SECOND AMENDMENT TO GRANT AGREEMENT
BETWEEN
INDIANA ECONOMIC DEVELOPMENT CORPORATION
AND
SONARMED, INC.

This Second Amendment to Grant Agreement (the "Amendment") is made and entered into by and between the Indiana Economic Development Corporation (the "IEDC"), for and on behalf of the Indiana Twenty-First Century Research and Technology Fund (the "Fund"), and SonarMed, Inc. (the "Grantee"), and shall be dated as of the date of execution by the last signatory hereto (the "Effective Date").

RECITALS

WHEREAS, the IEDC and the Grantee entered into that certain Grant Agreement dated as of June 27, 2007, as amended on January 9, 2009 (collectively, the "Grant Agreement"), providing for the completion of the Project and the disbursement of Grant funds in the aggregate amount of $997,500, all in accordance with the terms and conditions contained in the Grant Agreement;

WHEREAS, the IEDC and the Grantee also entered into that certain Convertible Promissory Note, dated as of February 10, 2011, pursuant to which the IEDC loaned to the Grantee the principal amount of $500,000 (the "Convertible Note");

WHEREAS, in connection with the Convertible Note, the IEDC and the Grantee entered into that certain Side Agreement, dated as of February 10, 2011 (the "Side Agreement"), setting forth the terms under which the parties agreed to restructure $500,000 of Grant funds previously contributed to the Grantee by the IEDC under the Grant Agreement;

WHEREAS, each of the IEDC and the Grantee acknowledges and agrees that the Grantee did not achieve the Threshold (as defined in the Side Agreement) during the Projections Period (as defined in the Side Agreement); and

WHEREAS, pursuant to the terms of the Side Agreement, the Grantee agrees to subject $500,000 of Grant funds to the same terms and conditions contained in the Convertible Note and the IEDC agrees to waive all restrictions, terms and other provisions including, without limitation, the repayment, reimbursement and penalty provisions set forth in the Grant Agreement with respect to such $500,000.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises and obligations contained in this Amendment, the parties agree as follows:

AMENDMENT

1. Paragraph 1 of the Agreement is hereby amended by replacing "Nine Hundred Ninety-Seven Thousand Five Hundred Dollars ($997,500)" with "Four Hundred Ninety-Seven

Thousand Five Hundred Dollars ($497,500)."

2. The first sentence of Paragraph 7 of the Agreement is hereby amended and restated in its entirety as follows: "The Fund shall pay to Grantee a maximum of Four Hundred Ninety-Seven Thousand Five Hundred Dollars ($497,500) for the Project described in Schedule A."

3. The IEDC and the Grantee agree and acknowledge that any other reference in the Grant Agreement (including, without limitation, Schedule A attached thereto) to the amount of the Grant, to amounts disbursed to the Grantee under the Grant Agreement or to an amount specifically stated as $997,500 shall actually be references to an amount equal to $497,500. For the purposes of clarity, the intent and effect of this Amendment is that the IEDC agrees to waive all restrictions, terms and other provisions including, without limitation, the repayment, reimbursement and penalty provisions set forth in the Grant Agreement with respect to an amount equal to $500,000, the result of which is that, from and after the Effective Date, such restrictions and provisions (including the repayment, reimbursement and penalty provisions) set forth in the Grant Agreement pertain only to an amount equal to $497,500.

4. Except as specifically provided in this Agreement, all other terms and conditions set forth in the Grant Agreement shall remain unchanged.

5. The parties hereby agree that all other terms and conditions set forth in the Grant Agreement shall remain the same and shall remain in full force and effect following the Effective Date. All benefits, rights, obligations and responsibilities of the parties under the Grant Agreement shall transfer and operate under this Amendment, and shall be construed and shall function as if the Grant Agreement had remained in effect continuously but with the amendment of the terms contained in this Amendment. The parties acknowledge that no Grant funds remain available under the Grant to be disbursed to the Grantee pursuant to the Grant Agreement or this Amendment.

6. The Grantee hereby certifies (i) that all representations and warranties set forth in the Grant Agreement were correct and true in all material respects as of the date of the Grant Agreement and remain correct and true in all material respects as of the date hereof; (ii) that it has fully complied in all material respects with the terms and covenants set forth in the Grant Agreement from the date of the Grant Agreement to the date hereof; and (iii) that it will continue to abide by all the terms of the Grant Agreement, as amended by this Amendment.

7. The signatory of the Grantee of this Amendment represents that he/she has been duly authorized by resolution or the governing documents of the Grantee to execute contracts, such as this one, on behalf of the Grantee and has obtained all necessary corporate approvals to make this Amendment fully binding upon the Grantee (without qualification or acceptance by the Grantee) when his/her signature is affixed hereto.

8. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Grant Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

SONARMED, INC.

