

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **2001-07-06**  
SEC Accession No. **0000950103-01-501140**

([HTML Version](#) on [secdatabase.com](#))

### SUBJECT COMPANY

#### CARDIAC PATHWAYS CORP

CIK: **1012367** | IRS No.: **770278793** | State of Incorporation: **DE** | Fiscal Year End: **0630**  
Type: **SC 13D/A** | Act: **34** | File No.: **005-48067** | Film No.: **1675827**  
SIC: **3845** Electromedical & electrotherapeutic apparatus

Mailing Address  
955 BENICIA AVE  
SUNNYVALE CA 94086

Business Address  
955 BENECIA AVE  
CARDIAC PATHWAYS CORP  
SUNNYVALE CA 94086  
4087370505

### FILED BY

#### MORGAN STANLEY DEAN WITTER & CO

CIK: **895421** | IRS No.: **363145972** | State of Incorporation: **DE** | Fiscal Year End: **1130**  
Type: **SC 13D/A**  
SIC: **6199** Finance services

Mailing Address  
1221 SIXTH AVENUE  
27TH FLOOR  
NEW YORK NY 10020

Business Address  
1585 BROADWAY  
NEW YORK NY 10036  
2127614000

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

-----  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
RULE 13d-2(a)  
(Amendment No. 3)(1)

CARDIAC PATHWAYS CORPORATION

-----  
(Name of Issuer)

Common Stock, Par Value \$0.001 per Share

-----  
(Title of Class of Securities)

0001012367

-----  
(CUSIP Number)

-----  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

June 28, 2001

-----  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [ ].

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

-----  
1 The remainder of this cover page shall be filled out for a reporting

person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 0001012367

Page 1 of 15 Pages

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

BankAmerica Ventures

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

California

7 SOLE VOTING POWER

2,323,314

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

-0-

9 SOLE DISPOSITIVE POWER

2,323,314

-0-

-----  
 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,323,314 - See Item 5  
 -----

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES [ ]  
 CERTAIN SHARES\*

-----  
 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

21.4% - See Item 5  
 -----

14 TYPE OF REPORTING PERSON\*

CO  
 -----

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 1 of 15

CUSIP No. 0001012367

Page 2 of 15 Pages

-----  
 1 NAME OF REPORTING PERSONS  
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

BA Venture Partners V  
 -----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
 (b) [X]

-----  
 3 SEC USE ONLY

-----  
 4 SOURCE OF FUNDS\*

WC  
 -----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
 TO ITEMS 2 (d) or 2 (e) [ ]

-----  
 6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

409,996

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

-0-

9 SOLE DISPOSITIVE POWER

409,996

10 SHARED DISPOSITIVE POWER

-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

409,996 - See Item 5

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES [ ]  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.4% - See Item 5

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 2 of 15

CUSIP No. 0001012367

Page 3 of 15 Pages

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Morgan Stanley Dean Witter & Co

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

2,724,849

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

2,724,849

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,724,849 - See Item 5

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\* [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.3% - See Item 5

14 TYPE OF REPORTING PERSON\*

CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 0001012367

Page 4 of 15 Pages

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Morgan Stanley Venture Partners III, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

2,703,694

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

2,703,694

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,703,694 - See Item 5

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.3% - See Item 5

14 TYPE OF REPORTING PERSON\*

IA

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Morgan Stanley Venture Capital III, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

2,703,694



-0-

2,703,694

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,703,694 - See Item 5

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\* [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.3% - See Item 5

14 TYPE OF REPORTING PERSON\*

IA, CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Morgan Stanley Venture Partners III, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

2,371,897

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

2,371,897

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,371,897 - See Item 5

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES [ ]  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

21.7% - See Item 5

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Morgan Stanley Venture Investors III, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

227,762

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

227,762

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

227,762 - See Item 5

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\* [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.5% - See Item 5

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 0001012367

Page 8 of 15 Pages

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

The Morgan Stanley Venture Partners Entrepreneur Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER

104,035

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

104,035

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

104,035 - See Item 5

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES [ ]  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.1% - See Item 5

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 8 of 15

CUSIP No. 0001012367

Page 9 of 15 Pages

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Morgan Stanley Dean Witter Equity Funding, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON

8 SHARED VOTING POWER

21,155

WITH

-----  
9 SOLE DISPOSITIVE POWER

-0-

-----  
10 SHARED DISPOSITIVE POWER

21,155  
-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

21,155 - See Item 5  
-----

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES [ ]  
CERTAIN SHARES\*

-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.0% - See Item 5  
-----

14 TYPE OF REPORTING PERSON\*

IA, CO  
-----

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 9 of 15

Unless indicated as otherwise, all items left blank remain unchanged and any items which are reported are deemed to replace the existing items in Amendment 2 to the original Schedule 13D. All defined terms shall have the same meaning as previously ascribed to them in Amendment 2 to the original Schedule 13D, unless otherwise noted.

Item 1. Security and Issuer.

Item 2. Identity and Background.

(d) None of the Reporting Persons nor, to the knowledge of the Reporting Persons, any of the other persons listed on Schedules A, B, C, D and E has been convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors).

(e) During the past five years, none of the Reporting Persons nor, to the knowledge of the Reporting Persons, any of the other persons listed on

Schedules A, B, C, D and E was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

Item 4. Purpose of Transaction.

The following additional paragraphs are added after the last paragraph of Item 4 of Amendment 2 to the original Schedule 13D:

On June 28, 2001, Boston Scientific Corporation ("Purchaser"), Adam Acquisition 2001 Inc. and the Company entered into an Agreement and Plan of Merger dated June 28, 2001 (the "Merger Agreement"). In connection therewith, the Purchaser, Morgan Stanley Venture Partners III, L.P., Morgan Stanley Venture Investors III, L.P., Morgan Stanley Venture Partners Entrepreneur Fund, L.P., (collectively "MS"), Bank of America Ventures, and BA Venture Partners V, (together with MS, a "Seller" and, collectively, the "Sellers"), as stockholders of the Company, entered into a Stock Purchase Agreement ("Stock Purchase Agreement") whereby each Seller agreed to sell its series B preferred stock (the "Series B Shares" together with any shares of series B preferred stock, acquired after June 28, 2001 the "Shares"), warrants to purchase Series B Shares ("Warrants") and shares of common stock of the Company ("Common Shares") (such Shares, Warrants and Common Shares, collectively "Securities") to the Purchaser. The purchase price payable per share of Series B preferred stock is \$2,355 and the purchase price payable per Common Share is \$5.267, which is the purchase price payable per Common Share under the Merger Agreement.

Pursuant to the terms of the Stock Purchase Agreement, each Seller irrevocably constituted and appointed the Purchaser and each of its officers, from and after June 28, 2001 until the earlier to occur of the Closing (as defined in the Merger Agreement) and the termination of the Stock Purchase Agreement (at which point such constitution and appointment shall automatically be revoked), as such Seller's attorney, agent and proxy (such constitution and appointment, the "Irrevocable Proxy"), with full power of substitution, to vote such Seller's Securities and any Securities acquired after the date of the Stock Purchase Agreement, at any meeting of the stockholders of the Company, and in any action by consent of the stockholders of the Company. The Purchaser may use the Irrevocable Proxy to vote (i) against any action, proposal, agreement or transaction that would result in a breach of any covenant, obligation, agreement, representation or warranty of the Company under the Merger Agreement or of the Sellers contained in the Stock Purchase Agreement, (ii) against any action, agreement, transaction (other than the Merger Agreement or the

transactions contemplated thereby) or proposal (or any Acquisition Proposal as defined in the Merger Agreement) that could reasonably be expected to result in any of the conditions to the Company's obligations under the Merger Agreement not being fulfilled or that is intended, or could reasonably be expected, to impede, interfere, delay, discourage or adversely affect the Stock Purchase Agreement, the Merger Agreement, and the Offer and Merger contemplated in the Merger Agreement and (iii) in favor of the Transactions (as defined the Merger Agreement) as may be required pursuant to the protective provisions of the Company's Certificate of Designations.

