

File No. CI 24-01- 48861

THE KING'S BENCH
Winnipeg Centre

IN THE MATTER OF: The Appointment of a Receiver
pursuant to Section 243 of the
Bankruptcy and Insolvency Act, R.S.C.
1985 c.B-3, as amended and Section 55
of *The Court of King's Bench Act*,
C.C.S.M. c. C280

BETWEEN:

ROYAL BANK OF CANADA,

Applicant,

- and -

VISTA MEDICAL LTD.,

Respondent.

AFFIDAVIT OF KERRY ORTH
AFFIRMED: September 19, 2024

FILLMORE RILEY LLP
Barristers, Solicitors & Trademark Agents
1700 - 360 Main Street
Winnipeg, Manitoba
R3C 3Z3

Telephone: 204-957-8319
Facsimile: 204-954-3019

KALEV A. ANNIKO
File No. 180007-882/KAA

THE KING'S BENCH
Winnipeg Centre

IN THE MATTER OF: The Appointment of a Receiver
pursuant to Section 243 of the
Bankruptcy and Insolvency Act, R.S.C.
1985 c.B-3, as amended and Section 55
of *The Court of King's Bench Act*,
C.C.S.M. c. C280

BETWEEN:

ROYAL BANK OF CANADA,

Applicant,

- and -

VISTA MEDICAL LTD.

Respondent.

AFFIDAVIT OF KERRY ORTH

I, Kerry Orth, of the City of Moosejaw, in the Province of
Saskatchewan, Senior Manager, Special Loans and Advisory Services,

HEREBY AFFIRM AND SAY AS FOLLOWS THAT:

1. I am a Senior Manager, Special Loans and Advisory Services, of Royal
Bank of Canada ("RBC") and as such have personal knowledge of the
facts and matters hereinafter deposed to by me except where same

are stated to be based upon information and belief and where so stated, I verily believe the same to be true and have stated the source of my information.

The Debtor

2. The debtor, Vista Medical Ltd. (“Vista”) is a corporation incorporated pursuant to the laws of Manitoba, with a registered corporate office at 3-55 Henlow Bay in Winnipeg, Manitoba, where it carries on business. Attached hereto as **Exhibit “A”** is a corporate search of Vista.
3. Vista carries on business as a manufacturer of medical supplies, and in particular, pressure-mapping bedding materials and equipment.

The Indebtedness

4. Vista is directly indebted to RBC pursuant to a number of facilities, as most recently set out in a Credit Facilities Agreement dated October 20, 2021 (the “Loan Agreement”). A copy of the Loan Agreement is attached hereto as **Exhibit “B”**.
5. The particulars of Vista’s direct indebtedness to RBC is as follows (as at August 15, 2024):

RBC Loan No.	Principal Amount	Interest Rate	Aggregate amount owing as at August 15, 2024
Demand Facility 83231589-005	\$1,750,000.00	RBC Prime plus 3%	\$888,908.14
Credit Card 4516070003245216	Limit \$75,500.00	19.99%	\$71,620.09
Credit Card 4514031009166956	Limit \$43,000 USD	20.99%	\$54,329.28*

* \$40,919.85 converted from USD to CAD at 1:1.32770 **\$1,014,857.51**

(the “Indebtedness”)

The Security

6. As security for its indebtedness, Vista provided personal property security to RBC, and in particular a general security agreement dated March 28, 2008 over all of Vista’s present and after-acquired personal property (the “GSA”), a copy of which is attached hereto as **Exhibit “C”**.
7. It is a term of the GSA provided by Vista that upon default by Vista of its obligations to RBC, RBC is entitled to appoint a receiver over all Vista’s personal property.

8. Attached hereto as **Exhibits “D”** is the PPR search result for Vista dated August 16, 2024. The following table provides a general summary of the results by registration date:

Registration No.	Date	Secured Party	Security
20083751705	February 29, 2008	Royal Bank of Canada	All Present and After-Acquired Personal Property
202016943900	October 13, 2020	Xpedite Leasing Inc.	All 1 – Two-bowl padding mangle, model PM260 with accessories and attachments equipment leased to the debtor from the secured party pursuant to lease agreement number 301881, together with all attachments, accessories, additions, replacements, or substitutions thereto and all proceeds thereof, including but not limited to, goods, intangibles, documents of title, chattel paper, money, and insurance proceeds

9. As such, RBC has first-place general security over all of the personal property Vista, save potentially for certain limited leased equipment.

10. In addition, RBC has security in the form of an unlimited guarantee from Vista's US-based parent, Patientech LLC ("Patientech").

Default

11. Pursuant to the terms of the Loan Agreement, Vista's credit facility was repayable on demand. Further, Vista was required to provide its year-end review engagement financial statements within 90 days of its December 31 year end. Vista did not deliver such statements for the year-end December 31, 2021 (the "Vista 2021 Financial Statements") until October 2022.
12. Upon RBC receiving and reviewing the Vista 2021 Financial Statements and otherwise around that time, it became aware of several matters of concern:
 - a. Vista had agreed pursuant to the Loan Agreement that it would not make distributions to Patientech without the prior written consent of RBC, the Vista 2021 Financial Statements showed a substantial increase in the amount due to Vista from Patientech and its subsidiaries in excess of nearly \$1.3 million;

- b. There was a substantial discrepancy between the accounts receivable in Vista's unaudited margin reports provided to RBC (which showed accounts receivable of over \$3 million) and the Vista 2021 Financial Statements (which showed accounts receivable of approximately \$161,000);
13. Further, Vista's corporate credit cards were consistently over limit, and annual sales continued to decline year over year.
14. Accordingly, by letter dated January 3, 2023, RBC issued a demarket letter to Vista, giving it to February 28, 2023, to find a new lender to pay out RBC's facilities (the "Demarket Letter"). A copy of the Demarket Letter is attached hereto as **Exhibit "E"**.
15. Shortly after receiving the Demarket Letter, Robert Golden ("Golden"), one of the directors of Vista, emailed me advising that it, along with Patientech and an American subsidiary of Patientech, was in the process of entering into a transaction with a large American company, and would be able to make substantial payments towards its indebtedness as a result thereof over time.

16. Ultimately, RBC agreed to enter into a forbearance agreement with Vista and Patientech, dated June 13, 2023 (the “Forbearance Agreement”). A copy of the executed Forbearance Agreement is attached hereto as **Exhibit “F”**.
17. Pursuant to the Forbearance Agreement, the parties agreed, among other things, that:
 - a. Within 10 days of execution of the agreement, RBC was to be paid \$500,000.00 USD towards the Indebtedness (the “Initial Payment”);
 - b. Immediately after the Initial Payment, Vista’s credit line would be converted to a non-revolving term facility bearing interest at RBC’s prime rate of interest from time to time plus 3% per annum;
 - c. Minimum monthly payments of \$25,000.00 would be paid starting July 1, 2023 to reduce the term facility through to and including January 1, 2025 (the “Monthly Payments”);
 - d. The balance of the Indebtedness would be paid on or before January 31, 2025, being the end of the forbearance term;

- e. Vista would provide monthly margining reports at the end of each month until the indebtedness was paid in full;
 - f. Vista would provide quarterly in-house financial statements;
 - g. Both Vista and Patientech would provide annual Review Engagement Financial Statements within 90 days of their December 31 year-end;
 - h. RBC could terminate the forbearance on two business days' written notice upon the occurrence of an Event of Default; and
 - i. The entire Indebtedness would be immediately due and payable upon expiry or termination of the Forbearance Agreement.
18. The Initial Payment was made and Monthly Payments began, though the Vista insisted the first Monthly Payment be halved to \$12,500.00 notwithstanding the terms of the Forbearance Agreement, which RBC accepted in a show of good faith.
19. In December 2023, RBC finally received the review engagement financial statements for Vista's year-end Dec 31, 2022 (the "2022 Vista Financial Statement"). A review of the 2022 Vista Financial Statement revealed:

- a. A further increase in the amount due from Patientech and its subsidiaries by \$819,387;
 - b. Continued substantial decline in revenues; and
 - c. Accounts receivable essentially unchanged from the 2021 Vista Financial Statement.
20. Ultimately, Vista failed to make the Monthly Payment under the Forbearance Agreement for May 1, 2024, and has made no further payment since.
21. In late May 2024, I emailed Vista asking for their plan on remedying their arrears under the Forbearance Agreement, and on June 3, 2024, Andrew Frank ("Frank") emailed me with an internally prepared balance sheet for the year-end December 31, 2023 (the "2023 Balance Sheet"), and setting out certain general business plans, none of which addressed the overdue Monthly Payments or how the default under the Forbearance Agreement would be remedied and I replied the same day expressing the Bank's concerns in this regard. A copy of the email chain is attached hereto as **Exhibit "G"**. The inconsistency of accounts receivable reporting continued with the 2023 Balance Sheet, as it disclosed accounts receivable of \$2,020,367.90 as of December

31, 2023, but the monthly margining report that had previously been delivered reported the accounts receivable as of December 31, 2023, to be \$3,734,387.00, without explanation.