BY: COPY

PRINTED: COPY

TITLE: President and CEO

DATE: 5-24-12

INDIANA TWENTY-FIRST CENTURY RESEARCH AND TECHNOLOGY FUND

INDIANA ECONOMIC DEVELOPMENT CORPORATION

Daniel J. Hasler
Secretary of Commerce & CEO

PML

DATE: 5-25-12

THIS INSTRUMENT AND THE SECURITIES ISSUABLE ON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

CONVERTIBLE PROMISSORY NOTE

$500,000.00 February 10, 2011 ("***Issuance Date***")

FOR VALUE RECEIVED, SonarMed Inc., a Delaware corporation ("***Maker***"), having its principal place of business and executive offices located at 5513 West 74th Street, Indianapolis, Indiana 46268, hereby promises to pay to the order of the Indiana Economic Development Corporation, for and on behalf of the Indiana Twenty-First Century Research and Technology Fund ("***Lender***"), at its offices located at One North Capitol Avenue, Suite 700, Indianapolis, Indiana 46204, or at such other place as Lender may from time to time direct, in the amount, at the time and subject to the conditions set forth in **Schedule A** attached hereto, in lawful money of the United States, a principal sum of Five Hundred Thousand and 00/100 Dollars ($500,000.00) (the "***Loan Amount***") as indicated on the schedule of loan advances set forth on **Schedule B** attached hereto and made a part hereof as updated in accordance herewith (the "***Loan Schedule***"), together with interest, reasonable attorneys' fees and costs of collection and without relief from valuation or appraisement laws, all in accordance with the terms and provisions of this Convertible Promissory Note (this "***Note***").

SECTION 1
PRINCIPAL AND INTEREST

A. Principal. The outstanding principal balance of this Note is the Loan Amount (the "***Loan***"). The outstanding principal balance shall not exceed the Loan Amount. The Loan will be evidenced by a written notation of Lender on the Loan Schedule and will constitute a valid and binding obligation of Maker in accordance with the terms and conditions contained herein as of the time at which such notation is made upon or following a corresponding advancement of the Loan Amount to Maker; provided, however, any evidence of Maker's receipt of a wire transfer of the Loan Amount or any other good and customary external evidence that the Loan Amount has been advanced by Lender to Maker will be sufficient evidence and will constitute a valid and binding obligation of Maker to repay such Loan Amount to Lender pursuant to the terms of this Note. Subject to Maker's satisfaction of the requirements set forth in Section 8 hereof, Lender shall advance the Loan to Maker in the amount of Five Hundred Thousand and 00/100 Dollars ($500,000.00) as soon as reasonably practicable following the execution and delivery of this Note by Lender.

B. Interest. Interest shall accrue on the outstanding principal balance hereof at a [redacted] (the "***Interest Rate***"). Such interest shall be paid on [redacted]

SECTION 2
PAYMENTS

A. Principal and Interest. Except as otherwise indicated in this Note, the entire outstanding principal balance of this Note, together with all accrued and unpaid interest thereon, will be due and payable on the [redacted] of the Issuance Date (the "***Maturity Date***").

B. Prepayments. This Note may not be prepaid in whole or in part at any time prior to the Maturity Date without the prior written consent of Lender.

C. Application of Payments. All payments made by Maker under this Note shall be applied first to accrued and unpaid interest on the unpaid principal balance and the remainder to principal.

D. Cancellation of Note. Upon the (i) conversion of this Note pursuant to Section 4 hereof or (ii) payment in full of the outstanding principal balance of this Note and accrued and unpaid interest and any premiums thereon, this Note will be automatically cancelled and Maker's payment obligations hereunder will be extinguished.

SECTION 3
OTHER PAYMENT TERMS

A. Waivers. Maker hereby waives presentment, demand for payment, notice of non-payment, protests, notice of protests, notice of dishonor and all other notices in connection with this Note. No waiver by Lender shall be deemed to have been made unless such waiver is in writing and signed by Lender. Lender reserves the right to waive or refrain from waiving any right or remedy under this Note. No delay or omission on the part of Lender in exercising any right or remedy under this Note shall operate as a waiver of such right or remedy or of any other right or remedy under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any future occasion.

B. Event of Default. For purposes of this Note, "***Event of Default***" means any one or more of the following events, conditions or acts:

(i) Maker fails to make any timely payment of any amount due under this Note within [redacted] of demand therefor;

(ii) Maker fails or neglects to comply with the notice requirements set forth in Section 5.1(F) and such failure has not been cured within [redacted] after such failure first occurs;

(iii) except as otherwise provided herein, Maker defaults in the performance of or compliance with any term contained in this Note or any other material contract to which Maker and Lender are parties, and such default is not remedied within [redacted] after Maker receives written notice of such default from Lender;

(iv) any representation or warranty made by Maker in this Note proves to have been false or incorrect in any material respect on the date as of which made;

(v) Maker (a) shall institute any proceeding or voluntary case seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating

to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official, (b) shall be generally not paying its debts as such debts become due or shall admit in writing its inability to pay its debts generally, (c) shall make a general assignment for the benefit of creditors, or (d) shall take any action to authorize or effect any of the actions set forth in this subsection 3(B)(iv); or

(vi) any proceeding shall be instituted against Maker seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, liquidation, winding up, reorganization, arrangement, adjustment, protection, relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official, and any such proceeding shall remain undismissed or unstayed for a period of sixty (60) days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official) shall occur.