In addition, under the terms of the Stock Purchase Agreement, each Seller grants to the Purchaser an irrevocable option (each, the "Option" and, collectively, the "Options") to purchase any or all of such Seller's Common Shares at the Per Share Amount (as defined in the Merger Agreement), net to such Seller in cash. The Options will expire if not exercised prior to the termination of the Merger Agreement. No Option, however, may be exercised unless (i) a number of Options are concurrently exercised and a number of Series B Shares and Warrants are concurrently purchased and (ii) a number of Options are exercised pursuant to the terms of the other Stockholder Agreements, such that, after giving effect to (i) and (ii) the Purchaser or an affiliate thereof would own Series B Shares, Shares and Warrants constituting a majority of the outstanding Shares on a fully diluted basis.

Each Seller has agreed to tender, pursuant to and in accordance with the terms of the Offer (as defined in the Merger Agreement), and not withdraw (except following termination of the Offer in accordance with its terms), all of the Common Shares held by such Seller, together with any Common Shares subsequently acquired by such Seller after June 28, 2001 and prior to the consummation of the Offer.

The purchase of the Securities by Purchaser is subject to certain conditions in the Stock Purchase Agreement being satisfied.

The Stock Purchase Agreement will terminate upon occurrence of certain events, including termination of the Merger Agreement.

#### Item 5. Interest in Securities of the Issuer.

(a) For the purposes of Rule 13d-3 promulgated under the Exchange Act, BankAmerica Ventures may be deemed to beneficially own 2,323,314 shares of Common Stock, or approximately 21.4% of the outstanding shares of Common Stock, which includes 8,500 shares of Series B Preferred, which shares are convertible at the option of the holder into 1,798,140 shares of Common Stock, warrants to purchase 119 shares of Series B Preferred, which shares are convertible at the option of the holder into 25,174 shares of Common Stock, and 500,000 shares of Common Stock.

For the purposes of Rule 13d-3 promulgated under the Exchange Act, BA Venture Partners V may be deemed to beneficially own 409,996 shares of Common



Stock, or approximately 4.4% of the outstanding shares of Common Stock, which includes 1,500 shares of Series B Preferred, which shares are convertible at the option of the holder into 317,319 shares of Common Stock, warrants to purchase 21 shares of Series B Preferred, which shares are convertible at the option of the holder into 4,442 shares of Common Stock, and 88,235 shares of Common Stock.

For the purposes of Rule 13d-3 promulgated under the Exchange Act, MSDW may be deemed to beneficially own 2,724,849 shares of Common Stock, or approximately 25.3% of the outstanding shares of Common Stock, which includes 10,000 shares of Series B Preferred, which shares are convertible at the option of the holder into 2,115,459 shares of Common Stock, warrants to purchase 100 shares of Series B Preferred, which shares are convertible at the option of the holder into 21,155 shares of Common Stock, and 588,235 shares of Common Stock.

For the purposes of Rule 13d-3 promulgated under the Exchange Act, MSVP III, L.L.C. and MSVC III, Inc. may be deemed to beneficially own 2,703,694 shares of Common Stock, or approximately 25.3% of the outstanding shares of Common Stock, which includes 9,900 shares of Series B Preferred, which shares are convertible at the option of the holder into 2,094,304 shares of Common Stock, warrants to purchase 100 shares of Series B Preferred, which shares are convertible at the option of the holder into 21,155 shares of Common Stock, and 588,235 shares of Common Stock.

11

For the purposes of Rule 13d-3 promulgated under the Exchange Act, MSVP III, L.P. may be deemed to beneficially own 2,371,897 shares of Common Stock, or approximately 21.7% of the outstanding shares of Common Stock, which includes 8,685 shares of Series B Preferred, which shares are convertible at the option of the holder into 1,837,276 shares of Common Stock, warrants to purchase 87.7305 shares of Series B Preferred, which shares are convertible into 18,559 shares of Common Stock, and 516,062 shares of Common Stock.

For the purposes of Rule 13d-3 promulgated under the Exchange Act, MSVI III, L.P. may be deemed to beneficially own 227,762 shares of Common Stock, or approximately 2.5% of the outstanding shares of Common Stock, which includes 834 shares of the Series B Preferred, which shares are convertible at the option of the holder into 176,429 shares of Common Stock, warrants to purchase 8.4237 shares of Series B Preferred, which shares are convertible at the option of the holder into 1,782 shares of Common Stock, and 49,551 shares of Common Stock.

For the purposes of Rule 13d-3 promulgated under the Exchange Act, the Entrepreneur Fund may be deemed to beneficially own 104,035 shares of Common Stock, or approximately 1.1% of the outstanding shares of Common Stock, which includes 381 shares of the Series B Preferred, which shares are convertible at the option of the holder into 80,559 shares of Common Stock, warrants to purchase 3.8458 shares of Series B Preferred, which shares are convertible at

the option of the holder into 814 shares of Common Stock, and 22,622 shares of Common Stock.

For the purposes of Rule 13d-3 promulgated under the Exchange Act, MSDWEF, Inc. may be deemed to beneficially own 21,155 shares of Common Stock, or approximately 0.0% of the outstanding shares of Common Stock, which includes 100 shares of the Series B Preferred, which shares are convertible at the option of the holder into 21,155 shares of Common Stock.

For the purposes of Rule 13d-3 promulgated under the Exchange Act, BankAmerica Ventures, BA Venture Partners V, MSDW, MSVP III, L.L.C., MSVC III, Inc., the MSDW Funds and MSDWEF, Inc. may be deemed to beneficially own an aggregate of 5,458,159 shares of Common Stock, or approximately 51.1% of the outstanding shares of Common Stock.

The Reporting Persons do not affirm the existence of a group and are filing this statement jointly pursuant to Rule 13d-1(k)(1) promulgated under the Exchange Act.

(c) None of the Reporting Persons has effected any transaction in the Common Stock during the past 60 days; the Reporting Persons have no information whether or not any other person listed in Item 5 (a) above has effected any such transaction.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

See response to Item 4.

The following sentence is added after Item 6(ix) of Amendment 2 to the original Schedule 13D:

(x) Stock Purchase Agreement dated as of June 28, 2001.

Item 7. Material to be Filed as Exhibits.

Exhibit 1: Joint Filing Agreement\*

Exhibit 2: Cardiac Pathways Corporation Securities Purchase Agreement+

Exhibit 3: Cardiac Pathways Corporation Form of Senior Convertible Floating Rate Bridge Note+

Exhibit 4: Cardiac Pathways Corporation Security Agreement+

Exhibit 5: Form of Cardiac Pathways Corporation Warrants for The Purchase of Shares of Preferred Stock of Cardiac Pathways Corporation+

- Exhibit 6: Cardiac Pathways Corporation Series B Convertible Preferred Stock Purchase Agreement#
- Exhibit 7: Cardiac Pathways Corporation Form of Voting Agreement+
- Exhibit 8: Cardiac Pathways Corporation Form of Certificate of Designation+
- Exhibit 9: Cardiac Pathways Corporation Registration Rights Agreement+
- Exhibit 10: Cardiac Pathways Corporation Common Stock Purchase Agreement\*
- Exhibit 11: Stock Purchase Agreement

+ Previously filed as an exhibit to the Company's report on Schedule 13D filed June 8, 1999.

# Previously filed as an exhibit to the Company's report on Schedule 13D filed August 3, 1999.

\* Previously filed as an exhibit to the Company's report on Schedule 13D filed December 29, 2000.

