UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **August 5, 2016**

SUNSHINE HEART, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-35312**	**68-0533453**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

12988 Valley View Road
Eden Prairie, Minnesota 55344
(Address of principal executive offices) (Zip Code)

(952) 345-4200
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Asset Purchase Agreement

On August 5, 2016, Sunshine Heart, Inc. (the ***"Company"***) entered into and consummated the transactions contemplated by an asset purchase agreement (the ***"Purchase Agreement"***) with Gambro UF Solutions, Inc. (the ***"Seller"***), an indirect subsidiary of Baxter International Inc. Pursuant to the Purchase Agreement, the Company acquired certain assets exclusively related to the production and sale of Seller's Aquadex™ FlexFlow product (the ***"Business"***) for consideration consisting of $4.0 million paid in cash, and 1,000,000 shares of the Company's common stock issued and delivered to Seller or its affiliates (the ***"Common Shares"***). The Aquadex FlexFlow product is a medical device that can be used to treat heart failure patients as well as other patients with fluid overload who have failed diuretic therapy.

Under the Purchase Agreement, the Company has agreed that: (i) if the Company disposes of any of the Business assets for a price that exceeds $4.0 million within three years of the closing, the Company will pay Seller 40% of the amount of such excess; and (ii) if shares of the Company's common stock cease to be publicly traded on the Nasdaq Capital Market, Seller has the option to require the Company to repurchase, in cash (subject to limited exceptions), all or any part of the Common Shares held by Seller or its affiliates at a price equal to their fair market value, as determined by a third-party appraiser.

Under the Purchase Agreement, the Company granted to the Seller, if the Company proposes to issue or sell new shares of the Company's common stock, any securities convertible into, exchangeable or exercisable for such shares, or options, warrants or other rights to acquire such shares on or prior to July 31, 2017 (the ***"Subsequent Financing"***), the right to purchase all or a part of its pro rata portion of such new securities on terms not less favorable than the most favorable terms received by any other party in such Subsequent Financing.

The Purchase Agreement includes customary representations, warranties, and covenants of the Company and Seller, as well as provisions relating to indemnity, confidentiality, non-competition, non-solicitation, and other matters.

Upon closing of the transactions contemplated by the Purchase Agreement, the Company entered into the Patent License Agreement and the Registration Rights Agreement discussed below, as well as a transition services agreement, pursuant to which the Seller shall provide certain services related to the Business to the Company following the closing of the transactions contemplated by the Purchase Agreement, and a commercial manufacturing and supply agreement, pursuant to which the Company will purchase certain products and inventory related to the Business from Seller for up to eighteen months following the closing of the transactions contemplated by the Purchase Agreement.

The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the copy of the Purchase Agreement attached to this Current Report on Form 8-K (this ***"Report"***) as Exhibit 2.1 and incorporated herein by reference.

The representations and warranties contained in the Purchase Agreement were made only for the purposes of the Purchase Agreement as of specific dates and may have been qualified by certain disclosures between the parties, among other limitations. The representations and warranties were made for the purposes of allocating contractual risk between the parties to the Purchase Agreement and should not be relied upon as a disclosure of factual information relating to the Company or Seller.

Patent License Agreement

On August 5, 2016, upon closing of the transactions contemplated by the Purchase Agreement, the Company entered into a patent license agreement with Seller (the ***"Patent License Agreement"***), pursuant to which the Company has obtained, for no additional consideration, a world-wide license under patents used in the Business to make, have made, use, sell, offer for sale and import, the Aquadex FlexFlow product in the "field of use." The "field of use" is defined as system and apparatus only capable of performing isolated ultrafiltration for treatment of congestive heart failure, and methods to the extent used therein (excluding system, apparatus, or methods performing any kind of renal therapy or dialysis and/or any system capable of providing substitution fluid). The license is exclusive, with

respect to some patents, and non-exclusive, with respect to other patents. Under the Patent License Agreement, Seller has agreed to use commercially reasonable efforts to continue maintenance of seven "required maintenance patents," and the Company has agreed to reimburse Seller for all fees, costs, and expenses (internal or external) incurred by Seller in connection with such continued maintenance.

The rights granted to the Company under the Patent License Agreement will automatically revert to Seller in the event the Company ceases operation of the Business or files for, has filed against it, or otherwise undertakes any bankruptcy, reorganization, insolvency, moratorium, or other similar proceeding. In addition, for two years following the closing, the Patent License Agreement is not assignable by the Company (including in connection with a change of control of the Company) without Seller's prior written consent.

The foregoing description of the Patent License Agreement is qualified in its entirety by reference to the copy of the Patent License Agreement attached to this Report as Exhibit 10.1 and incorporated herein by reference.

Registration Rights Agreement

On August 5, 2016, upon closing of the transactions contemplated by the Purchase Agreement, the Company entered into a registration rights agreement with Seller (the ***"Registration Rights Agreement"***), pursuant to which Seller or its affiliates has the right to request that the Company file a registration statement with the Securities and Exchange Commission (the ***"SEC"***) to register all or part of the Common Shares. Upon receipt of any such request, the Company has agreed to use its reasonable best efforts to prepare and file a registration statement as expeditiously as possible but in any event within 30 days of such request, and to cause the registration statement to become effective in accordance with Seller's intended method of distribution. The Company has also agreed to pay the expenses incurred in connection with any such registration.

The foregoing description of the Registration Rights Agreement is qualified in its entirety by reference to the copy of the Registration Rights Agreement attached to this Report as Exhibit 4.1 and incorporated herein by reference.

Loan and Security Agreement

On August 4, 2016, in connection with the Company's acquisition of the Business, the Company repaid all amounts outstanding under its existing debt facility with Silicon Valley Bank (the ***"Bank"***), as further discussed in Item 1.02 below, and on August 5, 2016, entered into a new loan and security agreement with the Bank (the ***"New Loan Agreement"***). Under the New Loan Agreement, the Bank has agreed to provide the Company with up to $5 million in debt financing, consisting of (i) a term loan in an aggregate original principal amount not to exceed $4.0 million (the ***"Term Loan"***) and (ii) a revolving line of credit in an aggregate principal amount not to exceed $1 million outstanding at any time (the ***"Revolving Line"***; together with the Term Loan, the ***"Loans"***). The proceeds from the Loans will be used for general corporate and working capital purposes.

Advances under the Term Loan will accrue interest at a floating per annum rate equal to 2.50% above the prime rate as published in the money rates section of The Wall Street Journal, provided that, in the event such prime rate of interest is less than zero, such prime rate shall be deemed to be zero. The Company is entitled to make interest-only payments on advances under the Term Loan through March 31, 2017 (the ***"Amortization Date"***). Commencing on April 1, 2017, and continuing on the first day of each calendar month thereafter, the Company is required to repay advances under the Term Loan in 36 consecutive equal monthly installments of principal plus interest. In the event the Company completes an equity issuance resulting in unrestricted and unencumbered net cash proceeds in an amount of at least $25 million on or before March 31, 2017, the Amortization Date will be extended by six months, and the Company will be required to repay advances under the Term Loan in 30 consecutive equal monthly installments of principal plus interest, commencing on October 1, 2017 and continuing on the first day of each calendar month thereafter. All outstanding principal and accrued interest with respect to advances under the Term Loan are due and payable in full on March 1, 2020.

Upon the occurrence and during the continuance of an event of default (as defined in the New Loan Agreement), the obligations to the Bank bear interest at a rate per annum which is 4% above the rate that is otherwise applicable.

Under the Revolving Line, the Company may borrow the lesser of $1 million or 80% of the Company's eligible accounts (subject to customary exclusions), minus the outstanding principal balance of any advances under the Revolving Line. Advances under the Revolving Line will accrue interest at a floating per

annum rate equal to 1.75% or 1.0% above the prime rate, depending on whether the Company has maintained net liquidity (as defined in the New Loan Agreement) in an amount equal to or greater than six times its monthly cash burn

amount (as defined in the New Loan Agreement) for the period specified in the New Loan Agreement. Interest on the principal amount outstanding under the Revolving Line is payable monthly on the last calendar day of the month until March 31, 2020, at which time all outstanding principal and unpaid interest with respect to advances under the Revolving Line are due and payable in full.

The New Loan Agreement requires proceeds of accounts to be deposited into a designated bank account. Amounts received in such account will be applied to reduce the obligations under the Revolving Line, unless net liquidity is in an amount equal to or greater than six times monthly cash burn amount, in which case such amounts will be transferred to the Company's operating account so long as no event of default exists.

Advances under both the Term Loan and the Revolving Line are subject to various conditions precedent, including without limitation the Company's compliance with financial covenants relating to the Company's net liquidity relative to its monthly cash burn amount, which the Company does not currently meet.

The New Loan Agreement contains customary representations, as well as customary affirmative and negative covenants. Among other restrictions, the negative covenants, subject to exceptions, prohibit or limit the Company's ability to do the following: declare dividends or redeem or purchase equity interests; incur additional liens; make loans and investments; incur additional indebtedness; engage in mergers, acquisitions, and asset sales; transact with affiliates; undergo a change in control; add or change business locations; and engage in businesses that are not related to its existing business. The New Loan Agreement also requires the Company to maintain at all times upon the earlier to occur of (i) the funding date of the initial advance under the Term Loan or (ii) the funding date of the initial advance under the Revolving Line, tested on the last day of each month: (i) net liquidity in an amount equal to or greater than four times the Company's monthly cash burn amount and (ii) unrestricted cash and cash equivalents in accounts with the Bank or its affiliates equal to or greater than 1.25 of the amount of all of the Company's outstanding obligations to the Bank.

The Company's obligations under the New Loan Agreement are secured by a security interest in the Company's assets, excluding intellectual property and certain other exceptions. The Company is subject to a negative pledge covenant with respect to its intellectual property.

The Company's obligations under the New Loan Agreement may be accelerated upon the occurrence of an "event of default," which is defined to include customary events for a financing arrangement of this type, including, without limitation, payment defaults, defaults in the performance of affirmative or negative covenants (including financial ratio maintenance requirements), bankruptcy or related defaults, defaults on certain other indebtedness, the material inaccuracy of representations or warranties, material adverse changes and revocations of government approvals.

Under the New Loan Agreement, the Company also agreed to pay the Bank the following fees, in addition to certain expenses incurred by the Bank in connection with the Loans: a commitment fee of $7,500, due and paid by the Company on the effective date of the New Loan Agreement; annual fees of $7,500 due and payable by the Company on the first, second, and third anniversaries of the effective date of the New Loan Agreement, as well as upon the occurrence of other events, such as an event of default or termination of the New Loan Agreement, whichever is earliest to occur; a termination fee in an amount equal to (i) 2.0% of the Revolving Line if terminated on or before the one-year anniversary of the effective date of the New Loan Agreement or (ii) 1.0% of the Revolving Line if terminated after the one-year anniversary of the effective date of the New Loan Agreement; a final payment equal to 2.50% of the original principal amount of advances under the Term Loan or $25,000 in the event there are no advances under the Term Loan; and a prepayment premium in an amount ranging from 1.0% to 3.0% of the outstanding principal amount of advances under the Term Loan.

The foregoing description of the New Loan Agreement is qualified in its entirety by reference to the copy of the New Loan Agreement attached to this Report as Exhibit 10.2 and incorporated herein by reference.

The representations and warranties contained in the New Loan Agreement were made only for the purposes of the agreement as of specific dates and may have been qualified by certain disclosures between the parties, among other limitations. The representations and warranties were made for the purposes of allocating contractual risk between the parties to the New Loan Agreement and should not be relied upon as a disclosure of factual information relating to the Company or the Bank.

Item 1.02 Termination of a Material Definitive Agreement.

On August 4, 2016, the Company voluntarily prepaid all outstanding amounts under its loan and security agreement dated February 18, 2015, as amended by the first amendment to loan and security agreement dated December 8, 2015 (as so amended, the ***"Prior Loan Agreement"***), with the Bank, at which time the Company's obligations under the Prior Loan Agreement immediately terminated, other than those that were specified as surviving termination. The Company paid to the Bank approximately $6.0 million, consisting of the then outstanding principal balance due of approximately $5.5 million, accrued but unpaid interest of approximately $3,200, a final payment of $400,000 and a prepayment premium of approximately $109,000. In connection with the termination, the Bank agreed to release its security interests in all collateral under the Prior Loan Agreement.

The material terms of the Prior Loan Agreement were previously disclosed in the Company's Current Reports on Form 8-K, which were filed with the SEC on February 19, 2015 and December 9, 2015 and are incorporated herein

by reference. The disclosure set forth in Item 1.01 of this Report under the heading "Loan and Security Agreement" regarding the Company's entry into the New Loan Agreement with the Bank is also incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in Item 1.01 of this Report under the heading "Asset Purchase Agreement" is incorporated herein by reference, and the disclosure set forth in Item 1.01 of this Report under the heading "Loan and Security Agreement" regarding the source of funds used in connection with the transactions

contemplated by the Purchase Agreement is incorporated herein by reference.

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

The disclosure set forth in Item 1.01 of this Report under the heading "Loan and Security Agreement" is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Report under the headings "Asset Purchase Agreement" and "Registration Rights Agreement" is incorporated herein by reference. The Company's issuance of the Common Shares to Seller was made in reliance upon the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act of 1933, as amended (the ***"Securities Act"***), and Rule 506 of Regulation D promulgated thereunder.

Item 7.01 Regulation FD Disclosure.

On August 5, 2016, the Company issued a press release announcing the transactions disclosed herein. A copy of the press release is furnished herewith as Exhibit 99.1 hereto and incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.1 attached hereto, is being furnished, shall not be deemed "filed" for any purpose, and shall not be deemed incorporated by reference in any filing under the Securities Act or the Securities Exchange Act of 1934, as amended, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The applicable financial statements will be filed by amendment to this Report no later than 71 days after the date on which this Report is required to be filed.

(b) Pro forma financial information.

The applicable pro forma financial information will be filed by amendment to this Report on Form 8-K no later than 71 days after the date on which this Report is required to be filed.

(d) Exhibits.

Exhibit No.	Description
2.1	Asset Purchase Agreement between Sunshine Heart, Inc. and Gambro UF Solutions, Inc. dated August 5, 2016. †
4.1	Registration Rights Agreement between Sunshine Heart, Inc. and Gambro UF Solutions, Inc. dated August 5, 2016.

10.1	Patent License Agreement between Sunshine Heart, Inc. and Gambro UF Solutions, Inc. dated August 5, 2016.
10.2	Loan and Security Agreement between Sunshine Heart, Inc. and Silicon Valley Bank dated August 5, 2016. †
99.1	Press release dated August 8, 2016.

† Schedules have been omitted pursuant to Item 601 of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any of the omitted schedules upon request by the SEC.

SIGNATURES

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

Date: August 8, 2016

SUNSHINE HEART, INC.

By: /S/ CLAUDIA DRAYTON
Name: Claudia Drayton
Title: Chief Financial Officer

EXHIBIT INDEX

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10.2	Loan and Security Agreement between Sunshine Heart, Inc. and Silicon Valley Bank dated August 5, 2016. †
99.1	Press release dated August 8, 2016.

† Schedules have been omitted pursuant to Item 601 of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any of the omitted schedules upon request by the SEC.

Exhibit 2.1

CONFIDENTIAL EXECUTION COPY

ASSET PURCHASE AGREEMENT

between

SUNSHINE HEART, INC.

and

GAMBRO UF SOLUTIONS, INC.

Dated as of August 5, 2016

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INDEX OF DEFINED TERMS

This ASSET PURCHASE AGREEMENT, dated August 5, 2016 (this "Agreement"), is made between Gambro UF Solutions, Inc., a Delaware corporation (the "Company"), and Sunshine Heart, Inc., a Delaware corporation (the "Acquiror").

WHEREAS, the Company owns or controls, directly or indirectly, each of the entities identified as "Asset Sellers" set forth in Section 1.1(a) of the Disclosure Schedule, which together with the Company are referred to herein as the "Asset Sellers"; and

WHEREAS, the Company wishes to sell, and to cause to be sold by the other Asset Sellers, to the Acquiror, and the Acquiror wishes to purchase from the Company and the other Asset Sellers, certain of the assets of the Asset Sellers and the Acquiror wishes to assume, and the Company wishes to have the Acquiror assume, certain Liabilities of the Asset Sellers, in each case upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration for the premises and mutual covenants, representations, warranties and agreements hereinafter set forth, the parties to this Agreement agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Certain Defined Terms. As used herein the following terms not otherwise defined have the following respective meanings:

"Accounting Principles" means the accounting principles and policies used in the preparation of the Financial Statements.

"Action" means any civil, criminal or administrative litigation, claim, action, suit, arbitration, hearing, investigation or other similar proceeding before any Governmental Entity.

"Affiliate" means, with respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such specified Person. For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement, in no case shall Acquiror or any of its Affiliates be deemed to be Affiliates of the Company for purposes of this Agreement.

"Acquiror SEC Reports" means such reports, schedules, forms, statements and other documents required to be filed by the Acquiror under the Securities Exchange Act of 1934 or any successor statute, and the rules and regulations promulgated thereunder, including pursuant to Section 13(a) or 15(d) thereof, since January 1, 2015 (including the exhibits thereto and documents incorporated by reference therein).

"Bill of Sale, Assignment and Assumption Agreement" means the Bill of Sale, Assignment and Assumption Agreement of even date herewith among the Asset Sellers and the Acquiror, substantially in the form attached hereto as Exhibit A.

"Business" means the production and sale of the Company's Aquadex FlexFlow product.

"Business Day" means any day other than Saturday, Sunday or other day on which banks in the City of New York are required or permitted by Law to close.

"Business Employees" means Larry Peterson and Som Lor.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company Plans" means any employer plan, program, agreement or arrangement of any kind, whether written or verbal, including any executive compensation, bonus, incentive compensation, deferred compensation, pension, profit sharing, 401(k), severance, health, welfare, disability, stock purchase, stock option, change-in-control, retention, bonus, vacation, holiday, sick leave, fringe benefit, health, welfare, educational assistance, pre-Tax premium, flexible spending account, or life insurance plan, program, agreement or arrangement, including any employee benefit plan within the meaning of Section 3(3) of ERISA, and any comparable foreign (non-United States) private employee benefit plan, in each case that that relate exclusively to employees of any Asset Seller.

"Control" means, with respect to the relationship between or among two or more Persons, the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of any such Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person. The terms "Controlled by," "Controlled," "under common Control with" and "Controlling" shall have correlative meanings.

"Environmental Law" means any and all Laws regulating, relating to or imposing liability or standards of conduct concerning protection of the environment.

"Equity Securities" means any and all shares of Common Stock and any securities of the Acquiror convertible into, or exchangeable or exercisable for, such shares, and options, warrants or other rights to acquire such shares.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Securities" means Equity Securities issued in connection with (a) a grant to any existing or prospective consultants, employees, officers or directors pursuant to any stock option, employee stock purchase or similar equity-based plans or other compensation agreement; (b) the conversion or exchange of any securities of the Acquiror into shares of Common Stock, or the exercise of any options, warrants or other rights to acquire such shares; (c) any acquisition by the Acquiror of the stock, assets, properties or business of any Person; (d) any merger, consolidation or other business combination involving the Acquiror; (e) a stock split, stock dividend or any similar recapitalization; or (f) any issuance of warrants or other similar rights to purchase Equity

Securities to lenders in any arm's length transaction providing debt financing to the Acquiror or any of its Subsidiaries where such warrants or rights, together with all then outstanding warrants and rights, are not equal to and not convertible into an aggregate of more than 15% of the outstanding Equity Securities on a fully diluted basis at the time of the issuance of such warrants or rights.

"Fundamental Representation" means, with respect to the Company, the representations and warranties set forth in Sections 3.1, 3.2, 3.8(b) and 3.12, and with respect to the Acquiror, the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.4(a), 4.7, 4.8, 4.9 and 4.10.

"GAAP" means U.S. generally accepted accounting principles.

"Governmental Entity" means any government or any court, arbitral tribunal, administrative agency or commission or other governmental or other regulatory authority or agency, federal, state, local, transnational or foreign.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity.

"Indebtedness" means, as applied to any Person, as of a particular date of determination, without duplication, (a) all indebtedness of such Person, whether or not contingent, for borrowed money, (b) all obligations of such Person evidenced by notes, bonds, debentures, debt securities, or warrants, or in the nature of capital lease obligations, and (c) all indebtedness of others referred to in clauses (a) and (b) hereof guaranteed, directly or indirectly, in any manner by such Person.

"Inventory" means raw materials, work in progress, goods consigned by the Asset Sellers, finished goods, parts, packaging, supplies and labels (including any of the foregoing held for the benefit of the Business in the possession of third party manufacturers, suppliers, dealers, distributors or others in transit).

"IRS" means the U.S. Internal Revenue Service.

"Knowledge of the Company" or "the Company's Knowledge" means, with respect to any particular matter, the actual knowledge of the individuals listed on Section 1.1(a) of the Disclosure Schedule.

"Law" means any law, statute, ordinance, rule (including common law), regulation, directive, Action, code, decree or other legally enforceable requirement of any Governmental Entity, and includes rules and regulations of any regulatory or self-regulatory authority.

"Liability" means any debt, liability or obligation, whether matured or unmatured, fixed, determined or determinable, absolute or contingent, accrued or unaccrued, known or unknown, and whether due or to become due.

"Lien" means any title defect or objection, lien, pledge, mortgage, deed of trust, security interest, claim (whether or not made, known or contingent), judgment, charge, pledge, conditional sale or other title retention agreement, easement, transfer restriction under any stockholder or similar agreement, or any other similar restriction or limitation whatsoever.

"Losses" means all losses, damages, costs, expenses, liabilities, obligations and claims of any kind (including any Action brought by any Governmental Entity or other Person and including reasonable attorneys' fees incurred in connection with any claim or Action).

"Manufacturing and Supply Agreement" means the Manufacturing and Supply Agreement of even date herewith between the Company and the Acquiror, substantially in the form attached hereto as Exhibit C.

"Material Adverse Effect" means any change, impact, event, effect, circumstance and/or development (or combination of the foregoing) that has had or would reasonably be expected to have a material adverse effect on the business, assets, financial condition or results of operations of the Business; provided, however, that no such change, impact, event, effect, circumstance and/or development resulting from or arising in connection with the following shall constitute (or be taken into account in determining the occurrence of) a Material Adverse Effect: (i) the announcement of this Agreement or the transactions contemplated by this Agreement, (ii) changes or conditions affecting generally the industries in which the Business operates, (iii) changes or conditions affecting the economy as a whole or capital markets generally in the United States, (iv) the announcement, declaration, commencement, occurrence, continuation or threat of any war or armed hostilities, and any act or acts of terrorism, (v) changes in applicable Law or (vi) any failure to meet any projections or forecasts or estimates of revenues or earnings for any period (it being understood and agreed that the facts and circumstances giving rise to such failure that are not otherwise excluded from the definition of Material Adverse Effect may be taken into account in determining whether there has been a Material Adverse Effect); provided that any of the matters set forth in clauses (ii) through (v) shall be taken into account in determining whether there is a Material Adverse Effect only to the extent that such effects have a disproportionate adverse effect on the Business (as compared to other businesses operating in the industries in which the Business operates).

"Materials of Environmental Concern" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity, and any other substances regulated pursuant to any applicable Environmental Law.

"Mixed Contracts" means any customer, distributor, or similar Contract with any Third Party to which any Asset Seller is a party prior to the Closing Date that provides for both (i) sales of products or services of the Business, and (ii) sales of any product or service of any Asset Seller or any of its Affiliates that is not part of the Business.

"Order" means any award, decision, injunction (whether temporary, preliminary or permanent), judgment, stipulation, order, ruling, subpoena, writ, decree, consent decree or verdict entered, issued, made or rendered by any Governmental Entity.

"Patent License Agreement" means the Patent License Agreement between the Company and the Acquiror of even date herewith, substantially in the form attached hereto as Exhibit D.

"Permitted Liens" means (i) Liens that arise out of Taxes not in default and payable without penalty or interest or the validity of which is being contested in good faith by appropriate proceedings and for which appropriate reserves have been established, (ii) workmen's, repairmen's or other similar Liens arising or incurred by the operation of Law and in the ordinary course of business in respect of obligations which are not overdue or (iii) minor title defects, recorded easements or Liens affecting real or personal property, which defects, easements or Liens do not, individually or in the aggregate, impair the continued use, occupancy, value or marketability of title of the real or personal property to which they relate, assuming that the property is used on substantially the same basis as such property is currently being used by the Business.

"Person" means any corporation, association, partnership, limited liability company, organization, business, individual, Governmental Entity or other entity or similar group.

"Principal Market" means the Nasdaq Capital Market; provided however, that in the event the Company's Common Stock is ever listed or traded on the New York Stock Exchange, the NYSE Amex Equities, the Nasdaq Global Select Market, the NASDAQ Global Market, or either one of the OTCQB or the OTCQX market places of the OTC Markets, then the "Principal Market" shall mean such other market or exchange on which the Company's Common Stock is then listed or traded.

"Product" means the Aquadex FlexFlow console, and blood circuit sets, venous catheters and filters used in connection with the Aquadex FlexFlow console, in each case manufactured by the Company in Brooklyn Park, Minnesota, and sold by or on behalf of the Company prior to the Closing Date.

"Pro Rata Portion" means, with respect to the Company and its Affiliates (in the aggregate), on any issuance date for New Securities, the number of New Securities equal to the product of (i) the total number of New Securities to be issued by the Acquiror on such date and (ii) the fraction determined by dividing (x) the number of shares of Common Stock owned by the Company and its Affiliates (in the aggregate) immediately prior to such issuance by (y) the total number of shares of Common Stock outstanding on such date immediately prior to such issuance.

"Qualifying Revenues" means revenues in excess of $10 million derived from sales of products in the Restricted Business.

"Registrable Securities" means all of the Common Shares and any shares of capital stock issued or issuable with respect to the Common Shares as a result of any stock split, stock dividend, recapitalization, exchange or similar event.

"Registration Rights Agreement" means the Registration Rights Agreement between the Company and the Acquiror, substantially in the form attached hereto as Exhibit E.

"Related to the Business" means relating exclusively to or used exclusively in the operation or conduct of the Business as conducted by the Asset Sellers in the ordinary course prior to the Closing.

"Representative" of a Person means each of the directors, officers, employees, advisors, agents, consultants, attorneys, accountants, investment bankers or other representatives of such Person.

"Restricted Affiliates" means Baxter International Inc. and its Subsidiaries.

"Restricted Business" means the development and sale of any new standalone ultrafiltration device intended solely for use in treating congestive heart failure.

"Securities Act" means the Securities Act of 1933, as amended.

"SEC" means the United States Securities and Exchange Commission.

"Subsidiary" means, with respect to any Person, any corporation, partnership, joint venture, limited liability company or other business association or entity, whether incorporated or unincorporated, of which (i) such Person or any other Subsidiary of such Person is a general partner or a managing member, (ii) such Person and/or one or more of its Subsidiaries holds voting power to elect a majority of the board of directors or other governing body performing similar functions, or (iii) such Person and/or one or more of its Subsidiaries, directly or indirectly, owns or controls more than 50% of the equity, membership, partnership or similar interests.

"Tax" or "Taxes" means any and all federal, state, county, provincial, local, foreign and other taxes, charges, fees, levies or other assessments, including all net income, gross income, gross receipts, premium, estimated, sales, use, ad valorem, property, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, customs, duties, imposts and guaranty fund assessments, together with any interest, additions to tax or interest, and penalties with respect thereto imposed by any Tax authority.

"Tax Returns" means any return, report, declaration, claim for refund, information return or other document (including any related or supporting schedule, statement or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax of any party or the administration of any laws, regulations or administrative requirements relating to any Tax (including any amendment thereof).

"Third Party" means any Person who is not a party to this Agreement or an Affiliate of a Party to this Agreement.

"Transaction Agreements" means this Agreement, the Bill of Sale, Assignment and Assumption Agreement, the Transition Services Agreement, the Manufacturing and Supply Agreement, the Patent License Agreement, and the Registration Rights Agreement.

"Transactions" means the transactions contemplated by this Agreement and the other Transaction Agreements.

"Transfer Taxes" means all sales (including bulk sales), use, documentary, stamp, gross receipts, registration, transfer, conveyance, excise, recording, license, stock transfer stamps and other similar Taxes and fees.

"Transition Services Agreement" means the Transition Services Agreement between the Company and the Acquiror of even date herewith, substantially in the form attached hereto as Exhibit B.

ARTICLE II

PURCHASE AND SALE

SECTION 2.1 Purchase and Sale of Assets.

(a) Transferred Assets. On the terms and subject to the conditions set forth in this Agreement and except for the Excluded Assets, at the Closing, the Company shall, and shall cause the other Asset Sellers to, sell, convey, assign, transfer and deliver to the Acquiror, and the Acquiror shall purchase, acquire and accept from the Asset Sellers, all of the Asset Sellers' right, title and interest, in each case free and clear of all Liens other than Permitted Liens, in, to and under the following assets, properties, leases, rights, interests, Contracts and claims as the same shall exist immediately prior to the Closing (collectively, the "Transferred Assets"):

(i) (x) all right, title and interest in and to each contract, lease, license, understanding, commitment or other agreement, whether oral or written, Related to the Business to which an Asset Seller is a party and (y) all of the rights and benefits applicable to the Business pursuant to any Mixed Contract for which the Acquiror is entitled to receive the rights and benefits (and to assume the Liabilities) pursuant to this Agreement (each a "Contract" and collectively, "Contracts"), but excluding (A) all confidentiality agreements and other Contracts relating to the sale of the Business, (B) any Contract with respect to owned or leased real property, (C) any accounts receivable existing as of the Closing Date arising under any Contract and (D) any Contract that is necessary for the Company to perform its obligations arising under the Manufacturing and Supply Agreement and/or the Transition Services Agreement, provided that (1) all such Contracts under this Section 2.1(a)(i)(y)(D) that are not Mixed Contracts shall become Transferred Assets upon the termination or expiration of the Manufacturing and Supply Agreement and/or the Transition Services Agreement, as the case may be, and at such time be promptly sold, conveyed, assigned, transferred and delivered to the

Acquiror, and (2) all such Contracts under this Section 2.1(a)(i)(y)(D) that are Mixed Contracts shall become Transferred Assets upon the termination or expiration of the Manufacturing and Supply Agreement and/or the Transition Services Agreement, as the case may be, and at such time shall become subject to Section 2.2(b) (collectively, the "Assumed Contracts");

(ii) all claims, defenses, causes of action (including counterclaims) and all other rights to bring any Action at law or in equity to the extent Related to the Business or to the extent arising out of or relating to any Transferred Asset or any Assumed Liability, including any such items arising under warranties, guarantees, indemnities, or offsets and all similar rights in favor of any Asset Seller Related to the Business or otherwise arising out of or relating to any Transferred Asset or any Assumed Liability, but excluding in each case to the extent arising out of or related to any Excluded Assets or Excluded Liability (for example, any claim related to a Liability retained by the Company and its Affiliates hereunder shall remain a claim of the Company or its applicable Affiliates);

(iii) the intellectual property owned by the Asset Sellers and Related to the Business to the extent set forth on Section 2.1(a)(iii) of the Disclosure Schedule (the "Transferred IP");

(iv) all transferable licenses, governmental authorizations and other Permits that are owned by the Asset Sellers and Related to the Business;

(v) other than any Excluded Assets, all books, records, files and papers, whether in hard copy or computer format, including sales and promotional literature, manuals and data, sales and purchase correspondence, customer lists and supplier lists, in each case to the extent Related to the Business; and

(vi) all trademarks and/or tradenames that include the phrase "Aquadex FlexFlow" and all confusingly similar derivations thereof.