C. Remedies Upon an Event of Default. Upon and after the occurrence of an Event of Default, Lender shall have the right without presentment, notice or demand of any kind, to accelerate this Note and to declare all of the obligations of Maker under this Note immediately due and payable.

D. Additional Expenses. If this Note or any principal or interest thereon is not paid when due, whether by reason of acceleration or otherwise, and this Note is placed in the hands of any attorney or attorneys for collection (whether or not litigation is commenced) or for representation of Lender hereof in connection with bankruptcy or insolvency proceedings, Maker promises to pay, in addition to the other amounts due hereon, the reasonable costs and expenses of such collection and representation, including reasonable attorneys' fees and expenses.

SECTION 4
CONVERSION

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

SECTION 5
COVENANTS OF MAKER

5.1 Affirmative Covenants. Maker covenants and agrees with Lender, for so long as this Note remains outstanding, it will:

A. Furnish to Lender:

(i) as soon as available and in any event within forty-five (45) days after the end of the first three (3) quarters of each fiscal year of Maker, an unaudited statement of income and of cash flows for such fiscal quarter, and an unaudited balance sheet and statement of stockholders' equity as of the end of such fiscal quarter;

(ii) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year of Maker, an unaudited balance sheet and unaudited statements of income, cash flows and stockholders' equity, as of the end of such fiscal year;

(iii) concurrently with each set of financial statements delivered pursuant to clauses (i) and (ii) of this subsection, a "no default" certificate in the form attached hereto as Exhibit B, signed by an officer of Maker; and

(iv) technology commercialization reports summarizing Maker's science and technology development, business development, and other indicators of economic impact in a form specified by Lender, as may be amended from time to time, provided that such disclosure need not include trade secrets or confidential proprietary data relating to Maker's Intellectual Property (as defined below). Maker shall submit such reports within forty-five (45) days after the end of each calendar quarter until the earlier to occur of (a) the Maturity Date and (b) the date this Note is converted in accordance with the terms hereof.

B. Allow Lender and such agents, advisors and counsel as Lender may designate to visit and inspect any of the properties of Maker, examine the books of account of Maker, take extracts therefrom and discuss the affairs, finances and accounts of Maker with its officers and accountants (and by this provision Maker hereby authorizes said accountants to discuss with Lender and such persons its finances and accounts) at reasonable times during normal business hours and with at least one (1) week prior notice. All such visits and inspections shall be conducted in a manner that will not unreasonably interfere with the normal business operations of Maker. Maker will furnish to Lender such other information as it from time to time may reasonably request. The provisions of Sections 5.1(A) and 5.1(B) will not be in limitation of any rights Lender may have with respect to the books and records of Maker, or to inspect or discuss its affairs, finances and accounts, under the laws of the State of Indiana. Notwithstanding the foregoing, Maker shall not be obligated pursuant to this subsection to provide access to any information

that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement in a form reasonably acceptable to Maker) or the disclosure of which would adversely affect the attorney-client privilege between Maker and its counsel.

C. Maintain and preserve its existence, rights and privileges, and become or remain duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

D. Establish administrative and cost allocation standards to enable Maker to appropriately determine that the expenditures by Maker of the Loan proceeds are made consistent with the terms of this Note. Maker may be subject to at least one financial review regarding the use of Loan proceeds (the "***Compliance Review***") to ensure compliance with the terms of this Note and Indiana Code § 5-28-16, *et. seq.* Each Compliance Review shall also be conducted by an independent accounting firm selected by Lender and shall be performed using agreed upon procedures which are applicable to companies which have received funding from Lender. Lender anticipates conducting one (1) Compliance Review of Maker prior to the Maturity Date, but reserves the right to conduct an additional Compliance Review of Maker following the occurrence of any Event of Default by Maker under this Note, whether or not such Event of Default is then continuing. Maker shall be responsible for paying, within [redacted] any bill forwarded to Maker for a Compliance Review; provided, however, that the maximum aggregate dollar amount for which Maker shall be responsible in connection with the payment for Compliance Reviews under this Note shall be [redacted] If Maker fails to timely pay any such bill, Lender shall have the right to directly pay for the Compliance Review from undisbursed Loan proceeds, if any, in addition to its other remedies.