SIGNATURES

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: July 6, 2001

BANKAMERICA VENTURES

By: /s/ Mark Brooks

-----  
Name: Mark Brooks  
Title: Principal

BA VENTURE PARTNERS V

By: /s/ Mark Brooks

-----  
Name: Mark Brooks  
Title: General Partner

MORGAN STANLEY VENTURE CAPITAL  
III, INC.

By: /s/ Debra Abramovitz

-----  
Name: Debra Abramovitz  
Title: Vice President

MORGAN STANLEY DEAN WITTER & CO.

By: /s/ Peter Vogelsang

-----  
Name: Peter Vogelsang  
Title: Authorized Signatory

MORGAN STANLEY VENTURE PARTNERS  
III, L.L.C.

By: Morgan Stanley Venture Capital  
III, Inc., as Institutional  
Managing Member

By: /s/ Debra Abramovitz

-----  
Name: Debra Abramovitz  
Title: Vice President

14

MORGAN STANLEY VENTURE PARTNERS  
III, L.P.

By: Morgan Stanley Venture  
Partners III, L.L.C.,  
as General Partner

By: Morgan Stanley Venture Capital  
III, Inc., as Institutional  
Managing Member

By: /s/ Debra Abramovitz

Name: Debra Abramovitz  
Title: Vice President

MORGAN STANLEY VENTURE INVESTORS  
III, L.P.

By: Morgan Stanley Venture  
Partners III, L.L.C.,  
as General Partner

By: Morgan Stanley Venture Capital  
III, Inc., as Institutional  
Managing Member

By: /s/ Debra Abramovitz

-----  
Name: Debra Abramovitz  
Title: Vice President

THE MORGAN STANLEY VENTURE PARTNERS  
ENTREPRENEUR FUND, L.P.

By: Morgan Stanley Venture  
Partners III, L.L.C.,  
as General Partner

By: Morgan Stanley Venture Capital  
III, Inc., as Institutional  
Managing Member

By: /s/ Debra Abramovitz

-----  
Name: Debra Abramovitz  
Title: Vice President

MORGAN STANLEY DEAN WITTER EQUITY  
FUNDING, INC.

By: /s/ James T. Keane

-----  
Name: James T. Keane  
Title: Vice President and  
Secretary

Executive Officers and Directors  
of  
BankAmerica Ventures

The names of the Directors and the names and titles of the Executive Officers of BankAmerica Ventures are set forth below. The principal business address of each Director and Executive Officer is BankAmerica Ventures, 950 Tower Lane, Suite 700, Foster City, California 94404.

Directors

-----

James H. Hance, Jr.  
Edward J. McCaffrey  
Kate D. Mitchell  
Terry E. Perucca

Officers

-----

James H. Hance, Jr.	Chairman of the Board
Terry E. Perucca	Vice Chairman of the Board
Kate D. Mitchell	President and Managing Director
Erick C. Christensen	Managing Director
Daniel Friel	Managing Director
Michael J. Hornig	Managing Director
M. Ann O'Brien	Managing Director
Harold L. Rolfes, Jr.	Managing Director and Compliance Officer
Josette Castagne-Kwok	Senior Vice President-Tax
Gregory S. Mroz	Senior Vice President-Tax
Hema Parekh	Senior Vice President
David R. Smith	Senior Vice President-Tax
Gary S. Williams	Senior Vice President-Tax
Louis C. Bock	Principal
Mark J. Brooks	Principal
John R. Dougery, Jr.	Principal
Jess R. Marzak	Principal
Rory O'Driscoll	Principal
Robert M. Obuch	Principal
Gregory V. Costigan	Vice President
James J. Jones, III	Vice President
Susan M. Lum	Vice President-Tax
Edward J. McCaffrey	Treasurer, Managing Director and Chief Investment Officer
Edward J. Stark	Secretary
Hayley J. Hoad	Assistant Secretary
Marlene A. Sharland	Assistant Secretary
Christine M. Sokitch	Assistant Secretary

Nina Tai	Assistant Secretary
J. Darrell Nolan	Assistant Treasurer
Stephen E. Sudhoff	Assistant Treasurer
Stacey E. Curry	Associate
Eric M. Sigler	Associate
Raymond P. Catania	Assistant Controller

Equity Investment Committee

-----  
Edward J. McCaffrey  
Terry E. Perucca

Investment Committee

-----  
Edward J. McCaffrey  
Kate D. Mitchell  
Louis C. Bock  
Mark J. Brooks  
John R. Dougery, Jr.  
Rory O'Driscoll  
Robert M. Obuch

SCHEDULE B

Executive Officers and Directors  
of  
Bank of America, National Association

The names of the Directors and the names and titles of the Executive Officers of Bank of America, National Association are set forth below. The principal business address of each Director and Executive Officer is Bank of America, National Association, 101 S. Tryon Street, Charlotte, North Carolina 28255.

Board of Directors	Title
-----	-----
Amy Woods Brinkley	Director
Edward J. Brown III	Director
James H. Hance, Jr.	Director
Kenneth D. Lewis	Director
R. Eugene Taylor	Director
F. William Vandiver, Jr.	Director

Officers -----	Title -----
Kenneth D. Lewis	Chairman
	Chief Executive Officer
	President
James H. Hance, Jr.	Vice Chairman
F. William Vandiver, Jr.	Vice Chairman
Amy Woods Brinkley	President, Consumer Products
Edward J. Brown III	President, Global Corporate & Investment Banking
Richard M. DeMartini	President, Asset Management
R. Eugene Taylor	President, Consumer & Commercial Banking
Rachel R. Cummings	Secretary
	Associate General Counsel
Allison L. Gilliam	Assistant Secretary
Mary-Ann Lucas	Assistant Secretary

SCHEDULE C

Executive Officers and Directors  
of  
Morgan Stanley Venture Capital III, Inc.

The names of the Directors and the names and titles of the Executive Officers of Morgan Stanley Morgan Stanley Venture Capital III, Inc. ("MSVC III Inc.") are set forth below. The principal occupation for each of the persons listed below is Managing Director or other officer of Morgan Stanley & Co. Incorporated. If no address is given, the Director's or Executive Officer's business address is that of Morgan Stanley & Co. Incorporated at 1221 Avenue of the Americas, New York, New York 10020. Unless otherwise indicated, each title set forth opposite an individual's name refers to MSVC III Inc. and each individual is a United States citizen.

Directors  
-----

John B. Ehrenkranz	Director
Scott S. Halsted	Director
William J. Harding	Director
Mian Fazle Husain	Director
Robert J. Loarie	Director
Guy L. de Chazal	Director

Officers  
-----

Guy L. de Chazal	Chairman
	Chief Executive Officer



Debra M. Aaron	Vice President
Ghassan J. Bejjani	Vice President
Jeffrey J. Booth	Vice President
Scott S. Halsted	Vice President
William J. Harding	Vice President
Mian Fazle Husain	Vice President
Robert J. Loarie	Vice President
Louis A. Palladino, Jr.	Vice President
Bruce R. Sandberg	Vice President
Gary M. Stein	Vice President
Noah J. Walley	Vice President
Kenneth F. Clifford	Vice President
	Chief Financial Officer
Debra Abramovitz	Vice President
	Treasurer
Peter R. Vogelsang	Secretary
Charlene R. Herzer	Assistant Secretary
Stephanie A. Holmes	Assistant Secretary
Susan M. Krause	Assistant Secretary

SCHEDULE D

Executive Officers and Directors  
of  
Morgan Stanley Dean Witter Equity Funding, Inc.

