2008
TRANS 3.4-060 EUROPAT	05823419.6	14CC2005	REJECTION DEVICES AND METHODS WITH ULTRASONIC IMAGING	31CC2008	
TRANS 3.4-060 JAPAN	2007-536941	14CC2005	ABLATION DEVICES AND METHODS WITH ULTRASONIC IMAGING	14CC2008	03SE2008

ALL ACTIVE TRADEMARKS  
AS OF SEPTEMBER 10, 2008

TRANS	REGISTRATION NO.	CLASS	MARK	FILED	ISSUED	EXPIRES	STATUS	REMARKS
TRANS 3.3-066	08JAZ008	11/665,321	ABLATION DEVICES AND METHODS WITH ULTRASONIC IMAGING	08JAZ008	11/665,321	11/665,321	ACTIVE	APPLICATION: 11/665,321 PATENT: FILE APP. BY DUE DT 14AP2007 13AP2007 INFO DISCL STMT DUE 13JL2007 29OC2007 PUBLISHED 13AU2007 16OC2008 FILE ASSIGNMENT 18FZ2008 08JAZ008 RSP MISSING PARTS 18FX2008 08JAZ008 POWER 4.17 18FE2008 NEED FILING RECEIPT 18AU2008
TRANS 3.4-061	10JAZ006	06717785.7	EPICARDIAL ABLATION USING FOCUSED ULTRASOUND	10JAZ006	06717785.7	06717785.7	ACTIVE	APPLICATION: 06717785.7 PATENT: NEXT TAX DUE 31JZ2009
TRANS 3.0-061	03JAZ006	11/324,542	EPICARDIAL ABLATION USING FOCUSED ULTRASOUND	03JAZ006	11/324,542	11/324,542	ACTIVE	APPLICATION: 11/324,542 PATENT: INFO DISCL STMT DUE 03AP2006 27OC2006 FILE EXECUTED DECL 14AP2006 27FE2006 FILE ASSIGNMENT 14AP2006 27FE2006 PUBLISHED 12JL2006 13JL2006
TRANS 3.0-062	12AP2005	11/161,825	ULTRASOUND GENERATING METHOD, APPARATUS AND PROBE	12AP2005	11/161,825	11/161,825	ACTIVE	APPLICATION: 11/161,825 PATENT: FILE EXECUTED DECL 12JL2005 10AU2005 INFO DISCL STMT DUE 12JL2005 30NO2006 FOREIGN APPROVD-DUE 07AP2006 12AP2006 PUBLISHED 12OC2006 26OC2006 PETITION GRANTED? 01MY2008
TRANS 3.4-062	12AP2006	06813181.2	ULTRASOUND GENERATING METHOD, APPARATUS AND PROBE	12AP2006	06813181.2	06813181.2	ACTIVE	APPLICATION: 06813181.2 PATENT: NEXT TAX DUE 30AP2009
TRANS 3.3-062	09CC2007	11/981,101	ULTRASOUND GENERATING METHOD, APPARATUS AND PROBE	09CC2007	11/981,101	11/981,101	ACTIVE	APPLICATION: 11/981,101 PATENT: FILE APP. BY DUE DT 12OC2007 09DE2007 MISSING PARTS? 09DE2007 FILE ASSIGNMENT 09DE2007 INFO DISCL STMT DUE 09JAZ008 09FE2008 PUBLISHED 09FE2008
TRANS 3.0-064	31MY2005	11/141,426	STEREABLE CATHETER	31MY2005	11/141,426	11/141,426	ACTIVE	APPLICATION: 11/141,426 PATENT: STATUTORY BAR DATE 01OR2005 31MY2005 FILE ASSIGNMENT 31JL2005 16JZ2005 FILE EXECUTED DECL 29AU2005 15JL2005 INFO DISCL STMT DUE 31AU2005 25AU2005 FOREIGN APPROVD-DUE 28MY2006 24MY2006 FILE CONFIRMATION 23JZ2006 23MY2006 PUBLISHRD 30RZ2006 30NO2006 RESTRICTION REQ 26AP2008
TRANS 3.4-064	24MY2006	06717256.7	STEREABLE CATHETER	24MY2006	06717256.7	06717256.7	ACTIVE	APPLICATION: 06717256.7 PATENT: NEXT TAX DUE 31MY2009



ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 10, 2008

TRANS	APP. NO.	FILE NO.	TITLE	ACT DUE	DUE DATE	COMPLETED
TRANS 3.0-064	11/439,558	25NY2006	STEERABLE CATHETER	FILE EXECUTED DECL INFO DISCL STMT DUE PUBLISHED RESTRICTION REQ	13AU2006 23AU2006 30HQ2006 28AU2006	13JL2006 24AU2006 30NO2006 26AU2006
TRANS 3.0-066	11/440,953	25NY2006	ULTRASONIC TRANSDUCER	FILE EXECUTED DECL FILE ASSIGNMENT PUBLISHED INFO DISCL STMT DUE	16AU2006 16AU2006 01BE2006 25NY2006	13JL2006 02AO2007 07DE2006 25NY2006
TRANS 3.3-068			HIFU OUTSOUND DRIVER INPUT POWER PROFILE	FILE IN USA	19NO2008	
TRANS 3.4-068 (U)	PCT/US07/11346	10NY2007	ABLATION DEVICE WITH OPTIMIZED INPUT POWER PROFILE AND METHOD OF USING THE SAME	CONFIRM DESIGNATED C FILE DEMAND PREEXAM NAT FILING CHAP I FILE IN USA NAT FILING CHAP 2	19AU2007 19DE2007 19JAZ008 19NO2008 19NO2008	19AU2007 19DE2007 19JAZ008 19JAZ008

ALL ACTIVE TRANS PATENTS  
AS OF SEPTEMBER 10, 2008

TRANS	APPLICATOR:	DATE	TITLE	ACT DUE	DATE	COMPLETED
TRANS 1.0-071	12/074,559	04MR2008	TISSUE ABLATION DEVICE USING RADIOFREQUENCY AND HIGH INTENSITY FOCUSED ULTRASOUND	RESP MESSING PARTS FILE ASSIGNMENT INFO DISCL STMT DUE PUBLISHED	20MY2008 20NY2008 04JF2008 04SE2009	24AP2008 24AP2008 10SR2009
TRANS 1.0-072			TIME REVERSED HIFU FOR CROSSING CHRONIC TOTAL OCCLUSIONS	SEARCH DUE WRITE/FILE APPLN.	14FE2008 14MR2008	
TRANS 1.0-073			MINIMALLY INVASIVE MITRAL VALVE REPAIR	SEARCH DUE WRITE/FILE APPLN.	14FE2008 14AP2008	
TRANS 1.0-074			PULMONARY VEIN ABLATION WITH SLIGHT DEFOCUSING	STATUTORY BAR DATE	01DC2008	



Schedule 11(a)

(Pre-Existing Liens)

1. Liens of Lighthouse Capital Partners V, L.P. ("Lighthouse"), on collateral financed pursuant to that certain Loan and Security Agreement, dated June 7, 2005, by and between Lighthouse and ProRhythm.
2. Liens of Century Medical, Inc. ("Century Medical"), on accounts receivable and inventory of ProRhythm, pursuant to that certain Amended Convertible Note Agreement dated November 30, 2005, by and between Century Medical and ProRhythm.