(b) Excluded Assets. Notwithstanding anything to the contrary set forth in Section 2.1(a) or elsewhere in this Agreement, the Acquiror expressly understands and agrees that all assets, properties, leases, rights, interests, Contracts and claims of the Asset Sellers other than the Transferred Assets (the "Excluded Assets") shall be retained by the Company, the other Asset Sellers and their Affiliates, and shall be excluded from the Transferred Assets, including:

(i) all cash, cash equivalents and marketable securities (and bank accounts, cash accounts, investment accounts, deposit accounts, lockboxes and other similar accounts) held by the Asset Sellers or held by any bank or other third Person on the Asset Sellers' behalf as well as all accounts related thereto;

(ii) all Inventory Related to the Business, wherever held;

(iii) all accounts, notes and other receivables ("Receivables") arising out of the pre-Closing sale by the Asset Sellers of goods, services or products of the Business;

(iv) all Tax Returns, and all claims, refunds or credits in respect of Taxes of the Asset Sellers, any of their Affiliates or the operation of the Business or the Transferred Assets;

(v) the Company Plans sponsored or maintained by the Asset Sellers or their respective Affiliates, and any trusts and other assets related thereto;

(vi) all policies of or agreements for insurance and interests in insurance pools and programs;

(vii) all rights, claims, credits, defenses, causes of action (including counterclaims) and all other rights to bring any Action at law or in equity relating to any period through the Closing (x) to the extent arising out of or relating to any Excluded Asset or Excluded Liability or (y) to the extent that the assertion of such cause of action or defense is necessary or useful in defending any claim that may be asserted against the Asset Sellers or for which indemnification may be sought by the Acquiror Indemnified Parties pursuant to Article VII;

(viii) any interest or right of the Company or any of the other Asset Sellers under the Transaction Agreements and any other documents, instruments or certificates executed in connection with the Transaction Agreements and the transactions contemplated hereby and thereby;

(ix) all employees of the Business (other than the Transferred Employees) as well as all personnel and employment records for employees and former employees of the Business;

(x) any interest or right of the Company or any of its Affiliates in any real property, whether owned or leased, or any Contract in respect thereof;

(xi) all Contracts of the Asset Sellers that are not Assumed Contracts;

(xii) inter-company Receivables from any of the Asset Sellers or their Affiliates;

(xiii) (A) all corporate minute books (and other similar corporate or other governance related records) and stock records of the Asset Sellers, (B) any books and records relating to the Excluded Assets or Excluded Liabilities or (C) any books, records or other materials that the Asset Sellers (x) are required by Law to retain (copies of which, to the extent permitted by Law, will be made available to the Acquiror upon the Acquiror's reasonable request), (y) reasonably believe are necessary to enable the Asset Sellers to prepare and/or file Tax Returns (copies of which will be made available to the Acquiror upon the Acquiror's reasonable request) or (z) are prohibited by Law from delivering to the Acquiror (collectively, "Books and Records");

(xiv) all tangible personal property and interests therein, including machinery, equipment, furniture, furnishings, office equipment, communications equipment, vehicles, spare and replacement parts and other tangible personal property

and interest therein (unless transferred to the Acquiror pursuant to the terms and conditions of the Manufacturing and Supply Agreement);

(xv) all computer hardware (including servers, laptops, desktops, monitors, printers), software and systems (including third party licenses to any of the foregoing);

(xvi) all stock and other ownership interests in the Asset Sellers or any of their Affiliates; and

(xvii) the assets listed or described on Section 2.1(b)(xvii) of the Disclosure Schedule.

Notwithstanding anything to the contrary set forth in any of the Transaction Agreements, the Acquiror acknowledges and agrees that all of the following shall remain the property of the Company, and neither the Acquiror nor any of its Affiliates shall have any interest therein: (x) all records and reports prepared or received by the Company or any of its Affiliates in connection with the sale of the Business and the transactions contemplated hereby, including all analyses relating to the Business or the Acquiror so prepared or received; and (y) all confidentiality agreements with prospective purchasers of the Company or any portion thereof, as the case may be, and all bids and expressions of interest received from third parties with respect thereto.

(c) Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement and subject to the exclusions set forth in Section 2.1(d), the Acquiror hereby agrees, effective at the time of the Closing, to assume and thereafter timely to pay, discharge and perform in accordance with their terms, the following Liabilities of the Asset Sellers (the "Assumed Liabilities"):

(i) all Liabilities arising out of, based upon, resulting from or relating to the Transferred Assets or the Business to the extent that they relate to, arise out of or result from any fact, circumstance, occurrence, condition, act or omission occurring or existing, in whole or in part, after the Closing;

(ii) all Liabilities for Taxes, whether or not accrued, assessed or currently due and payable, relating to the operation or ownership of the Business (including for clarification Taxes relating to the Transferred Assets), (x) for any period (or portion thereof) commencing on or after the Closing Date and (y) for periods which commence prior to and end after the Closing Date as apportioned in the manner described in Section 6.1 hereof;

(iii) all Liabilities to the extent that they relate to, arise out of or result from any fact, circumstance, occurrence, condition, act or omission occurring or existing, in whole or in part, after the Closing, (A) under any Environmental Laws or otherwise relating to the environment or natural resources, human health and safety or Materials of Environmental Concern and (B) Related to the Business (including the Transferred Assets or any past, current or future businesses, operations or properties, including any businesses, operations or properties for which a current or future owner or operator of the

Transferred Assets or the Business may be alleged to be responsible as a matter of Law, contract or otherwise); and

(iv) all obligations, liabilities and commitments in respect of any and all Products manufactured, marketed, sold or distributed at any time on or after the Closing Date (including all obligations, liabilities and commitments in connection with the manufacture, marketing, sale or distribution thereof) in connection with the Business, including all product liability, infringement and misappropriation claims, all obligations and liabilities arising out of or relating to the activities and operations of third-party contract manufacturers and co-packers (including all environmental obligations and liabilities), and all obligations and liabilities for promotions, advertising, refunds, adjustments, exchanges, returns and warranty, merchantability and other claims.

(d) Excluded Liabilities. Except for the Assumed Liabilities, the Acquiror is not assuming or agreeing to pay or discharge any other Liabilities of the Company, the other Asset Sellers or any of their respective Affiliates (the "Excluded Liabilities"), including, without limitation, the following:

(i) any Indebtedness (including any interest thereon or other amounts payable in connection therewith);

(ii) any Liability to the extent relating to or arising under any Excluded Asset;

(iii) any Liability for Taxes, whether or not accrued, assessed or currently due and payable, relating to the operation or ownership of the Business (including for clarification Taxes relating to the Transferred Assets) for any period (or portion thereof) ending on or prior to the Closing Date, provided that Taxes for a taxable period that includes (but does not end on) the Closing Date shall be apportioned in the manner described in Section 6.1 hereof);

(iv) all Liabilities relating to or otherwise in respect of the Asset Sellers or their Affiliates or the Business with respect to the Company Plans or the employment of any of the respective employees during the period employed by the Asset Sellers or their Affiliates;

(v) all Liabilities to the extent arising out of the operation or conduct by an Asset Seller or any of its Affiliates of any business other than the Business;

(vi) all Liabilities arising out of, based upon, resulting from or relating to the Transferred Assets or the Business, to the extent relating to, arising out of or resulting from any fact, circumstance, occurrence, condition, act or omission occurring or existing, in whole or in part, on or prior to the Closing;

(vii) all Liabilities in respect of any breach occurring prior to the Closing Date with respect to any Assumed Contract;

(viii) all Liabilities or commitments of the Asset Sellers or their Affiliates or the Business under confidentiality agreements to which any Asset Seller is a party relating to the sale of the Business;

(ix) inter-company payables to any of the Asset Sellers or any of their Affiliates; and

(x) accounts payable of any Asset Seller existing as of the Closing.

SECTION 2.2 Assignment of Certain Transferred Assets and Assumed Liabilities.

(a) Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Transferred Asset, Assumed Liability or any claim or right or any benefit arising thereunder or resulting therefrom if an attempted assignment or transfer thereof, without the consent of a Third Party (including any Governmental Entity), would constitute a breach or other contravention thereof or a violation of Law or would in any way adversely affect the rights of the Acquiror (as assignee of the applicable Asset Seller) thereto or thereunder. Subject to Section 5.2, the Company will, and will cause each of the other Asset Sellers to, use its commercially reasonable efforts until the Closing to obtain any consent necessary for the transfer or assignment of any such Transferred Asset, Assumed Liability, claim, right or benefit to the Acquiror. If, on the Closing Date, any such consent is not obtained, or if an attempted transfer or assignment thereof would be ineffective or a violation of Law or would adversely affect the rights of the Acquiror (as assignee of the applicable Asset Seller) thereto or thereunder so that the Acquiror would not in fact receive all such rights (such rights not transferred at the Closing, "Third Party Rights"), the Asset Sellers and the Acquiror will, subject to Section 5.2, cooperate in a mutually agreeable arrangement under which the Acquiror would, in compliance with Law, obtain the benefits and assume the obligations and bear the economic burdens (including all Tax Liabilities) associated with such Transferred Asset, Assumed Liability, claim, right or benefit in accordance with this Agreement for a period of twelve (12) months following the Closing. For a period of twelve (12) months following the Closing (or, in the case of Permits only, 120 days following the Closing), the Company and the Acquiror shall use commercially reasonable efforts, and shall cooperate with each other, to obtain any such required consent; provided, however, that neither the Company nor the Acquiror (nor any of their respective Affiliates) shall be required to pay any consideration therefor. Once such consent is obtained, the applicable Asset Seller shall sell, assign, transfer, convey and deliver to the Acquiror the relevant Transferred Asset to which such consent relates for no additional consideration. Notwithstanding any provision hereof to the contrary, no Asset Seller shall be required to file for or cause the extension of any Permit expiring or otherwise terminating after Closing.

(b) Except as may otherwise be agreed by the parties in writing, each Mixed Contract shall, to the extent commercially practicable, be separated effective on or after the Closing, so that each Asset Seller and the Acquiror, or their applicable Affiliates, shall be entitled to the rights and benefits and shall assume the related portion of any Liabilities inuring to their respective businesses. The Acquiror shall make a bona fide written offer to the applicable counterparty to each such Mixed Contract to enter into a new Contract regarding the subject

matter of such Mixed Contract as it relates to the Business on commercially reasonable terms. If any Mixed Contract cannot be so separated, the Company and the Acquiror shall, and shall cause each of their respective Affiliates to, take such other commercially reasonable efforts to cause (i) the rights and benefits associated with that portion of each Mixed Contract that would have (had the Mixed Contract been separated prior to the Closing) been a Transferred Asset to be enjoyed by the Acquiror, (ii) the Liabilities associated with that portion of each Mixed Contract that would have (had the Mixed Contract been separated prior to the Closing) been an Assumed Liability to be borne by the Acquiror, (iii) the rights and benefits associated with that portion of each Mixed Contract that would have (had the Mixed Contract been separated prior to Closing) been an Excluded Asset to be enjoyed by the Asset Sellers and (iv) the Liabilities associated with that portion of each Mixed Contract that would have (had the Mixed Contract been separated prior to Closing) been an Excluded Liability to be borne by the Asset Sellers; provided that the requirement to pass through the rights, benefits and Liabilities applicable to the Business under any Mixed Contract shall be transitional in nature and shall expire upon the first anniversary of the Closing Date with respect to any such rights, benefits and Liabilities that initially arise (or would have initially arisen) after the first anniversary of the Closing Date, with the Acquiror using such efforts as are necessary to enter into separate Contracts with the counterparties to such Mixed Contracts as soon as practicable after the Closing Date (and in no event later than the first anniversary of the Closing Date). The Asset Sellers shall provide the Acquiror with a copy of the applicable portion of each Mixed Contract (it being understood that the parties shall use commercially reasonable efforts to comply, where practicable, with any applicable confidentiality provisions contained in such Mixed Contracts and that any portion of such Mixed Contract that is unrelated to the Business may be redacted or otherwise excluded from such copy), and the parties shall cooperate with each other to effect such separation. The costs of such separation shall be shared equally. Notwithstanding anything to the contrary in the foregoing, the Asset Sellers and their respective Affiliates (x) shall have no obligation to extend or renew the duration of all or part (including the part that is related to the Business) of any Mixed Contract beyond its stated term, whether or not such Mixed Contract provides for automatic renewal (and whether or not such automatic renewal would occur prior to the first anniversary of the Closing Date), (y) may terminate all or part (including the part that is related to the Business) of any Mixed Contract to the extent permitted by the terms of such Mixed Contract if such termination is in the reasonable business judgment of the Asset Sellers (without regard to its obligations to the Company with respect to the Mixed Contracts) and (z) may extend or renew all or any portion of a Mixed Contract relating to any or all of its businesses other than the Business without extending or renewing the part related to the Business; provided that the Asset Sellers shall use commercially reasonable efforts to notify the Acquiror in writing reasonably promptly following the termination or cancellation of any such Mixed Contract that occurs prior to the first anniversary of the Closing Date.

SECTION 2.3 Closing. The sale and purchase of the Transferred Assets and the assumption of the Assumed Liabilities contemplated by this Agreement (the "Closing") will take place remotely by electronic exchange of documents and other instruments simultaneously with the execution and delivery of this Agreement. The day on which the Closing takes place is referred to as the "Closing Date." The Closing of the Contemplated Transactions shall be deemed to have occurred at the opening of business on the Closing Date.

SECTION 2.4 Purchase Price. At the Closing, the Acquiror shall (a) pay to the Company or its designee an amount in cash equal to $4,000,000 ("Cash Consideration"), by wire transfer of immediately available funds to the Company's designated bank account and (b) issue and deliver to

the Company (and/or to one or more Affiliates of the Company as designated by the Company) 1,000,000 shares of the Acquiror's common stock, par value $0.0001 per share ("Common Shares"), registered in the name of the Company and, as applicable, such Affiliates of the Company (such Common Shares, the "Equity Consideration" and together with the Cash Consideration, the "Purchase Price").

SECTION 2.5 Closing Deliveries by the Company. At the Closing, the Company shall deliver or cause to be delivered to the Acquiror:

(a) duly executed counterparts of the Company and the other Asset Sellers, as applicable, to each of the Transaction Agreements;

(b) a certificate of the Secretary of the Company, dated the Closing Date, certifying the accuracy of the Company's organizational documents as well as the resolutions duly and validly adopted by the Company's Board of Directors evidencing its authorization of the execution, delivery and performance of this Agreement and the other Transaction Agreements and such other documents as may be reasonably necessary to consummate the other transactions contemplated by the Transaction Agreements; and

(c) such other bills of sale, endorsements, consents, assignments and other good and sufficient instruments of conveyance and assignment as the parties and their respective counsel agree are reasonably necessary for the assumption of the Assumed Liabilities or to vest in the Acquiror all of the Asset Sellers' right, title and interest in, to and under the Transferred Assets.

SECTION 2.6 Closing Deliveries by the Acquiror. At the Closing, the Acquiror shall deliver to the Company (or, in the case of Sections 2.6(a), 2.6(b) or 2.6(c), its applicable Affiliates):

(a) cash in an aggregate amount equal to the Cash Consideration by wire transfer in immediately available funds to an account or accounts as directed by the Company in accordance with Section 2.4;

(b) the Common Shares in certificated form bearing the following restrictive transfer legend ("Restrictive Legend"):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, UNLESS SOLD PURSUANT TO: (1) RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (2) AN OPINION OF HOLDER'S COUNSEL, IN A CUSTOMARY

FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS.

(c) evidence from the Acquiror's transfer agent that the Common Shares have been registered in the name of the Company or its designee;

(d) duly executed counterparts of the Acquiror to each of the Transaction Agreements;

(e) a certificate of the Secretary of the Acquiror, dated the Closing Date, certifying the accuracy of the Acquiror's organizational documents as well as the resolutions duly and validly adopted by the Acquiror's Board of Directors evidencing its authorization of the execution, delivery and performance of this Agreement and the other Transaction Agreements and such other documents as may be reasonably necessary to consummate the other transactions contemplated by the Transaction Agreements; and

(f) such other assumptions and other good and sufficient instruments of conveyance and assumption as the parties and their respective counsel agree are reasonably necessary for the assumption of the Assumed Liabilities or to vest in the Acquiror all of Asset Sellers' right, title and interest in, to and under the Transferred Assets.

SECTION 2.7 Transfer Taxes and Other Costs.

(a) Transfer Tax Payment Obligations. All Transfer Taxes payable in connection with the transfer of the Transferred Assets (or any other assets) to the Acquiror and the Transactions shall be borne and paid solely by the Acquiror when due in compliance with applicable Transfer Tax Laws; provided, however, that if the Company determines (in its sole reasonable discretion) that it or any of its Affiliates is required by applicable Law to pay any Transfer Taxes, then the Company shall timely pay such Transfer Taxes, and the Acquiror shall, subject to the receipt of reasonably satisfactory evidence of the Company's (or such other Affiliate's) payment thereof, promptly reimburse Asset Seller in dollars (or, at the Company's request, reimburse any Affiliate in local currency), whether or not such Transfer Taxes were correctly or legally imposed by the applicable Governmental Entity. In the event that any Transfer Taxes for which Acquiror has made a reimbursement under this Section 2.7(a) are refunded or a credit against Taxes is otherwise obtained with respect to such refund, the Company shall promptly pay or cause to be paid to Acquiror an amount equal to such refund or credit.

(b) Transfer Tax Returns. The Company and the Acquiror shall file, or cause their applicable Affiliates to file, all necessary Tax Returns and other documentation required to be filed by such party (or its applicable Affiliates) with respect to all Transfer Taxes, and, if required by applicable Law, the parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(c) Transfer Tax Exemptions. The parties will use commercially reasonable efforts and cooperate in good faith to exempt from or reduce the amount of any Transfer Taxes otherwise applicable to the consummation of the Transactions hereunder.

(d) Delivery of Transferred Assets. All costs and expenses associated with removing and moving any Transferred Asset (or any other assets) to a location designated by the Acquiror shall be borne and paid solely by the Acquiror when due; provided, however, that if any such amount shall be incurred by the Company or any of its Affiliates, the Acquiror shall, subject to receipt of satisfactory evidence of the Company's payment thereof, promptly reimburse the Company (or, at Company's direction, the applicable Affiliates). Prior to the Closing, the Acquiror shall notify the Company in writing of the location to which the Transferred Assets (or any other assets) should be physically delivered, and the Acquiror and the Company shall reasonably cooperate to cause such delivery to occur (at the Acquiror's cost and risk from the Company's or its applicable Affiliate's applicable facility) at or promptly after the Closing. The Acquiror shall bear all risk of loss with respect to the Transferred Assets as of the Closing, regardless of whether the Company or any of its Affiliates continues to possess such Transferred Assets pending delivery in accordance with this paragraph.

SECTION 2.8 Wrong Pocket Provisions.

(a) If, at any time following the Closing, either party becomes aware that any Transferred Asset which should have been transferred to, or any Assumed Liability (whether arising prior to, at or following the Closing) which should have been assumed by, the Acquiror pursuant to the terms of this Agreement was not transferred to or assumed by the Acquiror as contemplated by this Agreement, then (i) the applicable Asset Seller shall promptly transfer such Transferred Asset or Assumed Liability to the Acquiror, and (ii) the Acquiror shall promptly accept the transfer of such Transferred Asset and assume or such Assumed Liability, in each case for no consideration and at the Company's expense.

(b) If, at any time following the Closing, either party becomes aware that any Excluded Asset which should have been retained by, or any Excluded Liability (whether arising prior to, at or following the Closing) which should have been retained by, the applicable Asset Seller pursuant to the terms of this Agreement was transferred to or assumed by the Acquiror, then (i) the Acquiror shall promptly transfer or cause its Affiliates to transfer such Excluded Asset or Excluded Liability to the applicable Asset Seller, and (ii) the applicable Asset Seller shall promptly accept the transfer of such Excluded Asset assume such Excluded Liability, in each case for no consideration and at the Acquiror's expense.

(c) Nothing in this Section 2.8 is intended to place a higher burden or obligation on the Acquiror or any Asset Seller than existed with respect to the Acquiror or such Asset Seller as of Closing.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Acquiror, as of the date of this Agreement, that, except as set forth on the Disclosure Schedule delivered by the Company to the Acquiror prior to the execution of this Agreement (the "Disclosure Schedule"):

SECTION 3.1 Organization and Qualification of the Asset Sellers. Each of the Asset Sellers is duly organized, validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the Laws of its jurisdiction of its organization and has all requisite corporate or similar power and authority to enter into, consummate the transactions contemplated by, and carry out its obligations under, the Transaction Agreements to which it is a party. Each of the Asset Sellers (a) has the corporate or other appropriate power and authority to own and lease its properties and to operate its business with respect to the Transferred Assets as currently owned, leased or operated by such Asset Seller and to carry on its business with respect to the Transferred Assets as currently conducted and (b) is duly qualified or licensed to do business as a foreign corporation in each jurisdiction where the character of its owned, leased or operated properties or the nature of its activities makes such qualification or licensing necessary to the Transferred Assets, except for jurisdictions where the failure to be so qualified or licensed would not have, individually or in the aggregate, a Material Adverse Effect. The Company has delivered or made available to the Acquiror complete and correct copies of the relevant Certificate of Incorporation and By-laws or other organizational documents, and all amendments thereto, of each of the Asset Sellers

SECTION 3.2 Authority of the Asset Sellers. Each of the Asset Sellers has all necessary corporate or other power and authority to execute and deliver the Transaction Agreements, to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution and delivery by the Asset Sellers of the Transaction Agreements to which they are parties and the consummation by the Asset Sellers of the transactions contemplated by, and the performance by the Asset Sellers of their respective obligations under, the Transaction Agreements have been duly and validly authorized by all requisite action on the part of the Asset Sellers and no other corporate or other proceedings on the part of the Asset Sellers are necessary to authorize the Transaction Agreements or to consummate the transactions so contemplated. Each of the Transaction Agreements has been duly executed and delivered by the Asset Sellers party thereto, and (assuming due authorization, execution and delivery by the Acquiror) each of the Transaction Agreements constitutes legal, valid and binding obligations of the Asset Sellers party thereto, enforceable against the Asset Sellers party thereto in accordance with their terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.3 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance of the Transaction Agreements by the Asset Sellers do not and will not (i) conflict with or violate the Certificate of Incorporation or By-Laws or similar organizational documents of the Company or any other Asset Seller, (ii) assuming that all consents, approvals and authorizations contemplated by clauses (i) and (ii) of subsection (b) below have been obtained, and all filings described in such clauses have been made, conflict with or violate any Law applicable to the Asset Sellers or the Transferred Assets or (iii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would become a default) or result in the loss of a benefit under, or give rise to any right of termination, cancellation, amendment or acceleration

of, any of the Transferred Assets pursuant to any Material Contract binding upon any of the Asset Sellers (with respect to the Transferred Assets) or any license, permit or similar authorization affecting, or relating to, the Transferred Assets, except, in the case of clauses (ii) and (iii), for any such conflict, violation, breach, default, loss, right or other occurrence which would not, individually or in the aggregate, have a Material Adverse Effect.

(b) The execution, delivery and performance by the Asset Sellers of the Transaction Agreements to which they are parties do not and will not require any consent, approval, authorization or permit of, action by, filing with or notification to, any Governmental Entity, except for any such consent, approval, authorization, permit, action, filing or notification the failure of which to make or obtain would not (i) prevent or materially delay the performance by the Asset Sellers of any of their material obligations under, the Transaction Agreements or (ii) individually or in the aggregate, have a Material Adverse Effect.

SECTION 3.4 Financial Information; Absence of Undisclosed Liabilities.

(a) The unaudited special purpose statements of direct revenues and expenses of the Business for the year ended December 31, 2015 (the "Financial Statements") are attached as Section 3.4(a) of the Disclosure Schedule. The Financial Statements have been prepared in accordance with and are consistent with the books of account and other financial records of the Business (except as may be indicated in the notes to such Financial Statements) and in accordance with the Accounting Principles applied on a consistent basis. The statements of revenues and expenses included in the Financial Statements present fairly in all material respects the revenues and expenses of the Business for the period covered thereby, in each case in accordance with the Accounting Principles applied on a consistent basis.

(b) There are no Liabilities of the Company that would be required to be set forth on a balance sheet of the Company with respect to the Business prepared in accordance with GAAP applied on a basis consistent with Baxter International Inc.'s past practices except (i) for Excluded Liabilities and (ii) for Liabilities that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

SECTION 3.5 Absence of Litigation. There are no Actions or Governmental Orders pending or outstanding or, to the Knowledge of the Company, threatened against the Asset Sellers (in respect of the Business, the Transferred Assets or the Assumed Liabilities), and, to the Knowledge of the Company, there are no facts or circumstances as of the date of this Agreement that would reasonably be expected result in any material claims against (in respect of the Business, the Transferred Assets or the Assumed Liabilities), or material Liabilities of (that would be Assumed Liabilities under this Agreement), the Assets Sellers, in each case that have had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or that would materially impair or delay the ability of the Asset Sellers to consummate the transactions contemplated by, or perform their obligations under, the Transaction Agreements. Since January 1, 2015, none of the Asset Sellers has received any written notice from any Governmental Entity of any pending or threatened governmental investigation relating to any of the Asset Sellers in respect of the Business, the Transferred Assets or the Assumed Liabilities.

SECTION 3.6 Compliance with Laws.

(a) Since January 1, 2015, the Business has been conducted in compliance with applicable Law and Governmental Entity rules, regulations and policies, including relating to state or federal anti-kickback sales and marketing practices, off label promotion, government health care program price reporting, and all other pre- and post-marketing reporting requirements, as applicable, except where any such non-compliance has not had and would not be reasonably likely to have, either individually or in the aggregate, a Material Adverse Effect. No investigation or review (other than routine inspections by any Governmental Entity) by any Governmental Entity with respect to the Business is pending or, to the Knowledge of the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for those the outcome of which would not be reasonably likely to have, either individually or in the aggregate, a Material Adverse Effect.

(b) To the Knowledge of the Company, none of the Asset Sellers or their directors, officers, members, managers, employees or agents acting on its behalf, made an untrue or fraudulent statement involving the Business, including certification, to any Governmental Entity or agent thereof, failed to disclose a material fact related to the Business required to be disclosed to any Governmental Entity or agent thereof, or committed an act, made a statement or failed to make a statement that would reasonably be expected to provide a basis for any Governmental Entity or agent thereof to cause any of the Asset Sellers to withdraw any Product from the marketplace, prohibit its manufacture or distribution, or initiate any other legal action relating to fraud, false claims or false statements.

(c) To the Knowledge of the Company, since January 1, 2015, the Asset Sellers have not received any notice that any Governmental Entity or agent thereof has commenced, or threatened to initiate any action to: (i) withdraw its approval of, any establishment or other registration held by the Asset Seller and Related to the Business; (ii) request the recall of any Product; (iii) suspend or enjoin manufacturing or production at any location of the Business; or (iv) penalize the Asset Seller, or its directors, officers, members, managers, employees or agents for failure to materially comply with any applicable Laws related to the Business.

SECTION 3.7 Governmental Licenses and Permits.

(a) The Asset Sellers have, or have applied for, all governmental qualifications, registrations, filings, privileges, franchises, licenses, permits, approvals or authorizations necessary to conduct the Business as currently conducted ("Permits"), except for those the absence of which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. None of the Asset Sellers is in default in any material respect under any of such Permits.

(b) The research, development, testing, manufacturing, processing, handling, packaging, labeling, storage, sale and distribution activities conducted by the Asset Sellers in respect of the Business are conducted in material compliance with all applicable approvals or clearances held by the Asset Sellers and with all applicable Laws. The Asset Sellers hold all establishment registrations and other material Permits necessary for the operations of the

Business including any research, development, testing, manufacturing, processing, packaging, labeling, handling, storing and distribution of its Products. The material Permits required for the Asset Sellers' research, development, manufacturing, testing, processing, handling, sale and distribution of the Products are

in full force and effect and none has been withdrawn, revoked, suspended or canceled nor is any such withdrawal, revocation, suspension or cancellation pending or, to the Knowledge of the Company, threatened in writing.

SECTION 3.8 Sufficiency of the Transferred Assets; Liens. Except for the Excluded Assets:

(a) Assuming receipt of all consents, approvals and authorizations as contemplated by Section 3.3, the Transferred Assets will, taking into account all Transaction Agreements (including, for example, the right to receive the products covered by the Manufacturing and Supply Agreement, it being understood that rights and obligations with respect to the acquisition of Inventory and manufacturing equipment are set forth therein) and Third Party Rights, constitute in all material respects all of the material tangible assets and material Contracts necessary to conduct the Business as presently conducted on the date of this Agreement; provided, that nothing in this Section 3.8 shall be deemed to constitute a representation or warranty as to the adequacy of the amounts of cash or working capital in the Business or necessary for the operation of the Business.

(b) Except for Permitted Liens or Liens created by or through the Acquiror or any of its Affiliates, the Asset Sellers have good and valid title to all material tangible Transferred Assets, free and clear of all Liens.

SECTION 3.9 Intellectual Property. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) the Asset Sellers own or have the right to use all material intellectual property that is necessary to conduct the Business as presently conducted on the date of this Agreement, (ii) the registrations and applications in the Transferred IP are subsisting and unexpired, and to the Knowledge of the Company, valid and enforceable, (iii) to the Knowledge of the Company and except for the Excluded Assets, assuming receipt of all consents, approvals and authorizations as contemplated by Section 3.3, the Transferred Assets will, taking into account all Transaction Agreements and Third Party Rights, constitute in all material respects all of the material intellectual property necessary to conduct the Business as presently conducted on the date of this Agreement, (iv) to the Knowledge of the Company, the Asset Sellers' conduct of the Business as presently conducted on the date of this Agreement does not infringe or violate any intellectual property of any other Person and (v) to the Knowledge of the Company, no Person is infringing or violating any Transferred IP that is material to the Business.

SECTION 3.10 Contracts. Each Assumed Contract listed on Section 3.10 of the Disclosure Schedule (each such Assumed Contract, a "Material Contract") is a legal, valid and binding obligation of the applicable Asset Seller, and, to the Knowledge of the Company, each other party to such Material Contract, and is enforceable against the applicable Asset Seller, and, to the Knowledge of the Company, each such other party in accordance with its terms subject, in each case, to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating

to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and none of the Asset Sellers nor, to the Knowledge of the Company, any other party to a Material Contract is in material default or material breach of a Material Contract, and, to the Knowledge of the Company, there does not exist any event, condition or omission that would constitute such a material default or material breach (whether by lapse of time or notice or both) under any Material Contract.