22. In light of Vista's payment default, RBC's ongoing and renewed concerns about the financial situation and reporting of Vista, and its failure to propose a concrete plan to make the Monthly Payments committed to under the Forbearance Agreement, on June 5, 2024 RBC gave notice through counsel of the termination of the Forbearance Agreement, effective June 8, 2024. A copy of the termination letter is attached hereto as **Exhibit "H"**.
23. Nonetheless, RBC continued to try to work with Vista, engaging in discussions about how to continue to address the Indebtedness, and on July 9, 2024, Vista proposed to resume the Monthly Payments on a "best efforts" basis for 2024 and then begin payments in earnest no later than January 31, 2025 (when the Indebtedness was to be paid in full under the initial Forbearance Agreement).
24. RBC made clear that in order to consider Vista's proposal, particularly in light of its failure to provide review engagement financial reports for year-end 2023, it would require an accounting professional to be

granted access to monitor and review the company's operations and financial situation. Despite numerous back and forths, Vista ultimately refused to consent to an informal monitor to review the financial and business affairs of Vista. Copies of my emails with Frank and Golden on this matter are attached hereto as **Exhibit "I"**.

25. Around the same time, Vista provided internal reporting to June 30, 2024, which showed accounts receivable reduced to \$474,315 (from approximately \$3.2 million in March), which further increased RBC's ongoing concern that it was not getting complete, accurate, or reliable financial reporting from Vista. Vista has indicated this decrease in accounts receivable of nearly \$3,000,000.00 was the result of a cancelled contract, and in all events strengthens RBC's concerns over the reliability and accuracy of the financial or operational picture it is receiving from Vista.
26. Given Vista's unwillingness to provide transparency to RBC, its default under the Forbearance Agreement, and the continued non-payment of facilities, RBC made formal demand on Vista by letter dated August 19, 2024, which enclosed a Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* ("BIA"). A copy of the letter

and enclosure is attached hereto as **Exhibit "J"**. To the best of my knowledge Vista has not availed itself of any protection under the BIA.

27. As a result of the foregoing, RBC has lost faith in the willingness and ability of Vista's management to address its obligations to RBC. In the circumstances, RBC is of the view the appointment of a receiver is necessary to provide clarity on the status of Vista and to facilitate the realization of Vista's assets for the benefit of RBC and other stakeholders, and that RBC is entitled to do so.

28. MNP Ltd. has consented to acting as receiver in this matter, if the court permits the appointment.

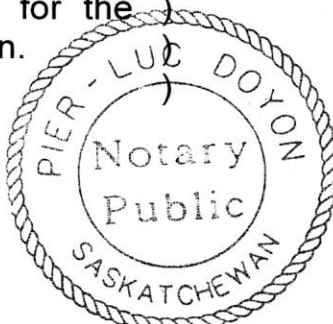
29. I make this Affidavit *bona fide*.

AFFIRMED before me at the City)
of Moose Jaw, in the Province of)
Saskatchewan, this 19 day of)
September, 2024.)

A Notary Public in and for the)
Province of Saskatchewan.)



KERRY ORTH



My Appointment Expires January 31, 2025

A

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024



A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025;

File Summary

Registry No : 5611998
Entity Name : VISTA MEDICAL LTD.

As of : 12-Sep-2024

Entity Name : VISTA MEDICAL LTD.
Registry No : 5611998
Business No : 890493653MC0002
Current Status : Active

Entity Type : BUSINESS CORPORATION
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 01-Jan-2008
Home Jurisdiction : MANITOBA
Annual Return/Renewal Date : 28-Feb-2025
Year of Last A/R - Renewal : 2024
Nature of Business : MACHINERY AND EQUIPMENT WHOLESALER
NAICS Code : 417

Registered Office Address :
Address : 3-55 HENLOW BAY
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3Y 1G4

Mailing Address :
Name :
Address : 3-55 HENLOW BAY
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3Y 1G4

Director Information :
Name : FRANK, ANDREW
Address : 31 TANYA CRES.
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R2G 2Z5
Name : GOLDEN, ROBERT
Address : 13470 ROSEHAWK ROAD
City/Province : MORNINGVIEW, KY
Country/Postal Code : UNITED STATES, 41063
Name : SALGO, PETER
Address : 154 EAST 82ND STREET
City/Province : NEW YORK, NY
Country/Postal Code : UNITED STATES, 10028

Officer Information :
Name : GOLDEN, ROBERT
Address : 13470 ROSEHAWK ROAD
City/Province : MORNINGVIEW, KY

Country/Postal Code : UNITED STATES, 41063
Position Held as Officer : PRESIDENT
Name : SALGO, PETER
Address : 154 EAST 82ND STREET
City/Province : NEW YORK, NY
Country/Postal Code : UNITED STATES, 10028
Position Held as Officer : SECRETARY, TREASURER

Shareholders Information (holders of 10% or more of Issued Voting Shares) :

Firm Name : PATIENTECH
Class Name : COM A
Shares Held : 88.00

Share Structure :

Class	Authorized Number
COM A	120.00
COM B	UNLIMITED

Shares are distributed to the public : No

Corporations involved to form Amalgamation :

Registry No : 2673429
Entity Name : VERG INC.
Registry No : 3401944
Entity Name : VISTA MEDICAL LTD.

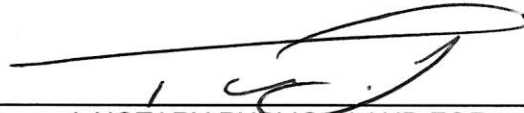
Event History :

<u>Event</u>	<u>Date :</u>	<u>Filing Year :</u>
FILINGS RECORDED IN THE PREVIOUS SYSTEM ARE NOT INCLUDED		
ANNUAL RETURN	06-Mar-2018	2018
ANNUAL RETURN	28-Feb-2019	2019
ANNUAL RETURN	09-Mar-2020	2020
COMPLIANCE STATUS - DEFAULT	22-Mar-2021	
ANNUAL RETURN	11-May-2021	2021
ANNUAL RETURN	15-Mar-2022	2022
ANNUAL RETURN	09-Feb-2023	2023
ANNUAL RETURN	09-Feb-2024	2024

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

B

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024



A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025



Royal Bank of Canada
Commercial Financial Services
220 Portage Avenue – Main Floor
Winnipeg, Manitoba
R3C 0A5

October 20, 2021

Private and Confidential

VISTA MEDICAL LTD.

Unit 3 – 55 Henlow Bay
Winnipeg, Manitoba
R3Y 1G4

ROYAL BANK OF CANADA (the “**Bank**”) hereby confirms the credit facilities described below (the “**Credit Facilities**”) subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the “**Agreement**”). **Upon satisfaction of the conditions set forth in the Conditions Precedent section and the Conditions Precedent Facility #1 section herein, as determined by the Bank in its sole discretion**, this Agreement amends and restates without novation the existing agreement dated October 17, 2017 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Vista Medical Ltd. (the “**Borrower**”)

CREDIT FACILITIES

Facility #1: \$1,750,000.00 revolving demand facility by way of:

a) RBP based loans (“**RBP Loans**”)

Revolve in increments of:	\$10,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 1.21%

b) RBUSBR based loans in US currency (“**RBUSBR Loans**”)

Revolve in increments of:	\$10,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBUSBR + 1.21%

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Borrowings outstanding under this facility must not exceed at any time the aggregate of the following, less Potential Prior-Ranking Claims (the "**Borrowing Limit**"):

- a) 75% of Good Canadian/US Accounts Receivable;
- b) 65% of Good Foreign Accounts Receivable;
- c) to a maximum of \$500,000.00, 50% of the lesser of cost or net realizable value of Finished Goods Inventory.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish current accounts with the Bank in each of Canadian currency and US currency (each a "**General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of each General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "**Other Facilities**"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) Credit Card to a maximum amount of \$135,700.00 available in Canadian currency and US currency.

FEES**One Time Fee:**

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Monthly Fee:

Payable in arrears on the same day of each month.

Amendment Fee: \$1,891.00

Management Fee: \$200.00

EGP/Automated Loan Fee: \$1,875.00

Other Fees:**Fee for Facility #1:**

The Borrower authorizes and directs the Bank to collect the fee(s) specified as the EDC Guarantee Fee in the EDC Guarantee Approval and pay EDC for their coverage under their Export Guarantee Program.