E. Maintain its status as an "Indiana business", as such term is defined in Indiana Code § 5-22-15-20.5(b).

F. Give Lender written notice: (i) immediately upon the occurrence of any Event of Default under this Note, together with a written statement of the action being taken by Maker to remedy such Event of Default; (ii) of any event that results in an adjustment to the Conversion Price as set forth in Section 4; (iii) no less than sixty (60) days in advance of the closing of an event requiring a mandatory conversion as provided in Section 4(B)(i) hereof; (iv) no less than fifteen (15) days in advance of the occurrence of an event requiring an effective conversion as provided in Section 4(B)(ii) hereof; (v) promptly upon any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency which, if adversely determined, could materially impair the right of Maker to carry on business substantially as presently conducted, could materially affect its business, operations, properties, assets or condition, financial or otherwise, or could materially impair its ability to perform any of its obligations under this Note; and (vi) promptly upon any development in its business or affairs, including without limitation any material changes, material amendments, or material modifications to existing contracts, which may materially and adversely affect Maker's operations, financial condition or ability to perform any of its obligations under this Note, disclosing the nature thereof.

G. Use its best efforts to possess and maintain all material intellectual property rights necessary to the conduct of its business and own all right, title and interest in and to, or have a valid license for, all material intellectual property rights used by Maker in the conduct of its business. Maker shall not knowingly take any action, or fail to take any action, which would result in the invalidity, abuse, misuse or unenforceability of such material intellectual property rights or which would infringe upon any rights of any other individual, corporation, partnership, joint venture, trust or unincorporated organization (each, a "***Person***").

H. Maintain insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which Maker operates.

I. [redacted] Maker shall also allow Lender to appoint one observer to the Board (the "*Observer*") who will not have any voting rights, but shall be permitted to attend and participate in all meetings of the Board and all subcommittees of the Board; provided, however, that such Board observer shall be obligated to execute a non-disclosure agreement in a form reasonably satisfactory to Maker. Further, promptly following the request of Lender, Maker shall provide to Lender copies of all notices, minutes, consents and other materials that Maker provides to its Board, which materials shall be subject to the protection provided by Lender's "Confidentiality Policy for Applications, Peer Review Materials and Awardee Reports Submitted to Indiana 21st Century Research and Technology Fund". Notwithstanding the foregoing, the Observer may be excluded from all or part of any meeting, and materials may be withheld from such Observer or Lender, to the extent Maker's Board determines, in its reasonable discretion, that the Observer or Lender has an interest that is materially adverse to Maker or is otherwise necessary to preserve attorney-client privilege or to protect highly confidential proprietary information.

J. Upon the reasonable request of Lender, duly execute and deliver to Lender such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Lender to carry out more effectively the provisions and purposes of this Note.

K. Indemnify, defend, and hold harmless Lender and the State of Indiana and their respective agents, officers, employees and representatives from all claims and suits for damages or loss or damage to property, including the loss of use thereof, and injuries to or death of persons, including without limitation any officers, agents, employees and representatives of Maker or its contractors, and from all judgments recovered therefor and for expenses in defending any such claims or suits, including court costs, attorneys' fees, and for any other expenses caused by an act or omission of Maker or its grantees, contractors, agents, officers or employees in connection with performance of this Note or in the operation of Maker's business.

L. Comply in all material respects with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. Maker's acknowledgements, certifications, representations, warranties and agreements set forth in this Note shall in no way limit the generality of the foregoing. The enactment of any state or federal statute or the promulgation of rules or regulations hereunder after execution of this Note shall be reviewed by Lender and Maker to determine whether the provisions of this Note require formal modification.

M. Abide by all ethical requirements that apply to persons who have a business relationship with Lender, as set forth in Indiana Code § 4–2–6 et seq., Indiana Code §4–2–7 et seq., the regulations promulgated thereunder, Executive Order 04-08, dated April 27, 2004, Executive Order 05-12, dated January 10, 2005, and 25 Indiana Administrative Code 6, effective January 1, 2006. If Maker, or any of its agents, are not familiar with these ethical requirements, they should refer any questions to the State Ethics Commission, or visit the State Ethics Commission website at http://www.in.gov/ethics/. In addition to triggering an Event of Default, a violation of this subsection may subject Maker to penalties under Indiana Code § 4–2–6–12.

N. Obtain and maintain all required material permits, licenses, and approvals, as well as comply with all material health, safety, and environmental statutes, rules, or regulations for its operations as may be required by any federal, state, local, or other governing and/or regulating body.

O. Allow Lender to confirm, at any time, that no liabilities exist to Lender (other than any obligation under this Note or under any grant agreement between the parties) or to the State of Indiana or any of its agencies. If such liabilities are discovered, then, in addition to triggering an Event of Default, Lender may bar Maker from contracting with Lender and the State of Indiana in the future, cancel existing contracts and withhold any requested Loan Installments until Maker is current in its payments on its liability to Lender or the State of Indiana and has submitted proof of such payment to Lender.

P. Disclose to Lender when an Interested Party (as defined below) is or becomes an employee of Lender. The obligation under this provision extends only to those facts that Maker knows or reasonably could know.

Q. Make a good faith effort to provide and maintain a drug-free workplace. Maker will give written notice to Lender within ten (10) days after receiving actual notice that Maker or an employee of Maker has been convicted of a criminal drug violation occurring in Maker's workplace.