SECTION 3.11 Taxes. All material federal, state, local, foreign and other Tax Returns required to be filed by or on behalf of the Asset Sellers prior to the Closing Date with respect to the Business have been or will be timely filed and such Tax Returns as so filed are complete and accurate and disclose all Taxes required to be paid for the periods covered thereby, except for any such failures to file and such errors which would not have a Material Adverse Effect.

SECTION 3.12 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from the Company or any of its Affiliates in connection with the sale of the Business based upon arrangements made by or on behalf of the Company or any of its Affiliates.

SECTION 3.13 Investment Purpose; Accredited Investor Status. With respect to the issuance of the Equity Consideration:

(a) The Common Shares to be acquired by the Company will be acquired for investment for the Company's own account, not as a nominee or agent, and not with a view to the distribution of any part thereof within the meaning of the Securities Act.

(b) The Company understands that the Common Shares are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Company must hold the Common Shares indefinitely unless they are registered with the under the Securities Act, or exempt from such registration.

(c) The Company is aware of Rule 144 under the Securities Act and the restrictions imposed thereby.

(d) The Company understands that the Common Shares will bear the following legends (or substantially similar legends), unless and until the Common Shares are registered under the Securities Act pursuant to an effective registration statement:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, UNLESS SOLD PURSUANT TO: (1) RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (2) AN OPINION OF HOLDER'S COUNSEL, IN A CUSTOMARY FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS.

(e) The Company is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(f) The Company is familiar with the business in which the Acquiror is engaged. The Company has knowledge and experience in financial and business matters and is familiar with the investments of the type that it is undertaking to purchase. The Company acknowledges that, prior to executing this Agreement, it (and each of its representatives) has had the opportunity to ask questions of and receive answers or obtain additional information from a representative of the Acquiror concerning the financial and other affairs of the Acquiror.

(g) As of the date of this Agreement, neither the Company nor any of its Affiliates owns, directly or indirectly, beneficially (as such term is used in Rule 13d-3 promulgated under the Exchange Act) or of record, any capital stock or other securities of the Acquiror or any options, warrants or other rights to acquire capital stock or other securities of, or any other economic interest (through derivative securities or otherwise) in, the Acquiror except pursuant to this Agreement.

SECTION 3.14 Investigation. THE COMPANY ACKNOWLEDGES AND AGREES THAT IT (I) HAS MADE ITS OWN INQUIRY AND INVESTIGATION INTO, AND, BASED THEREON, HAS FORMED AN INDEPENDENT JUDGMENT CONCERNING THE ACQUIROR AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND (II) HAS BEEN FURNISHED WITH, OR GIVEN ADEQUATE ACCESS TO, SUCH INFORMATION ABOUT THE ACQUIROR AS IT HAS REQUESTED. THE COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT (I) THE ONLY REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS MADE BY THE ACQUIROR ARE THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS MADE IN THE TRANSACTION AGREEMENTS AND THE COMPANY HAS NOT RELIED UPON ANY OTHER REPRESENTATIONS OR OTHER INFORMATION MADE OR SUPPLIED BY OR ON BEHALF OF THE ACQUIROR OR BY ANY AFFILIATE OR REPRESENTATIVE OF THE ACQUIROR AND THAT THE COMPANY WILL NOT HAVE ANY RIGHT OR REMEDY ARISING OUT OF ANY SUCH OTHER REPRESENTATION OR OTHER INFORMATION, AND (II) ANY CLAIMS THE COMPANY MAY HAVE FOR BREACH OF REPRESENTATION OR WARRANTY UNDER THIS AGREEMENT SHALL BE BASED SOLELY ON THE REPRESENTATIONS AND WARRANTIES OF THE ACQUIROR SET FORTH IN ARTICLE IV HEREOF (AS MODIFIED BY THE ACQUIROR DISCLOSURE SCHEDULE).

SECTION 3.15 No Other Representations or Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS Article III (AS MODIFIED BY THE DISCLOSURE SCHEDULE) AND IN THE TRANSACTION AGREEMENTS, NEITHER THE COMPANY NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO THE COMPANY OR THE OTHER ASSET SELLERS, THE PROBABLE SUCCESS OR PROFITABILITY OF THE BUSINESS, THE TRANSFERRED ASSETS, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE ASSUMED LIABILITIES AND ANY OTHER RIGHTS OR OBLIGATIONS TO BE TRANSFERRED HEREUNDER OR PURSUANT HERETO, AND THE COMPANY DISCLAIMS ANY

OTHER REPRESENTATIONS, WARRANTIES, FORECASTS, PROJECTIONS, STATEMENTS OR INFORMATION, WHETHER MADE BY THE COMPANY, ANY OF THE OTHER ASSET SELLERS OR ANY OF ITS OR THEIR AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE ACQUIROR

The Acquiror represents and warrants to the Company, as of the date of this Agreement, that except as set forth in the Acquiror Disclosure Schedule, a copy of which has been provided to the Company (the "Acquiror Disclosure Schedule"), with specific reference to the particular Article or Section of this Agreement to which the information set forth in such schedule relates (it being agreed that disclosure of any item in any part of the Acquiror Disclosure Schedule shall be deemed disclosure with respect to any Article or Section of this Agreement to which the relevance of such item is reasonably apparent on the face of such item):

SECTION 4.1 Organization and Qualification of the Acquiror. The Acquiror is duly organized, validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the Laws of its jurisdiction of its organization and has all requisite corporate or similar power and authority to enter into and consummate the transactions contemplated by, and carry out its obligations under, the Transaction Agreements. The Acquiror (a) has the corporate or other appropriate power and authority to own and lease its properties and to operate its business as currently owned, leased or operated and to carry on its business as currently conducted and (b) is duly qualified or licensed to do business as a foreign corporation in each jurisdiction where the character of its owned, leased or operated properties or the nature of its activities makes such qualification or licensing necessary, except for jurisdictions where the failure to be so qualified or licensed would not impair or delay the ability of the Acquiror to consummate the transactions contemplated by, or perform its obligations under, the Transaction Agreements. There has been no material change to the organizational structure of the business of the Acquiror and its Subsidiaries since December 31, 2015.

SECTION 4.2 Authority of the Acquiror.

(a) The execution and delivery of the Transaction Agreements by the Acquiror and the consummation by the Acquiror of the transactions contemplated by, and the performance by the Acquiror of its obligations under, the Transaction Agreements, including the issuance, sale and delivery of the Common Shares, have been duly authorized by all requisite corporate or other appropriate action on the part of the Acquiror. Each of the Transaction Agreements has been duly executed and delivered by the Acquiror, and (assuming due authorization, execution and delivery by the Asset Sellers) each of the Transaction Agreements constitutes legal, valid and binding obligations of the Acquiror enforceable against the Acquiror in accordance with their respective terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The designation, issuance, sale and delivery of the Common Shares have been duly authorized by all requisite corporate action of the Acquiror (including the requisite stockholder approvals, if any). When issued, sold and delivered in accordance with this Agreement, the Common

Shares, will all (i) be validly issued and outstanding, fully paid and nonassessable, free from all taxes, liens, and charges with respect to the issuance thereof and (ii) have only limited liability attaching solely to the ownership thereof under applicable state law. The designations, powers, preferences, rights, qualifications, limitations and restrictions of the Common Shares are as stated in the Acquiror's Certificate of Incorporation (including any Certificate of Designation, Preferences and Rights of any outstanding series of preferred stock of the Acquiror), as amended and as in effect on the date hereof (the "Certificate of Incorporation").

SECTION 4.3 Capitalization. The authorized capital stock of the Acquiror consists of: (i) 100,000,000 shares of common stock, par value $0.0001 per share ("Common Stock"), of which as of the date hereof 19,397,137 shares are issued and outstanding, 5,612,995 shares are reserved for future issuance pursuant to the Acquiror's equity incentive plans, of which approximately 1,805,084 shares remain available for future option grants or stock awards, and 6,900,865 shares are issuable and reserved for issuance pursuant to securities (other than stock options or equity based awards issued pursuant to the Acquiror's stock incentive plans) exercisable or exchangeable for, or convertible into, shares of Common Stock; and (ii) 40,000,000 shares of preferred stock, par value $0.0001 per share, 30,000 shares of which have been designated "Series A Junior Participating Preferred Stock" none of which as of the date hereof are issued and outstanding and 3,468 shares of which have been designated "Series B Convertible Preferred Stock", 2,603.2 of which as of the date hereof are issued and outstanding. All of such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Except as disclosed in Section 4.3 of the Acquiror Disclosure Schedule, (i) no shares of the Acquiror's capital stock are subject to preemptive rights or any other similar rights or any Liens suffered or permitted by the Acquiror, (ii) there are no outstanding debt securities of the Acquiror or any of its Subsidiaries, (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Acquiror or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Acquiror or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Acquiror or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Acquiror or any of its Subsidiaries, (iv) there are no material agreements or arrangements under which the Acquiror or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except the Registration Rights Agreement), (v) there are no outstanding securities or instruments of the Acquiror or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Acquiror or any of its Subsidiaries is or may become bound to redeem a security of the Acquiror or any of its Subsidiaries, (vi) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Registrable Securities as described in this Agreement, the consummation of the transactions contemplated by this Agreement generally or the registration of the Registrable Securities pursuant of the Registration Rights Agreement and (vii) the Acquiror does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. The Acquiror has furnished or made available to the Company

true and correct copies of the Acquiror's Certificate of Incorporation, and the Acquiror's Bylaws, as amended and as in effect on the date hereof (the "Bylaws"). There are no stock splits or similar events that have been declared or approved (but not yet finalized) and the Acquiror has no current plans to effect any such transactions (such that Acquiror believes that the Company is receiving a 4.9% interest in Acquiror as of the date hereof and 3.3% on a fully diluted basis (in each case, rounded to the nearest tenth of a percent) with no known or expected changes in the short-term other than for awards set forth on Section 4.3 of the Acquiror Disclosure Schedule). The issuance and delivery of the Equity Consideration by the Acquiror hereunder (and the other transactions contemplated hereby) are an Exempt Issuance (as defined in the Securities Purchase Agreement (as defined in the Acquiror Disclosure Schedule)) and do not constitute any Variable Rate Transaction (as defined in the Securities Purchase Agreement (as defined in the Acquiror Disclosure Schedule)), and, for the avoidance of doubt, no disclosure in the Acquiror Disclosure Schedule shall modify the representations in this sentence in any respect.

SECTION 4.4 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance of the Transaction Agreements by the Acquiror and the issuance, sale and delivery of the Common Shares, do not and will not (i) conflict with or violate the Certificate of Incorporation or By-laws or other organizational documents of the Acquiror, (ii) assuming the accuracy of the Company's representations set forth in Section 3.13 and that all consents, approvals and authorizations contemplated by clauses (i) and (ii) of subsection (b) below have been obtained, and all filings described in such clauses have been made, conflict with or violate any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and the rules and regulations of the Principal Market) applicable to the Acquiror or any of its Subsidiaries or by which any of its or their respective properties are bound or (iii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would become a default) or result in the loss of a benefit under, or give rise to any right of termination, cancellation, amendment or acceleration of, any agreement, indenture, instrument or other contracts binding upon the Acquiror or any of its Subsidiaries or any license, permit or similar authorization affecting, or relating to, the assets, properties or business of the Acquiror, except, in the case of clauses (ii) and (iii), for any such conflict, violation, breach, default, acceleration, loss, right or other occurrence which would not prevent or materially delay the consummation of the transactions contemplated hereby.

(b) The execution, delivery and performance of the Transaction Agreements by the Acquiror and the consummation of the transactions contemplated hereby by the Acquiror do not and will not require any consent, approval, authorization or permit of, action by, filing with or notification to, any Governmental Entity, except for any such consent, approval, authorization, permit, action, filing or notification the failure of which to make or obtain would not prevent or materially delay the consummation of the transactions contemplated hereby.

(c) None of the Acquiror or any of its Subsidiaries is in violation of any term of or is in default under any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Acquiror or its Subsidiaries, except for violations, defaults, terminations or amendments that (i) would not

reasonably be expected to have a material adverse effect on the Acquiror or (ii) would not prevent or materially delay the consummation of the transactions contemplated hereby.

(d) Other than as set forth in the Form 8-K filed on March 25, 2016, the Acquiror is not subject to any notices or actions from or to the Principal Market, other than routine matters incident to listing on the Principal Market and not involving a violation of the rules of the Principal Market. To Acquiror's knowledge, the Principal Market has not commenced any delisting proceedings against the Acquiror.

SECTION 4.5 Acquiror SEC Reports; Financial Statements.

(a) The Acquiror has filed or furnished, as applicable, on a timely basis all Acquiror SEC Reports since January 1, 2015. Each of the Acquiror SEC Reports, at the time of its filing or being furnished complied, or if not yet filed or furnished, will comply, in all material respects with the applicable requirements of the applicable securities Laws, and any rules and regulations promulgated thereunder applicable to the Acquiror SEC Reports. As of their respective dates (or, if amended prior to the date hereof, as of the date of such amendment), the Acquiror SEC Reports did not, and any Acquiror SEC Reports filed with or furnished to the SEC subsequent to the date hereof will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading.

(b) As of their respective dates (except as they have been properly amended), the financial statements of the Acquiror included in the Acquiror SEC Reports complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Acquiror as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). To the Acquiror's knowledge, none of the Acquiror or any of its Subsidiaries is presently the subject of any inquiry, investigation or action by the SEC.

(c) The Acquiror does not have any Liabilities of the type required to be set forth on a balance sheet prepared in accordance with GAAP except for (i) Liabilities reflected or reserved against on the Acquiror's consolidated audited balance sheet as of December 31, 2015 (the "Acquiror Balance Sheet") (or the notes thereto) and not heretofore paid or discharged; (ii) Liabilities incurred in the ordinary course of business since the date of the Acquiror Balance Sheet; (iii) Liabilities that would not, individually or in the aggregate, reasonably be likely to have a material adverse effect on the Acquiror or its Subsidiaries; or (iv) Liabilities incurred in connection with this Agreement.

SECTION 4.6 Absence of Restraints; Compliance with Laws.

(a) To the best knowledge of the Acquiror, as of the date hereof, there exist no facts or circumstances that would reasonably be expected to impair or delay the ability of the Acquiror to consummate the transactions contemplated by, or to perform its obligations under, the Transaction Agreements.

(b) The Acquiror is not in violation of any Laws or Governmental Orders applicable to it or by which any of its material assets is bound or affected and there are no Actions pending, except for violations or Actions the existence of which would not reasonably be expected to impair or delay the ability of the Acquiror to consummate the transactions contemplated by, or to perform its obligations under, the Transaction Agreements.

SECTION 4.7 Absence of Certain Changes. Since January 1, 2016, there has been no material adverse change in the business, properties, operations, financial condition or results of operations of the Acquiror or its Subsidiaries taken as a whole. For purposes of this Agreement, neither a decrease in cash or cash equivalents nor losses incurred in the ordinary course of the Acquiror's business shall be deemed or considered a material adverse change. The Acquiror has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to Title 11, U.S. Code, or any similar federal or state law for the relief of debtors nor does the Acquiror or any of its Subsidiaries have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or insolvency proceedings.

SECTION 4.8 Financial Ability. The Acquiror has cash available or capital commitments in place which will be on the Closing Date sufficient to pay the Purchase Price and any other amounts payable by the Acquiror in connection with the transactions contemplated by this Agreement.

SECTION 4.9 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Acquiror.

SECTION 4.10 Solvency. Immediately after giving effect to the transactions contemplated by this Agreement, the Acquiror shall be able to pay its debts as they become due and shall own property which has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities). Immediately after giving effect to the transactions contemplated by this Agreement, the Acquiror shall have adequate capital to carry on the Business. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of any Asset Seller or the Acquiror.

SECTION 4.11 Investigation. THE ACQUIROR ACKNOWLEDGES AND AGREES THAT IT (I) HAS MADE ITS OWN INQUIRY AND INVESTIGATION INTO, AND, BASED THEREON, HAS FORMED AN INDEPENDENT JUDGMENT CONCERNING, THE COMPANY, THE OTHER ASSET SELLERS, THE TRANSFERRED ASSETS, THE BUSINESS AND THE TRANSACTIONS CONTEMPLATED BY THIS

AGREEMENT, THE ASSUMED LIABILITIES AND ANY OTHER ASSETS, RIGHTS OR OBLIGATIONS TO BE TRANSFERRED HEREUNDER OR PURSUANT HERETO, AND (II) HAS BEEN FURNISHED WITH, OR GIVEN ADEQUATE ACCESS TO, SUCH INFORMATION ABOUT THE TRANSFERRED ASSETS, THE BUSINESS, THE ASSUMED LIABILITIES AND ANY OTHER RIGHTS OR OBLIGATIONS TO BE TRANSFERRED HEREUNDER OR PURSUANT HERETO, AS IT HAS REQUESTED. THE ACQUIROR FURTHER ACKNOWLEDGES AND AGREES THAT (I) THE ONLY REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS MADE BY THE COMPANY ARE THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS MADE IN THE TRANSACTION AGREEMENTS AND THE ACQUIROR HAS NOT RELIED UPON ANY OTHER REPRESENTATIONS OR OTHER INFORMATION MADE OR SUPPLIED BY OR ON BEHALF OF THE COMPANY OR BY ANY AFFILIATE OR REPRESENTATIVE OF THE COMPANY, OR MANAGEMENT PRESENTATIONS, DATA ROOMS OR OTHER DUE

DILIGENCE INFORMATION AND THAT THE ACQUIROR WILL NOT HAVE ANY RIGHT OR REMEDY ARISING OUT OF ANY SUCH OTHER REPRESENTATION OR OTHER INFORMATION, (II) ANY CLAIMS THE ACQUIROR MAY HAVE FOR BREACH OF REPRESENTATION OR WARRANTY UNDER THIS AGREEMENT SHALL BE BASED SOLELY ON THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY SET FORTH IN ARTICLE III HEREOF (AS MODIFIED BY THE DISCLOSURE SCHEDULE) AND (III) EXCEPT AS EXPRESSLY SET FORTH IN THE TRANSACTION AGREEMENTS, THE ACQUIROR SHALL ACQUIRE THE TRANSFERRED ASSETS, THE BUSINESS AND THE ASSUMED LIABILITIES WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN "AS-IS" CONDITION AND ON A "WHERE-IS" BASIS. THE ACQUIROR FURTHER ACKNOWLEDGES AND AGREES THAT, THE COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO, AND THAT THE ACQUIROR WILL NOT HAVE ANY RIGHT OR REMEDY ARISING OUT OF ANY LOSSES RELATING TO OR RESULTING FROM, THE ACQUIROR'S BUSINESS OR ANY AGREEMENTS OR OTHER RELATIONSHIPS BETWEEN THE COMPANY AND ITS AFFILIATES AND THE ACQUIROR AND ITS AFFILIATES.

SECTION 4.12 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE IV (AS MODIFIED BY THE ACQUIROR DISCLOSURE SCHEDULE) AND IN THE TRANSACTION AGREEMENTS, NEITHER THE ACQUIROR NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO THE ACQUIROR OR THE EQUITY CONSIDERATION, THE PROBABLE SUCCESS OR PROFITABILITY OF THE ACQUIROR OR THE EQUITY CONSIDERATION, AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND THE ACQUIROR DISCLAIMS ANY OTHER REPRESENTATIONS, WARRANTIES, FORECASTS, PROJECTIONS, STATEMENTS OR INFORMATION, WHETHER MADE BY THE ACQUIROR OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES.

ARTICLE V

ADDITIONAL AGREEMENTS

SECTION 5.1 Access to Books and Records; Confidentiality. From and after the Closing, the Company shall, and shall cause the other Asset Sellers to, treat and hold as confidential any material information Related to the Business (such information, the "Confidential Information") and refrain from using any of the Confidential Information except in connection with this Agreement, or as may otherwise be required by Law, in connection with any legal proceedings or necessary for the operation of the Company's business following the Closing.

SECTION 5.2 Third Party Consents. The Company shall use commercially reasonable efforts to obtain any consent of any Person (other than Governmental Entities) required to consummate and make the Transactions effective. The Acquiror agrees to cooperate reasonably with the Company in obtaining such consents. To the extent that the Acquiror and the Company are unable to obtain any required Third Party consents prior to the Closing (such consents, the "Post-Closing Consents"), each of the Acquiror and the Company, respectively, shall use commercially reasonable efforts to make or obtain (or cause to be made or obtained) as promptly as practicable all Post-Closing Consents, including taking the actions described in Section 2.2(a) and (b). For purposes of this Section 5.2, the term "commercially reasonable efforts" shall not be deemed to require any Person to pay or commit to pay any amount to (or incur any obligation in favor of) any Person from whom any consent or waiver may be required (other than nominal filing or application fees). The Acquiror agrees the Company shall not have any liability whatsoever to the Acquiror arising out of or relating to the failure to obtain any consents that may have been or may be required in connection with the transactions contemplated by this Agreement or because of the default, acceleration or termination of any Contract as a result thereof. The Acquiror further agrees that no representation, warranty or covenant of the Company contained herein shall be breached or deemed breached and no condition of the Acquiror shall be deemed not to be satisfied as a result of (a) the failure to obtain any consent or as a result of any such default, acceleration or termination or (b) any lawsuit, action, claim, proceeding or investigation commenced or threatened by or on behalf of any Persons arising out of or relating to the failure to obtain any consent or any such default, acceleration or termination.

SECTION 5.3 Covenants Regarding Common Shares.

(a) Blue Sky Matters. The Acquiror shall take such action, if any, as is reasonably necessary in order to obtain an exemption for or to qualify (i) the initial sale of the Common Shares to the Company or its Affiliates under this Agreement and (ii) any subsequent sale of the Registrable Securities by the Company or its Affiliate, in each case, under applicable securities or "Blue Sky" laws of the states of the United States in such states as is reasonably requested by the Company from time to time, and shall provide evidence of any such action so taken to the Company at its written request.

(b) Rule 144 Matters. With a view to making available to the Company and its Affiliates the benefits of Rule 144 promulgated under the Securities Act of 1933 or any other

similar rule or regulation of the SEC that may at any time permit the Company or any of its Affiliates to sell the securities of the Acquiror to the public without registration ("Rule 144"), the Acquiror agrees, at the Acquiror's sole expense, to: (i) make and keep public information available, as those terms are understood and defined in Rule 144; (ii) file with the SEC in a timely manner all reports and other documents required of the Acquiror under the Securities Act and the Exchange Act so long as the Acquiror remains subject to such requirements and the filing of such reports and other documents is required to satisfy the current public information requirements of Rule 144; (iii) furnish to the Company so long as the Company or any of its Affiliates owns Registrable Securities, as promptly as practicable at the Company's request, (x) a written statement by the Acquiror that it has complied in all material respects with the requirements of Rule 144(c)(1)(i) and (ii), and (y) such other information, if any, as may be reasonably requested to permit the Company and its Affiliates to sell such securities pursuant to Rule 144 without registration; and (iv) take such additional action as is requested by the Company to enable the Company and its Affiliates to sell the Registrable Securities pursuant to Rule 144, including, without limitation, delivering all such legal opinions, consents, certificates, resolutions and instructions to the Acquiror's transfer agent as may be reasonably requested from time to time by the Company and otherwise fully cooperate with the Company and the Company's (or its applicable Affiliate's) broker to effect such sale of securities pursuant to Rule 144.

(c) Removal of Restrictive Legend. Promptly upon the earlier of (i) the expiration of Rule 144's applicability to the Company or its Affiliates' holdings of the Acquiror's securities and (ii) the effectiveness of a registration statement covering the Registrable Securities pursuant to the

Registration Rights Agreement, the Acquiror shall submit a letter to its transfer agent as well as a customary written opinion of its legal counsel instructing the transfer agent to remove the Restrictive Legend from the Company's certificated shares and the Company and its Affiliates shall surrender the originally issued certificates to said transfer agent for removal of the Restrictive Legend.

(d) Put Option. If, prior to the Company's and its Affiliates' disposition to one or more Third Parties of all of the Registrable Securities, the Acquiror ceases, for whatever reason, to be publicly traded on the Nasdaq Capital Market, the Company shall have the option to require that the Acquiror (or any successor thereto) repurchase all or any part of the remaining Registrable Securities from the Company and its Affiliates, in cash at the fair market value per share of such Registrable Securities, as determined by a third party appraiser to be selected by the Company and reasonably agreed to by the Acquiror. Such repurchase shall occur five (5) Business Days after the third party appraiser has delivered its valuation report to the Company and the Acquiror; provided, that the Company may notify the Acquiror not later than two (2) Business Days after the delivery of the valuation report that the Company has elected to terminate the Acquiror's repurchase obligation with respect to the Registrable Securities in question (such notice, the "Cancellation Notice"). In no case shall the Company deliver a notice requiring the repurchase of any Registrable Securities more than once in any six-month period. The Acquiror shall be responsible for the reasonable fees and documented expenses of the third party appraiser except in the case of the Company's delivery of a Cancellation Notice, in which case the Company shall pay such fees and expenses. The Acquiror agrees that neither it nor any of its Affiliates shall enter into any contract, agreement, indenture or instrument that would prohibit the repurchase transaction contemplated by this Section 5.3(d). The Acquiror and the Company shall cooperate to cause the

third party appraisal to be completed as promptly as possible. The Acquiror will, and will cause each of its subsidiaries to, undertake diligent efforts following delivery of such appraisal report to finance the payment of the repurchase so that the repurchase price may be paid in full in cash when due under this paragraph. Such diligent efforts shall include, but not be limited to, pursuing private or public offerings of equity or debt securities, restructuring of the Acquiror's or any subsidiary's debt and other recapitalization, and using reasonable best efforts to obtain necessary consent of any lender restricting such repurchase. In the event that, notwithstanding such diligent efforts, the Acquiror is prohibited from purchasing the Registrable Securities in cash as a result of the consent right of Silicon Valley Bank under the Acquiror's loan agreements as they exist on the date hereof, then the Company shall have the option, in its sole and absolute discretion, to either (i) rescind the repurchase notice for all or a portion of the applicable shares (including such part as would allow the Acquiror to repurchase the remaining portion), or (ii) require the Acquiror to pay the maximum portion of the price as permitted under such loan agreements, and to pay the balance of the price by issuing to the applicable holders of the Registrable Securities a subordinated promissory note in a form reasonably acceptable to Silicon Valley Bank (or its successor) (prepayable at any time, and with a maturity date of three (3) years) in principal amount equal to such portion of the price and in form and substance to be agreed upon in good faith by the Acquiror and the Company (with such note bearing 15% annual interest, compounded daily and with such interest payable monthly, or if less, the maximum amount permitted under applicable law); provided that any, in the case of such note, the applicable 15% interest (or lesser amount as permitted under applicable law) shall accrue and be payable on a monthly basis under the terms of this Agreement until such time as the note becomes effective (at which time the interest shall be accrued and payable in accordance with the terms of such note).

(e) Transfers to Affiliates. Company and its Affiliates are permitted to freely transfer the Common Shares to their Affiliates, and Acquiror shall support and assist, if necessary, such transfers (including by causing the Acquiror's transfer agent to reflect such transfers).

(f) Preemptive Rights.

(i) The Acquiror hereby grants to the Company (and any Affiliate of the Company to the extent designated by the Company) the right to purchase all or part of its Pro Rata Portion of any new Equity Securities (other than any Excluded Securities) (the "New Securities") that the Acquiror may propose to issue or sell to any Person on or prior to July 31, 2017 (each a "Subsequent Financing") on terms not less favorable than the most favorable terms received by any other party in such issuance.

(ii) As soon as practicable prior to the Subsequent Financing (and in any case not later than 15 Business Days prior to such Subsequent Financing; provided that, if the Acquiror has not taken any steps toward a Subsequent Financing (including any approval thereof by its Board of Directors) until fewer than 15 Business Days before such Subsequent Financing, then such notice shall be given not later than the earliest possible date such information becomes available, which date shall not be later than the earlier of (A) three Business Days prior to such Subsequent Financing or (B) the date on which such information is provided to any investor or potential investor in the

Subsequent Financing), the Acquiror shall deliver to the Company a written notice of its intention to effect a Subsequent Financing ("Pre-Notice"), which Pre-Notice shall ask the Company if it wants to review the details of such financing (such additional notice, a "Subsequent Financing Notice"). Upon the request of the Company, and only upon the request by the Company, for a Subsequent Financing Notice, the Acquiror shall promptly, but no later than one (1) Business Day after such request, deliver a Subsequent Financing Notice to the Company. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing that are available at such time that the Subsequent Financing Notice is delivered (which shall include pricing of the securities, the number and description of such securities (along with the percentage of the Acquiror's outstanding Equity Securities such issuance would represent) and the proposed issuance date thereof), recognizing that if the Subsequent Financing is an offering pursuant to an effective registration statement, that there may be minimal details available at the time such Subsequent Financing Notice is delivered as terms will not be set until final pricing negotiations are conducted with the underwriter(s) or placement agent(s); provided that, if any material terms (including pricing of the securities, the number and description of such securities (along with the percentage of the Acquiror's outstanding Equity Securities such issuance would represent) and the proposed issuance date thereof) are not known to the Acquiror at the time of the Subsequent Financing Notice, then the Acquiror shall provide such information (and such information shall be deemed part of a new Subsequent Financing Notice dated as of the receipt date thereof) as soon as such information is known by the Acquiror (and in any case not later than two Business Days prior to the date on which the Company would be required to make a determination as to whether to participate in such offering, it being understood and agreed that if the pricing or other terms will not be known until after such time, a range shall be provided and the Company may condition any participation in such offering on pricing and/or number of issued securities meeting parameters established by the Company). If non-cash consideration is to be accepted in respect of any New Securities, the Company and the Acquiror shall jointly agree upon an independent valuation advisor to determine the fair market value of such consideration, and the Company's rights hereunder

shall include the right to purchase any or all of its Pro Rata Portion for cash the lowest price paid by any other party (including fair market value of any non-cash consideration) in such issuance of New Securities.

(iii) If the Company desires to participate in such Subsequent Financing, it must provide written notice to the Acquiror by not later than 5:30 p.m. (New York, New York time) on the fifteenth (15th) Business Day following the date of its receipt of the most recent Subsequent Financing Notice with respect thereto (the "Participation Deadline"), stating the amount of the Company's participation (up to its Pro Rata Portion of the New Securities at a purchase price set forth in the Subsequent Financing Notice), and that the Company has (or will have upon the closing of such purchase) such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice (such information, the "Participation Notice"). It is understood and agreed that the Company may condition its participation on specified assumptions if the final terms remain variable at the time of the Subsequent Financing Notice (for example, a maximum price that it is willing to pay if the price provided in the Subsequent Financing Notice is a range).