The names of the Directors and the names and titles of the Executive Officers of Morgan Stanley Dean Witter Equity Funding, Inc. ("MSDWEF, Inc.") and their business addresses and principal occupations are set forth below. If no address is given, the Director's or Executive Officer's business address is that of Morgan Stanley Dean Witter & Co., 1585 Broadway, New York, New York 10036. Unless otherwise indicated, each title set forth opposite an individual's name refers to MSDWEF, Inc., and each individual is a United States citizen.

Directors

-----

James L. Liang	Director
Mary G. Meeker	Director
Stephen R. Munger	Director
Ruth M. Porat	Director

Officers

-----

Stephen R. Munger	Chairman and President
Debra M. Aaron	Vice President

William John Atkins	Vice President
Steven L. Brown	Vice President
Pietro Cinquegrana	Vice President
Thomas A. Clayton	Vice President
James T Keane	Vice President
David Landman	Vice President
James L. Liang	Vice President
Mary G. Meeker	Vice President
Louis A. Palladino, Jr.	Vice President
Ruth M. Porat	Vice President
Bruce R. Sandberg	Vice President
Dhiren H. Shah	Vice President
James M. Wilmott	Vice President
Michael S Zuckert	Vice President
Alexander C. Frank	Treasurer
Martin M. Cohen	Vice President and Secretary
Charlene R. Herzer	Assistant Secretary
Susan M. Krause	Assistant Secretary

SCHEDULE E

EXECUTIVE OFFICERS AND DIRECTORS  
OF  
MORGAN STANLEY DEAN WITTER & CO.

The names of the Directors and the names and titles of the Executive Officers of Morgan Stanley Dean Witter & Co. ("MSDW") and their business addresses and principal occupations are set forth below. If no address is given, the Director's or Executive Officer's business address is that of MSDW at 1585 Broadway, New York, New York 10036. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to MSDW and each individual is a United States citizen.

Name, Business Address -----	Present Principal Occupation -----
* Philip J. Purcell	Chairman of the Board and Chief Executive Officer
* Robert G. Scott	President and Chief Operating Officer
* Robert P. Bauman Invensys plc Invensys House Carlisle Place London SW1P 1BX	Retired; former Chief Executive Officer of Smithkline Beecham plc

*	ENGLAND	
	Edward A. Brennan 400 North Michigan Avenue Chicago, IL 60611	Retired; former Chairman of the Board, President and Chief Executive Officer of Sears
*	C. Robert Kidder Borden, Inc. 180 East Broad Street Columbus, OH 43215	Chairman of the Board and Chief Executive Officer of Borden, Inc.
*	John W. Madigan Tribune Company 435 North Michigan Avenue, Suite 2300 Chicago, IL 60611	Chairman, President and Chief Executive Officer of Tribune Company
*	Miles L. Marsh W.H. Clark & Assoc. 20 S. Clark St., Ste. 2222 Chicago, IL 60603	Former Chairman of the Board and Chief Executive Officer of Fort James Corporation
*	Michael A. Miles 1350 Lake Road Lake Forest, IL 60045	Special Limited Partner of Forstmann Little & Co.
*	Charles F. Knight Emerson Electric 800 West Florissant St. Louis, MO 63136	Chairman of Emerson Electric Co.
*	Laura D'Andrea Tyson Walter A. Haas School of Business University of Calif., Berkeley Berkeley, CA 94720-1900	Dean of the Walter A. Haas School of Business at the University of California, Berkeley
	Stephen S. Crawford	Executive Vice President and Chief Financial Officer
	Roger C. Hochschild	Executive Vice President and Chief Strategic and Administrative Officer
	Donald G. Kempf, Jr.	Executive Vice President, Chief Legal Officer & Secretary

Tarek F. Abdel-Meguid	Head of Worldwide Investment Banking
Zoe Cruz	Head of Worldwide Fixed Income Division
John P. Havens	Head of Worldwide Institutional Equities Group
Mitchell M. Merin	President and COO, Asset Management
David W. Nelms	President and COO, Discover Financial Services
Stephan F. Newhouse	Co-President and COO, Institutional Securities Group
Vikram S. Pandit	Co-President and COO, Institutional Securities Group
Joseph R. Perella	Chairman of Institutional Securities Group
John H. Schaefer	President and COO, Individual Investor Group

-----  
\* Director

## EXHIBIT INDEX

Exhibit 11: Stock Purchase Agreement



STOCK PURCHASE AGREEMENT

June 28, 2001

CONFORMED COPY

=====

-----

STOCK PURCHASE AGREEMENT

-----

=====

Among

BOSTON SCIENTIFIC CORPORATION,

MORGAN STANLEY VENTURE PARTNERS III, L.P.,

MORGAN STANLEY VENTURE INVESTORS III, L.P.,

MORGAN STANLEY VENTURE PARTNER ENTREPRENEUR FUND, L.P.,

BANK OF AMERICA VENTURES,

and

BA VENTURE PARTNERS V

Dated as of June 28, 2001

=====

TABLE OF CONTENTS

Section		Page
ARTICLE I		
DEFINITIONS		
SECTION 1.01	Definitions .....	1
ARTICLE II		
PURCHASE AND SALE; TENDER		
SECTION 2.01	Purchase and Sale of the Shares and Warrants.....	3
SECTION 2.02	Purchase Price.....	3
SECTION 2.03	Closing .....	3
SECTION 2.04	Closing Deliveries by the Sellers.....	3
SECTION 2.05	Closing Deliveries by Purchaser.....	4
SECTION 2.06	Tender of Shares.....	4
ARTICLE III		
REPRESENTATIONS AND WARRANTIES OF THE SELLERS		
SECTION 3.01	Organization, Authority and Qualification of the Seller.....	4
SECTION 3.02	No Conflict .....	5
SECTION 3.03	Ownership of Securities.....	6
SECTION 3.04	Absence of Litigation.....	6
SECTION 3.05	Brokers.....	6
ARTICLE IV		
REPRESENTATIONS AND WARRANTIES OF PURCHASER		
SECTION 4.01	Organization and Authority of Purchaser.....	6
SECTION 4.02	No Conflict; Required Filings and Consents.....	7
SECTION 4.03	No Distribution.....	7
SECTION 4.04	Brokers .....	7
SECTION 4.05	Financing .....	7

## ARTICLE V

## ADDITIONAL AGREEMENTS

SECTION 5.01	Irrevocable Proxy.....	7
SECTION 5.02	No Disposition or Encumbrance of the Seller's Shares and Warrants. ....	8
SECTION 5.03	No Solicitation of Transactions.....	8
SECTION 5.04	Company Board Representation.....	9
SECTION 5.05	Liquidation Rights.....	9
SECTION 5.06	Further Action; Reasonable Best Efforts.....	9
SECTION 5.07	Public Announcements.....	9
SECTION 5.08	Limitations .....	9
SECTION 5.09	Notification of Subsequent Acquisition of Securities.....	9
SECTION 5.10	Grant of Option.....	9

## ARTICLE VI

## CONDITIONS TO CLOSING

SECTION 6.01	Conditions to the Closing.....	10
SECTION 6.02	Conditions to Obligations of Purchaser.....	11
SECTION 6.03	Conditions to Obligations of Sellers.....	11

## ARTICLE VII

## TERMINATION AND WAIVER

SECTION 7.01	Termination .....	12
SECTION 7.02	Effect of Termination.....	12
SECTION 7.03	Waiver .....	12

## ARTICLE VIII

## GENERAL PROVISIONS

SECTION 8.01	Survival of Representations and Warranties.....	13
SECTION 8.02	Expenses .....	13
SECTION 8.03	Notices .....	13
SECTION 8.04	Severability .....	14
SECTION 8.05	Entire Agreement; Assignment.....	14
SECTION 8.06	Parties in Interest.....	15
SECTION 8.07	Specific Performance.....	15
SECTION 8.08	Governing Law .....	15
SECTION 8.09	Waiver of Jury Trial.....	15



SCHEDULE A Sellers: Share Ownership and Consideration

STOCK PURCHASE AGREEMENT, dated as of June 28, 2001 (this "Agreement"), among BOSTON SCIENTIFIC CORPORATION, a Delaware corporation ("Purchaser"), MORGAN STANLEY VENTURE PARTNERS III, L.P., MORGAN STANLEY VENTURE INVESTORS III, L.P., MORGAN STANLEY VENTURE PARTNERS ENTREPRENEUR FUND, L.P., each a Delaware limited partnership (and collectively "MS"), BANK OF AMERICAN VENTURES, a California corporation and BA VENTURE PARTNERS V, a California limited partnership (together with MS, a "Seller" and, collectively, the "Sellers"), as stockholders of CARDIAC PATHWAYS CORPORATION, a Delaware corporation (the "Company").