False certification or violation of the certification may result in sanctions including, but not limited to, suspension of Loan payments, termination of this Note and/or debarment of funding and other contract opportunities with Lender for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total amount set forth in this Note is in excess of $25,000, Maker hereby further agrees that this Note is expressly subject to the terms, conditions and representations of the following certification:

> This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Indiana Department of Administration is requiring the inclusion of this certification in all contracts with the State of Indiana in excess of $25,000. No contract, the total amount of which exceeds $25,000, shall be made or be valid unless and until this certification has been fully executed by Maker and made a part of this Note.
>
> Maker certifies and agrees that it will provide a drug-free workplace by:
>
> (i) Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in Maker's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(ii) Informing its employees of (a) the dangers of drug abuse in the workplace; (b) Maker's policy of maintaining a drug-free workplace; (c) any available drug counseling, rehabilitation, and employee assistance programs; and (d) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

(iii) Notifying all employees in the statement required by subparagraph (i) above that as a condition of continued employment the employee will (a) abide by the terms of the statement; and (b) notify Maker in writing of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) calendar days after such conviction;

(iv) Notifying in writing Lender within ten (10) calendar days after receiving notice from an employee under subdivision (iii)(b) above or otherwise receiving actual notice of such conviction;

(v) Within thirty (30) days after receiving notice under subdivision (iii)(b) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency; and

(vi) Making a good faith effort to continue to maintain a drug-free workplace through the implementation of subparagraphs (i) through (v) above.

R. Use commercially reasonable efforts to (i) explore opportunities for any desired private funding of Maker with capital providers located in the State of Indiana, and (ii) spend all of the Loans disbursed to it pursuant to this Note with individuals residing and entities domiciled or having their principal place of business in the State of Indiana.

S. Maker recognizes that Lender's primary objectives are to support proposals for economic development which are likely to: (i) increase the success of Indiana institutions of higher education, Indiana businesses and Indiana nonprofit corporations and organizations in securing research funding; (ii) transfer research and technologies into marketable products; (iii) assist with diversifying Indiana's economy by focusing investment in targeted industry clusters requiring high skill, high wage workers; and (iv) encourage an environment of innovation and cooperation among universities and businesses to promote research activity. Maker acknowledges and agrees that all activities supported with the Loans shall be intended to further efforts toward accomplishing one or more of the foregoing objectives.

5.2 Negative Covenants. For so long as this Note remains outstanding, Maker shall not, without the prior written consent of Lender (in addition to any other vote required by law, including without limitation any approval required by the Certificate of Incorporation):

REDACTED

REDACTED

REDACTED

J. Pursuant to Indiana Code § 22–9–1–10, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Civil Rights Act of 1964, discriminate against any employee or applicant for employment, to be employed in the performance of this Note, with respect to the employee's or applicant's hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee's or applicant's race, color, religion, sex, disability, national origin or ancestry. Acceptance of this Note also signifies compliance with applicable federal laws, regulations and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran. Breach of one or both of these covenants may be regarded as a material breach of this Note; or

SECTION 6
REPRESENTATIONS AND WARRANTIES OF MAKER

To induce Lender to enter into this Note, Maker hereby represents and warrants to Lender as of the Issuance Date (or as of such other date as explicitly referenced in this Section 6) that:

A. Organization, Qualifications and Power. Maker is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to conduct its business as it is presently conducted and to execute and deliver this Note. Maker does not own any equity interest, directly or indirectly, in any other Person or business enterprise and Maker has no subsidiaries. Maker is qualified to do business in Indiana and in each other

jurisdiction in which the failure to so qualify could have a material adverse effect upon its assets, properties, financial condition, results of operations or business.

B. Authorization. The execution and delivery by Maker of this Note, and the performance by Maker of its obligations hereunder, have been duly authorized by all requisite action and will not violate any provision of law, any order of any court or other agency of government, the Certificate of Incorporation or the Bylaws of Maker, will not result in a violation of any provision of any indenture, agreement or other instrument to which Maker or any of its properties or assets is bound, or conflict with, result in a material breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, or, to Maker's knowledge, any claim of any nature whatsoever upon any of the properties or assets of Maker, the result of any of which could have a material adverse effect on the assets, properties, financial condition, results of operations, business of Maker.

C. Validity. This Note, when delivered hereunder, is or will be duly and validly executed and delivered by Maker and constitutes the legal, valid and binding obligations of Maker, enforceable against Maker in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws of the United States (both state and federal) now or hereafter in effect relating to or affecting the enforcement of creditors' rights or remedies in general as may from time to time be in effect and the exercise by courts of equity powers or their application of public policy.

D. Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by Maker of this Note.