(iv) Without limiting the Acquiror's obligation to provide the Pre-Notice and Subsequent Finance Notice with respect to any issuance as described herein, the Acquiror may complete any such offering prior to the Participation Deadline; provided that, if such issuance is completed prior to the Participation Deadline, the Acquiror shall provide within one Business Day after completion of such issuance a new Subsequent Financing Notice with all of the details of the completed offering, and the Company shall have the right to acquire up to its Pro Rata Portion (as though it had participated in such issuance) on terms not less favorable than the most favorable terms received by any other party in such issuance by delivering a Participation Notice in respect thereof not later than fifteen Business Days after its receipt of such Subsequent Financing Notice. For the avoidance of doubt, if the Company or any of its Affiliates elects to participate in such issuance, the New Securities it receives in respect thereof shall be entitled to all of the rights in such New Securities from the earliest date of the issuance to any other party in such issuance or offering (such that, for the avoidance of doubt, the New Securities shall for all purposes, including voting rights and the rights to participate in dividends and any other rights with respect to such new Securities, include rights and benefits to the Company and such participating Affiliates equal to at least those rights and benefits that would have accrued had the New Securities been acquired by any of them as of the earliest date of issuance of New Securities to any other party). In the case of a delayed issuance to the Company or any of its Affiliates pursuant to this paragraph, the Company and the Acquiror shall cooperate to cause such issuance to occur as promptly as practicable following the notice of election to participate is provided by the Company.

(v) If the Company provides a valid Participation Notice to the Acquiror prior to the time specified in Section 5.3(f)(iii) or (iv), as applicable, the Acquiror shall include the Company as a participant in the Subsequent Financing, up to the lesser of (i) the amount that the Company has specified in the Participation Notice and (ii) the Company's Pro Rata Portion, on the same terms and conditions applicable to the Person or Persons through or with whom such Subsequent Financing is proposed to be effected. The Company shall in any case be entitled to receive, and the Acquiror shall provide with each Subsequent Financing Notice, all information received by any other party, investor or potential investor in respect of such issuance and/or offering.

(vi) If there are material changes to any of the information provided in the Subsequent Financing Notice (including any changes or new information regarding the pricing of the securities, the number and description of such securities (along with the percentage of the Acquiror's outstanding Equity Securities such issuance would represent) or the proposed issuance date thereof) prior to the actual issuance or sale, a new Subsequent Financing Notice shall be provided and the time periods set forth herein shall be applicable from the date of the new Subsequent Financing Notice.

(vii) If the Company and its Affiliates fail to purchase their allotment of the New Securities in a Subsequent Financing within the time period described herein, the Acquiror shall be free to complete the proposed issuance or sale of New Securities described in the Subsequent Financing Notice with respect to the portion for which the Company and its Affiliates failed to exercise the option set forth in this Section 5.3(f) on

terms no less favorable to the Acquiror than those set forth in the Subsequent Financing Notice; provided that (A) such issuance or sale is closed within 30 Business Days after the expiration of the Participation Deadline and (B) for the avoidance of doubt, the price at which the New Securities are sold is at least equal to or higher than the purchase price described in the Subsequent Financing Notice. In the event the Acquiror has not sold such New Securities within such time period, the Acquiror shall not thereafter issue or sell any New Securities without first again offering such securities to the Company in accordance with the procedures set forth in this Section 5.3(f).

(viii) Upon the issuance of any New Securities to the Company or its Affiliates in accordance with this Section 5.3(f), the Acquiror shall deliver to the Company or its applicable Affiliates certificates (if any) evidencing the New Securities, which New Securities shall be issued free and clear of any liens (other than those arising hereunder and those attributable to the actions of the purchasers thereof), and the Acquiror shall so represent and warrant to the purchasers thereof, and further represent and warrant to such purchasers that such New Securities shall be, upon issuance thereof to the Acquiror or its applicable Affiliates and after payment therefor, duly authorized, validly issued, fully paid and non-assessable. The Company and its applicable Affiliates shall deliver to the Acquiror the purchase price for the New Securities purchased by it by certified or bank check or wire transfer of immediately available funds. Each party to the purchase and sale of New Securities shall take all such other actions as may be reasonably necessary to consummate the purchase and sale including entering into such reasonable additional agreements as may be necessary or appropriate; provided that, in any case, the Company and its Affiliates shall not be required to enter into any agreement or include any terms in such agreements unless such terms were agreed and entered into by each other acquirer of New Securities in such offering.

(ix) Notwithstanding the foregoing, this Section 5.3(f) shall not apply in respect of any issuance of any Excluded Securities by the Acquiror.

(g) Remedies. The parties acknowledge and agree that, in the event of any breach or threatened breach of any covenant in Section 5.3, money damages may not be a sufficient remedy; therefore, the non-breaching party shall be entitled, in addition to other remedies, to seek equitable relief, including temporary and permanent injunctive relief (without any requirement to post any bond or other security).

SECTION 5.4 Non-Competition; Non-Solicitation.

(a) Non-Competition. The Company acknowledges and agrees that the covenants and agreements set forth in this Section 5.4 were a material inducement to the Acquiror to enter into this Agreement and to perform its obligations hereunder, and that the Company and its Affiliates would not obtain the benefit of the bargain set forth in this Agreement as specifically negotiated by the parties hereto if the Company breached the provisions of this Section 5.4. Therefore, in further consideration of the mutual covenants and undertakings given herein by the parties to this Agreement, the Company agrees (with respect to itself and its Restricted Affiliates) that until the second (2nd) anniversary of the Closing, the Company shall not (and shall cause each of its Restricted Affiliates not to) directly or indirectly

own any interest in, manage, control, participate in (whether as an officer, director, employee, partner, agent, representative or otherwise), consult with, render services for, or in any other manner engage in any Restricted Business; provided that, notwithstanding anything to the contrary in the foregoing, nothing in this Section 5.4 shall restrict, prohibit or limit in any respect the Company or any of its existing or future Affiliates (including any Restricted Affiliate) from:

(i) being a passive owner of the outstanding capital stock or other equity interests of any Person;

(ii) selling or divesting the Company or any Restricted Affiliates or all or substantially all of any of their respective assets to any Person that is not an Affiliate of the Company (or, in the case of a Restricted Affiliate, such Restricted Affiliate), it being understood and agreed that such Person shall not in any manner be bound by the restrictions set forth in this Section 5.4;

(iii) acquiring the whole or any part of, or investing in, a person which engages in any Restricted Business or the whole or any part of a business which includes any Restricted Business where:

(A) the Restricted Business of such Person or business does not have Qualifying Revenues; or

(B) the Restricted Business of such Person or business has Qualifying Revenues that represent less than thirty-three percent (33%) of the revenues of such Person or business acquired or, if such thirty-three (33%) threshold is exceeded, the Company or its applicable Restricted Affiliate shall not be prevented from acquiring or investing in such Person or business provided that it uses commercially reasonable efforts to dispose of the portion of such Person or business which generates Qualifying Revenues in excess of thirty-three percent (33%) of the revenues of such acquired Person or business (such that after such disposition the Qualifying Revenues are less than thirty-three percent (33%) of the revenues of such Person or business acquired), within twelve (12) months of the date of such acquisition or investment;

in each case, as set out in the latest available annual financial statements of that Person or business, or

(iv) owning any interest in an entity whose securities are publicly traded or listed with a securities exchange, provided that neither the Company nor any of its Restricted Affiliates controls the policies or management of such entity.

(b) Non-Solicitation. For two years following the Closing Date, the Acquiror shall not (and shall cause its Affiliates not to) recruit, hire, engage the services of, or attempt to hire or engage (or lure away from the other) any employee of the Company or its Affiliates who has any responsibility for or involvement with the Business; provided, however, that following the term of the Manufacturing and Supply Agreement, the Acquiror shall be required to offer

employment to those direct labor operator employees of the Company or its Affiliates that manufacture products for the Business set forth on Section 5.4(b) of the Disclosure Schedule or the applicable successor employees thereto (the "Manufacturing Employees") in accordance with Section 5.7; provided, further, that the Acquiror shall not be deemed in breach hereof merely by reason of posting general solicitations for employees and hiring respondents thereto.

(c) Enforceability. The parties acknowledge and agree that the covenants and provisions in Section 5.4 are:

(i) reasonable in duration, geographic area and scope; and

(ii) separate and divisible and, if any such covenant or provision is determined to be unenforceable or invalid for any reason, it shall be reformed to have the closest possible effect, consistent with applicable Law, to the original covenant or provision and the remaining covenants shall be unaffected.

(d) Remedies. The parties acknowledge and agree that, in the event of any breach of any covenant in Section 5.4, money damages may not be a sufficient remedy; therefore, the non-breaching party shall be entitled, in addition to other remedies, to seek equitable relief, including temporary and permanent injunctive relief (without any requirement to post any bond or other security).

SECTION 5.5 Post-Closing Sale of Business. If, within three (3) years following the Closing, the Acquiror or any Affiliate or successor directly or indirectly sells (or otherwise disposes of), or commits or agrees to sell or dispose of, any of the assets comprising the Business or licenses (or agrees to license) any of the Business to a Third Party at a price that ultimately exceeds $4,000,000, the Acquiror hereby agrees to pay to the Company 40% of the difference between (a) all consideration received by the Acquiror or any of its Affiliates (or their applicable successors, assignees or designees) from such Third Party (including, without limitation, any royalty or earnout payments, along with the fair value of any non-cash consideration), directly attributable to the Business, regardless of when such consideration is received, and (b) $4,000,000. For the avoidance of doubt, the sale or license of the Business or related assets in multiple transactions (whether or not any individual transaction would result in payment under the first sentence of this paragraph) shall result in the aggregation of all proceeds thereunder such that, taken as a whole, the Company shall be entitled to 40% of all proceeds in excess of $4,000,000. Notwithstanding the foregoing, the Company shall not be entitled to any additional consideration in connection with a change in

control of the Acquiror or an equity-based acquisition of the Acquiror by a Third Party, in each case to the extent such transaction results in the Business and related assets remaining in the Acquiror's corporate structure but with a new parent company of the Acquiror.

SECTION 5.6 Listing. Neither the Acquiror nor any of its Subsidiaries shall take any action that would be reasonably expected to result in the delisting or suspension of the Acquiror's Common Stock on the Principal Market, unless the Acquiror's Common Stock is immediately thereafter traded on the New York Stock Exchange, the NYSE Amex Equities, the Nasdaq Global Select Market, the Nasdaq Global Market, the NASDAQ Capital Market, or the OTCQB or OTCQX market places of the OTC Markets.

SECTION 5.7 Employment Transfers.

(a) On the Closing Date, the Acquiror shall make offers of employment, effective as of the end of the day on the Closing Date, to all of the Business Employees. Any and all such offers shall provide for (i) pay (including wages, commissions and bonuses) no less favorable to the Business Employee than in effect immediately prior to the Closing, and (ii) the primary workplace of the Business Employee to be no more than 30 miles from such Business Employee's then-current workplace;

(b) The Company shall use commercially reasonable efforts to cause each Business Employee to become employees of the Acquiror as of the end of the day of the Closing Date and shall not knowingly discourage any Business Employee from accepting employment with the Acquiror. If any Business Employee declines to accept the Acquiror's offer of employment, or otherwise declines to become an employee of the Acquiror, for any reason other than the Acquiror's material breach of its obligations in this Section 5.7, then the applicable Asset Seller shall terminate the employment of such Business Employee as promptly as permitted by applicable Law and the written employment policies of the applicable Asset Seller. The applicable Asset Seller shall be solely responsible for any severance or other Liabilities relating to any such terminated Business Employee terminated by such Asset Seller. The Company shall cooperate to facilitate meetings or other communications between representatives of the Acquiror and the Business Employees as reasonably requested by the Acquiror to occur on the Closing Date. The Company shall coordinate with the Acquiror with respect to all communications with Business Employees prior to such employees becoming Transferred Employees (as defined below);

(c) No later than thirty (30) days prior to the expiration or termination of the Manufacturing and Supply Agreement, the Acquiror shall make offers of employment, effective as of the termination or expiration date of the Manufacturing and Supply Agreement, to all of the Manufacturing Employees. Any and all such offers shall be communicated in advance to the Company, and shall provide for (i) pay (including wages, commissions and bonuses) no less favorable to the Manufacturing Employee than in effect immediately prior to the termination or expiration date of the Manufacturing and Supply Agreement, and (ii) the primary workplace of the Manufacturing Employee to be no more than 30 miles from such Manufacturing Employee's then-current workplace;

(d) The Company shall use commercially reasonable efforts to cause each Manufacturing Employee to become employees of the Acquiror as of the termination or expiration date of the Manufacturing and Supply Agreement and shall not knowingly discourage any Manufacturing Employee from accepting employment with the Acquiror. Without limiting the foregoing, prior to the termination or expiration date of the Manufacturing and Supply Agreement, the Company and the Asset Sellers shall not (i) terminate the employment of any Manufacturing Employee without prior consultation with the Acquiror or (ii) make any materially adverse changes in the compensation or terms or conditions of employment of any Manufacturing Employee. If any Manufacturing Employee declines to accept the Acquiror's offer of employment, or otherwise declines to become an employee of the Acquiror, for any reason other than the Acquiror's material breach of its obligations in this Section 5.7, then the applicable Asset Seller shall terminate the employment of such Manufacturing Employee as

promptly as permitted by applicable Law and the written employment policies of the applicable Asset Seller. The applicable Asset Seller shall be solely responsible for any severance or other Liabilities relating to any such terminated Manufacturing Employee terminated by such Asset Seller. The Company shall cooperate to facilitate meetings or other communications between representatives of the Acquiror and the Manufacturing Employees as reasonably requested by the Acquiror from time to time prior to the termination or expiration date of the Manufacturing and Supply Agreement. The Company shall coordinate with the Acquiror with respect to all communications with the Manufacturing Employees prior to the termination or expiration date of the Manufacturing and Supply Agreement relating to the post-Manufacturing and Supply Agreement employment or employee benefit arrangements relating to such Employees, and no such communications with the Manufacturing Employees shall occur prior to such Manufacturing Employees becoming Transferred Employees without the Company's prior written approval; and

(e) The date on which any Business Employee or Manufacturing Employee's employment transfers to the Acquiror is referred to herein as the "Transfer Date" of such Business Employee or Manufacturing Employee. Each Business Employee or Manufacturing Employee whose employment transfers to the Acquiror pursuant to this Agreement is referred to herein as a "Transferred Employee."

SECTION 5.8 Employee Credit; Compensation. With respect to each Transferred Employee:

(a) Subject to applicable Law and the terms of the employee benefit plans of the Acquiror and its Affiliates (which the Acquiror shall use commercially reasonable efforts to amend if necessary to provide the benefits described herein), the Acquiror shall (and shall cause each applicable Affiliate to) waive pre-existing condition requirements, evidence of insurability provisions, waiting period requirements or any similar provisions under any employee benefit plan or compensation arrangements maintained or sponsored by or contributed to by the Acquiror or any of its Affiliates for such Transferred Employees after the Transfer Date;

(b) Subject to applicable Law and the terms of the employee benefit plans of the Acquiror and its Affiliates (which the Acquiror shall use commercially reasonable efforts to amend if necessary to provide the benefits described herein), the Acquiror shall apply (and shall cause each applicable Affiliates to apply) toward any deductible requirements and out-of-pocket maximum limits under its employee welfare benefit plans any amounts paid (or accrued) by each Transferred Employee under the Company's or its Affiliates' welfare benefit plans during the current plan year applicable to the Transfer Date;

(c) The Company and its Affiliates shall be responsible for all claims and expenses covered by their medical plans that were incurred by the Transferred Employees and their eligible dependents and beneficiaries on or prior to the applicable Transfer Date. The Acquiror or its applicable Affiliates shall be responsible, to the extent provided in the medical plans maintained by the Acquiror and its Affiliates or as otherwise required under applicable Law, for all other medical claims and expenses incurred by the Transferred Employees and their eligible dependents and beneficiaries;

(d) Subject to applicable Law and the terms of the employee benefit plans of the Acquiror and its Affiliates (which the Acquiror shall use commercially reasonable efforts to amend or cause to be amended if necessary to provide the benefits described herein), with respect to its employee benefit plans, programs and policies and all applicable legal requirements with respect to severance, the Acquiror shall (and shall cause its applicable Affiliates to) recognize for all purposes (other than for defined benefit accrual, unless the transfer of the corresponding defined benefit plan is required by Law) the service of any Transferred Employee with the Company or its Affiliates prior to the applicable Transfer Date; provided, that in no event shall such credit result in the duplication of benefits or the funding thereof;

(e) The Company shall be responsible for all workers' compensation benefits (or similar benefits required by applicable Law) payable to Transferred Employees to the extent accrued on or before the applicable Transfer Date. The Acquiror or its applicable Affiliates shall be responsible for all workers' compensation benefits (or similar benefits required by applicable Law) payable to Transferred Employees with respect to injuries to Transferred Employees after the applicable Transfer Date. Any claims by any Transferred Employee during the time employed by the Company or its Affiliates shall be the sole responsibility of the Company;

(f) Until the first anniversary of the applicable Transfer Date, the Acquiror shall, or shall cause its Affiliates to, pay to each Transferred Employee wages (including bonuses) that are no less favorable than those wages (including bonuses) paid to such Transferred Employee immediately prior to the applicable Transfer Date. Subject to applicable Law and the terms of the employee benefit plans of the Acquiror and its Subsidiaries, in jurisdictions in which Acquiror or its Subsidiaries currently have employees for which they provide employee benefits (or can provide such benefits with commercially reasonable efforts), during such period the Acquiror shall, or shall cause its Subsidiary to, provide to each Transferred Employee in such jurisdiction employee benefits which are not less favorable in the aggregate than the employee benefits provided to similarly-situated employees of the Acquiror or its Subsidiary. During such period, the pay and benefits provided to such Transferred Employees will comply with the requirements of applicable Law. The Acquiror shall not have any obligation to provide equity compensation to any Transferred Employee under this Agreement or otherwise; and

(g) Until the first anniversary of the applicable Transfer Date, if the Acquiror (or its applicable Subsidiary) terminates any Transferred Employee or subjects any Transferred Employee to an indefinite lay-off, then the Acquiror shall pay or cause to be paid to such Transferred Employee severance pay not less than the amount of severance that would have been paid to such Transferred Employee had such Transferred Employee been terminated by the Company (or the applicable Asset Seller employing such Transferred Employee immediately prior to the applicable Transfer Date).

SECTION 5.9 Intercompany Obligations. The Company shall take such action and make, or cause to be made, such payments as may be necessary so that, as of the Closing Date, there shall be no intercompany obligations (other than pursuant to the Transaction Agreements) between the Business, on the one hand, and the Asset Sellers (excluding the Business), on the other hand.

SECTION 5.10 Post-Closing Cooperation.

(a) Unless otherwise provided herein, the Company, on the one hand, and the Acquiror, on the other, shall cooperate with each other, and shall use reasonable efforts to cause their officers, employees, agents, auditors and other Representatives to cooperate with each other for sixty (60) days after the Closing to ensure the orderly transition of the Business from the Asset Sellers to the Acquiror and to minimize any disruption to the Business and the other respective businesses of the Asset Sellers and the Acquiror that might result from the transactions contemplated hereby. After the Closing, upon reasonable notice, the Acquiror and the Asset Sellers shall furnish or cause to be furnished to each other and their employees, counsel, auditors and other Representatives reasonable access (including the ability to make copies), during normal business hours, to such employees, counsel, auditors and other Representatives, Books and Records relating to the Business within the control of such party or any of its Affiliates as is reasonably necessary for (i) financial reporting, Tax and accounting matters and (ii) defense or prosecution of litigation and disputes with third parties.

(b) Each of the Company and the Acquiror will retain all Books and Records and other documents pertaining to the Business in existence on the Closing Date for a period equal to the earlier of five (5) years following the Closing and the dissolution of the Company or the Acquiror, as the case may be, pursuant to applicable Law; provided, that no such Books and Records or other documents shall be destroyed or disposed of by any retaining party during such five (5) year period without first advising the other party in writing and giving such party a reasonable opportunity to obtain possession thereof for the purposes permitted by this Section 5.10.

(c) Each party shall reimburse the other for reasonable out-of-pocket costs and expenses incurred in assisting the other pursuant to this Section 5.10. Neither party shall be required by this Section 5.10 to take any action that would unreasonably interfere with the conduct of its business or unreasonably disrupt its normal operations.

SECTION 5.11 Required Financial Statements.

(a) The Company shall use commercially reasonable efforts to cause the following financial statements to be prepared and, subject to Section 5.11(e), delivered, to the Acquiror not later than 60 days after the date of this Agreement: (i) audited annual financial statements of the Business for the year ended December 31, 2015 (the "Audited Financial Statements"), and (ii) unaudited financial statements of the Business for the six months ended June 30, 2016 and June 30, 2015 (collectively, the "Special Purpose Financial Statements"), in each case in accordance with and limited to the scope set forth in Schedule 5.11 attached hereto. The Company has engaged an internationally recognized accounting firm (the "Preparing Firm") to assist with the preparation of the Special Purpose Financial Statements and the Additional Financial Statements, and has engaged another independent, internationally recognized accounting firm (the "Auditing Firm") to conduct an audit of the Audited Financial Statements (and no audit, other than the audit of the Audited Financial Statements, shall be required pursuant to this Section 5.11). The Company's cooperation required herein shall include, to the extent within its

control and during normal business hours, providing the Acquiror and the Preparing Firm and Auditing Firm with reasonable access to the books, records and other

materials of the Company and the personnel of, the Company, including such historical financial information relating to the Business as the Preparing Firm and Auditing Firm may reasonably request, in each case, in order to permit the timely completion of the Special Purpose Financial Statements and the Additional Financial Statements. The Company shall prepare the Special Purpose Financial Statements in accordance with the accounting principles attached hereto as Schedule 5.11 to this Agreement, and such accounting principles shall be the basis of the audit to be performed by the Auditing Firm. The Company shall prepare the Additional Financial Statements in a manner consistent with the basis of presentation described in Schedule 5.11; provided that it is understood and agreed that certain disclosures included in the Special Purpose Financial Statements are not required for the Additional Financial Statements.

(b) The Company shall also use commercially reasonable efforts to cause the following financial statements to be prepared and, subject to Section 5.11(e), delivered, to the Acquiror not later than 60 days after the date of this Agreement: (i) a statement of revenue and direct expenses of the Business for the period from July 1, 2016 to the close of business on the date immediately preceding the date of this Agreement and (ii) statements of revenue and direct expenses of the Business for each of the quarters and year to date periods ended June 30, 2016, March 31, 2016, September 30, 2015, June 30, 2015, and March 31, 2015 (collectively, the "Additional Financial Statements"); provided that, if due to resource constraints or other issues that Company believes it will not be able provide all of the Special Purpose Financial Statements and Additional Financial Statements within 60 days following the date of this Agreement, it shall prioritize the Special Purpose Financial Statements over the Additional Financial Statements, followed by those Additional Financial Statements that the Acquiror indicates in writing should receive the next highest priority. Notwithstanding the mutual understanding of the Company and the Acquiror that no other financial statements or information with respect to the Business, the Transferred Assets or the Assumed Liabilities is expected to be required for any purpose following the delivery of the Special Purpose Financial Statements and the Additional Financial Statements, for a period of eighteen months following the date of this Agreement, the Company shall, and shall cause the Asset Sellers to, use commercially reasonable efforts to provide the Acquiror, at the Acquiror's sole cost and expense, as soon as reasonably practicable following reasonable written request specifying the information required, such financial and other information related to the Business, the Transferred Assets or the Assumed Liabilities that are required to be included in, or required to facilitate the preparation of, pro forma or other financial statements (including Acquiror's financial statements and applicable pro forma financial statements and adjustments) or financial information required to be included in (i) the Acquiror's filings with the SEC on Form 8-K pursuant to Item 2.01 and 9.01 thereof and any financial statements required thereunder, in each case, in connection with the Closing and the Transactions, (ii) the Acquiror's other reports prepared pursuant to the Exchange Act and any financial statements required thereunder, and (iii) any registration statement under the Securities Act prepared by the Acquiror or any of its Affiliates (the information in each of clauses (i), (ii) and (iii) of this sentence, together with the Special Purpose Financial Statements and the Additional Financial Statements, the "Required Financial Information"); provided that the Company's obligations pursuant to this sentence shall not require the Company to unreasonably disrupt its own or any of its Affiliates' businesses.

(c) The Company agrees to make available to the Preparing Firm and the Auditing Firm, as promptly as reasonably practicable following their request, such internally

prepared financial statements and related work papers in the possession of the Company relating to the operations or financial condition of the Business for the periods and as of the dates covered by the Special Purpose Financial Statements and the Additional Financial Statements as may be reasonable required to satisfy the Company's obligations under Section 5.11(a) and Section 5.11(b), and shall otherwise reasonably cooperate with the Preparing Firm and the Auditing Firm with respect to the preparation and audit, as applicable, thereof. The Acquiror also agrees to provide such cooperation to the Preparing Firm and the Auditing Firm in connection with the preparation of the Special Purpose Financial Statements and the Additional Financial Statements, and to the Preparing Firm in connection with the preparation of any other Required Financial Information (to the extent the Preparing Firm is engaged with respect to any such other Required Financial Information), as the Preparing Firm and the Auditing Firm may reasonably request.

(d) For a period of eighteen months following the date of this Agreement, the Company shall use commercially reasonable efforts, at the Acquiror's sole cost and expense, following the Acquiror's reasonable written request, to obtain (A) consents from the Auditing Firm to the inclusion of the Auditing Firm's audit opinion in registration statements and periodic and other reports filed by the Acquiror under the Securities Act or the Exchange Act and (B) such customary comfort letters from the Auditing Firm as the underwriters of any offering under such registration statements may reasonably request.

(e) The Company's documented out-of-pocket costs and expenses incurred to support and facilitate the preparation and audit of the Special Purpose Financial Statements and the Additional Financial Statements, and to comply with the Company's other obligations set forth in this Section 5.11 shall be paid by the Acquiror promptly (and in any event not later than five Business Days) upon request and submission of reasonable support with respect to such amounts, and the Company may require that any such amount required (or estimated to be required) to fulfill its obligations hereunder be paid in advance by the Acquiror prior to the Company incurring any such costs or expenses. The Preparing Firm and Auditing Firm have each provided the Company with an estimated range of the amount of fees required for the preparation and audit of the Special Purpose Financial Statements and the Additional Financial Statements, as applicable (the maximum of the range for the Preparing Firm and the Auditing Firm in the aggregate, the "Accountants' Fees"). The Acquiror shall pay to the Company (or any Affiliate designated by the Company) an amount equal to the Accountants' Fees at the Closing; provided that, for the avoidance of doubt, (i) any additional fees, costs or expenses (including out-of-pocket fees and expenses, and any other costs and expenses, of the Company, the Preparing Firm or the Auditing Firm that were not included in the Accountants' Fees) in connection with the preparation and audit of the Special Purpose Financial Statements, the Additional Financial Statements or compliance with the other obligations set forth in this Section 5.11 shall be paid promptly (and in any event not later than five Business Days) by the Acquiror upon request and submission of reasonable support with respect to such additional amounts and (ii) if the actual final fees, costs and expenses of the Company, the Preparing Firm and the Auditing Firm in connection with the preparation and audit of the Special Purpose Financial Statements, the Additional Financial Statements or compliance with the other obligations set forth in this Section 5.11 are less than the Accountants' Fees, the Company shall promptly remit to the Acquiror such difference. Until any amount owed by the Acquiror pursuant to Section 5.11(e)(i) is paid in full, the Company may withhold delivery of the Special Purpose Financial

Statements and the Additional Financial Statements, and such withholding and failure to deliver shall not be in violation of this Section 5.11. The Company shall not make any changes to the engagement letters with the Preparing Firm or the Auditing Firm with respect to the Special Purpose Financial Statements or the Additional Financial Statements if such changes would result in additional liability to the Acquiror without the Acquiror's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. The Company shall, as promptly as reasonably practicable following its knowledge thereof, communicate to the Acquiror any material increases to the Accounting Fees in connection with the preparation and audit of the Special Purpose Financial Statements and the Additional Financial Statements, and shall reasonably cooperate with the Acquiror to work in good faith to determine any reasonable means of limiting such increases (without any cost thereof being borne directly or indirectly by the Company).

ARTICLE VI

TAX MATTERS

SECTION 6.1 Tax Matters.

(a) Allocation of Taxes. In the case of any taxable period starting before and ending after the Closing Date, the amount of Taxes allocable to the portion of the such taxable period ending on the Closing Date shall be deemed to be: (i) in the case of Taxes imposed on a periodic basis (such as real or personal property Taxes), the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) multiplied by a fraction, the numerator of which is the number of calendar days in such Taxable period ending on and including the Closing Date and the denominator of which is the number of calendar days in the entire relevant Taxable period; and (ii) in the case of Taxes not described in (i) above, the amount of any such Taxes shall be determined as if such taxable period ended as of the close of business on the Closing Date.

(b) Allocation of Purchase Price. The Acquiror and the Asset Sellers will (and will cause their Affiliates to) allocate the Purchase Price in accordance with Exhibit F and applicable Law. The Acquiror and the Asset Sellers agree to act in accordance with the computations and allocations as determined pursuant to this Section 6.1(b) in any relevant Tax Returns or filings, and to cooperate in the preparation of any such forms and to file such forms in the manner required by applicable Law.

(c) Purchase Price Adjustment. The Acquiror and the Company agree that any indemnification payment made pursuant to this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by applicable Law.

ARTICLE VII

INDEMNIFICATION

SECTION 7.1 Indemnification by the Company.

(a) From and after the Closing, and subject to the limits set forth in this Article VII and Section 8.1, the Company shall indemnify, defend and hold harmless the Acquiror and its Affiliates (collectively, the "Acquiror Indemnified Parties") against, and reimburse any Acquiror Indemnified Party for, all Losses that such Acquiror Indemnified Party may suffer or incur, or become subject to, as a result of (i) any (A) breach or inaccuracy of any representation or warranty made by the Company in this Agreement or (B) any breach or failure by the Company to perform any of its covenants or obligations contained in Section 5.11 of this Agreement, (ii) any breach or failure by the Company to perform any of its covenants or obligations contained in this Agreement, except for breaches or failures to perform any of the covenants or agreements contained in Section 5.11 of this Agreement, which shall be subject to Section 7.1(a)(i), or (iii) any Excluded Liability.

(b) Notwithstanding any other provision to the contrary contained in this Agreement, (i) the Company shall not be required to indemnify, defend or hold harmless any Acquiror Indemnified Party against, or reimburse any Acquiror Indemnified Party for, any Losses with respect to Section 7.1(a)(i), until the aggregate amount of the Acquiror Indemnified Parties' Losses exceeds $50,000 (the "Deductible Amount"), after which the Company shall only be obligated for such aggregate Losses of the Acquiror Indemnified Parties in excess of the Deductible Amount, and (ii) the cumulative indemnification obligation of the Company under Section 7.1(a)(i) shall in no event exceed $600,000 (the "Cap"), provided, however, in the event of Loss related to a breach of a Fundamental Representation or with respect to intentional fraud only, the cumulative indemnification obligation of the Company under Section 7.1(a)(i) shall in no event exceed $4,000,000.