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Postponement and assignment of claim on the Bank's form 918 signed by Patientech LLC;
- c) US form of guaranty and subordination agreement granted by Patientech LLC, as guarantor, in favour of the Bank in connection with the obligations of Vista Medical Ltd. to the Bank, in form and substance satisfactory to the Bank, filed by way of a uniform commercial code financing statement;
- d) Inter-creditor agreement between the Bank, the Borrower, Decathlon Alpha III, L.P. and Patientech LLC outlining the priority of their respective security interests in the assets of the Borrower and Patientech LLC.;

In addition to the security set forth in paragraphs a) to d), inclusive above, security for the Borrowings under Facility #1 (the "**Facility #1 Security**") shall include:

- e) EDC Guarantee Approval confirming EDC's guarantee of 60% of the aggregate Borrowings in the amount of \$1,500,000.00 outstanding under Facility #1;
- f) EDC Guarantee Approval confirming EDC's guarantee of 100% of the aggregate Borrowings in the amount of \$250,000 outstanding under Facility #1.

Collectively, the security set forth in paragraphs a) to f), inclusive above is referred to as the "**Security**".

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower will:

- a) not, without the prior written consent of the Bank:
 - (i) make any Corporate Distributions to Patientech LLC.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) monthly Borrowing Limit Certificate, substantially in the form of Schedule "F" signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 30 days of each month end;
- b) monthly aged list of accounts receivable, aged list of accounts payable and listing of inventory, , for the Borrower, within 30 days of each month end;
- c) quarterly company prepared financial statements for the Borrower, within 45 days of each fiscal quarter end;

- d) annual review engagement financial statements for the Borrower and Patientech LLC, within 90 days of each fiscal year end; and
- e) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

CONDITIONS PRECEDENT FACILITY #1

In addition to the conditions set forth in the Conditions Precedent section above, the availability of any Borrowing under Facility #1 where the aggregate Borrowings outstanding if after giving effect to the requested Borrowing would exceed \$1,500,000.00 is conditional upon the receipt of:

- a) a Client Disclosure Consent, duly executed by the Borrower; and
- b) the Facility #1 Security, registered as required to the satisfaction of the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower

hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Manitoba.

ACCEPTANCE

This Agreement is open for acceptance until November 20, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: Kitan Amao

/sr

We acknowledge and accept the terms and conditions of this Agreement
on this 22nd day of October, 2021.

VISTA MEDICAL LTD.

Per:  _____

Name: **Andrew Frank**
Title: **Chief Operating Officer**

Per:  _____

Name: **Robert F. Golden**
Title: **President**

I/We have the authority to bind the Borrower

\attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Borrowing Limit Certificate
- RBC Covarity Dashboard Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans or RBUSBR Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or

protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a **"Paper Record"**) into electronic images (each, an **"Electronic Image"**) as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the **"Judgement Currency"**) any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the

Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an “**Event of Default**” which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower

shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("**Confidential Information**"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Canadian/US Accounts Receivable" means trade accounts receivable of the Borrower owing by Persons whose chief operating activities are located in the US or Canada;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"EDC" means Export Development Canada;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Finished Goods Inventory" means the portion of the Borrower's Unencumbered Inventory that is classified as finished goods inventory;

“Foreign Accounts Receivable” means trade accounts receivable of the Borrower owing by Persons whose chief operating activities are located in Australia, Belgium, Germany, Italy, the United Kingdom or the Hong Kong Special Administrative Region of the People's Republic of China;

“Good Canadian/US Accounts Receivable” means Canadian/US Accounts Receivable excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

“Good Foreign Accounts Receivable” means Foreign Accounts Receivable excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

“Guarantor” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“Lease” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

“Maturity Date” means the date on which a facility is due and payable in full;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

“Person” includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“RBP” and **“Royal Bank Prime”** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

“RBUSTR” and **“Royal Bank US Base Rate”** each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

“Release” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

“Unencumbered Inventory” means inventory of the Borrower which is not subject to any security interest or other encumbrance or any other right or claim which ranks or is capable of ranking in priority to the Bank’s security including, without limitation, rights of unpaid suppliers to repossess inventory within 30 days after delivery and rights of unpaid farmers, fishermen and aquaculturalists in respect of any unpaid amounts for products sold and delivered within the previous 15 days, under the *Bankruptcy and Insolvency Act*, Canada;

“US” means United States of America.

Schedule "B"

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5% , or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS AND RBUSBR LOANS

The Borrower shall pay interest on each RBP Loan and RBUSBR Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

Schedule "F"

BORROWING LIMIT CERTIFICATE

I, _____, representing the Borrower hereby certify as of month ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated October 20, 2021 and any amendments thereto, between Vista Medical Ltd., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ _____, calculated as follows:

Total Canadian/US Accounts Receivable \$ _____

Less: a) Accounts, any portion of which exceeds 90 days \$ _____
b) Accounts due from affiliates \$ _____
c) "Under 90 days" accounts where collection is suspect \$ _____
d) Accounts subject to prior encumbrances \$ _____
e) Holdbacks, contra-accounts or rights of set-off \$ _____
f) Accounts included elsewhere in the Borrowing Limit calculation \$ _____
g) Other ineligible accounts \$ _____

Plus: h) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good \$ _____

Good Canadian/US Accounts Receivable

A \$ _____

Marginable Good Canadian/US Accounts Receivable at 75% of A

B \$ _____

Total Foreign Accounts Receivable

\$ _____

Less: a) Accounts, any portion of which exceeds 90 days \$ _____
b) Accounts due from affiliates \$ _____
c) "Under 90 days" accounts where collection is suspect \$ _____
d) Accounts subject to prior encumbrances \$ _____
e) Holdbacks, contra-accounts or rights of set-off \$ _____
f) Accounts included elsewhere in the Borrowing Limit calculation \$ _____
g) Other ineligible accounts \$ _____

Plus: h) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good \$ _____

Good Foreign Accounts Receivable

C \$ _____

Marginable Good Foreign Accounts Receivable at 65% of C

D \$ _____

Total inventory classified as finished goods inventory (valued at lesser of cost or net realizable value)

\$ _____

Less: a) Inventory subject to prior encumbrances \$ _____
b) Inventory subject to 30 day supplier payables \$ _____

c) Other non qualifying inventory	\$ _____	
Finished Goods Inventory		E \$ _____
Marginable Finished Goods Inventory at 50% of E (Max \$500,000.00)		F \$ _____
Less: Potential Prior-Ranking Claims while not limited to these include:		
Sales tax, Excise & GST	\$ _____	
Employee source deductions such as E.I., CPP, Income Tax	\$ _____	
Workers Compensation Board	\$ _____	
Wages, Commissions, Vacation Pay	\$ _____	
Unpaid Pension Plan Contributions	\$ _____	
Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors	\$ _____	
Other	\$ _____	
Total Potential Prior-Ranking Claims		G \$ _____
Borrowing Limit (B+D+F-G)		\$ _____
Less: Facility #1 Borrowings		\$ _____
Margin Surplus (Deficit)		\$ _____

3. The reports (if required as per the Reporting Requirements section of the Agreement) and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this _____ day of _____, 20_____.

Per: _____

Name: _____

Title: _____

Schedule "H"

RBC COVARTY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for

any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.

C

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024



A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025

GENERAL SECURITY AGREEMENT

E-FORM 924 (11/2007)

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to,

perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein mentioned branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, so that the section will now read, "This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein."

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR

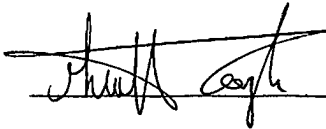
NAME OF BUSINESS DEBTOR Vista Medical Ltd.			
ADDRESS OF BUSINESS DEBTOR Unit 3 55 Henlow Bay	CITY Winnipeg	PROVINCE MB	POSTAL CODE R3Y 1G4

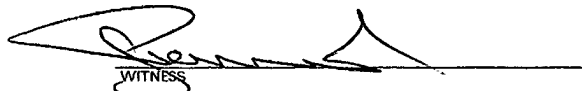
TRADE NAME (IF APPLICABLE)

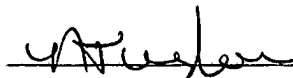
TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

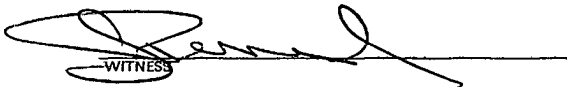
IN WITNESS WHEREOF Debtor has executed this Security Agreement this 28th day of MARCH, 2008

Vista Medical Ltd.




WITNESS




WITNESS

Seal

Seal

BRANCH ADDRESS

WINNIPEG RETAIL/BUS SERVICES COMM 220 PORTAGE AVE 2ND FLR WINNIPEG MB R3C 0A5

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"

1. Locations of Debtor's Business Operations

Unit 3
55 Henlow Bay
Winnipeg, MB
R3Y 1G4

2. Locations of Records relating to Collateral (if different from 1. above)

Same as above

3. Locations of Collateral (if different from 1. above)

Same as above

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

11/15/07 10:00 AM

D

THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024



A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025

Business Debtor

Search by Business Debtor

Date: 2024-08-16
Time: 9:33:37 AM
Transaction Number: 10274843849
User ID: Josie Rose

Account Balance: \$1,041.00

Business Name: Vista Medical Ltd.

2 exact matches were found.
0 similar matches were found.