WHEREAS, each Seller is the record and beneficial owner of (i) the number of shares of preferred stock, series B, par value \$0.001 per share, of the Company (together with any shares of preferred stock, series B, acquired after the date hereof, the "Shares"), (ii) warrants to purchase the number of Shares (together with any warrants to purchase Shares acquired after the date hereof, the "Warrants") and (iii) the number of shares of common stock, par value \$0.001 per share, of the Company (the "Common Stock") (such shares of Common Stock together with any shares of Common Stock acquired after the date hereof, the "Common Shares") set forth next to such Seller's name on Schedule A hereto;

WHEREAS, Purchaser and Adam Acquisition 2001 Inc., a Delaware corporation and a wholly owned subsidiary of Purchaser ("Merger Sub"), are separately entering into an Agreement and Plan of Merger dated as of the date hereof (as amended from time to time, the "Merger Agreement") with the Company, pursuant to which (i) Merger Sub agrees to commence a cash tender offer (as such tender offer may hereafter be amended from time to time in accordance with the Merger Agreement, the "Offer") to acquire all the issued and outstanding shares of Common Stock for \$5.267 per share of Common Stock (or any greater amount per share of Common Stock paid pursuant to the Offer), and (ii) following the consummation of the Offer and the transactions contemplated by this Agreement, Merger Sub will merge with and into the Company (the "Merger"); and

WHEREAS, as contemplated by the Merger Agreement, and as a condition to the Merger, (i) each Seller wishes to sell to Purchaser, and Purchaser wishes

to purchase from each Seller, such Seller's Shares and Warrants and (ii) each Seller has agreed to tender its Common Shares in the Offer, upon the terms and subject to the conditions set forth herein (such Shares, Warrants and Common Shares being, collectively, "Securities") of such Seller;

NOW, THEREFORE, in consideration of the premises and the mutual agreements and covenants hereinafter set forth, Purchaser and the Sellers hereby agree as follows:

2

## ARTICLE I

### DEFINITIONS

SECTION 1.01 Definitions. (a) Capitalized terms used but not otherwise defined herein shall have the meanings described thereto in the Merger Agreement. In addition, for purposes of this Agreement:

"affiliate" of a specified person means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified person.

"knowledge" of a specified person means the actual knowledge of any executive officer of such person.

"Lien" means any lien, mortgage, deed or trust, pledge, hypothecation, security interest, encumbrance, claim or charge of any kind, or any conditional sale agreement or other agreement to create any of the foregoing.

"person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision, agency or instrumentality of a government.

"Purchase Price Bank Account" means, with respect to each Seller, a bank account to be designated by such Seller in a written notice to Purchaser at least five Business Days before the Closing.

"subsidiary" or "subsidiaries" of any person means an affiliate controlled by such person, directly or indirectly, through one or more intermediaries.

"1999 Agreement" means the Series B Purchase Agreement, dated as of May 20, 1999, among the Company and the several purchasers listed on the signature pages thereof.

(b) the following terms have the following meaning set forth in the Section set forth below:

Defined Term -----	Location of Definition -----
Action	ss.3.04
Agreement	Preamble
Cash Purchase Price	ss.2.02
Closing	ss.2.03
Closing Date	ss.2.03
Common Shares	Recitals
Company	Preamble
Exercise Notice	ss.5.10(b)
Governmental Authority	ss.3.02(b)

3

Irrevocable Proxy	ss.5.01(a)
Law	ss.3.02(a)
Merger	Recitals
Merger Agreement	Recitals
Merger Sub	Recitals
MS	Recitals
Offer	Recitals
Option(s)	ss.5.10(a)
Purchaser	Preamble
Securities	Recitals
Seller(s)	Preamble
Shares	Recitals

## ARTICLE II

### PURCHASE AND SALE; TenDER

SECTION 2.01 Purchase and Sale of the Shares and Warrants. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, each Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from each Seller, the number of Shares and Warrants set forth next to such Seller's name on Schedule A hereto.

SECTION 2.02 Purchase Price. The purchase price for each Seller's Shares and Warrants shall consist of the amount of immediately available United States dollars (such Seller's "Cash Purchase Price") set forth next to such Seller's name on Schedule A hereto. In the event that the price per share of Common Stock paid pursuant to the Offer is increased, the Cash Purchase Price payable to each Seller hereunder shall be increased by an amount equal to the

per share amount of such increase multiplied by the aggregate number of Common Shares issuable upon conversion of each Seller's Shares (including any Shares issuable upon exercise of such Seller's Warrants).

SECTION 2.03 Closing. Subject to the terms and conditions of this Agreement, the sale and purchase of the Sellers' Shares and Warrants contemplated by this Agreement shall take place at a closing (the "Closing") to be held at the offices of Shearman & Sterling, 599 Lexington Avenue, New York, New York, 10022 at 9:00 A.M. New York City time on the Business Day following the later to occur of (i) expiration or termination of all applicable waiting periods under the HSR Act, and (ii) satisfaction or waiver of all other conditions to the obligations of the parties set forth in Article VI or at such other place or at such other time or on such other date as the Sellers and Purchaser may mutually agree upon in writing (the date on which the Closing takes place being the "Closing Date").

SECTION 2.04 Closing Deliveries by the Sellers. At the Closing, each Seller shall deliver or cause to be delivered to Purchaser:

(a) stock certificates evidencing the Seller's Shares and certificates or other instruments representing such Seller's Warrants, in each case duly endorsed in blank, or accompanied by stock or transfer powers duly executed in blank, in

4

form reasonably satisfactory to Purchaser and with all required transfer tax stamps affixed, provided, however, that in the event any such certificates shall have been lost, stolen or destroyed, the Company shall issue in exchange for such lost, stolen or destroyed certificates, upon the making of an affidavit of that fact by Seller, the Cash Purchase Price payable with respect thereto pursuant to Section 2.02;

(b) a receipt for an amount equal the Cash Purchase Price received by such Seller; and

(c) the certificates and other documents required to be delivered pursuant to Section 6.02.

SECTION 2.05 Closing Deliveries by Purchaser. At the Closing, Purchaser shall deliver to each Seller:

(a) an amount equal to such Seller's Cash Purchase Price to be paid in cash by wire transfer in immediately available funds to such Seller's Purchase Price Bank Account; and

(b) a receipt for the Seller's Shares and Warrants received by Purchaser.