SECTION 7.2 Indemnification by the Acquiror. From and after the Closing, and subject to the limits set forth in this Article VII and Section 8.1, the Acquiror shall indemnify, defend and hold harmless the Company and its Affiliates (collectively, the "Company Indemnified Parties") against, and reimburse any the Company Indemnified Party for, all Losses that such Company Indemnified Party may suffer or incur, or become subject to, as a result of (a) any breach or inaccuracy of any representation or warranty made by the Acquiror in this Agreement, (b) any breach or failure by the Acquiror to perform any of its covenants or obligations contained in this Agreement or (c) any Assumed Liability.

SECTION 7.3 Notification of Claims. (a) Except as otherwise provided in any other Transaction Agreement, a Person that may be entitled to be indemnified under any of the Transaction Agreements (the "Indemnified Party"), shall promptly notify the party or parties liable for such indemnification (the "Indemnifying Party") in writing of any pending or threatened claim, demand or circumstance that the Indemnified Party has determined has given or would reasonably be expected to give rise to a right of indemnification under this Agreement (including a pending or threatened claim or demand asserted by a third party against the Indemnified Party, such claim being a "Third Party Claim"), describing in reasonable detail the

facts and circumstances with respect to the subject matter of such claim, demand or circumstance; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VII except to the extent the Indemnifying Party is materially prejudiced

by such failure, it being understood that notices for claims in respect of a breach of a representation, warranty, covenant or agreement must be delivered prior to the expiration of any applicable survival period specified in Section 8.1 for such representation, warranty, covenant or agreement.

(b) If a Third Party Claim is made against an Indemnified Party, the Indemnifying Party shall be entitled to participate in the defense thereof and, if it so chooses and acknowledges its obligation to indemnify the Indemnified Party therefor, to assume the defense thereof with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. Notwithstanding any acknowledgment made pursuant to the immediately preceding sentence, the Indemnifying Party shall continue to be entitled to assert any limitation on its indemnification responsibility contained in Section 7.1 or Section 7.2, as applicable. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party shall not be liable to the Indemnified Party for legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof. If the Indemnifying Party assumes such defense, the Indemnified Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party, it being understood, however, that the Indemnifying Party shall control such defense. The Indemnifying Party shall be liable for the fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has not assumed the defense thereof. If the Indemnifying Party chooses to defend any Third Party Claim, all the parties hereto shall cooperate in the defense or prosecution of such Third Party Claim. Such cooperation shall include the retention and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the Indemnifying Party shall have assumed the defense of a Third Party Claim, the Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, any Third Party Claim without the Indemnified Party's prior written consent (which shall not be unreasonably withheld or delayed) unless such liability is solely monetary, the Indemnifying Party acknowledges full responsibility therefor and the Indemnified Party is released with respect to such matter.

SECTION 7.4 Exclusive Remedies. Except with respect to any equitable remedies contemplated by Section 8.11, the Company and the Acquiror acknowledge and agree that, following the Closing, the indemnification provisions of Section 7.1 and Section 7.2 shall be the sole and exclusive remedies of any Company Indemnified Party and any Acquiror Indemnified Party, respectively, for any Losses (including any Losses from claims for breach of contract, warranty, tortious conduct (including negligence) or otherwise and whether predicated on common law, statute, strict liability, or otherwise) that it may at any time suffer or incur, or become subject to, as a result of, or in connection with, this Agreement, any other Transaction Agreement or the transactions contemplated hereby or thereby, including any breach of any representation or warranty in this Agreement or any other Transaction Agreement by the Acquiror or the Company, respectively, or any failure by the Acquiror or the Company,

respectively, to perform or comply with any covenant or agreement set forth herein or therein. In furtherance of the foregoing, the Acquiror hereby waives, from and after the Closing, to the fullest extent permitted under applicable Law, any and all rights, claims and causes of action it may have against the Company relating to the subject matter of this Agreement and the other agreements contemplated hereby arising under or based upon any Law or otherwise.

SECTION 7.5 Additional Indemnification Provisions. With respect to each indemnification obligation contained in any Transaction Agreement or any other document executed in connection with the Closing, the amount of any and all Losses under this Section 7.5 shall be determined net of (i) any Tax benefits actually realized by any party seeking indemnification hereunder arising from the deductibility of any such Losses, (ii) any amounts recovered by the indemnified party under insurance policies, indemnities or other reimbursement arrangements with respect to such Losses and (iii) any liability or reserve reflected in the Financial Statements with respect to any matter forming the basis for such Losses. Notwithstanding anything in this Agreement or otherwise to the contrary, for purposes of determining the liability of the Company or the Acquiror under this Article VII, any "materiality", "material adverse effect" or similar qualifier contained in the any representation or warranty made by the Company or Acquiror, as applicable, in this Agreement shall be disregarded.

SECTION 7.6 Mitigation. Each of the parties agrees to take all reasonable steps to mitigate their respective Losses upon and after becoming aware of any event or condition that would reasonably be expected to give rise to any Losses that are indemnifiable hereunder.

SECTION 7.7 Third Party Remedies. If any Acquiror Indemnified Party (or any of its respective Affiliates) is at any time entitled (whether by reason of a contractual right, a right to take or bring a legal action, availability of insurance, or a right to require a payment discount or otherwise) to recover from another Person any amount in respect of any matter giving rise to a Loss (whether before or after the Company has made a payment to an Acquiror Indemnified Party hereunder and in respect thereof), the Acquiror shall (and shall cause its applicable Affiliate to) (a) promptly notify the Company and provide such information as the Company may require relating to such right of recovery and the steps taken or to be taken by the Acquiror in connection therewith, (b) if so required by the Company (subject to the Acquiror being indemnified to its reasonable satisfaction by the Company against all reasonable out-of-pocket costs and expenses incurred by the Acquiror in respect thereof) and before being entitled to recover any amount from the Company under this Agreement, first use commercially reasonable efforts (whether by making a claim against its insurers, commencement of an Action or otherwise) to pursue such recovery and (c) keep the Company fully informed of the progress of any action taken in respect thereof. Thereafter, any claim against the Company shall be limited (in addition to the limitations on the liability of the Company referred to in this Agreement) to the amount by which the Losses suffered by the Acquiror Indemnified Party exceed the amounts so recovered by the Acquiror Indemnified Party or Affiliate. If any Acquiror Indemnified Party recovers any amount in respect of Losses from any third party at any time after the Company has paid all or a portion of such Losses to the Acquiror Indemnified Parties pursuant to the provisions of this Article VII, the Acquiror shall, or shall cause such Acquiror

Indemnified Party to promptly (and in any event within two (2) Business Days of receipt) pay over to the Company the amount so received (to the extent previously paid by the Company).

SECTION 7.8 Limitation on Liability. In no event shall any party have any liability to the other or any other Person (including under this Article VII) for any consequential, special, incidental, indirect or punitive damages, lost profits, multiples of earnings or other multiples, or similar items (including loss of or multiples of revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to a breach or alleged breach hereof). The right to indemnification under this Article VII shall be the exclusive monetary remedy of the parties hereto (as well as any Acquiror Indemnified Parties and Company Indemnified Parties in such capacities) with respect to this Agreement.

ARTICLE VIII

SECTION 8.1 Survival. The representations and warranties (solely for purposes of indemnification as set forth in Article VII), covenants and agreements in this Agreement shall survive the Closing until the date that is fourteen (14) months after the Closing Date, except for (i) the Fundamental Representations, which shall survive for the applicable statute of limitations associated therewith, if any, (ii) the covenants and agreements of the parties hereto contained in this Agreement that by their terms apply or are to be performed in whole or in part after the Closing Date, which shall survive for the period provided in such covenants and agreements, if any, or until fully performed, and (iii) this Article VIII, which shall survive indefinitely.

SECTION 8.2 Expenses. Except as may be otherwise specified in the Transaction Agreements, all costs and expenses, including fees and disbursements of counsel, financial advisers and accountants, incurred in connection with the Transaction Agreements and the transactions contemplated by the Transaction Agreements shall be paid by the Person incurring such costs and expenses.

SECTION 8.3 Notices. All notices, requests, claims, demands and other communications under the Transaction Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.3):

(i) if to the Company:

Gambro UF Solutions, Inc.
c/o Baxter Healthcare Corporation
One Baxter Parkway
Deerfield, Illinois 60015
Attn: Richard Marritt, Global Franchise Head, Acute

Telephone: (224) 948-2000
Telecopy: (224) 948-2450

with a copy to:

Faegre Baker Daniels LLP
311 S. Wacker Drive, Suite 4300,
Chicago, Illinois 60606
Attn: Roger D. Rhoten
Telephone: (312) 212-6500
Telecopy: (312) 212-6501

(ii) if to the Acquiror:

Sunshine Heart, Inc.
12988 Valley View Road
Eden Prairie, MN 55344
Attention: John L. Erb
Chairman and Chief Executive Officer
Telephone: (952) 345-4201
Telecopy: (952) 224-0181

with a copy to:

Honigman Miller Schwartz and Cohn LLP
Columbia Plaza
350 East Michigan Avenue, Suite 300
Kalamazoo, Michigan 49007-3800
Attention: Phillip D. Torrence
Telephone: (269) 337-7702
Telecopy: (269) 337-7703

SECTION 8.4 Public Announcements. The parties hereto shall not issue or cause the publication of any press release or other public announcement (excluding, for the avoidance of doubt, any communication from the Company or its Affiliates to its employees) with respect to this Agreement or the transactions contemplated hereby; provided, however, that nothing herein shall prohibit any party from issuing or causing publication of any such press release or public announcement to the extent that such party determines such action to be required by Law, applicable regulation or stock exchange listing requirement, in which case such party shall, if practicable in the circumstances, allow the other party reasonable time to comment on such release or announcement in advance of its issuance. The Company and the Acquiror agree to keep the terms of this Agreement confidential, except to the extent required by applicable Law or for financial reporting purposes and except that the parties may disclose such terms to their respective accountants and other representatives as necessary in connection with the ordinary conduct of their respective businesses (so long as such Persons agree to keep the terms of this Agreement confidential).

SECTION 8.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Upon such determination that any such term or other provision, or any portion thereof, is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the Transactions are consummated to the fullest extent possible.

SECTION 8.6 Entire Agreement. The Transaction Agreements constitute the entire agreement of the Company, the other Asset Sellers and/or their Affiliates, on the one hand, and the Acquiror and/or its Affiliates, on the other hand, with respect to the subject matter of the Transaction Agreements and supersede all prior agreements, undertakings and understandings, both written and oral, other than the Confidentiality Agreement, between or on behalf of the Company, the other Asset Sellers and/or their Affiliates, on the one hand, and the Acquiror and/or its Affiliates, on the other hand, with respect to the subject matter of the Transaction Agreements.

SECTION 8.7 Assignment. This Agreement shall not be assigned by operation of Law or otherwise without the prior written consent of each of the other parties, except that the Acquiror may assign all or any of its rights and obligations hereunder to any direct or indirect wholly owned Subsidiary of the Acquiror; provided, however, that no such assignment shall relieve the Acquiror of its obligations hereunder.

SECTION 8.8 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein express or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder.

SECTION 8.9 Amendment; Waiver. No provision of this Agreement, including any Exhibits or Disclosure Schedules hereto, may be amended, supplemented or modified except by a written instrument making specific reference hereto or thereto signed by all of the parties to such agreement. Except as expressly set forth in this Agreement, no failure on the part of any party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

SECTION 8.10 Disclosure Schedule. Any disclosure with respect to a Section of this Agreement, including any Section of the Disclosure Schedule or the Acquiror Disclosure Schedule, shall be deemed to be disclosed for other Sections of this Agreement, including any Section of the Disclosure Schedule or Section of the Acquiror Disclosure Schedule, as the case may be, to the extent that such disclosure is reasonably sufficient so that the relevance of such disclosure would be reasonably apparent to a reader of such disclosure. Matters reflected in any Section of this Agreement, including any Section of the Disclosure Schedule or any Section of the Acquiror Disclosure Schedule (as applicable), are not necessarily limited to matters required by this Agreement to be so reflected. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. No reference to or disclosure of any item or other matter in any Section of this Agreement, including any Section of the Disclosure Schedule or any Section of the Acquiror Disclosure Schedule (as applicable), shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed in this Agreement. Without limiting the foregoing, no such reference to or disclosure of a possible breach or violation of any Contract, Law or Governmental Order shall be construed as an admission or indication that breach or violation exists or has actually occurred. Capitalized terms used in the Disclosure Schedule or the Acquiror Disclosure Schedule but not defined therein shall have the meanings ascribed to them in this Agreement. Summaries of, or references to, actual documents in the Disclosure Schedule or the Acquiror Disclosure Schedule (as applicable) are qualified in their entirety by reference to such documents. If at any time after the date hereof, either party discovers any asset, property, lease, right, interest, Contract or claim that (i) qualifies as a “Transferred Asset” was inadvertently omitted from any schedule listing “Transferred Asset” items, and/or (ii) does not qualify as a “Transferred Asset” was inadvertently included on any schedule listing “Transferred Asset” items, it shall notify the other party, and the parties shall promptly amend the applicable schedules and do all other acts necessary to effectuate and validate the parties’ respective ownership of and rights in such item, to be deemed effective as of the Closing Date.

SECTION 8.11 Specific Performance; Jurisdiction. The parties acknowledge that, in view of the uniqueness of the Business and the Transactions, each party would not have an adequate remedy at Law for money damages in the event that this Agreement has not been performed in accordance with its terms, and therefore agrees that the other parties shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled at Law or in equity. The Company, on the one hand, and the Acquiror, on the other hand, hereby agree not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by the Company, on the one hand, or the Acquiror, on the other hand, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of each party under this Agreement. Any party seeking an injunction or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such injunction or Order. In addition, each of the parties hereto (i) consents to submit itself to the exclusive personal jurisdiction of the Court of Chancery of the State of Delaware or any court of the United States located in the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such

personal jurisdiction by motion or other request for leave from any such court, (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the Court of Chancery of the State of Delaware or, if under applicable Law exclusive jurisdiction over such matter is vested in the federal courts, any court of the United States located in the State of Delaware and (iv) consents to service being made through the notice procedures set forth in Section 8.3. Each of the Company and the Acquiror hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 8.3 shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby.

SECTION 8.12 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal law of the State of Delaware without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware.

SECTION 8.13 Bulk Sales Laws. The Acquiror and the Company each hereby waive compliance by the Asset Sellers with the provisions of the "bulk sales," "bulk transfer" or similar Laws of any jurisdiction inside or outside the United States that may otherwise be applicable with respect to the sale of any of the Transferred Assets.

SECTION 8.14 Rules of Construction. The headings and captions used in this Agreement, in any Schedule or Exhibit hereto, in the table of contents or in any index hereto are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement or any Schedule or Exhibit hereto, and all provisions of this Agreement and the Schedules and Exhibits hereto shall be enforced and construed as if no caption or heading had been used herein or therein. Any capitalized terms used in any Schedule or Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement. Each defined term used in this Agreement shall have a comparable meaning when used in its plural or singular form. The use of the word "including" (or definitions thereof) herein shall mean "including without limitation" and, unless the context otherwise required, "neither," "nor," "any," "either" and "or" shall not be exclusive. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

SECTION 8.15 Counterparts. This Agreement may be executed and delivered in one or more counterparts (including by means of facsimile or electronic transmission in portable document format (pdf) transmission)), all of which taken together shall constitute one and the same instrument.

SECTION 8.16 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR

INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER TRANSACTION AGREEMENTS OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER TRANSACTION AGREEMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.16.

[*Remainder of This Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company and the Acquiror have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GAMBRO UF SOLUTIONS, INC.

By /s/ W. RICHARD MARRITT
Name: W. Richard Marritt
Title: Global Franchise Head

SUNSHINE HEART, INC.

By /s/ JOHN ERB
Name: John Erb
Title: CEO

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of August 5, 2016 by and between **SUNSHINE HEART, INC.,** a Delaware corporation (the "**Company**"), and **GAMBRO UF SOLUTIONS, INC**., a Delaware corporation ("**Gambro**"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Asset Purchase Agreement by and between the parties hereto, dated as of August 5, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the "**Asset Purchase Agreement**").

WHEREAS:

A. Upon the terms and subject to the conditions of the Asset Purchase Agreement, the Company has agreed to issue to Gambro (or one or more of its Affiliates as designated by Gambro), and Gambro has agreed to purchase (or cause its Affiliate designee(s) to purchase) 1,000,000 shares of the Company's common stock, par value $0.0001 per share (the "**Common Stock**") (the "**Purchased Shares**") in partial consideration for the assets transferred to the Company pursuant to the Asset Purchase Agreement; and

B. To induce Gambro to enter into the Asset Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Gambro hereby agree as follows:

1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

a. "**Person**" means any person or entity including any corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

b. "**Principal Market**" means the Nasdaq Capital Market; provided however, that in the event the Company's Common Stock is ever listed or traded on the New York Stock Exchange, the NYSE Amex Equities, the Nasdaq Global Select Market, the NASDAQ Global Market, or either one of the OTCQB or the OTCQX market places of the OTC Markets, then the "Principal Market" shall mean such other market or exchange on which the Company's Common Stock is then listed or traded.

c. "**Prospectus**" means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including post-effective amendments, and all other material incorporated by reference in such prospectus.

d. "**Register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more registration statements of the Company in compliance with the 1933 Act and pursuant to Rule 415 under the 1933 Act or any successor rule providing for offering securities on a continuous basis ("**Rule 415**"), and the declaration or ordering of effectiveness of such registration statement(s) by the U.S. Securities and Exchange Commission (the "**SEC**").

e. "**Registrable Securities**" means the Purchased Shares, the New Securities (as defined in the Asset Purchase Agreement) purchased by or issued to Gambro or any of its Affiliates, and any other shares of capital stock issued or issuable with respect to the Purchased Shares or any such New Securities as a result of any stock split, stock dividend, recapitalization, exchange or similar event; provided, however, any New Securities that are issued to Gambro or any of its Affiliates that have been registered with the SEC shall not be included within the definition of Registrable Securities for so long as such registration is effective and such New Securities may be resold thereunder in substantially the same manner as would be permitted pursuant to an effective registration hereunder.

f. "**Registration Statement**" means a registration statement of the Company covering only the sale of the Registrable Securities, including the related Prospectus and any amendments and supplements to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference into such registration statement.

g. "**Underwritten Offering**" means a registration in which Registrable Securities are directly or indirectly sold, assigned or otherwise transferred to an underwriter or underwriters on a firm commitment basis for reoffering to the public.

2. REGISTRATION.

a. Demand Registration Rights. At any time prior to the earlier of (1) the later of (A) the date on which the Registrable Securities may be sold under Rule 144 without any volume limitation and (B) the first anniversary of the date hereof, and (2) the fifth anniversary of the date hereof, Gambro or any of its Affiliates then holding any of the Registrable Securities ("**Selling Affiliates**") that it wishes to sell shall have the right to request that the Company file a Registration Statement with the SEC on the appropriate registration form for all or part of the Registrable Securities held by Gambro or such Selling Affiliates, by delivering a written request thereof to the Company specifying the number of shares of Registrable Securities it wishes to register (a "**Demand Registration**"). The Company shall (i) use its reasonable best efforts to prepare and file the Registration Statement as expeditiously as possible but in any event within 30 days of such request, and (ii) use its reasonable best efforts to cause the Registration Statement to become effective in respect of each Demand Registration in accordance with the intended method of distribution set forth in the written request delivered by Gambro or its Selling Affiliates. Gambro and its Selling Affiliates may collectively make a total of two Demand Registration (it being understood that a single Registration Statement covering Registrable Securities held by more than one such entity shall only constitute a single Demand Registration) requests pursuant to this Section 2(a).

b. Following notice to Gambro in accordance with this Section 2(b), for the shortest period reasonably practicable and in any event for not more than forty-five (45) consecutive calendar days, the Company may (i) delay the filing or effectiveness of a Registration Statement or (ii) prior to the pricing of any offering of Registrable Securities pursuant to a Registration Statement delay such offering (and, if permitted, withdraw any Registration Statement that has been filed), but in each case described in clauses (i) and (ii) only if the Company's Board of Directors (acting on the advice of legal counsel) determines in its reasonable judgment that proceeding with such an offering would (A) require the Company to disclose material, non-public information regarding any *bona fide* material financing, acquisition, disposition or other similar transaction involving the Company then under consideration that would not otherwise be required to be disclosed at such time and (B) materially and adversely affect the Company's ability to complete such *bona fide* material financing, acquisition, disposition or other similar transaction. Any period during which the Company has delayed a filing, effectiveness or an offering pursuant to this Section 2(b), but beginning only on the date on which Gambro receives notice thereof in accordance with the immediately following sentence, is herein called a "**Suspension Period**". The Company shall provide prompt written notice to Gambro of the commencement and termination of any Suspension Period (and any withdrawal of a Registration Statement pursuant to this Section 2(b)), but shall disclose the reasons therefor if Gambro requests such information, in which case Gambro shall keep such information confidential unless (i) disclosure of such information is required by court or administrative order or in connection with an audit or examination by, or a blanket document request from, a regulatory or self-regulatory authority, bank examiner or auditor, (ii) disclosure of such information, in the reasonable judgment of Gambro, is required by law or applicable legal process (including in connection with the offer and sale of securities pursuant to the rules and regulations of the SEC), (iii) such information is or becomes generally available to the public other than as a result of a non-permitted disclosure or failure to safeguard by Gambro in violation of this Agreement or (iv) such information (A) was known to Gambro (prior to its disclosure by the Company) from a source other than the Company when such source, to the knowledge of Gambro, was not bound by any contractual, legal or fiduciary obligation of confidentiality to the Company with respect to such information, (B) becomes available to Gambro from a source other than the Company when such source, to the knowledge of Gambro, is not bound by any contractual, legal or fiduciary obligation of confidentiality to the Company with respect to such information or (C) was developed independently by Gambro or their respective representatives without the use of, or reliance on, information provided by the Company. In no event (x) may the Company deliver notice of a Suspension Period to the Selling Affiliates more than one (1) time during any 180-day period; and (y) shall a Suspension Period or Suspension Periods be in effect for an aggregate of seventy-five (75) days or more in any twelve (12) month period.

c. Underwritten Offerings.

(i) In the event of an Underwritten Offering, Gambro promptly shall select the underwriter(s) as well as counsel for the underwriter(s), provided that the same are reasonably acceptable to the Company.

(ii) If requested by the managing underwriter(s) for an Underwritten Offering, the Company shall enter into an underwriting agreement with such underwriter(s) for such

Underwritten Offering, in form and substance reasonably satisfactory to the Company, Gambro and the underwriter(s). Such agreement shall contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of that type. Gambro and any applicable Selling Affiliates shall enter into such underwriting agreement at the request of the Company, which agreement shall contain such reasonable representations and warranties by Gambro and such Selling Affiliates, and such other reasonable terms as are generally prevailing in agreements of that type.

(iii) In the event of a sale of the Registrable Securities in an Underwritten Offering, the Company shall agree, and it shall cause its executive officers and directors to agree, if requested by the managing underwriter or underwriters in such Underwritten Offering not to effect any sale or distribution (including any offer to sell, contract to sell, short sale or any option to purchase) of any securities that are of the same type as those being registered in connection with such public offering and sale, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning five days before, and ending 90 days (or such lesser period as may be permitted by the managing underwriter or underwriters) after, the effective date of the Registration Statement filed in connection with such registration (or, if later, the date of the Prospectus), to the extent timely notified in writing by the managing underwriter or underwriters. The Company also agrees to execute an agreement evidencing the restrictions in this Section 2(c)(iii) in customary form, which form is reasonably satisfactory to the Company and the underwriter(s); provided, that such restrictions alternatively may be included in the underwriting agreement. The Company may impose stop-transfer instructions with respect to the securities subject to the foregoing restriction until the end of the required stand-off period.

(iv) If the managing underwriter or underwriters of a proposed Underwritten Offering of Registrable Securities inform(s) Gambro in writing that, in its or their opinion, the number of securities requested to be included in such registration exceeds the number that can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the number of Registrable Securities to be included in such registration shall be reduced to the maximum number recommended by the managing underwriter or underwriter; provided, that Gambro may notify the Company in writing that the Registration Statement shall be abandoned or withdrawn, in which event the Company shall abandon or withdraw such Registration Statement. In the event Gambro notifies the Company that such Registration Statement shall be abandoned or withdrawn, Gambro and its Selling Affiliates shall not be deemed to have requested a Demand Registration pursuant to this Section 2.

d. All Offerings.

(i) The Registration Statement shall register only the Registrable Securities (or portion thereof requested for inclusion by Gambro and the Selling Affiliates) and no other securities of the Company.

(ii) Gambro shall furnish all information regarding Gambro (or, as applicable, Gambro's Selling Affiliates) as is reasonably requested by the Company for inclusion in the Registration Statement.

(iii) The Company shall, as required by applicable securities regulations, from time to time file with the SEC, a Prospectus, if any, to be used in connection with sales of the Registrable Securities under the Registration Statement.

(iv) The Company shall use its commercially reasonable efforts to have the Registration Statement or any amendment declared effective by the SEC as soon as practicable. Subject to Section 3(e), the Company shall use commercially reasonable efforts to keep the Registration Statement effective pursuant to Rule 415 promulgated under the 1933 Act and available for sales of all of the Registrable Securities at all times through the Registration Period. The Company shall be deemed to have effected a registration for purposes of this Agreement if the Registration Statement is declared effective by the SEC or becomes effective upon filing with the SEC and remains effective until the earlier of (A) the date when all Registrable Securities thereunder have been sold and (B) 60 days from the effective date of the Registration Statement (the "Registration Period"). No registration shall be deemed to have been effective if the conditions to closing specified in the underwriting agreement or dealer manager agreement, if any, entered into in connection with such registration are not satisfied by reason of a wrongful act, misrepresentation or breach of such applicable underwriting agreement or dealer manager agreement by the Company or any of its Affiliates. If during the Registration Period, such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental authority or the need to update or supplement the Registration Statement, the Registration Period shall be extended on a day-for-day basis. The Registration Statement (including any amendments or supplements thereto and Prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. RELATED OBLIGATIONS.

With respect to the Registration Statement and whenever any Registrable Securities are to be registered pursuant to Section 2, the Company shall use its commercially reasonable efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

a. The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to any Registration Statement and the Prospectus used in connection with such Registration Statement, as may be necessary to keep the Registration Statement effective at all times during the Registration Period, subject to Section 3(e) hereof and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by the Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement. Should the Company file a post-effective amendment to the Registration Statement, the Company will use its commercially reasonable efforts to have such filing declared effective by the SEC within twenty (20) consecutive Business Days as of the date of filing, which such period shall be extended for an additional twenty (20) Business Days if the Company receives a comment letter from the SEC in connection therewith.

b. The Company shall submit to (i) Gambro for review and comment any disclosure in the Registration Statement and all amendments and supplements thereto (other than any Prospectus that consists only of a copy of a filed Form 10-Q, Form 10-K or a Current Report on Form 8-K) containing information provided by Gambro for inclusion in such document and any descriptions or disclosure regarding Gambro or any of its Affiliates then holding Registrable Securities, the Asset Purchase Agreement, including the transaction contemplated thereby, or this Agreement at least two (2) Business Days prior to their filing with the SEC, and not file any document in a form to which Gambro reasonably and timely objects and (ii) the underwriter(s), if any, for review and comment any disclosure in the Registration Statement and all amendments and supplements thereto (other than any Prospectus that consists only of a copy of a filed Form 10-Q, Form 10-K or a Current Report on Form 8-K) containing information provided by the underwriter(s) for inclusion in such document and any descriptions or disclosure regarding the underwriter(s) or the underwriting agreement at least two (2) Business Days prior to their filing with the SEC, and not file any document in a form to which the underwriter(s) reasonably and timely objects. Upon request of Gambro or the underwriter(s), if any, the Company shall provide to Gambro and the underwriter(s), if any, all disclosure in the Registration Statement and all amendments and supplements thereto (other than any Prospectus that consists only of a copy of a filed Form 10-Q, Form 10-K or Current Report on Form 8-K) at least one (1) Business Day prior to their filing with the SEC, and not file any document in a form to which Gambro or the underwriter(s) reasonably and timely objects, which consent shall not be unreasonably withheld, conditioned or delayed. Gambro and the underwriter(s), if any, shall use their respective commercially reasonable efforts to comment upon the Registration Statement and any amendments or supplements thereto within two (2) Business Days from the date they receives the final version thereof. The Company shall furnish to Gambro and the underwriter(s), if any, without charge, any correspondence from the SEC or the staff of the SEC to the Company or its representatives relating to the Registration Statement.

c. Upon request of Gambro or the underwriter(s), if any, the Company shall furnish to Gambro and the underwriter(s), as applicable: (i) promptly after the same is prepared and filed with the SEC, at least one copy of the Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits, (ii) upon the effectiveness of a Registration Statement, a copy of the Prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as Gambro or the underwriter(s) may reasonably request) and (iii) such other documents, including copies of any preliminary or final Prospectus, as Gambro or the underwriter(s) may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities by Gambro and its Selling Affiliates or the underwriter(s), if any.

d. The Company shall use commercially reasonable efforts to (i) register and qualify, unless an exemption from registration and qualification is available, the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of such jurisdictions in the United States as Gambro or the underwriter(s), if any, reasonably requests, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to

qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Gambro and the underwriter(s), if any, of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of

any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

e. As promptly as practicable after becoming aware of such event or facts, the Company shall notify Gambro and the underwriter(s), if any, in writing if the Company has determined that the Registration Statement or the Prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly prepare a prospectus supplement or amendment to such Registration Statement to correct such untrue statement or omission, and deliver a copy of such prospectus supplement or amendment to Gambro and the underwriter(s), if any. In providing this notice to Gambro and the underwriter(s), if any, the Company shall not include any other information about the facts underlying the Company's determination and shall not in any way communicate any material nonpublic information about the Company or the Common Stock to Gambro, the underwriter(s), if any, or any of their respective Affiliates. The Company shall also promptly notify Gambro and the underwriter(s), if any, in writing (i) when a Prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Gambro and the underwriter(s), if any, by facsimile or e-mail on the same day of such effectiveness), (ii) of any request by the SEC for amendments or supplements to any Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate, (iv) if at any time the representations and warranties of the Company (written or oral) contained in any underwriting agreement cease to be true and correct in all material respects, and (v) of receipt by the Company of any notification with respect to the suspensions or the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

f. The Company shall use its commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of any Registration Statement, or the suspension of the qualification of any Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest practical time and to notify Gambro and the underwriter(s), if any, of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

g. The Company shall (i) cause all the Registrable Securities to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the

rules of such exchange, or (ii) secure designation and quotation of all the Registrable Securities if the Principal Market is an automated quotation system. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section.

h. The Company shall cooperate with Gambro, the Selling Affiliates and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to any Registration Statement and enable such certificates to be in such denominations or amounts as Gambro, the Selling Affiliates or the underwriter(s), if any, may reasonably request and registered in such names as Gambro, the Selling Affiliates or the underwriter(s) may request.

i. The Company shall at all times provide a transfer agent and registrar with respect to its Common Stock.

j. If reasonably requested by Gambro or the underwriter(s), if any, the Company shall (i) promptly incorporate in a prospectus supplement or post-effective amendment to the Registration Statement such information as Gambro or the underwriter(s) believes should be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities; (ii) make all required filings of such prospectus supplement or post-effective amendment promptly after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement.

k. The Company shall use its commercially reasonable efforts to cause the Registrable Securities covered by any Registration Statement to be registered with or approved by such other governmental agencies or authorities in the United States as may be necessary to consummate the disposition of such Registrable Securities.

l. Within one (1) Business Day after any Registration Statement is ordered effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to Gambro and the underwriter(s), if any) confirmation that such Registration Statement has been declared effective by the SEC in the form attached hereto as Exhibit A. Thereafter, if reasonably requested by Gambro or the underwriter(s), if any, at any time, the Company shall require its counsel to deliver to Gambro a written confirmation of whether or not the effectiveness of such Registration Statement has lapsed at any time for any reason (including, without limitation, the issuance of a stop order) and whether or not the Registration Statement is current and available to Gambro and its Affiliates or the underwriter(s), if any, holding any such Registrable Securities for sale of all of the Registrable Securities.

m. The Company shall cooperate and assist in any filings required to be made with the Financial Industry Regulatory Authority and each securities exchange, if any, on which any of the Company's securities are then listed or quoted and on each inter-dealer quotation system on which any of the Company's securities are then quoted, and in the performance of any due diligence investigation by any underwriter (including any "qualified independent

underwriter") that is required to be retained in accordance with the rules and regulations of each such exchange, and use its reasonable best efforts to cause the Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary to enable the seller or sellers thereof or the underwriter(s), if any, to consummate the sale of such Registrable Securities.

n. The Company shall obtain for delivery to and addressed to Gambro, its Selling Affiliates and to the underwriter(s), if any, opinions from the general counsel of the Company, in each case dated the effective date of the Registration Statement or, in the event of an Underwritten Offering, the date of the closing under the underwriting agreement, and in each such case in customary form and content.

o. In the case of an Underwritten Offering, the Company shall obtain for delivery to and addressed to the Company, Gambro, the Selling Affiliates and the managing underwriter(s), if any, a cold comfort letter from the Company's independent registered public accounting firm in customary form and content for the type of Underwritten Offering, dated the date of execution of the underwriting agreement and brought down to the closing.

p. In the case of an Underwritten Offering, the Company shall cause its senior executive officers to participate at reasonable times and for reasonable periods in the customary "road show" presentations that may be reasonably requested by the managing underwriter(s), if any, and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto, except to the extent that such participation materially interferes with the management of the Company's business; provided, that the effectiveness period for any Demand Registration shall be increased on a day-for-day basis by the period of time that management cannot participate.

q. The Company agrees to take all other reasonable actions as necessary and requested by Gambro and the underwriter(s), if any, to expedite and facilitate disposition by Gambro, the Selling Affiliates and the underwriter(s), if any, of Registrable Securities pursuant to any Registration Statement.