EXACT MATCHES

Business Debtor Name	No. of Registrations
1. VISTA MEDICAL LTD.	1
2. Vista Medical Ltd.	1

1. VISTA MEDICAL LTD.

1.1 VISTA MEDICAL LTD.: Registration 202016943900 (2020-10-13 3:46:21 PM)	
Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2025-10-13
Debtor Address	3-55 HENLOW BAY WINNIPEG, MB Canada R3Y1G4
Secured Parties (party code, name, address)	XPEDITE LEASING INC. #215, 625 PARSONS RD SW EDMONTON, AB Canada T6X 0N9
General Collateral Description	ALL 1 - TWO-BOWL PADDING MANGLE, MODEL PM260 WITH ACCESSORIES AND ATACHMENTS EQUIPMENT LEASED TO THE DEBTOR FROM THE SECURED PARTY PURSUANT TO LEASE AGREEMENT NUMBER 301881, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, REPLACEMENTS, OR SUBSTITUTIONS THERETO AND ALL PROCEEDS THEREOF, INCLUDING BUT NOT LIMITED TO, GOODS, INTANGIBLES, DOCUMENTS OF TITLE, CHATTEL PAPER, MONEY AND INSURANCE PROCEEDS.

2. Vista Medical Ltd.

2.1 Vista Medical Ltd.: Registration 200803751705 (2008-02-29 4:12:32 PM)	
Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2028-02-28
Debtor Address	3-55 Henlow Bay Winnipeg, MB Canada R3Y 1G4
Secured Parties (party code, name, address)	ROYAL BANK OF CANADA 180 Wellington St W BSC 3rd Fl Toronto, ON Canada M5J 1J1
General Collateral Description	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
Change History	Registration Number: 202301770415 (2023-02-03 7:48:13 AM) Sections Changed: Expiry Date
	Registration Number: 201801566915 (2018-01-26 2:11:23 PM) Sections Changed: Expiry Date

Registration Number: 201300634015 (2013-01-10 2:33:32 PM)
Sections Changed: Expiry Date

END OF EXACT MATCHES

E

THIS IS EXHIBIT "E" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024



A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025



BY REGISTERED MAIL AND EMAIL

January 3, 2023

Vista Medical Ltd.
Unit 3, 55 Henlow Bay
Winnipeg, Manitoba
R3Y 1G4

Attention: Robert Golden President

RE: APPLICATION FOR RENEWAL OF CREDIT FACILITIES

Dear Sir:

We have reviewed your credit facilities and regretfully advise the Royal Bank is not interested in continuing with our current exposure. The Royal Bank of Canada hereby advises you that it no longer wishes to act as your banker. The Bank appreciates that you will need a reasonable period of time to make arrangements to move the banking facilities to another lending institution. We believe a deadline of February 28, 2023 will provide you with a reasonable period of time to make the necessary arrangements with another lending institution to provide financing to pay out all indebtedness owing to the Royal Bank of Canada.

Pending the full pay out of the loan with the Bank, we will expect you to live up to the terms and conditions of the loan agreements as well as the terms and conditions contained in all security documents granted in favour of the Bank in respect of your outstanding loan.

Although this is not to be construed as a demand for payment, we wish to make it perfectly clear that the Bank does not, by the terms of this letter, waive its right to demand payment of the loans at any time.

Yours truly,

A stylized, handwritten signature in black ink, appearing to be 'K Orth'.

Kerry Orth
Senior Manager, Special Loans & Advisory Services
2nd Floor, 52 High Street W
Moose Jaw, SK S6H 1S3
T: 306-313-4207
E: Kerry.orth@rbc.com

A handwritten signature in blue ink, appearing to be 'Juergen Manski', written over a horizontal line.

Juergen Manski
Director, Special Loans & Advisory Services

Original Court Copy

F

THIS IS EXHIBIT "F" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024


A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025

FORBEARANCE AGREEMENT

This Forbearance Agreement made effective the 13 day of June, 2023 (the "**Effective Date**").

BETWEEN:

ROYAL BANK OF CANADA (the "**Bank**"),

- and -

VISTA MEDICAL LTD. (the "**Debtor**"),

- and -

PATIENTECH LLC (the "**Guarantor**")

(the Debtor and the Guarantor collectively the "**Obligors**")

WHEREAS:

- A. As at the Effective Date, the Debtor is a corporation incorporated pursuant to the laws of the Province of Manitoba, and the Guarantor is a corporation incorporated pursuant to the laws of the State of Delaware, USA.
- B. As at February 13, 2023, the Obligors were indebted to the Bank in the aggregate amount of \$1,842,937.97 (all amounts owing by the Obligors to the Bank, together with all further accrued interest and costs, including but not limited to all legal costs incurred by the Bank, to date of payment collectively the "**Indebtedness**") pursuant to a credit facilities agreement dated October 20, 2021, (together with any amendments thereto, collectively the "**Loan Agreement**") with respect to various loans advanced by the Bank to the Debtor pursuant to the terms of the Loan Agreement (collectively the "**Loans**") and of the Guarantor pursuant to a Guarantee and Subordination Agreement dated November 3, 2017 (the "**Guarantee**") signed by the Guarantor;
- C. In order to secure the repayment to the Bank of the Indebtedness under the Loan Agreement, the Debtor and the Guarantor have each granted to the Bank the security described in **Schedule "A"** hereto (together with any other security granted by the Debtor and the Guarantor to the Bank collectively the "**Security**");
- D. The Obligors acknowledge and agree that the Indebtedness is due and payable and that the Bank is in a position to enforce the Loan Agreement, the Guarantee and the Security (collectively the "**Obligations**");

- E. The Obligors have requested that the Bank forbear from enforcement of the Obligations to provide the Obligors with additional time to pay the Indebtedness owing to the Bank in full;
- F. The Bank has agreed, subject to the terms and conditions in this Forbearance Agreement, to forbear from immediate enforcement of the Obligations;
- G. The parties consider it to be in their best interests to enter into this Forbearance Agreement in order to confirm the terms and conditions upon which the Bank has agreed to forbear from immediate enforcement of the Obligations;
- H. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement;
- I. This paragraph and the preceding paragraphs "A" to "H" are hereinafter collectively referred to as the ("**Recitals**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and obligations contained in this Forbearance Agreement, and other good and valuable consideration, the receipt and sufficiency of each of which is hereby acknowledged, each of the Bank and the Obligors agree as follows:

ARTICLE 1 OBLIGORS' REPRESENTATIONS, WARRANTIES, ACKNOWLEDGEMENTS AND COVENANTS.

1.1 Recitals. The Obligors acknowledge, represent and warrant to the Bank that the Recitals to this Forbearance Agreement are accurate and complete in every respect and form an integral part of this Forbearance Agreement.

1.2 Acknowledgement of Indebtedness. The Obligors acknowledge, covenant and agree that:

- (a) the Indebtedness (including such additional amounts as may form part of the Indebtedness in the future pursuant to the Loan Agreement and/or this Forbearance Agreement or otherwise) is currently outstanding and owing to the Bank by the Obligors pursuant to the Obligations without any defense, right or claim of set-off, or any similar right or claim against the Bank by the Obligors in connection with the Obligations;
- (b) each of the documents documenting the Indebtedness (including, without limitation, the Loan Agreement and the Guarantee) was duly and validly executed, as at the date appearing on the face of each such document by the Obligors; and
- (c) the Loans are valid and enforceable obligations owed by the Obligors to the Bank, and are enforceable by the Bank against the Obligors in accordance with all terms agreed upon by the Bank and the Obligors pursuant to the Obligations.

1.3 Acknowledgement of the Obligations. The Obligors further acknowledge, covenant and agree that:

- (a) all of the terms of the Obligations are in full force and effect, constitute legal, valid and binding obligations of the Obligors and/or such other person or entity, as applicable, enforceable against them, and the Obligors hereby waive and agree not to assert or cause to be asserted, and are hereby estopped from asserting or causing to be asserted, any defences or rights with respect to the legal effect of the Obligations or the legality, validity or binding effect of the Obligations and/or such other person or entity thereunder and the enforceability of same;
- (b) to the extent it is legally permissible to do so, the Obligors waive the Bank having to give or make any demand for payment or take any steps or to satisfy any conditions to allow the Bank to immediately enforce the Obligations and collect the Indebtedness; and
- (c) the Obligors acknowledge and agree that neither shall take any proceedings under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), the *Companies’ Creditors Arrangement Act* (the “**CCAA**”), or the United States Bankruptcy Code (the “**USBC**”) (or any other proceedings in which a stay of proceedings against creditors may be ordered) which would have the effect of delaying or staying the Bank’s right to immediately enforce the Obligations and collect the Indebtedness.

1.4 Acknowledgment of Forbearance. The Obligors hereby acknowledge that each has requested of the Bank, and the Bank has agreed (upon the terms and conditions contained and more particularly described in this Forbearance Agreement), to forbear from the immediate enforcement of the rights of the Bank under the Obligations.