SECTION 2.06 Tender of Shares. Each Seller agrees to tender, pursuant to and in accordance with the terms of the Offer, and not withdraw (except following termination of the Offer in accordance with its terms), all of the Common Shares held by such Seller as set forth on Schedule A, together with any Common Shares subsequently acquired by such Seller after the date hereof and prior to the consummation of the Offer. Such Seller acknowledges and agrees that Purchaser's obligation to accept for payment Common Shares in the Offer, including any Common Shares tendered by the Sellers, is subject to the terms and conditions of the Merger Agreement and the Offer.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE SELLERS

As an inducement to Purchaser to enter into this Agreement, each Seller hereby represents and warrants individually, and not jointly or severally, to Purchaser as follows:

SECTION 3.01 Organization, Authority and Qualification of the Seller. (a) Such Seller is a corporation or a limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation and has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. Such Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed or qualified would not adversely affect or materially delay the ability of such Seller to carry out its obligations under, and to consummate the

transactions contemplated by, this Agreement. The execution and delivery of this Agreement by such Seller, the performance by such Seller of its obligations hereunder and the consummation by such Seller of the transactions contemplated hereby have been duly authorized by all requisite action on the part of such Seller. This Agreement has been duly and validly executed and delivered by such Seller and (assuming due authorization, execution and delivery by Purchaser) this Agreement constitutes a legal, valid and binding obligation of such Seller enforceable against such Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditor rights and for general equitable and public policy principles.

(b) In accordance with the terms and conditions of the Certificate of Designation, such Seller approves the Transactions and such approval, together with the approval of the other Sellers, is the only approval required under the Certificate of Designation to consummate the Transactions.

SECTION 3.02 No Conflict. (a) The execution and delivery of this Agreement by such Seller do not, and the performance of this Agreement by such Seller shall not, (i) conflict with or violate the certificate of incorporation, by-laws or equivalent organizational documents of such Seller, (ii) assuming satisfaction of the requirements set forth in Section 3.02(b) below, conflict with or violate any federal or state statute, law, ordinance, regulation, rule, code, executive order, injunction, judgment, decree or other order ("Law") applicable to such Seller or by which any property or asset of such Seller is bound or affected or (iii) result in any breach of, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any property or asset of such Seller pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation, except for any such conflicts, violations, breaches, defaults or other occurrences that would not adversely affect or materially delay the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

(b) The execution and delivery of this Agreement by such Seller do not, and the performance of this Agreement by such Seller shall not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of the Exchange Act, state takeover laws and the pre-merger notification requirements of the HSR Act and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications would not adversely affect or materially delay the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

SECTION 3.03 Ownership of Securities. Such Seller is the record and beneficial owner of, and has valid title to, the number of Securities set forth next to such Seller's name on Schedule A hereto. Such Securities are all the equity securities of the Company owned, either of record or beneficially, by such Seller as of the date hereof and such Seller does not have any option or other right to acquire any other securities of the Company. The Securities owned by such Seller are owned free and clear of all Liens, other than any Liens created by this Agreement and the 1999 Agreement. Except as provided in this Agreement, such Seller has not

appointed or granted any proxy, which appointment or grant is still effective,

with respect to the Securities owned by such Seller. At the Closing, such Seller shall deliver, and upon such delivery and payment of the Purchase Price therefor, Purchaser shall receive valid title to such Seller's Shares and Warrants free and clear of any Liens, other than pursuant to this Agreement and any Liens created by Purchaser of Merger Sub.

SECTION 3.04 Absence of Litigation. As of the date hereof, there is no litigation, suit, claim, action, proceeding or investigation (an "Action") pending or, to the knowledge of the Sellers, threatened against such Seller, or any property or asset of such Seller, before any Governmental Authority that seeks to delay or prevent the consummation of the transactions contemplated by this Agreement.

SECTION 3.05 Brokers. Other than Dain Rauscher Wessels (in accordance with the arrangement set forth on Section 6.01(f) of the Disclosure Schedule), 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 such Seller.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES OF PURCHASER

As an inducement to each Seller to enter into this Agreement, Purchaser hereby represents and warrants to each Seller as follows:

SECTION 4.01 Organization and Authority of Purchaser. Purchaser is a corporation, duly incorporated and validly existing under the laws of the State of Delaware and has all necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Purchaser, the performance by Purchaser of its obligations hereunder and the consummation by Purchaser of the transactions contemplated hereby have been duly authorized by all requisite action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by the Sellers) this Agreement constitutes a legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

SECTION 4.02 No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Purchaser do not, and the performance of this Agreement by Purchaser shall not, (i) conflict with or violate the certificate of incorporation or by-laws of Purchaser, (ii) assuming satisfaction of the requirements set forth in 4.02(b) below, conflict with or violate any Law applicable to Purchaser or by which any property or asset of Purchaser is bound or affected or (iii) result in any breach of, or constitute a default (or event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any



property or asset of Purchaser pursuant to, any note, bond, mortgage, indenture, contract

7

agreement, lease, license, permit, franchise or other instrument or obligation, except for any such conflicts, violations, breaches, defaults or other occurrences that would not adversely affect or materially delay the ability of Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

(b) The execution and delivery of this Agreement by Purchaser do not, and the performance of this Agreement by Purchaser shall not, require any consent, approval, authorization or permit of, or filing with, or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of state takeover laws and the premerger notifications of the HSR Act, (ii) for those required to be made with self-regulatory organizations and Governmental Authorities regulating brokers, dealers, investment advisors, investment companies, banks, trust companies and insurance companies and (iii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not adversely affect or materially delay the ability of Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

SECTION 4.03 No Distribution. Purchaser is not acquiring the Sellers' Shares and Warrants with a view to, or for offer or sale in connection with, any distribution thereof.

SECTION 4.04 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Purchaser or Merger Sub.

SECTION 4.05 Financing. Purchaser has and will have at the closing of the Offer and the Merger, as applicable, sufficient funds or available has and borrowing capacity to permit Purchaser and Merger Sub to consummate all of the Transactions.

## ARTICLE V

### ADDITIONAL AGREEMENTS

SECTION 5.01 Irrevocable Proxy. (a) Each Seller hereby irrevocably constitutes and appoints Purchaser and each of its officers, from and after the date hereof and until the earlier to occur of the Closing and the termination of this Agreement (at which point such constitution and appointment shall



automatically be revoked), as such Seller's attorney, agent and proxy (such constitution and appointment, the "Irrevocable Proxy"), with full power of substitution, to vote such Seller's Shares and Common Shares, together with any Shares issued upon exercise of Warrants and any Securities acquired after the date of this Agreement, at any meeting of the stockholders of the Company, however called, and in any action by consent of the stockholders of the Company (i) against any action, proposal, agreement or transaction that would result in a breach of any covenant, obligation, agreement, representation or warranty of the Company under the Merger Agreement or of the Sellers contained in this Agreement, (ii) against any action, agreement, transaction (other than the Merger Agreement or the transactions contemplated thereby) or proposal (including any Acquisition Proposal) that could reasonably be

8

expected to result in any of the conditions to the Company's obligations under the Merger Agreement not being fulfilled or that is intended, or could reasonably be expected, to impede, interfere, delay, discourage or adversely affect the Merger Agreement, the Offer, the Merger or this Agreement, and (iii) in favor of the Transactions (as defined the Merger Agreement) as may be required pursuant to the protective provisions of the Company's Certificate of Designations.

(b) THIS PROXY AND POWER OF ATTORNEY ARE IRREVOCABLE AND COUPLED WITH AN INTEREST AND, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, SHALL BE VALID AND BINDING ON ANY PERSON TO WHOM A SELLER MAY TRANSFER ANY OF ITS SHARES, WARRANTS OR COMMON SHARES IN BREACH OF THIS AGREEMENT. Each Seller hereby revokes all other proxies and powers of attorney with respect to such Seller's Securities that may have heretofore been appointed or granted, and no subsequent proxy or power of attorney shall be given or written consent executed (and if given or executed, shall not be effective) by any Seller with respect thereto. The termination of such other proxies or powers of attorney, and the granting of the Irrevocable Proxy, shall be binding upon the heirs, personal representatives, successors and assigns of such Seller.