4. OBLIGATIONS OF GAMBRO.

a. Gambro has furnished to the Company in Exhibit B hereto such information regarding itself (and any Affiliates holding any such Registrable Securities), the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it or its applicable Affiliates as required to effect the registration of such Registrable Securities (assuming such sale and offer of Registrable Securities is not an Underwritten Offering) and shall execute such documents in connection with such registration as the Company may reasonably request. The Company shall notify Gambro in writing of any other information the Company reasonably requires from Gambro or its applicable Affiliates in connection with any Registration Statement hereunder. Gambro will as promptly as practicable notify the Company of any material change in the information set forth in Exhibit B, other than changes in its ownership of the Common Stock.

b. Gambro and its Selling Affiliates agree to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any amendments and supplements to any Registration Statement hereunder.

c. Gambro agrees that, upon receipt of any notice from the Company of the happening of any event or existence of facts of the kind described in Section 3(f) or any notice of the kind described in the first sentence of Section 3(e), Gambro will immediately discontinue (and will cause its Affiliates holding any Registrable Securities to immediately discontinue) disposition of Registrable Securities pursuant to any registration statement(s) covering such Registrable Securities until Gambro's receipt (which may be accomplished through electronic delivery) of the copies of the filed supplemented or amended prospectus contemplated by Section 3(f) or the first sentence of Section 3(e). In addition, upon receipt of any notice from the Company of the kind described in the first sentence of Section 3(e), Gambro will immediately discontinue (and will cause its Affiliates holding any Registrable Securities to immediately discontinue) purchases or sales of any securities of the Company unless such purchases or sales are in compliance with applicable U.S. securities laws.

5. EXPENSES OF REGISTRATION.

All Registration Expenses of the Company, other than sales or brokerage commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3 shall be paid by the Company. For purposes hereof, "**Registration Expenses**" means all expenses incident to the Company's performance of or compliance with this Agreement, including all (a) registration, qualification and filing fees, (b) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications within the United States of any Registrable Securities being registered), (c) printing expenses, messenger, telephone and delivery expenses, (d) internal expenses of the Company (including all salaries and expenses of employees of members of the Company performing legal or accounting duties), (e) fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by the Company's independent certified public accountants of comfort letters customarily requested by underwriters) and (f) fees and expenses of listing any Registrable Securities on any securities exchange on which the shares of Common Stock are then listed and Financial Industry Regulatory Authority registration and filing fees.

6. INDEMNIFICATION.

a. To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend Gambro, its Affiliates, each Person, if any, who controls Gambro or any of its Affiliates, the members, the directors, officers, partners, employees, agents, representatives of Gambro and its Affiliates, and each Person, if any, who controls Gambro or any of its Affiliates within the meaning of the 1933 Act or the Securities Exchange Act of 1934, as amended (the "**1934 Act**") (each, an "**Indemnified Person**"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys' fees, amounts paid in settlement (with the consent of the Company, such consent not to be unreasonably withheld) or reasonable expenses (collectively, "**Claims**") reasonably incurred in

investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency or body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in the Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("**Blue Sky Filing**"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the

omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to the Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**"). The Company shall reimburse each Indemnified Person promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (A) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto, if such prospectus was timely made available by the Company; (B) with respect to any superseded prospectus, shall not inure to the benefit of any such person from whom the person asserting any such Claim purchased the Registrable Securities that are the subject thereof (or to the benefit of any other Indemnified Person) if the untrue statement or omission of material fact contained in the superseded prospectus was corrected in the revised prospectus, as then amended or supplemented, if such revised prospectus was timely made available by the Company pursuant to Section 3(c) or Section 3(e), and Gambro was promptly advised in writing not to use the incorrect prospectus prior to the use giving rise to a violation; (C) shall not be available to the extent such Claim is based on a failure of Gambro to deliver or to cause to be delivered the Prospectus made available by the Company, if such Prospectus was theretofore made available by the Company pursuant to Section 3(c) or Section 3(e); and (D) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect and shall survive the transfer of the Registrable Securities by Gambro or any of its Affiliates pursuant to Section 10.

b. In connection with the Registration Statement, Gambro agrees to indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement, each Person, if any, who controls the Company within the meaning of the 1933 Act or

the 1934 Act (collectively and together with an Indemnified Person, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information about Gambro or any of its Affiliates set forth on Exhibit B attached hereto or updated from time to time in writing by Gambro and furnished to the Company by Gambro expressly for use in in the Registration Statement or from the failure of Gambro to deliver or to cause to be delivered the prospectus made available by the Company, if such prospectus was timely made available by the Company pursuant to Section 3(c) or Section 3(e); and, subject to Section 6(d), Gambro will reimburse any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of Gambro, which consent shall not be unreasonably withheld; provided, further, however, that Gambro shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to Gambro or its Affiliates as a result of the sale of Registrable Securities pursuant to such registration statement. Such indemnity shall remain in full force and effect and shall survive the transfer of the Registrable Securities by Gambro or any of its Affiliates pursuant to Section 10. For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement, in no case shall the Company or any of its Affiliates be deemed to be Affiliates of Gambro or any of its Affiliates for purposes of this Agreement.

c. Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be, and upon such notice, the indemnifying party shall not be liable to the Indemnified Person or Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Person or Party in connection with the defense thereof; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. The Indemnified Party or Indemnified Person shall cooperate with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying

party shall be liable for any settlement of any action, claim or proceeding effected without its written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

d. The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

e. The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. CONTRIBUTION.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any seller of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities.

8. REPORTS AND DISCLOSURE UNDER THE SECURITIES ACTS.

With a view to making available to Gambro and its Affiliates the benefits of Rule 144 promulgated under the 1933 Act or any other similar rule or regulation of the SEC that may at any time permit Gambro or any of its Affiliates to sell securities of the Company to the public without registration ("**Rule 144**"), the Company agrees, at the Company's sole expense, to:

a. make and keep public information available, as those terms are understood and defined in Rule 144;

b. file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements and the filing of such reports and other documents as required to satisfy the current public information requirements of Rule 144;

c. furnish to Gambro so long as Gambro or any of its Affiliates owns Registrable Securities, as promptly as practicable at Gambro's request, (i) a written statement by the Company that it has complied in all material respects with the requirements of Rule 144(c)(1)(i) and (ii), and (ii) such other information, if any, as may be reasonably requested to permit Gambro and its Affiliates to sell such securities pursuant to Rule 144 without registration; and

d. take such additional action as is requested by Gambro to enable Gambro and its Affiliates to sell the Registrable Securities pursuant to Rule 144, including, without limitation, delivering all such legal opinions, consents, certificates, resolutions and instructions to the Company's transfer agent as may be reasonably requested from time to time by Gambro and otherwise fully cooperate with Gambro and Gambro's (or its applicable Affiliate's) broker to effect such sale of securities pursuant to Rule 144.

The Company agrees that damages may be an inadequate remedy for any breach of the terms and provisions of this Section 8 and that Gambro and its Affiliates shall, whether or not it is pursuing any remedies at law, be entitled to seek, at its sole cost and expense, equitable relief in the form of a preliminary or permanent injunctions, upon any breach or threatened breach of any such terms or provisions.

9. TERM OF AGREEMENT.

This Agreement shall terminate upon the earlier of (a) the later of (i) the date on which the Registrable Securities may be sold under Rule 144 without any volume limitation and (ii) the first anniversary of the date hereof, and (b) the fifth anniversary of the date hereof, Gambro or any of its Affiliates then holding any of the Registrable Securities; provided, that the provisions of Sections 5, 6, 8 (which shall continue for so long as the Registrable Securities are held by Gambro or any of its Affiliates), 9, 12 and the last sentence of Section 3(g) shall survive any such termination

10. ASSIGNMENT OF REGISTRATION RIGHTS.

The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of Gambro. Gambro may not assign its rights under this Agreement without the written consent of the Company, provided that Gambro may assign any or all of its rights under this Agreement to any Affiliate of Gambro without the Company's consent.

11. AMENDMENT OF REGISTRATION RIGHTS.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and Gambro.

12. MISCELLANEOUS.

a. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Sunshine Heart, Inc.
12988 Valley View Road
Eden Prairie, MN 55344

Telephone: (952) 345-4201
Facsimile: (952) 224-0181
Attention: Chief Executive Officer and Chairman

With a copy (which shall not constitute notice) to:

Honigman Miller Schwartz and Cohn LLP
Columbia Plaza
350 East Michigan Avenue, Suite 300
Kalamazoo, Michigan 49007-3800
Attention: Phillip D. Torrence
Telephone: (269) 337-7702
Facsimile: (269) 337-7703
Attention: Phillip D. Torrence

If to Gambro:

Gambro UF Solutions, Inc.
c/o Baxter Healthcare Corporation
One Baxter Parkway
Deerfield, Illinois 60015
Telephone: 224-948-2400
Facsimile: 224-948-2450
Attention: Global Franchise Head, Acute

With a copy (which shall not constitute notice) to:

Faegre Baker Daniels LLP
311 S. Wacker Drive, Suite 4300
Chicago, IL 60606
Telephone: 312-212-6500
Facsimile: 312-212-6501

Attention: Roger D. Rhoten

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively. Any party to this Agreement may give any notice or other communication hereunder using any other means (including messenger service, ordinary mail or electronic mail), but no such notice or other communication shall be deemed to have been duly given unless it actually is received by the party for whom it is intended.

b. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

c. The corporate laws of the State of Delaware shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Illinois. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Chicago for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

d. This Agreement, the Asset Purchase Agreement and the other documents entered into as referenced therein constitute the entire understanding among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement**,** the Asset Purchase Agreement and the other documents entered into as referenced therein supersede all other prior oral or written agreements between Gambro, the Company, their Affiliates and persons acting on their behalf with respect to the subject matter hereof and thereof.

e. Subject to the requirements of Section 10, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

f. The headings in this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

g. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile or pdf (or other electronic reproduction of a) signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or pdf (or other electronic reproduction of a) signature.

h. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

i. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

j. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of day and year first above written.

THE COMPANY:

SUNSHINE HEART, INC.

By: /s/ JOHN ERB
Name: John Erb
Title: CEO

GAMBRO:

GAMBRO UF SOLUTIONS, INC.

By: /s/ W. RICHARD MARRITT
Name: W. Richard Marritt
Title: Global Franchise Head

EXHIBIT A

FORM OF NOTICE OF EFFECTIVENESS OF REGISTRATION STATEMENT

, 20

[Transfer Agent]
[Address]
[Address]
Attn: [Contact]

Re: **SUNSHINE HEART, INC.**

Ladies and Gentlemen:

We refer to that certain Asset Purchase Agreement, dated as of August 5, 2016 (the **"Asset Purchase Agreement"**), entered into by and between **SUNSHINE HEART, INC.**, a Delaware corporation (the **"Company"**) and **GAMBRO UF SOLUTIONS, INC.** (**"Gambro"**) pursuant to which the Company has issued to [Gambro // Gambro and certain of its Affiliates // certain Affiliates of Gambro] 1,000,000 shares of the Company's Common Stock, par value $0.0001 per share (the **"Common Stock"**), in accordance with the terms of the Asset Purchase Agreement. The Company has registered with the U.S. Securities and Exchange Commission (the "**SEC**") the sale by [Gambro // Gambro and certain of its Affiliates // certain Affiliates of Gambro] of up to [1,000,000] shares of Common Stock (the **"Purchased Shares."**).

The Company has filed a Registration Statement (File No. 333-) (the **"Registration Statement"**) with the SEC relating to the sale by [Gambro // Gambro and certain of its Affiliates // certain Affiliates of Gambro] of the Purchased Shares. Accordingly, we advise you that (i) the SEC has entered an

order declaring the Registration Statement effective under the 1933 Act at P.M. on , 20 and (ii) the Company has no knowledge, after telephonic inquiry of a member of the SEC's staff, that any stop order suspending its effectiveness has been issued or that any proceedings for that purpose are pending before, or threatened by, the SEC and (iii) the Purchased Shares are available for sale under the 1933 Act pursuant to the Registration Statement and may be issued without any restrictive legend.

Very truly yours,

SUNSHINE HEART, INC.

By: _____

CC: Gambro UF Solutions, Inc.

EXHIBIT B

Information About Gambro Furnished To The Company By Gambro
Expressly For Use In Connection With The Registration Statement and Prospectus in a Non-Underwritten Offering

Plan of Distribution

The common stock may be sold or distributed from time to time by the selling stockholder directly to one or more purchasers or through brokers, dealers, or underwriters who may act solely as agents at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or at fixed prices, which may be changed. The sale of the common stock offered by this prospectus may be effected in one or more of the following methods:

- ordinary brokers' transactions;
- transactions involving cross or block trades;
- through brokers, dealers, or underwriters who may act solely as agents;
- "at the market" into an existing market for the common stock;
- in other ways not involving market makers or established business markets, including direct sales to purchasers or sales effected through agents;
- in privately negotiated transactions; or
- any combination of the foregoing.

In order to comply with the securities laws of certain states, if applicable, the shares may be sold only through registered or licensed brokers or dealers. In addition, in certain states, the shares may not be sold unless they have been registered or qualified for sale in the state or an exemption from the registration or qualification requirement is available and complied with.

The selling stockholder may also sell shares of common stock under Rule 144 promulgated under the Securities Act, if available, rather than under this prospectus. In addition, the selling stockholder may transfer the shares of common stock by other means not described in this prospectus.

Brokers, dealers, underwriters, or agents participating in the distribution of the shares as agents may receive compensation in the form of commissions, discounts, or concessions from the selling stockholder and/or purchasers of the common stock for whom the broker-dealers may act as agent. Gambro has informed us that each such broker-dealer will receive commissions from Gambro or its affiliates which will not exceed customary brokerage commissions.

We have advised Gambro that while it is engaged in a distribution of the shares included in this prospectus it is required to comply with Regulation M promulgated under the Securities

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Exchange Act of 1934, as amended. With certain exceptions, Regulation M precludes the selling stockholder, any affiliated purchasers, and any broker-dealer or other person who participates in the distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of the distribution until the entire distribution is complete. Regulation M also prohibits any bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of the foregoing may affect the marketability of the shares offered hereby this prospectus.

We may suspend the sale of shares by Gambro or its affiliates pursuant to this prospectus for certain periods of time for certain reasons, including if the prospectus is required to be supplemented or amended to include additional material information.

This offering will terminate on the date that all shares offered by this prospectus have been sold by Gambro or its affiliates.

PATENT LICENSE AGREEMENT

This agreement (this "AGREEMENT") is effective August 5, 2016 ("EFFECTIVE DATE") by and between **GAMBRO UF SOLUTIONS, INC.**, a Delaware corporation (**"Licensor"**), and **SUNSHINE HEART, INC.**, a Delaware corporation (**"Licensee"**).

WHEREAS, Licensor, and Licensee have executed an Asset Purchase Agreement dated August 5, 2016 (the "PURCHASE AGREEMENT") wherein Licensee purchased certain retail product lines from Licensor; and;

WHEREAS the PURCHASE AGREEMENT requires Licensor to license certain patent rights pertaining to the manufacture and sale of the products listed in Schedule 1 (hereinafter "ACQUIRED PRODUCTS").

NOW, THEREFORE, Licensor and Licensee agree as follows:

1. DEFINITIONS:

1.1 Purchase Agreement. Defined terms not defined in this AGREEMENT, but instead defined in the PURCHASE AGREEMENT, shall have the meanings provided for in the PURCHASE AGREEMENT.

1.2 Certain Definitions. For all purposes of this AGREEMENT, the following definitions shall apply (in addition to those terms defined throughout the AGREEMENT):

"AFFILIATE" means, with respect to any PERSON, any PERSON directly or indirectly controlling, controlled by, or under common control with, such other PERSON at any time during the period for which the determination of affiliation is being made. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any PERSON, means the possession, directly or indirectly, of the power to direct or cause the direction of management policies of such PERSON, whether through the ownership of voting securities or by contract or otherwise.

"CONTROL" and "CONTROLLED" means possession of the ability to grant a license or forbear from the filing of an infringement action as provided for herein without violating the terms of any agreement or other arrangement with any third party.

"EXCLUSIVE PATENTS" means the patents and/or patent applications set forth in Schedule 1 and identified not already licensed for use by a third party.

"FIELD OF USE" means the field of use set forth in Schedule 1.

"GOVERNMENTAL ENTITY" means any federal, state, political subdivision or other governmental agency, court or instrumentality, foreign or domestic.

"LICENSED PATENTS" means collectively the EXCLUSIVE PATENTS and the NON-EXCLUSIVE PATENTS.

"LICENSED PRODUCT" means a product for which the making, having made, using, offering for sale, selling or importing would absent this Agreement or any other agreement (including any assignment agreement), infringe a Valid Claim.

"NON-EXCLUSIVE PATENTS" means the patents and/or patent applications set forth in Schedule 1 that have already been licensed for use by a third party.

"PERSON" means an individual, corporation, partnership, limited liability company, association, trust or unincorporated organization, a government or any agency or political subdivision thereof or any other entity or organization.

"REQUIRED MAINTENANCE PATENTS" MEANS the patents listed as such on Schedule 1.

"VALID CLAIM" means a claim in any unexpired issued Licensed Patent which has not been rejected, disclaimed or held invalid by a decision beyond the right of review.

2. GRANT OF LICENSE

2.1 Scope of License — EXCLUSIVE PATENTS. Licensor grants Licensee a world-wide, exclusive license with the right to sub-license to third Party manufacturers manufacturing the PRODUCTS for Licensee, under the EXCLUSIVE PATENTS, to make, have made, use, sell, offer for sale and import, LICENSED PRODUCTS in the FIELD OF USE, under the terms set forth below.

2.2 Scope of License — NON-EXCLUSIVE PATENTS. Licensor grants Licensee a world-wide, non-exclusive license with the right to sub-license to third Party manufacturers manufacturing the PRODUCTS for Licensee, under the NON-EXCLUSIVE PATENTS, to make, have made, use, sell, offer for sale and import, LICENSED PRODUCTS in the FIELD OF USE, under the terms set forth below.

2.3 No other licenses. Other than the express license grants of Sections 2.1 and 2.2 above, no other rights or licenses (whether by implication or estoppel) are granted by Licensor to Licensee hereunder. All rights not expressly granted to Licensee under this AGREEMENT are reserved to Licensor.

3. MAINTAINING AND ENFORCING THE LICENSED PATENTS

3.1 Maintenance.

(a) Licensor shall use commercially reasonable efforts to continue maintenance of the REQUIRED MAINTENANCE PATENTS. Licensee shall promptly reimburse Licensor for all fees, costs and expenses (internal or external) incurred by Licensor or its affiliates to maintain the REQUIRED MAINTENANCE PATENTS.

(b) Licensor shall keep Licensee promptly and fully informed of the course of patent prosecution, maintenance or other proceedings pertaining to the REQUIRED MAINTENANCE PATENTS including by providing Licensee with copies of important, substantive communications, search reports and third party observations submitted to or received from patent offices throughout the world. Without limiting the foregoing, Licensor shall promptly share with Licensee copies of all communications (including, without limitation, office actions, notices of rejection or allowance) with or from patent offices in connection with prosecution and maintenance efforts with respect to the REQUIRED MAINTENANCE PATENTS. Without limiting the foregoing, Licensor shall promptly share with Licensee the complete texts of all interference, opposition, reexamination, reissue, revocation, nullification or any official proceeding involving the REQUIRED MAINTENANCE PATENTS anywhere in the world. Licensee shall have the right to assume responsibility for any patent or any part thereof of the REQUIRED MAINTENANCE PATENTS, which Licensor intends to abandon or otherwise cause or allow to be forfeited, provided that Licensor will retain a world-wide, perpetual and irrevocable, royalty free, license with right to grant sublicenses to make, have made, use, sell, offer for sale and import products and services outside the Field of Use under any REQUIRED MAINTENANCE PATENT for which responsibility is assumed by Licensee under this Section.

3.2 Discontinuance. In the event that Licensor wishes to discontinue efforts to maintain any Licensed Patent other than the REQUIRED MAINTENANCE PATENTS, Licensor shall provide Licensee with notice of such discontinuance.

3.3 Infringement by Third Parties.

(a) Each party agrees to reasonably assist the other in protecting the LICENSED PATENTS, including (but not limited to) reporting to the other party any infringement, misappropriation or violation of the LICENSED PATENTS it becomes aware of and cooperating with the other party and lending reasonable assistance as requested by the other party.

(b) Licensee Right to Prosecute. So long as Licensee remains the exclusive licensee of the EXCLUSIVE PATENTS, Licensee, to the extent permitted by law, shall have the right, under its own control and at its own expense, to prosecute any third party infringement of the EXCLUSIVE PATENTS in the FIELD OF USE, including the right to sue for past infringements. If required by law, Licensor shall permit any action under this Section 3.3(b) to be brought in its name, including being joined as a third-party plaintiff, provided that Licensee shall hold Licensor harmless from, and indemnify Licensor against, any costs, expenses, or liability that Licensor incurs in connection with such action. Any recovery obtained shall belong to Licensee. Licensee shall not enter into any settlement, consent judgment, or other voluntary final disposition of any infringement action under this Section 3.3(b) which would restrict Licensor's enjoyment of the EXCLUSIVE PATENTS or otherwise interfere with Licensor's business without the prior written consent of Licensor, which will not be unreasonably withheld or delayed.

(c) Licensor Right to Prosecute. In the event that Licensee declines to pursue any alleged infringer of the EXCLUSIVE PATENTS in the FIELD OF USE, or fails to have initiated an infringement action within a reasonable time, not to exceed 60 days, after Licensee first becomes aware of the basis for such action, or for infringement of the NON-EXCLUSIVE PATENTS, Licensor shall have the right, at its sole discretion, to prosecute such infringement under its sole control and at its sole expense. In such event, any recovery obtained shall belong to Licensor. Licensor shall hold Licensee harmless from, and indemnify Licensee against, any costs, expenses, or liability that Licensor incurs in connection with such action and for any order for costs that may be made against Licensee in any such proceeding.

4. MARKING:

4.1 Marking. Licensee shall mark all LICENSED PRODUCTS in accordance with the provisions of 35 U.S.C. §287(a).

5. WARRANTIES AND INDEMNIFICATIONS:

5.1 Licensee Warranties. Licensee warrants that it shall comply with all applicable governmental and industry safety standards in connection with the design, manufacture and marketing of Licensed Products.

5.2 Licensor Warranties. Licensor warrants that it has the right to grant the licenses being granted in this Agreement. Except for the preceding sentence and except as set forth in the PURCHASE AGREEMENT, the LICENSED PATENTS are being licensed on an AS IS basis and Licensor makes no warranties or representations of any kind.

5.3 Survival. The representations and warranties of the parties hereto in this AGREEMENT shall survive the execution and delivery hereof and the delivery of all of the documents executed in connection herewith and shall continue in full force and effect after the date hereof.

5.4 Indemnification by Licensee. From and after the EFFECTIVE DATE, subject to the provisions of this Section 5, Licensee shall indemnify Licensor, its AFFILIATES and each of their respective officers, directors, employees, agents and representatives against and hold them harmless from any LOSS suffered or incurred by any such indemnified party to the extent arising out of the manufacture, distribution, use, sale or marketing of its (or its other Licensee's) LICENSED PRODUCTS, including (except as set forth below) any unauthorized use of any patent, process, idea, method or device, or unfair trade practice, false advertising, trademark infringement, or the like, but excluding (i) items for which Licensee has a claim for indemnification under the PURCHASE AGREEMENT, and (ii) intellectual property claims arising out of Licensee's use of the LICENSED PATENTS in accordance with this AGREEMENT .

6. TERM

6.1 Duration. Upon execution by both parties, this AGREEMENT shall become effective as of the EFFECTIVE DATE, and shall continue unless terminated by mutual written agreement; provided, however, that with respect to any particular LICENSED PATENT, the license grant (but not any other provisions, including those related to enforcement and recovery of damages) shall expire when such LICENSED PATENT no longer has any VALID CLAIMS in any country.

6.2 Reversion. If Licensee ceases operating the Business or files for, has filed against it, or otherwise undertakes any bankruptcy, reorganization, insolvency, moratorium or other similar proceeding, the rights granted under the license will immediately and automatically revert to Licensor.

7. EXCLUSIONS: Except as set forth in this AGREEMENT or in the PURCHASE AGREEMENT, this AGREEMENT does not:

(i) Convey a warranty or representation by Licensor as to the validity or scope of any Licensed Patent;

(ii) Impose an obligation upon Licensor to file any patent application, secure any patent, or maintain any patent or patent application in force other than as specified in Section 3.1;

(iii) Convey a warranty or representation by Licensor that anything made, used, sold, offered for sale, imported, or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties;

(iv) Impose an obligation upon Licensor to bring or prosecute actions or suits against third parties for infringement of the Licensed Patent other than as specified in Section 3.3;

(v) Impose an obligation upon Licensor to work as a consultant or employee of Licensee;

(vi) Convey to Licensee, by implication, estoppel or otherwise, any ownership, license or other right under any patent or patent application, except the license expressly granted to Licensee herein; or

(vii) Convey to Licensee by implication, estoppel or otherwise, any license or other right to use, in advertising, publicity or otherwise, any name, trade name, trademark, certification mark or any contraction, abbreviation or simulation thereof.

8. ASSIGNMENT

8.1 This AGREEMENT is not assignable without Licensor's prior written consent for two (2) years post-Closing, such consent not to be unreasonably withheld, conditioned or delayed. For the avoidance of doubt, it will not be unreasonable for Licensor to withhold consent if the assignee is Medtronic, Johnson & Johnson, St. Jude, Pfizer, Fresenius, B. Braun or Abbot, or any successors or affiliate of any of the foregoing. For purposes of this Section 8, a change of control of Licensee shall be deemed to be a prohibited assignment of this Agreement.

8.2 After the period specified in Section 8.1, this AGREEMENT may be assigned, transferred or otherwise delegated (collectively, an "ASSIGNMENT") by Licensee without the prior written consent of Licensor; provided, however, that prior to an ASSIGNMENT (which for purposes of this proviso only shall not include any pledge of this Agreement to a lender providing financing to Licensee until such time as the lender exercises it rights under applicable pledge agreements, security agreements or other collateral documents), any proposed assignee of this AGREEMENT must agree in writing, delivered to Licensor, that it shall be bound by the terms and provisions of this AGREEMENT.

8.3 This AGREEMENT may be assigned, transferred, sublicensed or otherwise delegated by Licensor without the prior written consent of Licensee; provided, however, that prior to an ASSIGNMENT any proposed assignee of this AGREEMENT must agree in writing, delivered to Licensee, that it shall be bound by the terms and provisions of this AGREEMENT.

8.4 This AGREEMENT and all of the provisions hereof shall be binding upon and inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns.

8.5 Any attempted assignment or delegate in contravention hereof shall be null and void.

9. BREACH, CURE AND REMEDIES

9.1 Breach and Cure. If a party materially violates any of the terms or conditions of this AGREEMENT, the other party may send written notice to the breaching party, particularly specifying the breach. The breaching party shall have thirty (30) days to cure the specified breach. If the breaching party does not cure the breach within such period of time, then the non-breaching party may pursue such remedies as may be

available to it under applicable law, including but not limited to both equitable and damages remedies, but excluding termination of this AGREEMENT. In formulating appropriate remedies commensurate with the nature and extent of any such uncured breach, the court shall take into account, in addition to all other pertinent factors, each party's inability to terminate this AGREEMENT for breach. The parties also agree that, subject to its equitable powers to decide otherwise, a court shall award to the prevailing party in any litigation under this section the prevailing party's costs and reasonable attorneys' fees in pursuing the matter. Either party's failure to send a notice of breach or to pursue legal remedies available to it shall not constitute or be construed as a waiver or acquiescence, and each party expressly reserves the right to subsequently pursue such remedies for the same or any other breach, either of the same or different character.