E. Capitalization.

REDACTED

F. Litigation. There is no (i) action, suit, claim, proceeding or investigation pending or, to Maker's knowledge, threatened against Maker, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) arbitration proceeding relating to Maker pending under collective bargaining agreements or otherwise, or (iii) governmental inquiry pending or, to Maker's knowledge, threatened against Maker (including, without limitation, any inquiry as to the qualification of Maker to hold or

receive any license, permit or approval), and to Maker's knowledge, there is no basis for any of the foregoing. There is no action or suit by Maker pending, threatened or presently contemplated against others.

G. Patents, Trademarks, Etc. To Maker's knowledge, Maker owns or possesses valid licenses or other valid and lawful rights to use all intellectual property or other technology necessary to the conduct of Maker's business as presently conducted, including, without limitation, all such intellectual property and technology found in any of Maker's patents, patent applications, trademarks, trademark applications, service marks, service mark applications, trade names, copyrights, manufacturing processes, formulae, trade secrets, customer lists and know how (such intellectual property, and the rights thereto, are collectively referred to herein as "***Maker's Intellectual Property***"), and no claim is pending or, to the best of Maker's knowledge, threatened to the effect that the operations of Maker infringe upon or conflict with the asserted rights of any other Person under any of Maker's Intellectual Property, and to Maker's knowledge, there is no valid basis for any such claim.

H. Financial Statements. Maker has delivered or made available for examination by Lender copies of (i) the unaudited balance sheet with respect to Maker as of September 30, 2010 and the related statement of profit and loss for the nine (9) month period then ended (the "***Interim Financial Statements***") and (ii) the unaudited balance sheet and statement of profit and loss of Maker for the twelve (12) months ended December 31, 2009 (together with the Interim Financial Statements, the "***Financial Statements***"). The Financial Statements are true and correct in all material respects and present fairly the financial position and results of operations of Maker as of the date(s) thereof and the results of operations for the period(s) indicated.

I. Indebtedness. Except as reflected on the Financial Statements, Maker has no Indebtedness of any nature whatsoever, whether absolute, accrued, contingent or otherwise. Maker is not in default and no waiver of default is currently in effect in the payment of any principal or interest on any Indebtedness of Maker and no event or condition exists with respect to any Indebtedness of Maker that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

J. Contracts. To Maker's knowledge, all of Maker's material contracts are valid and binding obligations of Maker, and to Maker's knowledge are valid and binding obligations on the other parties thereto.

K. Accuracy and Completeness of Information. All information furnished by Maker to Lender or any persons representing Lender in connection with this Note is accurate and complete in all material respects as of the Issuance Date.

L. No Violation. Maker is not in material violation of its organizational documents and Maker has not received notice and has no reasonable grounds to believe that it is in violation of any laws or orders that in any manner adversely and materially affect Maker's ability to perform its obligations under this Note. No Event of Default has occurred and is continuing.

M. Approvals. No other approval, consent or authorization of any form is or will be required in connection with the execution and delivery by Maker of this Note, except as indicated herein and such approvals and consents received prior to the execution and delivery of this Note.

N. [redacted]

O. Required Payments. Maker certifies by entering into this Note that it is not presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. Further, Maker agrees that any payments in arrears and currently due to the State of Indiana may be withheld from payments due to Maker.

P. Enforcement Actions. Maker warrants that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State of Indiana pending and agrees that it will immediately notify Lender of any such actions.

Q. Debarment and Suspension. Maker certifies, by entering into this Note, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Note by any federal agency or by any department, agency or political subdivision of the State of Indiana. The term "principal" for purposes of this Note means an officer, director, or stockholder of Maker. Maker acknowledges that it shall be solely responsible for any recoupments or penalties that might arise from non-compliance. Maker shall immediately notify Lender if it becomes aware of any of its principal's disbarment or suspension, and shall consent, at Lender's request, to the termination of this Note.

R. Conflict of Interest. No Interested Party is an employee of Lender, unless Maker provides Lender an opinion by the Commission indicating that the existence of this Note and the employment by Lender of the Interested Party does not violate any statute or rule relating to ethical conduct of Lender employees. As used in this section, "***Immediate Family***" means the spouse and the unemancipated children of an individual; "***Interested Party***" means: (i) the individual executing this Note on behalf of Maker, (ii) an individual who has an interest of one percent (1%) or more of Maker, if Maker is not an individual, or (iii) any member of the Immediate Family of an individual specified under the foregoing subdivision (i) or (ii); and "***Commission***" means the Indiana State Ethics Commission.

S. As required by Indiana Code § 5–22–3–7:

(i) Maker, and its principals, certify that (1) Maker, except for de minimis and nonsystematic violations, has not violated the terms of (A) Indiana Code § 24–4.7 [Telephone Solicitation Of Consumers], (B) Indiana Code § 24–5–12 [Telephone Solicitations], or (C) Indiana Code § 24–5–14 [Regulation of Automatic Dialing Machines] in the previous 365 days, even if Indiana Code § 24–4.7 is preempted by federal law; and (2) Maker will not violate the terms of Indiana Code § 24–4.7 for the duration of this Note, even if Indiana Code § 24–4.7 is preempted by federal law.