SECTION 5.02 No Disposition or Encumbrance of the Seller's Shares and Warrants. Each Seller agrees that, except as contemplated by this Agreement, such Seller shall not (i) sell, transfer, tender (including, without limitation, into the Offer), pledge, assign, contribute to the capital of any entity, hypothecate, give or otherwise dispose of, grant a proxy or power of attorney with respect to, deposit into any voting trust, enter into any voting agreement, or create or permit to exist any Liens of any nature whatsoever with respect to (other than the Irrevocable Proxy), any of such Seller's Shares or Warrants (or agree or consent to, or offer to do, any of the foregoing) or (ii) take any action that would make any representation or warranty of the Sellers herein untrue or incorrect in any material respect or have the effect of preventing or disabling such Seller from performing such Seller's obligations hereunder.

SECTION 5.03 No Solicitation of Transactions. Except as permitted by the Merger Agreement, each Seller agrees that between the date of this Agreement and the date of termination of the Merger Agreement, such Seller shall not, directly or indirectly, through any director, officer, employee, representative, agent or otherwise, (i) solicit, initiate, endorse, accept or encourage the submission of any Acquisition Proposal, or (ii) participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or otherwise participate in, assist, facilitate, endorse or encourage any proposal that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal. Such Seller shall, and shall direct or cause its directors, officers, employees, representatives and agents to, immediately cease and cause to be terminated any discussions or negotiations with any parties that may be ongoing with respect to any Acquisition Proposal. Such Seller shall promptly advise Purchaser orally and in writing of any Acquisition Proposal or any request for information with respect to any Acquisition Proposal, the material terms and conditions of such Acquisition Proposal or request and the identity of the person making such Acquisition Proposal or request, in each case received by such Seller and not the Company; provided, however, that such duties to advise Purchaser shall not apply to employees or agents of such Seller who are directors of the Company, whose obligations to advise with respect to any Acquisition Proposal shall be to the Company.

SECTION 5.04 Company Board Representation. Promptly upon the Closing, the Sellers shall cause the directors nominated by the Sellers or who are otherwise affiliated with the Sellers after the Closing to resign from the Board of Directors of the Company and any boards of directors of the Company's subsidiaries if so requested by Purchaser or Merger Sub, and shall cause their employees or agents who are directors of the Company to cause the individuals nominated by Purchaser to be elected to the Board in accordance with Section 7.03 of the Merger Agreement.

SECTION 5.05 Liquidation Rights. Each of the Sellers acknowledges and agrees that (i) the execution of this Agreement is not a liquidation event under section 6(a) of the Company's Certificate of Designation and (ii) following the Closing and upon payment to such Seller of all amounts due to Seller pursuant to Section 2.05 hereof, such Seller's rights as a holder of Shares shall terminate and be extinguished, and any amounts due and payable under the Certificate of Designation to a holder of Shares shall be due and payable to Purchaser.

SECTION 5.06 Further Action; Reasonable Best Efforts. Upon the terms and subject to the conditions hereof, each of the parties hereto shall use its reasonable best efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or

advisable under applicable laws and regulations to consummate and make effective this Agreement.

SECTION 5.07 Public Announcements. The parties hereto agree that no public release or announcement concerning the transactions contemplated by this Agreement or the Merger Agreement shall be issued by any party without the prior consent (which consent shall not be unreasonably withheld) of Purchaser, in the case of a release or announcement by any Seller or any of its affiliates (other than the Company and the Company's subsidiaries), or each of the Sellers, in the case of a release or announcement by, Purchaser or any of its affiliates, except as such release or announcement may be required by Law or the rules or regulations of any United States securities exchange, in which case the party required to make the release or announcement shall use its reasonable best efforts to allow the other party reasonable time to comment on such release or announcement in advance of such issuance. Notwithstanding the foregoing, each party agrees to permit the other parties hereto to publish and disclose any documents filed with the Securities and Exchange Commission pursuant to the Exchange Act, and related filings under the United States securities laws, such party's identity and ownership of Seller's Securities and the nature of the commitments, arrangements and understandings under this Agreement.

SECTION 5.08 Limitations. Nothing in this Agreement shall limit or restrict any representative of the Sellers who is a director of the Company from acting in his or her capacity as a director or officer of the Company (it being understood that this Agreement shall apply to Seller solely in Seller's capacity as a security holder of the Company) or voting in Seller's sole discretion on any matter other than those matters referred to in this Agreement.

SECTION 5.09 Notification of Subsequent Acquisition of Securities. Each Seller shall notify Purchaser in the event such Seller acquires any Securities after the date of this Agreement in addition to those set forth on Schedule A.

10

SECTION 5.10 Grant of Option. (a) Each Seller hereby grants to Purchaser an irrevocable option (each, the "Option" and, collectively, the "Options") to purchase any or all of such Seller's Common Shares at the Per Share Amount, net to such Seller in cash. The Options shall expire if not exercised prior to the termination of the Merger Agreement.

(b) Exercise of Option. (i) Each Option may be exercised by Purchaser, in whole but not in part, at any time following termination of the Offer until the expiration or termination of the Option; provided that no Option may be exercised unless a number of Options are concurrently exercised, a number of Series B Shares and Warrants are concurrently

purchased and a number of Options are exercised pursuant to the terms of the other Stockholder Agreements such that, after giving effect to such exercise or purchase and the exercise hereunder, the Purchaser or an affiliate thereof would own Series B Shares, Warrants and Shares constituting a majority of the outstanding Shares on a fully diluted basis.

(ii) If Purchaser wishes to exercise an Option, Purchaser shall send a written notice (the "Exercise Notice") to the applicable Seller of its intention to exercise the Option. The purchase of any such Common Shares pursuant to an Option shall occur concurrently with the Closing.

(iii) At the Closing, (A) such Seller, with respect to those Common Shares that are being purchased pursuant to the Option, shall deliver to Purchaser (or its designee) such Seller's Common Shares by delivery of a certificate or certificates evidencing such Common Shares, duly endorsed to Purchaser or accompanied by stock powers duly executed in favor of Purchaser, with all necessary stock transfer stamps affixed, and (B) Purchaser shall pay to such Seller the aggregate Per Share Amount for such Seller's Common Shares.

(c) Closing of Option Purchase. The purchase of Common Shares pursuant to the Options shall be subject to the satisfaction of each of the conditions set forth in Article VI.

SECTION 5.11 Purchaser Obligation. Notwithstanding anything to the contrary contained in this Agreement, Purchaser and its affiliates shall acquire all Common Shares, Series B Shares and Warrants subject to any of the Stockholder Agreements, unless the failure to acquire such Shares, Series B Shares or Warrants is due to the breach or default of any other party hereunder or thereunder.

## ARTICLE VI

### CONDITIONS TO CLOSING

SECTION 6.01 Conditions to the Closing. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, at or prior to the Closing, of the following condition:

(a) No Order; Compliance with Law. (i) No Governmental Authority in the United States shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the acquisition of Shares or Warrants by Purchaser or any affiliate of Purchaser illegal or otherwise restricting or prohibiting consummation

of the transactions contemplated by this Agreement or the Merger Agreement and (ii) consummation of the transactions contemplated by this Agreement shall not conflict with or violate any provision of United States Law; and

(b) Stockholder Agreements. Purchaser or its affiliate shall have purchased, or shall purchase concurrently with the consummation of this Agreement, a number of Common Shares under the other Stockholder Agreements such that, together with the Series B Shares, Warrants and Shares to be purchased hereunder, the Purchaser or an affiliate thereof would own a majority of the outstanding Shares on a fully diluted basis.