1.5 Positive Covenants. From and after the Effective Date, and during the Forbearance Period defined in Article 3, the Obligors each agree to and shall:

- (a) pay or remit in accordance with legal requirements:
 - i. any statutory deemed trust amounts in favour of the Crown in Right of Canada or any Province thereof which are required to be deducted from employees' wages, including, without limitation, amounts in respect of employment insurance, Canada Pension Plan and income tax;
 - ii. amounts payable in respect of employment insurance, Canada Pension Plan and Workers' Compensation, and any other sums payable to the Crown in Right of Canada or any Province thereof;
 - iii. to the extent applicable, all goods and services or sales tax payable to the Crown in Right of Canada or to any Province thereof; and
 - iv. any amount payable to the Crown in Right of Canada or any Province thereof, or any political subdivision thereof in respect of any municipal realty, municipal business, or other taxes, assessments or levies of any kind or nature.
 - v. all taxes, assessments, charges, levies and other liabilities imposed by the government of the United States, any State, or any

subdivision thereof, upon the Obligors, its income, profits, property or business, except those which currently are being contested in good faith by appropriate proceedings and for which the Obligors shall have set aside adequate reserves or made other adequate provision with respect thereto acceptable to the Bank in its sole discretion.

- (b) keep current any other obligations of either Obligor which would be paid in an insolvency proceeding in priority to the Security.

1.6 Negative Covenants. From and after the Effective Date, and during the Forbearance Period, the Obligors agree that each shall not:

- (a) sell or otherwise transfer any assets out of the ordinary course of business, save and except with the express written consent of the Bank;
- (b) grant any security to any creditor or any other person from and after the Effective Date, or suffer or permit any lien to be created against its property, save with the written consent of the Bank;
- (c) declare any dividends save with the written consent of the Bank; and
- (d) make any payment on any intercompany debt, on any shareholder loans nor on any indebtedness which is secured subordinate to the obligations of the Obligors to the Bank without written agreement of the Bank.

ARTICLE 2 WAIVER AND RELEASE

2.1 The Obligors:

- (a) acknowledge and confirm that the agreement of the Bank, reflected by this Forbearance Agreement and by any negotiations and discussions, is in no way a novation, waiver, or accord and satisfaction with respect to the Bank's rights or benefits as specified in the Obligations. Specifically, the Obligors acknowledge that (i) the Obligations remain unchanged, and this Forbearance Agreement shall not constitute an amendment, waiver or release with respect to any provision of any Obligation, (ii) the Bank has not provided a waiver, consent, release, indulgence or grant of renewal, nor has the Bank acknowledged, condoned or permitted any default on the part of any Obligor, except as provided by the provisions of this Forbearance Agreement and all of the rights and remedies of the Bank are specifically confirmed as remaining in full force and effect;
- (b) acknowledge and agree that the administration by the Bank of the Obligations and the actions of the Bank in entering into this Forbearance Agreement, have been lawful in all respects;
- (c) waive and agree not to assert or cause to be asserted, and are hereby estopped from asserting or causing to be asserted, any defences, rights or claims with respect to the administration by the Bank of the Obligations and/or the actions of the Bank in entering into this Forbearance Agreement;

- (d) hereby release and remise the Bank from any and all claims with respect to the administration of the Indebtedness, the Obligations, and the actions of the Bank in entering into this Forbearance Agreement; and
- (e) hereby acknowledge and agree that each has entered into this Forbearance Agreement freely and without coercion or duress by the Bank or any of its officers or agents.

ARTICLE 3 FORBEARANCE

3.1 Forbearance. Subject to the terms and conditions of this Forbearance Agreement, the Bank agrees that, during the Forbearance Period, it will refrain from enforcing the Obligations; provided, however, that except as expressly provided, all of the Bank's rights and remedies are expressly reserved.

3.2 Forbearance Period. The forbearance period (the "**Forbearance Period**") shall commence on the Effective Date and shall expire on the earlier of:

- (a) the occurrence of an Event of Default; and
- (b) 11:59 p.m. (central time) on January 31, 2025.

3.3 Further Forbearance Period. The Bank may, in its absolute and unfettered discretion grant a further period of forbearance or extend the Forbearance Period provided that nothing herein shall obligate the Bank to grant any extensions under any circumstances and nothing herein shall constitute any representation, warranty or acknowledgement by the Bank that it intends to, or will, grant any extension.

3.4 The Obligations Continue to Apply. Unless otherwise varied or amended by this Forbearance Agreement, throughout the Forbearance Period (and any extended or further period of forbearance), the terms and conditions of the Obligations shall continue to apply.

3.5 Total Indebtedness Due upon Termination or Expiry of Forbearance Period. The Obligors hereby unconditionally and irrevocably acknowledge and agree that, upon termination or expiry of the Forbearance Period without the Indebtedness (as hereinafter defined) being paid in full, such Indebtedness shall, without any requirement for further notice by the Bank to the Obligors, be immediately due and payable to the Bank, unless otherwise varied in accordance with the terms and subject to the conditions of this Forbearance Agreement.

ARTICLE 4 CONDITIONS OF FORBEARANCE AND OBLIGATIONS DURING FORBEARANCE PERIOD

4.1 Conditions of Forbearance:

- (a) Within 10 days of the signing of this Agreement, the Obligors shall pay the sum of \$500,000.00 USD to be applied as a permanent reduction to Facility No. 1 in the Loan Agreement (the "**RCL**");
- (b) Immediately after the payment referred to in Article 4.1(a), the remaining balance of the RCL shall be converted to a non-revolving term facility payable with interest accruing thereafter at the Bank's prime lending rate

of interest in effect from time to time ("**Prime**") plus 3.0% per annum (the "**Term Loan**");

- (c) No excesses will be allowed on any deposit accounts in the name of either Obligor;
- (d) The Obligors shall make minimum monthly payments of \$25,000.00 CDN plus interest at Prime plus 3% per annum starting July 1, 2023 to and including January 1, 2025 (the "**Monthly Payments**") to be applied as a further permanent reduction to the Term Loan. The Obligors authorize RBC to deduct each Monthly Payment from Vista's Canadian Dollar bank account, Account No. 05137-1000884
- (e) The balance of the Indebtedness shall be paid on or before January 31, 2025;
- (f) Vista shall continue to provide monthly margining reports as at the end of each month until the Indebtedness is paid in full, in form and content acceptable to RBC;
- (g) Vista shall continue to provide quarterly in-house financial statements (March, June, September and December) to RBC, in form and content acceptable to RBC;
- (h) The Obligors shall continue to provide annual Review Engagement Financial Statements within 90 days of year end, in form and content acceptable to RBC; and
- (i) The Obligors may pay off the Indebtedness in part or in full prior to the end of the Forbearance Period, but no such payments shall effect the other payment terms in this Forbearance Agreement until the Indebtedness is paid in full (the "**Final Payment**").

4.2 Completion of Forbearance. Within 7 days of receipt of the Final Payment, RBC, through its counsel, shall:

- (a) provide the Obligors with written notice by email confirming receipt of the Final Payment and that all obligations pursuant to this Forbearance Agreement have been satisfied; and
- (b) discharge any and all Security held by RBC.

4.3 Mutual Release. Within 7 days of receipt of the Final Payment RBC and the Obligors shall execute and exchange a mutual release in the form attached hereto as **Schedule "B"**.

ARTICLE 5 EVENTS OF DEFAULT UNDER THIS FORBEARANCE AGREEMENT

5.1 Default. Each of the following events shall constitute an Event of Default under this Forbearance Agreement:

- (a) the failure of the Obligors, or any of them, to comply with the covenants, terms and conditions of this Forbearance Agreement;
- (b) the receipt by the Bank of a demand or requirement for payment from, or the initiation of any other type of collection or enforcement action by Canada Revenue Agency (“**CRA**”), United States Internal Revenue Service (“**IRS**”), or any other federal, provincial, State, or other governmental agency or body as a result of arrears of monies owing by any of the Obligors, including, without limitation, on account of employee source deductions, goods and services tax, provincial or State sales tax, property taxes, municipal tax, corporate tax or employee health tax;
- (c) the Obligors taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Obligors in respect of the liquidation, dissolution or winding-up of the Obligors, including without limitation, any action or proceeding under the *Winding Up and Restructuring Act*, *The Corporations Act* (Manitoba), or other similar legislation whether now or hereinafter in effect in Canada or the United States, or any subdivision thereof;
- (d) the Obligors taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Obligors relating to the reorganization, readjustment, compromise or settlement of the debts owed by the Obligors to its creditors, including, without limitation, the commencement of any proceeding under the CCAA, the BIA, or the USBC, where such reorganization, readjustment, compromise or settlement shall affect a material portion of any of the assets of the Obligors;
- (e) any Obligor committing or threatening to commit any act of bankruptcy pursuant to or set out under the provisions of the BIA or the USBC;
- (f) the filing of an application for a bankruptcy order against any Obligor pursuant to the provisions of the BIA or the filing of an involuntary petition for relief pursuant to the provisions of the USBC;
- (g) any enforcement instruction, execution, sequestration, levy, garnishment, attachment, foreclosure, forfeiture or other process of any court or other tribunal becoming enforceable against any Obligor or a distress or analogous action or proceeding being taken, commenced or issued against any Obligor or levied upon or in respect of any property of any Obligor or any part thereof or any asset covered by any of the Security or any lien, trust claim or any other right or entitlement against or in respect of such property or any part thereof or any asset covered by the Security becoming effective, including, without limitation, a warrant of distress of any rent in respect of any premises occupied by any Obligor or any premises in or upon which such property or any part thereof (or any asset covered by the Security) may at any time be situate; and
- (h) a receiver, receiver and manager, agent, liquidator, conservator, trustee, assignee for the benefit of creditors or other similar administrator being appointed in respect of the property of the Obligors, or any part thereof, or

any asset covered by the Security or the taking by a secured party, lien claimant, other encumbrancer, judgment creditor or a person asserting similar rights of possession to the assets or any part thereof or any asset covered by the Security.