(ii) Maker certifies that, except for de minimis and nonsystematic violations, neither it nor any of its affiliates or principals and agents have violated in the previous 365 days, or will violate for the duration of this Note, the terms of Indiana Code § 24–4.7, even if Indiana Code § 24–4.7 is preempted by federal law.

SECTION 7
USE OF PROCEEDS

Maker shall use all Loan proceeds received from Lender pursuant to this Note (i) for general working capital purposes in accordance with the directions of Maker's Board, or (ii) as otherwise

mutually determined by Maker and Lender; provided, however, such Loan proceeds are not to be used to repay Indebtedness.

SECTION 8
CLOSING DELIVERIES; CONDITIONS

A. Closing Deliveries.

(i) Maker agrees to furnish to Lender, at or prior to the closing of this Note, in form and substance satisfactory to Lender:

(a) the Note, duly executed by Maker;

(b) [redacted]

(c) [redacted]

(d) copies of the Certificate of Incorporation and Bylaws of Maker;

(e) copies of resolutions of Maker evidencing approval of the transactions contemplated hereunder;

(f) an Officer's Certificate, dated as of the Issuance Date, certifying that the conditions specified in Sections 8(B)(i) and 8(B)(ii) have been fulfilled to the best of such officer's knowledge; and

(g) such other documents and instruments as Lender may reasonably require.

(ii) Lender shall provide to Maker, as soon as reasonably practicable following the closing of this Note, against delivery of the items set forth in Section 8A(i) above and the achievement of the conditions set forth in Section 1(A) hereof, the Loan in immediately available funds.

B. Conditions. In addition to providing to Lender the closing deliveries required by Section 8(A) in a form satisfactory to Lender, Lender's obligation to enter into this Note on the date hereof is subject to the fulfillment to Lender's reasonable satisfaction of the following conditions:

(i) Representations and Warranties. The representations and warranties of Maker in this Note shall be true and correct as of the Issuance Date.

(ii) Performance; No Default. Maker shall have performed and complied in all material respects with all agreements and conditions in this Note required to be performed or complied with by it prior to or at the time of Maker's execution of this Note and, after giving effect to this Note (and the application of the proceeds thereof as provided herein), no Event of Default shall have occurred and be continuing.

(iii) Proceedings and Documents. A copy of any other documents and instruments required to be executed in connection with the transactions contemplated by this Note shall be

reasonably satisfactory to Lender, and Lender and its counsel shall have received all such counterpart originals or certified or other copies of such documents as Lender may reasonably request.

(iv) Fulfilling State Conditions. Maker acknowledges that Lender is a body corporate and politic of the State of Indiana and that all disbursements must abide by the requirements of the Indiana State Budget Agency and the Indiana State Auditor's Office and that Lender may not disburse funds under this Note unless Maker meets the state guidelines applicable to such requests.

Further, the parties agree that if the Director of the Indiana State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of this Note, Maker is entitled to no further disbursements under this Note. A determination by the Budget Director that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

SECTION 9
MISCELLANEOUS

A. Amendments. No amendment or waiver of any provision of this Note, nor consent to any departure by Maker herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

B. Severability. If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

C. Captions. The captions or headings at the beginning of any paragraph or portion of any paragraph in this Note are for the convenience of Maker and Lender and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

D. Expenses. Maker will pay the reasonable attorneys' fees of Lender incurred in connection with the negotiation and preparation of this Note, [redacted]

E. Usury Savings Clause. It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances Lender will ever receive anything of value as interest or deemed interest by applicable law under this Note or any other document pertaining hereto or otherwise an amount that would exceed the highest lawful rate, such amount that would exceed the highest lawful rate shall be applied to the

reduction of the principal amount owing under this Note or on account of any other indebtedness of Maker to Lender, and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of this Note and such other indebtedness, such excess shall be refunded to Maker. In determining whether or not the interest paid or payable with respect to any indebtedness of Maker to Lender, under any specified contingency, exceeds the highest lawful rate, Maker and Lender will, to the maximum extent permitted by applicable law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and the effects thereof, (iii) amortize, prorate, allocate and spread the total amount of interest throughout the full term of such indebtedness (including any extension or renewal) so that interest thereon does not exceed the maximum amount permitted by applicable law, and/or (iv) allocate interest between portions of such indebtedness, to the end that no such portion shall bear interest at a rate greater than that permitted by applicable law. Lender expressly disavows any intention to charge or collect excessive unearned interest or finance charges in the event that the maturity of this Note is accelerated. If at any time the Interest Rate exceeds the highest lawful rate, then the rate at which interest shall accrue hereunder shall automatically be limited to the highest lawful rate, and shall remain at the highest lawful rate until the total amount of interest accrued hereunder equals the total amount of interest that would have accrued but for the operation of this sentence. Thereafter, interest shall accrue at the Interest Rate unless and until such applicable rate again exceeds the highest lawful rate, in which case the immediately preceding sentence shall apply.