SECTION 6.02 Conditions to Obligations of Purchaser. The obligations of Purchaser with respect to each Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of such Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on and as of the Closing Date except for those representations and warranties which address matters only as of a particular date (which representations shall have been true and correct in all material respects as of such particular date, and Purchaser shall have received a certificate to such effect signed by a duly authorized officer of such Seller; and

(b) Covenants. The covenants and agreements contained in this Agreement to be complied with by such Seller on or before the Closing shall have been complied with in all material respects, and Purchaser shall have received a certificate to such effect signed by a duly authorized officer of such Seller; and

(c) Offer. Purchaser or its affiliate shall have purchased all Common Shares validly tendered and not withdrawn pursuant to the Offer, or the conditions to the Offer shall have been satisfied or waived.

SECTION 6.03 Conditions to Obligations of Sellers. The obligations of each Seller with respect to Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on and as of the Closing Date except for those representations and warranties which address matters only as of a particular date (which representations shall have been true and correct in all material respects as of such particular date, and the Sellers shall

have received a certificate to such effect signed by a duly authorized officer of Purchaser; and

12

(b) Covenants. The covenants and agreements contained in this Agreement to be complied with Purchaser on or before the Closing shall have been complied with in all material respects, and the Sellers shall have received a certificate to such effect signed by a duly authorized officer of Purchaser.

## ARTICLE VII

### TERMINATION AND WAIVER

SECTION 7.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by Sellers holding a majority of the outstanding Shares, on the one hand, or Purchaser, on the other hand, if any Governmental Authority shall have enacted, issued, promulgated, enforced or entered any injunction, order, decree or ruling which has become final and nonappealable and has the effect of making the transactions contemplated by this Agreement illegal or otherwise preventing or prohibiting consummation of the transactions contemplated by this Agreement; or

(b) automatically, without any action on behalf of any party, if the Merger Agreement shall have been terminated in accordance with its terms; or

(c) by Purchaser if there shall have been a material breach of any of the covenants or agreements or any of the representations or warranties set forth in this Agreement on the part of any of the Sellers, such that the conditions in Article VI would not be satisfied, which breach is not cured within 15 days following written notice to the breaching party, or which breach, by its nature or timing, cannot be cured prior to the Closing.

SECTION 7.02 Effect of Termination. In the event of termination of this Agreement as provided in Section 7.01, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except (a) as set forth in Section 8.02 and (b) that nothing herein shall relieve any party from liability for any breach of a covenant of this Agreement.

SECTION 7.03 Waiver. At any time prior to the Closing, any of the parties hereto may (a) extend the time for the performance of any obligation or

other act of any other party hereto, (b) waive any inaccuracies in the representations and warranties of any other party contained herein or in any document delivered pursuant hereto and (c) waive compliance with any agreement of any other party or any condition to its own obligations contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby.

## ARTICLE VIII

### GENERAL PROVISIONS

SECTION 8.01 Survival of Representations and Warranties. The representations and warranties of the Sellers contained in Section 3.03 of this Agreement shall survive the Closing. All other representations and warranties of the Sellers and the representations and warranties of Purchaser contained in Article IV shall terminate as of the Closing. The liability of the Sellers and Purchaser with respect to their respective representations and warranties shall not be reduced by any investigation made at any time by or on behalf of the other parties.

SECTION 8.02 Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, without limitation, any fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred. Notwithstanding the foregoing, at the Closing, Purchaser shall cause the Company to reimburse the Sellers for their reasonable out-of-pocket fees and expenses, including the reasonable fees and expenses of Davis Polk & Wardwell, incurred in connection with this Agreement and the transactions contemplated hereby and by the Merger Agreement; provided that any such fees and expenses shall payable only to the extent the Company has not otherwise incurred fees and expenses in excess of \$2.5 million, as set forth in section 6.01(f) of the Merger Agreement.

SECTION 8.03 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by telecopy, 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 8.03):

(a) if to the Sellers:

Morgan Stanley Venture Partners  
1221 Avenue of the Americas



NY, NY 10020  
Telecopy: (212) 762-8282  
Attention: Fazle Husain

and

BA Venture Partners  
950 Tower Lane, Suite 700  
Foster City, CA 94404  
Telecopy: (650) 378-6040  
Attention: Mark Brooks

14

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
Telecopy: (212) 450-3350  
Attention: John A. Bick

with a further copy to:

Wilson Sonsini Goodrich & Rosati  
Professional Corporation  
650 Page Mill Road  
Palo Alto, CA 94304-1050  
Telecopy: (650) 493-6811  
Attention: Chris F. Fennell  
Michael S. Dorf

if to Purchaser:

Boston Scientific Corporation  
One Boston Scientific Place  
Natick, MA 01760-1537  
Telecopier No: (508) 650-8960  
Attention: Assistant General Counsel

with a copy to:

Shearman & Sterling  
599 Lexington Avenue  
New York, NY 10022  
Telecopy: (212) 848-7179  
Attention: Clare O'Brien

SECTION 8.04 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law



or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

SECTION 8.05 Entire Agreement; Assignment. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof. This Agreement shall not be assigned (whether pursuant to a merger, by operation of law or otherwise), except that Purchaser may

15

assign all or any of its rights and obligations hereunder to any affiliate, provided that no such assignment shall relieve the Purchaser of its obligations hereunder.

SECTION 8.06 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 8.07 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

SECTION 8.08 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that State. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined exclusively in any New York state or federal court sitting in the Borough of Manhattan of The City of New York. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan of The City of New York for the purpose of any action arising out of or relating to this Agreement brought by any party hereto, and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an

inconvenient forum, that the venue of the action is improper, or that this Agreement may not be enforced in or by any of the above-named courts.

SECTION 8.09 Waiver of Jury Trial. Each of the parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each of the parties hereto (a) 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 that foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 8.09.

SECTION 8.10 Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 8.11 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BOSTON SCIENTIFIC CORPORATION

By: /s/ Lawrence C. Best

-----  
Name: Lawrence C. Best

Title: Chief Financial Officer

MORGAN STANLEY VENTURE PARTNERS III,  
L.P.

MORGAN STANLEY VENTURE INVESTORS  
III, L.P.

THE MORGAN STANLEY VENTURE PARTNERS  
ENTREPRENEUR FUND, L.P.

By: Morgan Stanley Venture Partners  
III, L.L.C., as General  
Partner of each of the limited  
partnerships named above

By: Morgan Stanley Venture Capital  
III, Inc. as Member

By: /s/ Fazle Husain

-----  
Name: Fazle Husain  
Title: General Partner

BANK OF AMERICA VENTURES

By: /s/ Mark J. Brooks

-----  
Name: Mark J. Brooks  
Title: Principal

BA VENTURE PARTNERS V

By: /s/ Mark J. Brooks

-----  
Name: Mark J. Brooks  
Title: General Partner

SCHEDULE A

Name	Seller's Shares of Series B Stock	Seller's Cash Purchase Price
Morgan Stanley Venture Partners III, L.P.	8,685	\$20,453,175
Morgan Stanley Venture Investors III, L.P.	834	1,964,070
Morgan Stanley Venture Partners Entrepreneur Fund, L.P.	381	897,255
Bank of America Ventures	8,500	20,017,500
BA Venture Partners V	1,500	3,532,500

Total	19,900	\$46,864,500
	=====	=====

Name	Seller's Warrants to Purchase Shares of Series B Stock	Seller's Cash Purchase Price
Morgan Stanley Venture Partners III, L.P.	87.7305	\$97,751
Morgan Stanley Venture Investors III, L.P.	8.4237	9,386
Morgan Stanley Venture Partners Entrepreneur Fund, L.P.	3.8458	4,285
Bank of America Ventures	119	132,592
BA Venture Partners V	21	23,399
Total	240	\$267,413
	=====	=====

Name	Seller's Shares of Common Stock
Morgan Stanley Venture Partners III, L.P.	516,062
Morgan Stanley Venture Investors III, L.P.	49,551
Morgan Stanley Venture Partners Entrepreneur Fund, L.P.	22,622
Bank of America Ventures	500,000
BA Venture Partners V	88,235
Total	588,235
	=====