- (i) a default with respect to any other indebtedness of any Obligor for borrowed money, if the effect of such default is to cause or permit the acceleration of such debt;
- (j) entry of a final judgment against any Obligor and the failure of such Obligor to discharge the judgment within 10 days of the entry thereof.

5.2 Waiver. The Bank may waive in writing any Event of Default, in its sole and absolute discretion, but no such waiver shall constitute a waiver of any other Event of Default.

ARTICLE 6 EFFECT OF DEFAULT, TERMINATION OR EXPIRY OF THIS FORBEARANCE AGREEMENT

6.1 Cooperation by the Obligors. In the event that any proceedings under the BIA, the CCAA, or the USBC (or any other proceedings in which a stay of proceedings against creditors may be ordered) are commenced by or against the Obligors in default of this Agreement, the Obligors irrevocably agree that the Bank shall not be subject to any stay of claims and the Security shall not be subject to any priority or priming charges. the Obligors further irrevocably agree not to seek or support the making of any order contrary to this Article. In the event of the occurrence of any Event of Default, the Obligors shall consult with the Bank and work cooperatively with the Bank. Without limiting the generality of the foregoing, the Obligors shall provide all documents, draft information, and other materials that the Bank may request in connection with or related to the business and affairs of the Obligors, the property of the Obligors or the plans of the Obligors. Nothing in this paragraph limits, constrains or affects the rights and remedies of the Bank upon the occurrence of an Event of Default.

6.2 Termination. The Bank may terminate this Forbearance Agreement upon two business day's written notice to the Debtor upon the occurrence of an Event of Default;

6.3 Effect of Termination or Expiry. Each of the parties hereto agrees that, in the event of the termination of this Forbearance Agreement or the expiry of the Forbearance Period without payment of the Settlement Amount in full:

- (a) this Forbearance Agreement (save and except for Articles 1.1, 1.2, 1.3, 2.1, 3.4, 3.5, 6.1, 6.2, 6.3, 7.1, 7.2, 7.3, 7.5, 7.6, 7.8 and 7.9 hereof) shall be of no further force and effect against any of the parties; and
- (b) RBC shall be entitled to collect the portion of the Indebtedness that remains outstanding, the Obligors each hereby consent to the immediate enforcement by the Bank, in its sole discretion, of all of its rights under this Forbearance Agreement and the Obligations (as the case may be), including, but not limited to, the right to have a receiver appointed to take possession of some or all of the property of the Obligors subject to the Security, with the power to protect and preserve the estates and assets of the Obligors, to dispose of any assets, and apply the proceeds against

the Indebtedness, all without further notice, demand or request for payment being made upon the Obligors and, in furtherance thereof, the Obligors acknowledge and agree to the unconditional execution and delivery to the Bank, at the time of execution by the parties of this Forbearance Agreement

ARTICLE 7 MISCELLANEOUS

7.1 Binding Effect. Each Obligor hereby expressly represents and warrants to the Bank that it has full power and authority to enter into and perform its obligations hereunder.

7.2 Governing Law. This Forbearance Agreement shall be governed by and construed in accordance with the laws of Manitoba and the federal laws of Canada applicable therein, except to the extent necessary to give effect to the provisions hereof in any proceeding to enforce this Forbearance Agreement against the Guarantor in any appropriate jurisdiction in the United States, including, without limitation, the United States District Court for the Eastern District of Kentucky. Each of the parties hereby attorns to the non-exclusive jurisdiction of the courts of Manitoba and the state and federal courts of Kentucky; provided that nothing herein will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against any Obligor or against any property of any Obligor within any other jurisdiction.

7.3 Notices. Any notice required to be given to any party hereunder may be given to that party at the address set out in **Schedule "C"** hereto.

7.4 Enurement. This Forbearance Agreement shall enure to the benefit of and be binding upon the Bank, the Obligors and their respective heirs, successors and permitted assigns (as the case may be).

7.5 Severability. If any one or more of the provisions contained in this Forbearance Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.6 Exercise of Rights. The Parties agree that all of the rights and remedies of the Bank hereunder and under any agreement delivered pursuant hereto are cumulative and are in addition to, without prejudice to and shall not be deemed to exclude any other right or remedy allowed to the Bank hereunder or any agreement delivered pursuant hereto, or under the Obligations, except as specifically set out herein. The parties also agree that all rights and remedies of the Bank may be exercised concurrently.

7.7 Time of the Essence. The Parties agree that time shall be of the essence.

7.8 Further Assurances. The Parties hereby agree that they shall execute such further documents, deeds, assurances, including any amendments to all or any of the Loan Agreement and the Security, and that they will do all such acts as may be reasonably required to fully implement the intent of this Forbearance Agreement. This Forbearance Agreement shall not be amended unless such amendments are in writing and signed by all Parties.

7.9 No Waiver. No condoning, excusing or waiver by any party of any default, breach or non-observance by another party at any time or times with respect to any covenants or

provisos contained in this Forbearance Agreement shall constitute a waiver by that party of its rights to act upon such or further default, breach or non-observance.

7.10 Counterparts. This Forbearance Agreement may be executed in two or more counterparts, and may be signed by facsimile or other means of electronic communication producing a printed copy, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear the Effective Date first written above.

IN WITNESS WHEREOF the Parties have executed this Forbearance Agreement effective as of the Effective Date.

ROYAL BANK OF CANADA

Per: 

Name: Kerry Orth

Title: Senior Manager, Special Loans & Advisory Services

VISTA MEDICAL LTD.

Per: 

Name: Andrew Frank

Title: Director

I have authority to bind the Corporation

PATIENTECH LLC

Per: 

Name: Robert Golden

Title: President

I have authority to bind the Corporation

SCHEDULE "A"

1. Vista Medical Ltd.:

(a) General Security Agreement executed March 28, 2008.

2. Patientech LLC

(a) Security Agreement executed December 22, 2017.

SCHEDULE "B"

FULL AND FINAL MUTUAL SPECIFIC RELEASE (the "RELEASE")

RELEASE

1. FOR AND IN CONSIDERATION of payment in the amount of \$_____ CAD (the "Settlement Funds") by Vista Medical Ltd and Patientech LLC (collectively the "Obligors") to Royal Bank of Canada ("RBC"), the receipt and sufficiency of which is hereby acknowledged, the Obligors and RBC and each of them (the "Released Parties") do hereby remise, release and forever discharge each other from any and all manner of actions, causes of action, suits, proceedings, claims, counterclaims, disputes, demands, contracts, duties, debts, liabilities, obligations, damages, and costs of any kind and nature, whatsoever or wheresoever, whether in law or in equity or by statute, or otherwise, whether known or unknown, which the Released Parties ever had, or now have, or shall have, or may have, for any reason arising in connection with any and all loans provided by RBC to Vista Medical Ltd., as guaranteed by Patientech LLC pursuant to a certain credit facilities agreement dated October 20, 2021 between RBC and Vista Medical Ltd.

DEFINITIONS

2. In this Release, the "Released Parties" shall be read as including, where applicable, their respective entities, directors, officers, employees, agents, representatives, predecessors, successors, assigns, family, friends, heirs, beneficiaries, executors, administrators, liquidators, receivers, receiver-managers, trustees, subsidiaries, distributors, manufacturers, insurers, if any, and any and all entities and persons acting by, through, under or in concert with any of them, or any of them, and this Release is binding upon and enures to the benefit of each, unless expressly specified herein to the contrary.

CHANGE OF FACTS

3. The Released Parties acknowledge that the facts in respect of which this Release is made may prove to be other than or different from the facts now known or believed by the Released Parties to be true. The Released Parties accept and assume the risk of the facts being different and agree that this Release shall be in all respects enforceable and not subject to termination, rescission or variation by discovery of any difference in facts.