9.2 Limitation of Liability. Notwithstanding any other provision of this agreement, neither party shall be liable to the other party for lost profit, lost revenue or any other form of indirect, incidental, special, consequential or punitive damages, even if that party has been informed of the possibility of such damages.

10. MISCELLANEOUS

10.1 Confidentiality of Agreement. The parties agree that this Agreement and the terms of this Agreement are to be strictly confidential, and neither party shall disclose this Agreement or anything with respect to the terms of this Agreement to any third party except: (i) to legal counsel; (ii) to auditors; (iii) to the extent, if any, required by law (e.g., a governmental filing); (iv) in accordance with the terms of a protective or other order duly entered in a legal proceeding; or (v) with the prior written consent of the other party. If disclosure of this Agreement or the terms and conditions thereof is required to be made in a governmental filing (e.g., a filing with the Securities and Exchange Commission), the other party shall be notified of that fact at least forty-five (45) days prior to any such disclosure , and if requested by such other party within thirty (30) days of receipt of such notice, the disclosing party shall request confidential treatment of the terms and conditions of this Agreement and use its best efforts to ensure that confidential treatment is so afforded to such terms and conditions, as may be permitted under the rules of the applicable governmental agency.

10.2 Governing Law and Dispute Resolution. This Agreement shall be governed and interpreted in accordance with the substantive laws of the State of Delaware irrespective of any choice of law rules in the State of Delaware or in any other jurisdiction. The parties agree that any action for relief based in whole or in part on this Agreement (or the breach thereof) or otherwise relating in whole or in part to this Agreement shall be filed in, and the parties consent to personal jurisdiction and venue in, the Federal and State Courts of the State of Delaware having subject matter jurisdiction over such action. In any such action between the parties, the prevailing party shall be entitled to recover (in addition to any other relief awarded or granted) its reasonable costs and expenses (including attorneys' fees) incurred in the proceeding.

10.3 Notices. All notices provided for in this Agreement shall be effective when they are received by personal delivery, telecopier or telex, or one business day after they are received by courier or by registered or certified airmail at the following address:

If to Licensor:

c/o Baxter Healthcare Corporation
One Baxter Parkway
Deerfield, Illinois 60015
Attn: Richard Marritt

with a copy to (which shall not constitute notice to Provider):

Faegre Baker Daniels LLP
311 S. Wacker, Suite 4300
Chicago, Illinois 60606
Attn: Roger D. Rhoten
Telephone: (312) 356-5113
Telecopy: (312) 212-6501

If to Licensee:

Sunshine Heart, Inc.
12988 Valley View Road
Eden Prairie, MN 55344
Attention: John L. Erb
Chairman and Chief Executive Officer
Telephone: (952) 345-4201
Telecopy: (952) 224-0181

with a copy to (which shall not constitute notice to Licensee):

Honigman Miller Schwartz and Cohn LLP
Columbia Plaza
350 East Michigan Avenue, Suite 300
Kalamazoo, Michigan 49007-3800
Attention: Phillip D. Torrence

Telephone: (269) 337-7702
Telecopy: (269) 337-7703

10.4 Invalidity of Provision. If any of the provisions of this Agreement shall be held by a court or administrative agency of competent jurisdiction to contravene the laws of any country, it is agreed that such invalidity or illegality should not invalidate the whole Agreement, but this Agreement shall be construed as if it did not contain the provision or provisions held to be invalid or illegal in the particular jurisdiction concerned, and insofar as such construction does not affect the substance of this Agreement and the rights and obligations of the parties hereto, it shall be construed and enforced accordingly. In the event, however, that such invalidity or illegality shall substantially alter the relationship between the parties hereto, affecting adversely the interest of either party, then the parties hereto shall negotiate a mutually acceptable alternative provision not conflicting with such laws.

10.5 Entire Agreement, Amendments, Waivers. This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous negotiations, representations and agreements made by and between such parties. The parties acknowledge that they have not relied upon any representation whatsoever of the other which is not contained in this Agreement. There are no understandings, obligations, representations or warranties except as herein provided for and no rights are granted except as expressly set forth in this Agreement. Any waiver by either party of the breach or default of any of the terms or conditions of this Agreement by the other party will not be considered as a continuing waiver or a waiver of any other prior, contemporaneous or subsequent breach or default, whether the same as or similar to or different from, the breach or default waived. No alteration, amendment, variation, supplementation, modification or waiver of any of the terms or provisions of this Agreement shall be binding or effective for any purpose unless made pursuant to an instrument in writing signed by Licensor and Licensee; provided, however, that waiver by either party hereto of compliance by the other party with any provision hereof or of any breach or default by such other party need be signed only by the party waiving such provision, breach or default.

[REMAINDER OF PAGE IS BLANK — SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Licensor and the Licensee have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

Licensor

GAMBRO UF SOLUTIONS, INC.

By /s/ W. Richard Marritt
Name: W. Richard Marritt
Title: Global Franchise Head

Licensee

SUNSHINE HEART, INC.

By /s/ John Erb
Name: John Erb
Title: CEO

[Signature Page to Patent License Agreement]

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of August 5, 2016 (the "**Effective Date**") between **SILICON VALLEY BANK**, a California corporation ("**Bank**"), and **SUNSHINE HEART, INC.**, a Delaware corporation ("**Borrower**"), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Notwithstanding the foregoing, unless specifically set forth herein, all financial covenant calculations shall be computed with respect to the Borrower only, and not on a consolidated basis. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.2 Revolving Advances.

(a) Availability. Subject to the terms and conditions of this Agreement and to deduction of Reserves, Bank shall make Advances not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

2.3 Term Loan Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, during the Draw Period, Bank shall make advances (each, a "**Term Loan Advance**" and collectively, the "**Term Loan Advances**") available to Borrower in an aggregate original principal amount not to exceed Four Million Dollars ($4,000,000.00). Each Term Loan Advance shall be in an amount equal to at least One Million Dollars ($1,000,000.00). After repayment, no Term Loan Advance (or any portion thereof) may be reborrowed.

(b) Interest Payments. Commencing on the first (1st) Payment Date of the month following the month in which the Funding Date of the applicable Term Loan Advance occurs and continuing on each Payment Date thereafter, Borrower shall make monthly payments of interest on such Term Loan Advance, in arrears, at the rate set forth in Section 2.5(a)(ii).

(c) Repayment. Commencing on the Amortization Date and continuing on the Payment Date of each month thereafter, Borrower shall repay the Term Loan Advances in (i) equal monthly installments of principal based on the applicable Repayment Schedule, plus (ii) monthly payments of interest on such Term Loan Advance, in arrears, at the rate set forth in Section 2.5(a)(ii). All outstanding principal and accrued interest with respect to the Term Loan Advances, and all other outstanding Obligations with respect to the Term Loan Advances, are due and payable in full on the Term Loan Maturity Date.

(d) Mandatory Prepayment Upon an Acceleration. If the Term Loan Advances are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Bank an amount

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equal to the sum of (i) all outstanding principal plus accrued and unpaid interest, (ii) the Prepayment Premium, (iii) the Final Payment, plus (iv) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

(e) Permitted Prepayment of Term Loan Advances. Borrower shall have the option to prepay all, but not less than all, of the Term Loan Advances advanced by Bank under this Agreement, provided Borrower (i) provides written notice to Bank of its election to prepay the Term Loan Advances at least thirty (30) days prior to such prepayment, and (ii) pays, on the date of such prepayment (A) all outstanding principal plus accrued and unpaid interest, (B) the Prepayment Premium, (C) the Final Payment, plus (D) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

2.4 Overadvances. If, at any time, the outstanding principal amount of any Advances exceeds the lesser of either the Revolving Line or the Borrowing Base, Borrower shall immediately pay to Bank in cash the amount of such excess (such excess, the "**Overadvance**"). Without limiting Borrower's obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

2.5 Payment of Interest on the Credit Extensions.

(a) Interest.

(i) Advances. Subject to Section 2.5(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to (i) at times when a Streamline Period is not in effect, one and three-quarters of one percent (1.75%) above the Prime Rate, and (ii) at times when a Streamline Period is in effect, one percent (1.0%) above the Prime Rate, which interest shall, in each case, be payable monthly in accordance with Section 2.5(d) below.

(ii) Term Loan Advance. Subject to Section 2.5(b), the principal amount of outstanding Term Loan Advances shall accrue interest at a floating per annum rate equal to two and one-half of one percent (2.50%) above the Prime Rate, which interest shall be payable monthly in accordance with Section 2.5(d) below.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is four percent (4.0%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.5(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Payment; Interest Computation. Interest is payable monthly on the Payment Date and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Eastern time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.6 Fees. Borrower shall pay to Bank:

(a) Commitment Fee. A fully earned, non-refundable commitment fee of Seven Thousand Five Hundred Dollars ($7,500.00), on the Effective Date;

(b) 2017 Anniversary Fee. A non-refundable anniversary fee (the "**2017 Anniversary Fee**") in connection with the Revolving Line of Seven Thousand Five Hundred Dollars ($7,500.00), which shall be earned as of the Effective Date and shall be due and payable on the earliest to occur of (i) August 5, 2017, (ii) the occurrence of an Event of Default, or (iii) the termination of this Agreement;

(c) 2018 Anniversary Fee. A non-refundable anniversary fee (the "**2018 Anniversary Fee**") in connection with the Revolving Line of Seven Thousand Five Hundred Dollars ($7,500.00), which shall be earned as of the Effective Date and shall be due and payable on the earliest to occur of (i) August 5, 2018, (ii) the occurrence of an Event of Default, or (iii) the termination of this Agreement;

(d) 2019 Anniversary Fee. A non-refundable anniversary fee (the "**2019 Anniversary Fee**") in connection with the Revolving Line of Seven Thousand Five Hundred Dollars ($7,500.00), which shall be earned as of the Effective Date and shall be due and payable on the earliest to occur of (i) August 5, 2019, (ii) the occurrence of an Event of Default, or (iii) the termination of this Agreement;

(e) Termination Fee. Upon termination of this Agreement or the Revolving Line for any reason prior to the Revolving Line Maturity Date, in addition to the payment of any other amounts then-owing, a termination fee (the "**Termination Fee**") in an amount equal to (i) two percent (2.0%) of the Revolving Line if terminated on or before August 5, 2017, and (ii) one percent (1.0%) of the Revolving Line if terminated after August 5, 2017 but on or before the Revolving Line Maturity Date;

(f) Final Payment. The Final Payment, when due hereunder;

(g) Prepayment Premium. The Prepayment Premium, when due hereunder; and

(h) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

(i) Fees Fully Earned. Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.6 pursuant to the terms of Section 2.7(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.6.

2.7 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Eastern time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

2.8 Withholding. Payments received by Bank from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Bank, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Bank receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.8 shall survive the termination of this Agreement. Bank shall deliver to Borrower, upon the reasonable request of Borrower, an executed copy of IRS Form W-9 certifying that Bank is exempt from U.S. federal backup withholding tax.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed signatures to the Loan Documents;

(b) the Operating Documents and long-form good standing certificates of Borrower certified by the Secretary of State (or equivalent agency) of Borrower's jurisdiction of organization or formation and a good standing certificate in each jurisdiction in which Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(c) duly executed signatures to the completed Borrowing Resolutions for Borrower;

(d) certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(e) the Perfection Certificate of Borrower, together with the duly executed signature thereto;

(f) a landlord's consent in favor of Bank for 12988 Valley View Road, Eden Prairie, Minnesota 55344, by the landlord thereof, together with the duly executed original signatures thereto (which such original signatures may be provided to Bank promptly following the Effective Date, provided manual pdf copies are provided to Bank on the Effective Date);

(g) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.7 hereof are in full force and effect, together with appropriate evidence showing additional insured clauses or endorsements in favor of Bank, except as provided in Section 3.5;

(h) with respect to the initial Term Loan Advance, evidence satisfactory to Bank in Bank's sole but reasonable discretion that Borrower is in compliance with the Liquidity financial covenant set forth in Section 6.9(a) hereof as of the Funding Date of such initial Term Loan Advance and on a pro forma basis after such initial Term Loan Advance is made;

(i) with respect to the initial Advance, the completion of an initial audit of the Accounts, Borrower's Books and the other Collateral with results satisfactory to Bank in its sole and absolute discretion (the "**Initial Audit**"); and

(j) payment of the fees and Bank Expenses then due as specified in Section 2.6 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt of (i) with respect to requests for Advances, an executed Transaction Report and (ii) with respect to requests for Term Loan Advances, an executed Payment/Advance Form;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Transaction Report and/or Payment/Advance Form, as applicable, and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Default or Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(c) with respect to requests for Term Loan Advances, receipt of evidence satisfactory to Bank in Bank's sole but reasonable discretion that Borrower is in compliance with the Liquidity financial covenant set forth in Section 6.9(a) hereof as of the Funding Date of such Term Loan Advance and on a pro forma basis after such Term Loan Advance is made; and

(d) Bank determines in its reasonable business judgment that there has not been any material impairment in the general affairs, results of operation, financial condition or the prospect of repayment of the Obligations, or any material adverse deviation by Borrower from the most recent

business plan of Borrower presented to and accepted by Bank.

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.4 Procedures for Borrowing.

(a) Advances. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail by 12:00 p.m. Eastern time on the Funding Date of the Advance. In connection with such notification, Borrower must promptly deliver to Bank by electronic mail a completed Transaction Report executed by an Authorized Signer together with such other reports and information, including without limitation, sales journals, cash receipts journals, accounts receivable aging reports, as Bank may reasonably request. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances

under this Agreement based on instructions from an Authorized Signer or without instructions if the Advances are necessary to meet Obligations which have become due.

(b) Term Loan Advances. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan Advance set forth in this Agreement, to obtain a Term Loan Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail by 12:00 p.m. Eastern time two (2) Business Days prior to the proposed Funding Date of the Term Loan Advance. In connection with such notification, Borrower must promptly deliver to Bank by electronic mail a completed Payment/Advance Form executed by an Authorized Signer together with such other reports and information, as Bank may reasonably request. Bank shall credit proceeds of the Term Loan Advance to the Designated Deposit Account. Bank may make a Term Loan Advance under this Agreement based on instructions from an Authorized Signer or without instructions if the Term Loan Advance is necessary to meet Obligations which have become due.

3.5 Post-Closing Conditions. Within thirty (30) days after the Effective Date, deliver to Bank evidence satisfactory to Bank showing lender loss payable clauses or endorsements in favor of Bank and a certificate of insurance with respect to Borrower's property insurance reasonably satisfactory to Bank.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations, any obligations which, by their terms, survive termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with this Section 4.1) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations, any obligations which, by their terms, survive termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with this Section 4.1) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations, any obligations which, by their terms, survive termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with this Section 4.1), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to

Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled "Perfection Certificate". Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Bank of such occurrence and provide Bank with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest therein, pursuant to the terms of Section 6.8(b). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

All Inventory is in all material respects of good and marketable quality, free from material defects.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Accounts Receivable.

(a) For each Account with respect to which Advances are requested and each Account included in the Borrowing Base, such Account shall be an Eligible Account.

(b) All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Eligible Accounts are and shall be true and correct and all such invoices, instruments and other documents, and all of Borrower's Books are genuine and in all respects what they purport to be. All sales and other transactions underlying or giving rise to each Eligible Account shall comply in all material respects with all applicable laws and governmental rules and regulations. Borrower has no knowledge of any actual or imminent Insolvency Proceeding of any Account Debtor whose accounts are Eligible Accounts in any Transaction Report. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Eligible Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms.

5.4 Litigation. There are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, Fifty Thousand Dollars ($50,000.00).

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.6 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and

given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.8 Subsidiaries; Investments. Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Five Thousand Dollars ($5,000.00).

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Bank in writing of the commencement, settlement or other disposition of the proceedings, and (ii) post bonds or take any other steps required to prevent the governmental authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions in connection with the Gambro Acquisition, as working capital, and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading in light of the circumstances under which they were made (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business. Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in the Collateral. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) upon the request of the initial Advance and at all times thereafter, a Transaction Report (and any schedules related thereto, including accounts receivable and accounts payable aging reports) (i) with each request for an Advance, (ii) on the 15th day and the 30th day (or, if earlier, the last day) of each month when a Streamline Period is not in effect, and (iii) within thirty (30) days after the end of each month when a Streamline Period is in effect;

(b) upon the request of the initial Advance and at all times thereafter, within thirty (30) days after the end of each month, (i) monthly accounts receivable agings, aged by invoice date, (ii) monthly accounts payable agings, aged by invoice date, and outstanding or held check registers, if any, and (iii) monthly reconciliations of accounts receivable agings (aged by invoice date), transaction reports, and general ledger;

(c) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");

(d) within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank may reasonably request, including, without limitation, a statement that at the end of such month there were no held checks;

(e) as soon as available, but no later than the earlier of (i) seven (7) days after approval by Borrower's board of directors, or (ii) thirty (30) days after the last day of Borrower's fiscal year, and in each case contemporaneously with any updates or changes thereto, annual operating budgets (including income statements, balance sheets and cash flow statements, by month), and annual financial projections (on a quarterly basis) as approved by Borrower's board of directors, together with any related business forecasts used in the preparation of such annual financial projections;

(f) as soon as available, but no later than one hundred fifty (150) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than a going concern qualification related to Borrower's inability to continue to meet its obligations as they become due without substantial disposition of assets outside the ordinary course of business, restructuring of debt, externally forced revisions of its operations, or similar actions for a reasonable period of time, not to exceed one (1) year beyond the date of the financial statements being audited) on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank;

(g) within five (5) Business Days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(h) within five (5) days of delivery, copies of all material statements, reports and notices made generally available to Borrower's security holders or to any holders of Subordinated Debt;

(i) as soon as available, but no later than thirty (30) days after the last day of each month, a report containing clinical and regulatory updates relating to Borrower's business and operations, including, without limitation with respect to Borrower's "C-Pulse Heart Assist System" product, in a form acceptable to Bank;

(j) prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Fifty Thousand Dollars ($50,000.00) or more; and

(k) other financial information reasonably requested by Bank.

6.3 Accounts Receivable.

(a) Schedules and Documents Relating to Accounts. Borrower shall deliver to Bank transaction reports and schedules of collections, as provided in Section 6.2, on Bank's standard forms; provided, however, that Borrower's failure to execute and deliver the same shall not affect or limit Bank's Lien and other rights in all of Borrower's Accounts, nor shall Bank's failure to advance or lend against a specific Account affect or limit Bank's Lien and other rights therein. If requested by Bank, Borrower shall furnish Bank with copies (or, at Bank's request, originals) of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts. In addition, Borrower shall deliver to Bank, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts, in the same form as received, with all necessary indorsements, and copies of all credit memos.

(b) Disputes. Borrower shall promptly notify Bank of all disputes or claims relating to Accounts in excess of Fifty Thousand Dollars ($50,000.00). Borrower may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing so long as (i) Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to Bank in the regular reports provided to Bank; (ii) no Default or Event of Default has occurred and is continuing; and (iii) after taking into account all such discounts, settlements and forgiveness, the total outstanding Advances will not exceed the lesser of the Revolving Line or the Borrowing Base.

(c) Collection of Accounts. Borrower shall direct each Account Debtor to deliver or transmit all proceeds of Accounts into a lockbox account, or such other "blocked account" as specified by Bank (either such account, the "**Cash Collateral Account**"). Whether or not an Event of Default has occurred and is continuing, Borrower shall immediately deliver all payments on and proceeds of Accounts to the Cash Collateral Account. All amounts received in the Cash Collateral Account will be (i) applied to immediately reduce the Obligations under the Revolving Line when a Streamline Period is not in effect, or (ii) so long as no Event of Default exists, transferred to Borrower's operating account with Bank when a Streamline Period is in effect.

(d) Returns. Provided no Event of Default has occurred and is continuing, if any Account Debtor returns any Inventory to Borrower, Borrower shall promptly (i) determine the reason for such return, (ii) issue a credit memorandum to the Account Debtor in the appropriate amount, and (iii) provide a copy of such credit memorandum to Bank, upon request from Bank. In the event any attempted return occurs after the occurrence and during the continuance of any Event of Default, Borrower shall hold the returned Inventory in trust for Bank, and promptly notify Bank of the return of the Inventory.

(e) Verification. Bank may, from time to time, verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of Borrower or Bank or such other name as Bank may choose, and notify any Account Debtor of Bank's security interest in such Account.

(f) No Liability. Bank shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to

collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Bank be deemed to be responsible for any of Borrower's obligations under any contract or agreement giving rise to an Account. Nothing herein shall, however, relieve Bank from liability for its own gross negligence or willful misconduct.

6.4 Remittance of Proceeds. Except as otherwise provided in Section 6.3(c), deliver, in kind, all proceeds arising from the disposition of any Collateral to Bank in the original form in which received by Borrower not later than the following Business Day after receipt by Borrower, to be applied to the Obligations (a) prior to an Event of Default, pursuant to the terms of Section 2.7(b) hereof, and (b) after the occurrence and during the continuance of an Event of Default, pursuant to the terms of Section 9.4 hereof; provided that, if no Event of Default has occurred and is continuing, Borrower shall not be obligated to remit to Bank the proceeds of the sale of worn out or obsolete Equipment disposed of by Borrower in good faith in an arm's length transaction for an aggregate purchase price of Twenty-Five Thousand Dollars ($25,000.00) or less (for all such transactions in any fiscal year). Borrower agrees that it will not commingle proceeds of Collateral with any of Borrower's other funds or property, but will hold such proceeds separate and apart from such other funds and property and in an express trust for Bank. Nothing in this Section 6.4 limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement.

6.5 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.6 Access to Collateral; Books and Records. At reasonable times, on three (3) Business Days' notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right to inspect the Collateral and the right to audit and copy Borrower's Books. The foregoing inspections and audits shall be conducted at Borrower's expense and no more often than once every twelve (12) months (or more frequently as Bank determines in its sole discretion that conditions warrant) unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The charge therefor shall be One Thousand Dollars ($1,000.00) per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to or reschedules the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies) Borrower shall pay Bank a fee of One Thousand Dollars ($1,000.00) plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling. The Initial Audit shall be completed within ninety (90) days of the Effective Date.

6.7 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as the sole lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations. Notwithstanding the foregoing, (i) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Fifty Thousand Dollars ($50,000.00) with respect to any loss, but not exceeding One Hundred Thousand Dollars ($100,000.00) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (A) shall be of equal or like value as the replaced or repaired Collateral and (B) shall be deemed Collateral in which Bank has been granted a first priority security interest, and (ii) after the occurrence and during the continuance of an Event of

Default, all proceeds payable under such casualty policy shall, at the option of Bank, be payable to Bank on account of the Obligations.

(c) Promptly after Bank's request, Borrower shall deliver certified copies of insurance policies and/or certificates of insurance and evidence of all premium payments. Each provider of any such insurance required under this Section 6.7 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled and ten (10) days prior written notice in the case of cancellation as a result of nonpayment. If Borrower fails to obtain insurance as required under this Section 6.7 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.7, and take any action under the policies Bank deems prudent.

6.8 Accounts.

(a) Maintain all of its and all of its Subsidiaries' operating, depository and securities/investment accounts with Bank and Bank's Affiliates. Notwithstanding the foregoing, (i) until the date that is one hundred twenty (120) days following the Effective Date (the "**Transition Period**"),

Borrower shall be permitted to maintain (a) one (1) account with JPMorgan Chase Bank in the United States, provided that the maximum balance in such account shall not exceed Seven Hundred Thousand Dollars ($700,000.00) at any time (the "**Permitted JPMorgan Account**"), and (b) one (1) additional account with JPMorgan Chase Bank in the United States, provided that the maximum balance in such account shall not exceed Fifty Thousand Dollars ($50,000.00) at any time (the "**Second Permitted JPMorgan Account**"), (ii) Borrower and Australian Subsidiary shall be permitted to maintain accounts in Australia with JPMorgan Chase Bank, provided that the maximum aggregate balance in all such accounts shall not exceed One Hundred Fifty Thousand Australian Dollars (AU$150,000.00) at any time (the "**Permitted Australian Accounts**"), and (iii) Borrower shall be permitted to maintain one (1) account in the United Kingdom with JPMorgan Chase Bank, provided that the maximum balance in said account shall not exceed Forty Thousand Euros (€40,000.00) at any time (the "**Permitted UK Account**").

(b) In addition to and without limiting the restrictions on (a), provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to (i) prior to the expiration of the Transition Period, (a) the Permitted JPMorgan Account and (b) the Second Permitted JPMorgan Account, (ii) the Permitted Australian Accounts, (iii) the Permitted UK Account, or (iv) deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.9 Financial Covenants. Maintain at all times upon the earlier to occur of (i) the Funding Date of the initial Term Loan Advance or (ii) the Funding Date of the initial Advance, tested on the last day of each month:

(a) Liquidity. Net Liquidity in an amount equal to or greater than four (4) times Borrower's Monthly Cash Burn Amount (the "**Liquidity Requirement**"). If Borrower fails to comply with the Liquidity Requirement (which failure in and of itself is not an Event of Default), Borrower shall immediately pledge to Bank and thereafter maintain in a separate cash collateral money market account in the name of Borrower, unrestricted cash in an amount equal to one hundred percent (100.0%) of the then outstanding Obligations of Borrower to Bank, determined as of the date of such failure to comply with the Liquidity Requirement and thereafter as of the last day of each month. Notwithstanding the foregoing, upon Bank's receipt of evidence from Borrower that Borrower has thereafter been in compliance with the Liquidity Requirement each consecutive day for the prior sixty (60) consecutive days as determined by Bank in its sole discretion, then the unrestricted cash pledged to Bank pursuant to the terms hereof shall be promptly remitted to Borrower's Designated Deposit Account.

(b) Liquidity Ratio. **U**nrestricted cash and Cash Equivalents held by Borrower in accounts with Bank or Bank's Affiliates equal to or greater than one and one-quarter (1.25) of the amount of all outstanding Obligations of Borrower to Bank.

6.10 Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within ten (10) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.11 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.12 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Borrower's use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; and (f) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business.

7.2 Changes in Business, Management, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) fail to provide notice to Bank of any Key Person departing from or ceasing to be employed by Borrower within five (5) Business Days after such Key Person's departure from Borrower; or (d) permit or suffer any Change in Control.

Borrower shall not, without at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Ten Thousand Dollars ($10,000.00) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Fifty Thousand Dollars ($50,000.00) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Fifty Thousand Dollars ($50,000.00) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary), except for the Gambro Acquisition. Notwithstanding anything to the contrary herein, a Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.8(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Except as set forth on Schedule 7.8, directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to (a) meet the minimum funding requirements of ERISA, (b) prevent a Reportable Event or Prohibited Transaction, as defined in ERISA, from occurring, or (c) comply with the Federal Fair Labor Standards Act, the failure of any of the conditions described in clauses (a) through (c) which could reasonably be expected to have a material adverse effect on

Borrower's business; or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.8, 6.9, or 6.10(b) or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary), or (ii) a notice of lien or levy is filed against any of Borrower's assets with an aggregate value in excess of Ten Thousand Dollars ($10,000.00) by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower and is not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Fifty Thousand Dollars ($50,000.00); or (b) any breach or default by Borrower, which results in the acceleration or demand by such third party or parties and such acceleration or demand could have a material adverse effect on Borrower's business;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Fifty Thousand Dollars ($50,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement; or

8.10 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) cause, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9 BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to one hundred five percent (105.0%) for Letters of Credit denominated in Dollars and one hundred ten percent (110.0%) for Letters of Credit denominated in a currency other than Dollars, in each case of the Dollar Equivalent of the aggregate face amount of all Letters of Credit remaining undrawn (plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters

of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Bank determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations, any obligations which, by their terms, survive termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) have been satisfied in full and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations, any obligations which, by their terms, survive termination of this Agreement and any Obligations under Bank Services Agreements that are cash collateralized in accordance with

Section 4.1 of this Agreement) have been fully repaid and performed and Bank's obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.7 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds. If an Event of Default has occurred and is continuing, Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person, in each case other than due to the gross negligence of or willful misconduct by Bank. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	Sunshine Heart, Inc. 12988 Valley View Road Eden Prairie, Minnesota 55344 Attn: Chief Financial Officer Fax: (922) 224-0181 Email: Claudia.Drayton@sunshineheart.com
with a copy to:	Honigman Miller Schwarz and Cohn LLP 350 East Michigan Avenue, Suite 300 Kalamazoo, Michigan 49007 Attn: Phillip D. Torrence Fax: (269) 337-7703 Email: ptorrence@honigman.com
If to Bank:	Silicon Valley Bank 275 Grove Street, Suite 2-200 Newton, Massachusetts 02466 Attn: Mr. Sam Subilia Fax: (617) 527-0177 Email: SSubilia@svb.com
with a copy to:	Riemer & Braunstein LLP Three Center Plaza Boston, Massachusetts 02108 Attn: David A. Ephraim, Esquire Fax: (617) 692-3455 Email: DEphraim@riemerlaw.com

11 CHOICE OF LAW, VENUE, AND JURY TRIAL WAIVER

Except as otherwise expressly provided in any of the Loan Documents, New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in New York, New York; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 11 shall survive the termination of this Agreement.

12 GENERAL PROVISIONS

12.1 Termination Prior to Maturity Date; Survival. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and is continuing, Bank shall not assign its interest in the Loan Documents to any Person who in the reasonable estimation of Bank is (a) a direct competitor of Borrower, whether as an operating company or direct or indirect parent with voting control over such operating company, or (b) a vulture fund or distressed debt fund.

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

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

12.10 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

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

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any

person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13 DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, and the singular includes the plural. As used in this Agreement, the following capitalized terms have the following meanings:

"**2017 Anniversary Fee**" is defined in Section 2.6(b).

"**2018 Anniversary Fee**" is defined in Section 2.6(c).

"**2019 Anniversary Fee**" is defined in Section 2.6(d).

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Advance**" or "**Advances**" means a revolving credit loan (or revolving credit loans) under the Revolving Line.

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" is defined in the preamble hereof.

"**Amortization Date**" is April 1, 2017; provided however, that upon the occurrence of the Equity Event, the Amortization Date shall be October 1, 2017.

"**Australian Subsidiary**" is Sunshine Heart Company Pty Ltd., a company incorporated under the laws of Australia and a Subsidiary of Borrower.

"**Authorized Signer**" is any individual listed in Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including any Credit Extension request, on behalf of Borrower.

"**Availability Amount**" is (a) the lesser of (i) the Revolving Line or (ii) the amount available under the Borrowing Base minus (b) the outstanding principal balance of any Advances.

"**Bank**" is defined in the preamble hereof.

"**Bank Entities**" is defined in Section 12.9.

"**Bank Expenses**" are all documented audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower or any Guarantor.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation,

deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto (each, a "**Bank Services Agreement**").

"**Bank Services Agreement**" is defined in the definition of Bank Services.

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Base**" is eighty percent (80.0%) of Eligible Accounts, as determined by Bank from Borrower's most recent Transaction Report; provided, however, that Bank has the right, after consultation with Borrower, to decrease the foregoing percentage in its good faith business judgment to mitigate the impact of events, conditions, contingencies, or risks which may adversely affect the Collateral or its value.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions adopted by such Person's board of directors (and, if required under the terms of such Person's Operating Documents, stockholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including any Credit Extension request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Bank is closed.