F. Governing Law; Venue. The construction and enforcement of this Note shall be governed by the laws of the State of Indiana, without regard to principles of choice of law and the venue for any court action shall be the circuit or superior court of Marion County, Indiana or the United States District Court of the Southern District of Indiana and Maker hereby consents to the personal jurisdiction of said courts.

G. Notices. Any notice, request or other communication required or permitted hereunder will be in writing and be deemed to have been duly given (i) when personally delivered, (ii) one (1) business day after being sent by a nationally recognized overnight courier service, or (iii) five (5) business days after being sent by registered or certified mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below:

If to Maker: SonarMed Inc.
5513 West 74th Street
Indianapolis, IN 46268
Attention: [redacted]

with a copy to: [redacted]

If to Lender: Indiana 21st Century Research and Technology Fund
c/o Indiana Economic Development Corporation
One North Capitol Avenue, Suite 700
Indianapolis, IN 46204
Attention: General Counsel

H. To the extent feasible and permissible by law, each party hereto agrees that confidential information submitted by the disclosing party to the receiving party shall remain confidential. The

receiving party will treat the information as confidential only if: (i) the information is in fact protected confidential information, such as trade secrets or privileged or confidential proprietary commercial or financial information; and (ii) no disclosure of the information is required by applicable law or judicial order.

I. This Note and the rights and obligations hereunder shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. The rights of Lender hereunder are freely assignable by Lender provided that such assignment is pursuant to an exemption from registration under the Securities Act and applicable state securities laws, and Lender may, at any time, assign its rights in this Note without prior notice to Maker; however, Maker may not assign this Note, whether by operation of law or otherwise, or any rights or duties hereunder without Lender's prior written consent.

J. As required by Indiana Code § 4–13–2–14.8 and notwithstanding any other law, rule or custom, a person or company which has a contract with Lender or the State of Indiana or submits invoices to Lender or the State of Indiana for payment shall authorize in writing the direct deposit by electronic funds transfer of all payments by the State of Indiana to such person or company. The written authorization must designate a financial institution and an account number to which all payments are to be credited.

K. The undersigned attests, subject to the penalties for perjury that he/she is the authorized officer or representative of Maker, that he/she has not, nor has any other officer, representative, or employee of Maker, directly or indirectly, to the best of his/her knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Note other than that which appears on the face hereof.

IN WITNESS WHEREOF, the parties to this Note, having read and understood the foregoing terms of the Note, hereby do, by their respective authorized representatives, agree to the terms thereof.

"MAKER"

SONARMED INC.

By: COPY

Printed: Andrew Cothrel

Title: Chief Executive Officer

Date: February 4, 2011

"IEDC"

INDIANA ECONOMIC DEVELOPMENT CORPORATION

INDIANA TWENTY-FIRST CENTURY RESEARCH AND TECHNOLOGY FUND

By:

Printed: E. Mitchell Roob, Jr. PMR

Title: Secretary of Commerce and CEO

Date: 2-10-11

APPROVED:

STATE BUDGET AGENCY

By:

Printed: Adam M. Horst

Title: Director

Date: 2/25/2011

Schedule A

Contact Information

Name	[redacted]
Title	President
Organization	SonarMed Inc.
Phone	[redacted]
Address	5513 West 74th Street Indianapolis, Indiana 46268
E-Mail	[redacted]

Company Information

Company Name	SonarMed Inc.	
Award Amount	**$500,000**	
Date Approved	July 29, 2010 December 14, 2010	by IEDC Board by State Budget Committee

Disbursement Schedule

Disbursement Date	Disbursement Amount	Enabling Conditions
As soon as reasonably practicable following the satisfaction of the Enabling Conditions	$500,000	Executed Note to which this schedule is attached as Schedule A satisfaction of the conditions contained in Section 8 of the Note
TOTAL	**$500,000**	

Schedule B

LOAN SCHEDULE

DATE	PRINCIPAL AMOUNT OF LOAN	INTEREST ON PRINCIPAL AMOUNT	NOTATION MADE BY
3/7/11	$500,000		PML

Exhibit A

CERTIFICATE OF INCORPORATION

See attached.

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Exhibit B

FORM OF NO DEFAULT CERTIFICATE

See attached.

[INSERT COMPANY NAME]

CERTIFICATE OF NO DEFAULT

Required by

Convertible Promissory Note
dated as of [_____], 2010
by and between
[_____]
and
Indiana Economic Development Corporation

The undersigned, being the duly elected, qualified and acting [_____] of [_____] ("Maker"), pursuant to Section 5.1(A)(iii) of the above-referenced Convertible Promissory Note (the "Convertible Note"), hereby certifies that no Event of Default or event which, with the giving of notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing as of the date hereof.

Any capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Convertible Note.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the ___ day of _____, 20___.

_____
[_____],
[_____]

Schedule 6(E)

CAPITALIZATION

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

[redacted]