INDEPENDENT LEGAL ADVICE

4. The Released Parties acknowledge that they have read and understood this Release, and that they have executed this Release voluntarily after receiving independent legal advice.

CONFIDENTIALITY

5. The Released Parties covenant and agree that, except as required by law, they will not disclose to any person or entity, without the express written consent of the other, the fact that the Guarantee were settled, or the terms of any settlement. The provision does not apply to the Released Parties if they disclose the fact that the Guarantee were settled or the terms of any settlement to their legal, insolvency or tax advisors or to any credit reporting agency.

PROHIBITION AGAINST FURTHER CLAIMS

6. The Obligors hereby covenant and agree not to make any claim or take any proceedings on account of loss or damage against any person or persons, firm or corporation who may claim contribution or indemnity from RBC and the successors and assigns of RBC, under the provisions of any statute or otherwise.

CONTRACTUAL, NOT RECITALS

7. The Released Parties acknowledge and agree that the terms of this Release are contractual and not recitals, and that the representations and covenants expressed herein are fundamental to the terms of the settlement hereof.

ENTIRE AGREEMENT

8. The Released Parties acknowledge and agree that the provisions herein constitute the entire agreement between the Released Parties and supercede all previous communications, representations and agreements whether verbal or written between the parties with respect to the subject matter hereof. This Release may not be modified or amended except by an instrument in writing signed by the Released Parties.

FURTHER ASSISTANCE

9. The Released Parties covenant and agree to execute such further and other documents and instruments and to do such further and other things as may be necessary to implement and carry out the intent of this Release.

SEVERABILITY

10. The Released Parties acknowledge and agree that if any part of this Release is declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder of the Release, which shall continue in force and effect and be construed as if this Release had been executed without the invalid portion and it is hereby the declared intention of the Released Parties that this Release would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

CAPTIONS

11. The Released Parties acknowledge and agree that the captions appearing in this Release have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Release or any provision hereof.

12. The Released Parties represent and warrant that they have not assigned to any person, corporation, or other entity any of the actions, causes of action, suits, proceedings, contracts, claims, counterclaims, demands, or rights, which the Released Parties release by this Release, or with respect to which the Released Parties have agreed herein not to make any claim or take any proceeding.

13. This Release may be executed and delivered by facsimile or email transmission and when so delivered this Release shall be deemed to be an original executed and delivered agreement and binding upon the Released Parties for all purposes as if originally executed and delivered.

14. This Release may be signed in counterparts, each of which so signed will be deemed to be an original and such counterparts together will constitute one and the same instrument.

15. This Release shall be governed by and construed in accordance with the laws of the Province of Manitoba, and any disputes arising therefrom shall be adjudicated by the courts of Manitoba.

Per: Andrew Frank
Title: Director

[illegible]
$$\begin{array}{c}) \\) \\) \\) \\) \\) \\) \\) \\) \\) \end{array}$$
[illegible]

))))))

$$\begin{pmatrix} \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \end{pmatrix}$$
$$\begin{pmatrix} \cdot \\ \cdot \\ \cdot \\ \cdot \end{pmatrix}$$

,

[illegible]
$$\begin{pmatrix} \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \end{pmatrix}$$

))))))))))

$$\begin{pmatrix} \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \\ \cdot \end{pmatrix}$$

)
)
)
)

,

SCHEDULE "C"

Royal Bank of Canada:

52 High Street West
Moose Jaw, SK S6H 1S3
Attention: Kerry Orth
Email: kerry.orth@rbc.com

Vista Medical Ltd.:

Unit 3 - 55 Henlow Bay
Winnipeg, Manitoba
R4Y 1G4
Attention: Andrew Frank
Email: andrew@vista-medical.com

Patientech LLC:

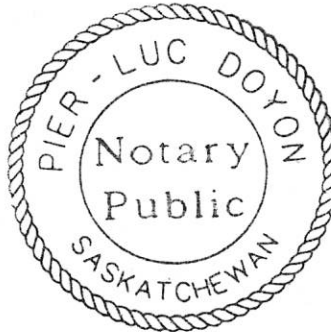
13470 Rosehawk Road
Morningview, KY USA 41063
Attention: Robert Golden
Email: robert@vista-medical.com

G

THIS IS EXHIBIT "G" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024



A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025

Archived: Friday, September 13, 2024 10:35:38 AM

From: [Orth, Kerry \(He/Him/His\)](#)

Mail received time: Mon, 3 Jun 2024 17:19:22

Sent: Monday, June 3, 2024 12:19:22 PM

To: [Andrew Frank](#)

Cc: [Robert Golden](#)

Subject: RBC Secure Email: RE: Vista Medical Ltd

Importance: High

Sensitivity: None

Hi Andrew,

The financial statements provided are in-house financial statements, they are not accountant prepared financial statements. We require financial statements prepared by an accountant such as the December 31, 2022, statements which were prepared by BDO. In my brief review of financial statements there is a discrepancy the accounts receivable reported, on the In-house financial statement provided in your e-mail as of December 31, 2023, accounts receivables were reported as \$2,020,367.90 but the monthly margining report submitted to RBC as of December 31, 2023, reported accounts receivable were reported as \$3,734,387, why the difference? March 31, 2024, monthly accounts receivable showed accounts receivable of \$3,259,331 outstanding all reported to be under 60 days. These accounts receivables should be collected and applied to bring loan up to date?

I have reviewed your plans and activities, none of them address how or when you plan to make the past due May 1 payment, nor the June 1st or any future loan payments outlined in Forbearance agreement dated June 13, 2023. We don't consider this action plan acceptable.

We request that you provide us with detailed plan on how you will bring payments up to date and to continue to cover payments as per Forbearance agreement.

Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC Royal Bank | **Royal Bank of Canada** | 52 High Street West, Moose Jaw, Saskatchewan, S6H 1S3 | T. 306 - 313 – 4207 C. 306 – 313 – 4207

From: Andrew Frank <andrew@vista-medical.com>

Sent: Monday, June 3, 2024 10:19 AM

To: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>

Cc: Robert Golden <robert@vista-medical.com>

Subject: Fw: RBC Secure Email: Vista Medical Ltd

[External]/[Externe]

Hi Kerry

As requested, please find 2023 financials.

Sorry, I had thought these had been sent some time ago.

Following our current activities and plans:

1. Our licensees still intend to go to market but they have slowed the launch which has impacted our cash flow.
2. PatientTech is currently reviewing a plan that supports the cash flow to end of year. This includes short term immediate support for rent and payroll.

Original Court Copy

3. An alternate plan to help licensees reach the market faster is in active discussion with our other major suppliers involved in the product and the two licensees
4. Expand focus on traditional medical production and high margin sales
5. Distribution of the New Medical smart bed will see purchase orders start to arrive from US hospitals end of June and grow in volume through the balance of the year. This is a high volume and high margin market.
6. Release one rented unit back to Quadreal at end of year reducing cost related to underutilized space.
7. Focus staffing on production capacity

Please feel free to forward any questions.
I will also be reaching out on a call shortly.

Best Regards,

Andrew Frank
COO
Vista Medical, Ltd.
Office: 204-949-7678
Cell: 204-471-4794



BodiTrak
by Vista Medical

www.boditrak.com

From: Andrew Frank <andrew@vista-medical.com>
Sent: Friday, May 31, 2024 10:30 AM
To: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>
Subject: Re: RBC Secure Email: Vista Medical Ltd

Hi Kerry

Have not forgotten your request.
Rob and I are working on getting this to you.
I intend to have it to you on Monday, plan and statements.

Andrew

From: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>
Sent: Thursday, May 30, 2024 10:52 AM
To: Andrew Frank <andrew@vista-medical.com>; Robert Golden <robert@vista-medical.com>
Subject: RBC Secure Email: Vista Medical Ltd

Hello Andrew,

Original Court Copy

I am inquiring regarding an update on when the May 1, 2024, payment can be made as next monthly payment is due June 1st. What is the plan to bring payments up to date?

We still haven't received a copy of December 31, 2023, year-end financial statement.

We wait your early reply.

Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC Royal Bank | **Royal Bank of Canada** | 52 High Street West, Moose Jaw, Saskatchewan, S6H 1S3| T. 306 - 313 – 4207 C. 306 – 313 – 4207

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

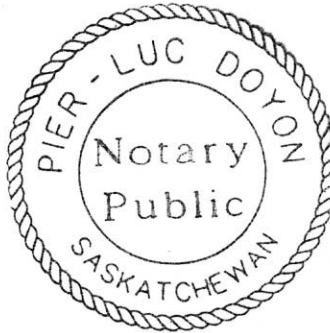
Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

Original Court Copy

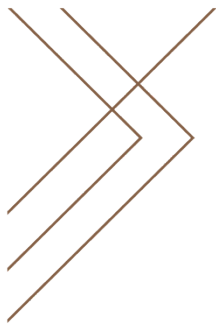
H

THIS IS EXHIBIT "H" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024


A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025



FillmoreRiley

KALEV A. ANNIKO

Direct Tel (204) 957-8308

Direct Fax (204) 954-0308

kanniko@fillmoreriley.com

LEGAL ASSISTANT

Yvonne Grabowiecki

Tel (204) 956-2970 ext. 207

ygrabowiecki@fillmoreriley.com

Our File Number: 180007-882/KAA

FRDOCS_15638022.1

June 5, 2024

VIA EMAIL

Vista Medical Ltd.