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95.0%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**Change in Control**" means (a) at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of forty percent (40.0%) or more of the ordinary voting power for the election of directors of Borrower (determined on a fully diluted basis) other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least two (2) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction; (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (c) at any time, Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100.0%) of each class of

outstanding capital stock of each subsidiary of Borrower free and clear of all Liens (except Liens created by this Agreement).

"**Claims**" is defined in Section 12.3.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Advance, any Term Loan Advance, any Overadvance, or any other extension of credit by Bank for Borrower's benefit.

"**Currency**" is coined money and such other banknotes or other paper money as are authorized by law and circulate as a medium of exchange.

"**Default**" means any event which with notice or passage of time or both, would constitute an Event of Default.

"**Default Rate**" is defined in Section 2.5(b).

"**Deferred Revenue**" is all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue.

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is account number ending in 430 (last three digits), maintained by Borrower with Bank.

"**Dollars**," "**dollars**" or use of the sign "**$**" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Dollar Equivalent**" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"**Domestic Subsidiary**" means a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

"**Draw Period**" is the period of time commencing on the Effective Date and continuing through the earlier to occur of (i) November 30, 2016 and (ii) an Event of Default.

"**Effective Date**" is defined in the preamble hereof.

"**Eligible Accounts**" means Accounts which arise in the ordinary course of Borrower's business that meet all Borrower's representations and warranties in Section 5.3. Bank reserves the right at any time after the Effective Date to adjust any of the criteria set forth below and to establish new criteria in its good faith business judgment. Unless Bank otherwise agrees in writing, Eligible Accounts shall not include:

(a) Accounts for which the Account Debtor is Borrower's Affiliate, officer, employee, or agent, and Accounts that are intercompany Accounts;

(b) Accounts that the Account Debtor has not paid within ninety (90) days of invoice date regardless of invoice payment period terms;

(c) Accounts with credit balances over ninety (90) days from invoice date;

(d) Accounts owing from an Account Debtor if fifty percent (50.0%) or more of the Accounts owing from such Account Debtor have not been paid within ninety (90) days of invoice date;

(e) Accounts owing from an Account Debtor which does not have its principal place of business in the United States or Canada;

(f) Accounts billed from and/or payable to Borrower outside of the United States (sometimes called foreign invoiced accounts);

(g) Accounts owing from an Account Debtor to the extent that Borrower is indebted or obligated in any manner to the Account Debtor (as creditor, lessor, supplier or otherwise - sometimes called "contra" accounts, accounts payable, customer deposits or credit accounts);

(h) Accounts owing from an Account Debtor which is a United States government entity or any department, agency, or instrumentality thereof unless Borrower has assigned its payment rights to Bank and the assignment has been acknowledged under the Federal Assignment of Claims Act of 1940, as amended;

(i) Accounts for demonstration or promotional equipment, or in which goods are consigned, or sold on a "sale guaranteed", "sale or return", "sale on approval", or other terms if Account Debtor's payment may be conditional;

(j) Accounts owing from an Account Debtor where goods or services have not yet been rendered to the Account Debtor (sometimes called memo billings or pre-billings);

(k) Accounts subject to contractual arrangements between Borrower and an Account Debtor where payments shall be scheduled or due according to completion or fulfillment requirements (sometimes called contracts accounts receivable, progress billings, milestone billings, or fulfillment contracts);

(l) Accounts owing from an Account Debtor the amount of which may be subject to withholding based on the Account Debtor's satisfaction of Borrower's complete performance (but only to the extent of the amount withheld; sometimes called retainage billings);

(m) Accounts subject to trust provisions, subrogation rights of a bonding company, or a statutory trust;

(n) Accounts owing from an Account Debtor that has been invoiced for goods that have not been shipped to the Account Debtor unless Bank, Borrower, and the Account Debtor have entered into an agreement acceptable to Bank wherein the Account Debtor acknowledges that (i) it has title to and has ownership of the goods wherever located, (ii) a bona fide sale of the goods has occurred, and (iii) it owes payment for such goods in accordance with invoices from Borrower (sometimes called "bill and hold" accounts);

(o) Accounts for which the Account Debtor has not been invoiced;

(p) Accounts that represent non-trade receivables or that are derived by means other than in the ordinary course of Borrower's business;

(q) Accounts for which Borrower has permitted Account Debtor's payment to extend beyond ninety (90) days (including Accounts with a due date that is more than ninety (90) days from invoice date);

(r) Accounts arising from chargebacks, debit memos or other payment deductions taken by an Account Debtor;

(s) Accounts arising from product returns and/or exchanges (sometimes called "warranty" or "RMA" accounts);

(t) Accounts in which the Account Debtor disputes liability or makes any claim (but only up to the disputed or claimed amount), or if the Account Debtor is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business;

(u) Accounts owing from an Account Debtor with respect to which Borrower has received Deferred Revenue (but only to the extent of such Deferred Revenue);

(v) Accounts owing from an Account Debtor, whose total obligations to Borrower exceed twenty-five percent (25%) of all Accounts, for the amounts that exceed that percentage, unless Bank approves in writing; and

(w) Accounts for which Bank in its good faith business judgment determines collection to be doubtful, including, without limitation, accounts represented by "refreshed" or "recycled" invoices.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**Equity Event**" means confirmation by Bank, on or before March 31, 2017, that Bank has received satisfactory evidence that Borrower has received, after the Effective Date but on or before March 31, 2017, unrestricted and unencumbered net cash proceeds in an amount of at least Twenty-Five Million Dollars ($25,000,000.00) from the issuance and sale by Borrower of new equity securities of Borrower to investors reasonably acceptable to Bank.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Euros**," "**euros**" and "**€**" each mean the official currency of the European Union, as adopted by the European Council at its meeting in Madrid, Spain on December 15 and 16, 1995.

"**Event of Default**" is defined in Section 8.

"**Exchange Act**" is the Securities Exchange Act of 1934, as amended.

"**Final Payment**" is (i) if Bank makes a Term Loan Advance or Term Loan Advances to Borrower, a payment (in addition to and not in substitution for the regular monthly payments of principal plus accrued interest) equal to the original principal amount of the Term Loan Advances multiplied by two and one-half of one percent (2.50%), due on the earliest to occur of (a) the Term Loan Maturity Date, (b) the acceleration of the Term Loan Advances, (c) the prepayment of the Term Loan Advances pursuant to Section 2.3(d) or 2.3(e), (d) the repayment in full of all Obligations with respect to the Term Loan Advances, or (e) the termination of this Agreement, or (ii) if no Term Loan Advance is made to Borrower, a payment equal to Twenty-Five Thousand Dollars ($25,000.00) due on the earlier to occur of (a) November 30, 2016, (b) the termination of this Agreement, or (c) the termination of the credit facility provided in Section 2.3.

"**Foreign Currency**" means lawful money of a country other than the United States.

"**Foreign Subsidiary**" means any Subsidiary which is not a Domestic Subsidiary.

"**Funding Date**" is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

"**FX Contract**" is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, provided that for purposes of the classification of operating leases, GAAP shall be determined on the basis of such principles in effect on the Effective Date.

"**Gambro Acquisition**" means the transaction contemplated by that certain Asset Purchase Agreement between Borrower and Gambro UF Solutions, Inc., dated on or about the date hereof.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guarantor**" is any present or future guarantor of the Obligations.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.3.

"**Initial Audit**" is defined in Section 3.1

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means, with respect to any Person, all of such Person's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**Key Person**" is each of Borrower's (a) Chief Executive Officer, who is John Erb as of the Effective Date, and (b) Chief Financial Officer, who is Claudia Drayton as of the Effective Date.

"**Letter of Credit**" is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Liquidity Requirement**" is defined in Section 6.9(a).

"**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Perfection Certificate, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or any Guarantor, and any other present or future agreement by Borrower and/or any Guarantor with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; (c) a material impairment of the prospect of repayment of any portion of the Obligations; or (d) Bank determines, based upon information available to it and in its reasonable judgment, that there is a reasonable likelihood that Borrower shall fail to comply with the financial covenant in Section 6.9(b) during the next succeeding financial reporting period.

"**Maturity Date**" means the Revolving Line Maturity Date and the Term Loan Maturity Date, as applicable.

"**Monthly Cash Burn**" is, determined on a consolidated basis with respect to Borrower and its Subsidiaries, as of any date of determination, the difference of (a) (i) Net Loss, plus (ii) unfinanced capital expenditures, minus (b) (i) depreciation expenses, (ii) non-cash stock compensation expense and (iii) other non-cash expenses as approved by Bank in its sole and absolute discretion.

"**Monthly Cash Burn Amount**" means, as of any date of determination, the most recent Monthly Cash Burn for the preceding trailing three (3) months (calculated on the last day of the subject month), divided by three (3).

"**Monthly Financial Statements**" is defined in Section 6.2(c).

"**Net Liquidity**" is, at any time, calculated with respect to Borrower only and not on a consolidated basis, the sum of (a) (i) unrestricted cash and Cash Equivalents held by Borrower in accounts with Bank or Bank's Affiliates plus (ii) the unused portion of the Availability Amount (provided that, prior to the initial Advance being made hereunder, the unused portion of the Availability Amount shall be Zero Dollars ($0.00)), minus (b) all outstanding Obligations of Borrower to Bank.

"**Net Loss**" is, as of any date of determination, Borrower's net losses, determined in accordance with GAAP.

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, fees, the 2017 Anniversary Fee, the 2018 Anniversary Fee, the 2019 Anniversary Fee, the Final Payment, the Prepayment Premium, the Termination Fee, Bank Expenses, and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents, or otherwise, including, without limitation, any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents.

"Operating Documents" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Overadvance**" is defined in Section 2.4.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment/Advance Form**" is that certain form in the form attached hereto as Exhibit D.

"**Payment Date**" is (a) with respect to the Term Loan Advances, the first (1st) calendar day of each month and (b) with respect to Advances, the last calendar day of each month.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Australian Accounts**" is defined in Section 6.8(a).

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date which is shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "Permitted Liens" hereunder;

(g) Indebtedness to JPMorgan Chase Bank under cash management services agreements arising in the ordinary course of Borrower's business in an aggregate principal amount not to exceed One Hundred Thousand Dollars ($100,000.00); and

(h) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (g) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date which are shown on the Perfection Certificate;

(b) any loans, advances or capital contributions to Subsidiaries for current, ordinary and necessary operating expenses provided that (i) no Event of Default has occurred or would result therefrom, and (ii) Borrower and its Subsidiaries are in compliance with the terms of Section 6.8(a); and

(c) Investments consisting of Cash Equivalents.

"**Permitted JPMorgan Account**" is defined in Section 6.8(a).

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date which are shown on the Perfection Certificate or arising under this Agreement or the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens or capital leases (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than One Hundred Thousand Dollars ($100,000.00) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens in favor of JPMorgan Chase Bank in an aggregate amount not to exceed One Hundred Thousand Dollars ($100,000.00) to secure Indebtedness under cash management services agreements arising in the ordinary course of Borrower's business and referenced in clause (g) of the definition of Permitted Indebtedness; and

(e) Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in (a) through (d), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase.

"**Permitted UK Account**" is defined in Section 6.8(a).

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prepayment Premium**" shall be an additional fee payable to Bank in an amount equal to:

(a) for a prepayment of Term Loan Advances made on or prior to the first (1st) anniversary of the Effective Date, three percent (3.0%) of the outstanding principal amount of the Term Loan Advances before giving effect to such prepayment;

(b) for a prepayment of Term Loan Advances made after the first (1st) anniversary of the Effective Date, but on or prior to the second (2nd) anniversary of the Effective Date, two percent (2.0%) of the outstanding principal amount of the Term Loan Advances before giving effect to such prepayment; and

(c) for a prepayment of Term Loan Advances made after the second (2nd) anniversary of the Effective Date, one percent (1.0%) of the outstanding principal amount of Term Loan Advances before giving effect to such prepayment.

"**Prime Rate**" is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the "Prime Rate" shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors).

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Repayment Schedule**" means the period of time equal to thirty-six (36) consecutive months; provided, however, that upon the occurrence of the Equity Event, the Repayment Schedule shall mean the period of time equal to thirty (30) consecutive months.

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Reserves**" means, as of any date of determination, such amounts as Bank may from time to time establish and revise in its good faith business judgment, reducing the amount of Advances and other financial accommodations which would otherwise be available to Borrower (a) to reflect events, conditions, contingencies or risks which, as determined by Bank in its good faith business judgment, do or would reasonably be expected to adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the assets, business or prospects of Borrower or any Guarantor, or (iii) the security interests and other rights of Bank in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Bank's reasonable belief that any collateral report or financial information furnished by or on behalf of Borrower or any Guarantor to Bank is or may have been incomplete, inaccurate or misleading in any material respect; or (c) in respect of any state of facts which Bank determines constitutes an Event of Default or would reasonably be expected to, with notice or passage of time or both, constitute an Event of Default.

"**Responsible Officer**" is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

"**Restricted License**" is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with Bank's right to sell any Collateral.

"**Revolving Line**" is an aggregate principal amount not to exceed One Million Dollars ($1,000,000.00) outstanding at any time.

"**Revolving Line Maturity Date**" is March 31, 2020.

"**SEC**" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Second Permitted JPMorgan Account**" is defined in Section 6.8(a).

"**Securities Account**" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Streamline Period**" is any period of time, on and after the Effective Date, provided no Event of Default has occurred and is continuing, the period (a) commencing on the first day of the month following the day that Borrower provides to Bank a written report that Borrower has at all times during the immediately preceding calendar month maintained Net Liquidity in an amount equal to or greater than six (6) times Borrower's Monthly Cash Burn Amount, as determined by Bank in its reasonable discretion (the "**Threshold Amount**") and (b) terminating on the earlier to occur of (i) the occurrence of an Event of Default, or (ii) the first day thereafter in which Borrower fails to maintain the Threshold Amount on any day, as determined by Bank in its reasonable discretion. Upon the termination of a Streamline Period, Borrower must maintain the Threshold Amount each consecutive day for one (1) fiscal quarter as determined by Bank in its reasonable discretion, prior to entering into a subsequent Streamline Period. Borrower shall give Bank prior written notice of Borrower's election to enter into any such Streamline Period, and each such Streamline Period shall commence on the first day of the monthly period following the date the Bank determines, in its reasonable discretion, that the Threshold Amount has been achieved.

"**Subordinated Debt**" is indebtedness for borrowed money incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar

agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

"**Subsidiary**" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or Guarantor.

"**Term Loan Advance**" and "**Term Loan Advances**" are each defined in Section 2.3(a).

"**Term Loan Maturity Date**" is March 1, 2020.

"**Termination Fee**" is defined in Section 2.6(e).

"**Threshold Amount**" is defined in the definition of Streamline Period.

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"**Transaction Report**" is that certain report of transactions and schedule of collections in the form attached hereto as Exhibit C.

"**Transfer**" is defined in Section 7.1.

"**Transition Period**" is defined in Section 6.8(a).

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

SUNSHINE HEART, INC.

By /s/ CLAUDIA DRAYTON
Name: Claudia Drayton
Title: Chief Financial Officer and Secretary

BANK:

SILICON VALLEY BANK

By /s/ SAM SUBILIA
Name: Sam Subilia
Title: Vice President

EXHIBIT A — COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims as set forth on Exhibit A-1 (if any), documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any interest of Borrower as a lessee or sublessee under a real property lease, (ii) rights held under a license that are not assignable by their terms without the consent of the licensor thereof (but only to the extent such restriction on assignment is enforceable under applicable law), (iii) any Equipment that is subject to a Lien that is permitted pursuant to clause (c) of the definition of Permitted Liens, if the grant of a security interest with respect to such Equipment pursuant to this Agreement would be prohibited by the agreement creating such Permitted Lien or would otherwise constitute a default thereunder, provided, that such Equipment will be deemed Collateral hereunder upon the termination and release of such Permitted Lien, (iv) more than sixty-five percent (65.0%) of the presently existing and hereafter arising issued and outstanding shares of capital stock or other equity interests owned by Borrower of any Foreign Subsidiary which shares or interests entitle the holder thereof to vote for directors or any other matter, or (v) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property (except for "intent-to-use" trademark applications at all times prior to the recording of a statement of use with the United States Patent and Trademark Office) to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

Pursuant to the terms of a certain negative pledge arrangement with Bank, Borrower has agreed not to encumber any of its Intellectual Property without Bank's prior written consent or as otherwise permitted by this Agreement.

EXHIBIT A-1

COMMERCIAL TORT CLAIMS

None.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
FROM: SUNSHINE HEART, INC.

Date: _____

The undersigned authorized officer of SUNSHINE HEART, INC. ("Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"):

(1) Borrower is in complete compliance for the period ending with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank.

Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

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

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes o No o
Annual financial statement (CPA Audited)	FYE within 150 days	Yes o No o
10-Q, 10-K and 8-K	Within 5 Business Days after filing with SEC	Yes o No o
A/R & A/P Agings	Upon the request of the initial Advance and at all times thereafter, monthly within 30 days	Yes o No o
Transaction Reports (including accounts receivable and accounts payable aging reports)	Upon the request of the initial Advance and at all times thereafter, monthly within 30 days when a Streamline Period is in effect; on the 15th and 30th (or, if earlier, the last day) of each month when a Streamline Period is not in effect	Yes o No o
Board projections	Earlier of (i) 7 days after Board approval, or (ii) thirty (30) days after FYE	Yes o No o
Clinical and regulatory updates	Monthly within 30 days	Yes o No o

Financial Covenant	Required	Actual	Complies
Maintain at all times upon the earlier to occur of (i) the Funding Date of the initial Term Loan Advance or (ii) the Funding Date of the initial Advance:			
Net Liquidity (tested monthly)	$ *	$	Yes o No o
Liquidity Ratio (tested monthly)	≥ 1.25:1.0	:1.0	Yes o No o

* As set forth in Section 6.9(a) of the Agreement.

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

Streamline Period	Required	Actual	Complies
Maintain:			
Net Liquidity in an amount equal to or greater than six (6) times Borrower's Monthly Cash Burn Amount	$	$	Yes o No o

Other Matters

Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate. Yes o No o

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

SUNSHINE HEART, INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER
Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status: Yes o No o

SCHEDULE 1 TO COMPLIANCE CERTIFICATE

FINANCIAL COVENANTS OF BORROWER

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated: _____

I. **Liquidity** (Section 6.9(a))

Required: Maintain at all times upon the earlier to occur of (i) the Funding Date of the initial Term Loan Advance or (ii) the Funding Date of the initial Advance, tested on the last day of each month, Net Liquidity in an amount equal to or greater than four (4) times Borrower's Monthly Cash Burn Amount (the "**Liquidity Requirement**"). If Borrower fails to comply with the Liquidity Requirement (which failure in and of itself is not an Event of Default), Borrower shall immediately pledge to Bank and thereafter maintain in a separate cash collateral money market account in the name of Borrower, unrestricted cash in an amount equal to one hundred percent (100.0%) of the then outstanding Obligations of Borrower to Bank, determined as of the date of such failure to comply with the Liquidity Requirement and thereafter as of the last day of each month. Notwithstanding the foregoing, upon Bank's receipt of evidence from Borrower that Borrower has thereafter been in compliance with the Liquidity Requirement each consecutive day for the prior sixty (60) consecutive days as determined by Bank in its sole discretion, then the unrestricted cash pledged to Bank pursuant to the terms hereof shall be promptly remitted to Borrower's Designated Deposit Account.

Actual:

A.	Aggregate value of the unrestricted cash and Cash Equivalents of Borrower in accounts with Bank or Bank's Affiliates	$
B.	The unused portion of the Availability Amount (provided that, prior to the request of the initial Advance, the unused portion of the Availability Amount shall be Zero Dollars ($0.00))	$
C.	Line A plus line B	$
D.	All outstanding Obligations of Borrower to Bank	$
E.	Line C minus Line D	$
F.	Borrower's Net Losses for the preceding trailing three (3) months	$
G.	Aggregate value of unfinanced capital expenditures for the preceding trailing three (3) months	$
H.	Sum of line F and line G	$
I.	Aggregate value of depreciation expenses for the preceding trailing three (3) months	$
J.	Aggregate value of non-cash stock compensation expense for the preceding trailing three (3) months	$
K.	Aggregate value of other non-cash expenses as approved by Bank in its sole and absolute discretion for the preceding trailing three (3) months	$
L.	Sum of line I through line K	$
M.	Monthly Cash Burn for the preceding trailing three months (line H minus line L)	$

N.	Monthly Cash Burn Amount (line M divided by 3)	$
O.	Line N multiplied by 4	$

Is line E equal to or greater than line O?

o No, not in compliance o Yes, in compliance

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

Required: Maintain at all times upon the earlier to occur of (i) the Funding Date of the initial Term Loan Advance or (ii) the Funding Date of the initial Advance, tested on the last day of each month, unrestricted cash and Cash Equivalents held by Borrower in accounts with Bank or Bank's Affiliates equal to or greater than one and one-quarter (1.25) of the amount of all outstanding Obligations of Borrower to Bank.

Actual:

A.	Aggregate value of the unrestricted cash and Cash Equivalents of Borrower in accounts with Bank or Bank's Affiliates	$
B.	Amount of all outstanding Obligations of Borrower to Bank	$
C.	Line A divided by line B	

Is line C equal to or greater than 1.25?

o No, not in compliance o Yes, in compliance

EXHIBIT C

Transaction Report

Silicon Valley Bank
A Member of SVB Financial Group

Silicon Valley Bank
Transaction Report

Company name	**Sunshine Heart Inc.**
Report number	1
Report date	6/30/2016
Gross Domestic A/R Balance	$ —
Beg Loan Balance	$ —
Today's Loan Advance Request	**$ —**
SALES JOURNAL	
Invoices:	$ —
Credit Memos:	$ —
Misc. Adj. - Sales related:	$ —
Net New Invoices	$ —
CASH RECEIPTS JOURNAL	
A/R Collections:	$ —
Non-A/R collections applied to Loan:	$ —
Net Collections Applied to Loan	$ —
AR Adjustments	
Misc. if applicable	$ —
Reserves	$ —

General Input Sheet

Silicon Valley Bank
Transaction Report

Sunshine Heart Inc.

Date June 30, 2016

ACCOUNTS RECEIVABLE COLLATERAL

Beginning A/R Balance Per Previous Report

Add: Sales for Period				$ —
Less: Collections for Period				$ —
Ending Accounts Receivable Balance				$ —
Deduct: Ineligible Accounts Receivable				$ —
Total Eligible Accounts Receivable				$ —
COMPUTATION OF A/R BORROWING AVAILABILITY				
Advance Rate	80%			$ —
Lower of Calculated Availability or Line limit	**$ 1,000,000**			$ —
Reserves (if applicable):				$ —
Net Borrowing Availability: Before Loans				$ —
COMPUTATION OF TOTAL BORROWING BASE AVAILABILITY				
Total Borrowing Base				$ —
COMPUTATION OF LOAN				
Beginning Loan Balance			$ —	
Less: Collections Applied to Loan			$ —	
Misc. Adjustments			$ —	
Ending Loan Balance - Before Loan Request				$ —
Unused Borrowing Availability Before Loan Request			$ —	
New Loan Request: The undersigned hereby requests a loan advance in the amount shown adjacent hereto.				
Please deposit loan proceeds to my: **SVB Checking Account**		**Advance =**	**$ —**	
New Loan Balance - After Loan Advance				$ —
Remaining Unused Borrowing Availability - After Loan Request			$ —	

The above described Collateral is subject to a security interest in favor of SILICON VALLEY BANK pursuant to the terms and conditions of a Loan & Security Agreement's, as executed by and between SILICON VALLEY BANK and the undersigned.

Transaction Report and Loan Request

INELIGIBLE CALCULATION
As of: 6/30/2016

Sunshine Heart Inc.

Date June 30, 2016

Accounts Receivable

Ineligibles As of	**6/30/2016**
90 Days Past Invoice Date	$ —
Credit Balances over 90 Days	$ —
Balance of 50% over 90 Day Accounts (Cross-Age or Current Affected)	$ —
Foreign Accounts	$ —
Contra / Customer Deposit Accounts	$ —
Concentration Limits in excess of 25%	$ —
U.S. Government Accounts without Assignment of Claims	$ —
Promotion or Demo Accounts; Guaranteed Sale or Consignment Sale Accounts	$ —
Accounts with Memo or Pre-Billings;	$ —
Contract Accounts; Accounts with Progress / Milestone Billings	$ —
Accounts for Retainage Billings	$ —
Trust / Bonded Accounts	$ —
Bill and Hold Accounts	$ —
Unbilled Accounts	$ —
Non-Trade Accounts (If not already deducted above)	$ —
Chargebacks Accounts / Debit Memos	$ —
Product Returns/Exchanges	$ —
Disputed Accounts; Insolvent Account Debtor Accounts	$ —
Deferred Revenue	$ —
Other	$ —
Total Ineligible Accounts: (to BBC)	**$ —**

Ineligible Calculation

EXHIBIT D — LOAN PAYMENT/ADVANCE REQUEST FORM
DEADLINE FOR SAME DAY PROCESSING IS NOON EASTERN TIME

Fax To: Date: _____

LOAN PAYMENT: SUNSHINE HEART, INC.

From Account # _____ To Account # _____
(Deposit Account #) (Loan Account #)
Principal $ _____ and/or Interest $ _____
Authorized Signature: _____ Phone Number: _____
Print Name/Title: _____

LOAN ADVANCE:

Complete *Outgoing Wire Request* section below if all or a portion of the funds from this loan advance are for an outgoing wire.

From Account # _____ To Account # _____
(Loan Account #) (Deposit Account #)

Amount of Term Loan Advance $ _____

All Borrower's representations and warranties in the Loan and Security Agreement are true, correct and complete in all material respects on the date of the request for an advance; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date:

Borrower has provided evidence satisfactory to Bank in Bank's sole but reasonable discretion that Borrower is in compliance with the Liquidity financial covenant set forth in Section 6.9(a) as of the Funding Date of such Term Loan Advance and on a pro forma basis after such Term Loan Advance is made

Authorized Signature: _____ Phone Number: _____
Print Name/Title: _____

OUTGOING WIRE REQUEST:

Complete only if all or a portion of funds from the loan advance above is to be wired.

Deadline for same day processing is noon, Eastern Time

Beneficiary Name: _____ Amount of Wire: $ _____
Beneficiary Bank: _____ Account Number: _____
City and State: _____
Beneficiary Bank Transit (ABA) #: _____ Beneficiary Bank Code (Swift, Sort, Chip, etc.): _____ **(For International Wire Only)**
Intermediary Bank: _____ Transit (ABA) #: _____
For Further Credit to: _____
Special Instruction: _____

By signing below, I (we) acknowledge and agree that my (our) funds transfer request shall be processed in accordance with and subject to the terms and conditions set forth in the agreements(s) covering funds transfer service(s), which agreements(s) were previously received and executed by me (us).

Authorized Signature: _____ 2nd Signature (if required): _____
Print Name/Title: _____ Print Name/Title: _____
Telephone #: _____ Telephone #: _____

Sunshine Heart Announces Strategic Acquisition of Aquadex Product Line from Baxter and a new credit facility with Silicon Valley Bank

Eden Prairie, MN: August 8, 2016: (GLOBE NEWSWIRE) Sunshine Heart, Inc. (NASDAQ: SSH) announced it has acquired the Aquadex product line from an indirect subsidiary of Baxter International Inc. (NYSE: BAX), a global leader in the hospital products and dialysis markets. The Aquadex system is indicated for temporary (up to eight hours) ultrafiltration treatment of patients with fluid overload who have failed diuretic therapy, and extended (longer than 8 hours) ultrafiltration treatment of patients with fluid overload who have failed diuretic therapy and require hospitalization.

“Aquadex is an important strategic investment, which allows Sunshine Heart to strengthen our presence in the heart failure market,” said John Erb, Sunshine’s Chairman and CEO. “We believe Aquadex is a valuable and highly complementary technology to our expanding heart failure product portfolio. There is a real need for fluid management in patients both before and following any kind of heart failure procedure. Aquadex is used to treat fluid overload in congestive heart failure patients and can help reduce the length of stay while in the hospital and the number of hospital visits in total.”

Under the terms of the agreement, Baxter received $4.0 million in cash and 1.0 million shares of Sunshine Heart common stock. “This is a financially attractive transaction as well,” said Mr. Erb. “We expect this product line to be accretive in the first year with a relatively quick payback period. We plan to strategically leverage our current team of clinical specialists to directly support the existing base of Aquadex customers.”

In connection with the acquisition of this product line, the Company repaid all amounts outstanding under its existing debt facility with Silicon Valley Bank and entered into a new $5.0 million facility to finance future working capital needs. Advances under the facility are subject to various conditions precedent, including compliance with financial covenants, which the Company does not currently meet. “This strategic acquisition will allow Sunshine Heart to further drive important advancements to heart failure treatment,” said Ben Johnson, Managing Director of Silicon Valley Bank. “We’re excited to provide the financing to support the company as it matures to the next phase of development.”

Rx Only. All treatments must be administered by a healthcare provider, under physician prescription, both of whom having received training in extracorporeal therapies

About Sunshine Heart

Sunshine Heart, Inc. (Nasdaq: SSH) is an early-stage medical device company focused on developing a product portfolio to treat moderate to severe heart failure and related conditions. Our objective is to improve the quality of life for heart failure patients and halt the disease progression. Sunshine Heart is a Delaware corporation headquartered in Minneapolis with wholly owned subsidiaries in Australia and Ireland. The Company has been listed on the NASDAQ Capital Market since February 2012.

About Silicon Valley Bank

For more than 30 years, Silicon Valley Bank (SVB) has helped innovative companies and their investors move bold ideas forward, fast. SVB provides targeted financial services and expertise through its offices in innovation centers around the world. With commercial, international and private banking services, SVB helps address the unique needs of innovators. Learn more at svb.com.

Forward-Looking Statements

Certain statements in this release are forward-looking statements that are based on management’s beliefs, assumptions, expectations, and information currently available to management. All statements that address future operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation, clinical and pre-clinical study designs and activities, expected timing for initiation, enrollment and completion of clinical trials, research and development activities, ultimate clinical outcomes and benefits of our products to patients, design and development of future studies, site activations, patient enrollment in studies, timing of regulatory filings and approvals, regulatory acceptance of our filings, our expectations with respect to product development and commercialization efforts, market and physician acceptance of our products, intellectual property protection, our ability to integrate acquired businesses, our expectations regarding anticipated synergies with and benefits from acquired businesses, and potentially competitive product offerings. The risk factors described in our filings with the SEC could cause actual events to adversely differ from the expectations indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. Sunshine Heart does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sunshine Heart may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation, the possibility that regulatory authorities do not accept our application or approve the marketing of our therapy, the possibility we may be unable to raise the funds necessary for the development and commercialization of our therapy and other risks and uncertainties described in our filings with the SEC. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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