Unit 3 – 55 Henlow Bay

Winnipeg, Manitoba R4Y 1G4

Attention: Andrew Frank

Patientech LLC

1347 Rosehawk Road

Morningview, KY

USA 41063

Attention: Robert Golden

Dear Sirs:

Re: Forbearance Agreement between Royal Bank of Canada (the “Bank”), Vista Medical Ltd., and Patientech LLC, dated June 13, 2023 (the “Forbearance Agreement”)

We are counsel for the Bank.

Pursuant to the above-noted Forbearance Agreement, and on behalf of the Bank, we confirm the occurrence of the following Events of Default thereunder:

1. Failure to make Monthly Payments for the months of May and June 2024 in accordance with clause 4.1(d)
2. Failure to provide annual Review Engagement Financial Statements within 90 days of year end, in form and content acceptable to RBC, as most recently request in the Bank's emails to you of May 30 and June 3, 2024, in accordance with clause 4.1(h)

Accordingly, on behalf of the Bank and in accordance with the terms of the Forbearance Agreement, we hereby give you notice of the Bank's decision to terminate the Forbearance Agreement, which termination shall take effect June 8, 2024.

The Bank reserves all of its rights under the Forbearance Agreement, at contract, and otherwise at law.

Yours truly,

FILLMORE RILEY LLP

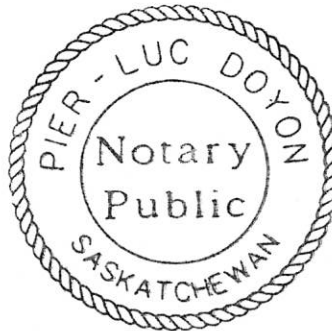
Per:

KALEV A. ANNIKO

I

THIS IS EXHIBIT "I" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024


A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025

Archived: Friday, September 13, 2024 10:36:02 AM

From: [Orth, Kerry \(He/Him/His\)](#)

Mail received time: Tue, 20 Aug 2024 20:07:21

Sent: Tuesday, August 20, 2024 3:07:22 PM

To: [Robert Golden](#)

Cc: [Hoffmann, Justin](#) [Andrew Frank](#)

Subject: RBC Secure Email: RE: Draft Response to RBC - Vista Medical Ltd - Proposed Forbearance Modification

Importance: Normal

Sensitivity: None

Hi Robert,

We need an understanding of how the company is operating and a monitor can provide this.

Yes, we understand that there have been problems with Serta with their marketing or lack of marketing of product. You want to delay repayment until January 2025, where would these payments to come from? There are no funds available to make agreed upon payments now why would we feel payments will be able to be made next year.

We reviewed monthly margin reports which are provided by you to us. The value of accounts receivables has decreased dramatically over the past six months; \$3,416,268 as of January 31, 2024, to \$808,325 as of June 30, 2024. We didn't see a corresponding deposits into bank account. These accounts receivables are our security with payments to flow through RBC bank accounts to be used to repay our RBC loans.

Reporting, we are still waiting receipt of the December 31, 2023, Review engagement financial statements for both Vista Medical Ltd and PatientTech LLC. These reports are to be provided to us within 90 days of year-end. Vista is also to provide quarterly financial statements. These were all stipulated in the credit agreement dated October 20, 2021, signed by yourselves on October 22, 2021, accepting these terms.

These are some of the many concerns we have with operation of company and have requested a monitor to be put in place.

Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC Royal Bank | **Royal Bank of Canada** | 52 High Street West, Moose Jaw, Saskatchewan, S6H 1S3 | T. 306 - 313 – 4207 C. 306 – 313 – 4207

From: Robert Golden <robert@vista-medical.com>

Sent: Tuesday, August 20, 2024 12:59 PM

To: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>

Cc: Hoffmann, Justin <justin.hoffmann@rbc.com>; Andrew Frank <andrew@vista-medical.com>

Subject: Fwd: Draft Response to RBC - Vista Medical Ltd - Proposed Forbearance Modification

[\[External\]/\[Externe\]](#)

Hi Kerry,

Thanks for your question.

To us the monitor requirement is pointless as well as a waste of scarce resources.

We have successfully run this business for over 20 years.

Original Court Copy

Vista is the leading provider of pressure mapping systems world-wide.
Our Smart Bed Technology is the acknowledged industry standard.
A novice looking over our shoulders is a distraction.

It is an established fact that our current difficulties are due **solely** to Serta's delays as they churn through 4 CEO's in one year.
These are events beyond our control and have nothing to do with our operation of the business.
Things will improve when Serta soon returns to normalcy.

Monitoring our business will have no impact on Serta.
However, subjecting our every decision to the review of someone who knows nothing about our business will just waste precious resources, lead to further delays and generate costly mistakes.

If the bank wishes a more detailed view of our business, expanded reporting of some kind would be preferable and achieve the same goal.

On a different topic, we note that the bank has elected to pursue legal action against us.
This is futile and counter-productive at best.

Here's why:

1. The bank's legal action forces Vista to direct cash to legal support and not to repaying the bank.
The more spent on lawyers the less will be available to RBC.
2. Vista's sole assets are its customers, its know-how and the Serta Agreement, none of which can be foreclosed on or resold.
3. Legal action risks forcing Vista into bankruptcy which will guarantee RBC will receive nothing except legal bills.
4. If Vista is forced into bankruptcy, the Serta Agreement is automatically terminated and the bank's best option for being repaid is null and void.

For these reasons we urge you to reconsider and choose good faith negotiations instead of coercion.

Best regards,

Rob Golden

On 8/15/2024 10:33 AM, Orth, Kerry (He/Him/His) wrote:

Hi Robert,
How would it be counterproductive? We need an understanding of what is happening in the company and if we should agree to extension.

Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC Royal Bank | **Royal Bank of Canada** | 52
High Street West, Moose Jaw, Saskatchewan, S6H 1S3| T. 306 - 313 – 4207 C. 306 – 313 – 4207

Original Court Copy

From: Robert Golden <robert@vista-medical.com>
Sent: Thursday, August 15, 2024 8:29 AM
To: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>
Cc: Andrew Frank <andrew@vista-medical.com>; Hoffmann, Justin <justin.hoffmann@rbc.com>
Subject: Re: RBC Secure Email: RE: FW: RE: RE: Vista Medical Ltd - Proposed Forbearance Modification

[External]/[Externe]

Hi Kerry,

Yes, it would be counter productive.

Rob

On 8/15/2024 10:26 AM, Orth, Kerry (He/Him/His) wrote:

Hi Robert,

So, you are refusing our request for a monitor to be appointed?
Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC Royal Bank | **Royal Bank of Canada** | 52 High Street West, Moose Jaw, Saskatchewan, S6H 1S3| T. 306 - 313 – 4207 C. 306 – 313 – 4207

From: Robert Golden <robert@vista-medical.com>
Sent: Thursday, August 15, 2024 8:23 AM
To: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>
Cc: Andrew Frank <andrew@vista-medical.com>; Hoffmann, Justin <justin.hoffmann@rbc.com>
Subject: Re: RBC Secure Email: FW: RE: RE: Vista Medical Ltd - Proposed Forbearance Modification

[External]/[Externe]

Hi Kerry,

My apologies, I thought I had replied to your email.

We believe the monitor would only impede our ability to take the necessary steps to bring our account current.

Otherwise it appears we are in agreement.

Thanks for your patience!

Best,

Rob Golden

On 8/14/2024 2:57 PM, Orth, Kerry (He/Him/His) wrote:

Hello Robert,

I am following up on my email of July 26th, I have not heard back regarding to setting up a monitor so we can get a better comfort of situation. Please advise me as soon as possible.

Thank you.

Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC Royal Bank |
Royal Bank of Canada | 52 High Street West, Moose Jaw, Saskatchewan, S6H 1S3| T.
306 - 313 – 4207 C. 306 – 313 – 4207

From: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>

Sent: Friday, July 26, 2024 10:07 AM

To: Robert Golden <robert@vista-medical.com>; Hoffmann, Justin
<justin.hoffmann@rbc.com>

Cc: Andrew Frank <andrew@vista-medical.com>

Subject: #protect RE: RE: Vista Medical Ltd - Proposed Forbearance Modification

Hello Robert,

A monitor is an appointed company such as BDO or Grant Thornton, who would provide the following financial and other advisory services:

1. 1. Review the financial and business affairs of the Company.
2. 2. Review the Company's material contracts, assets and liabilities.
3. 3. Review the Company's short term cash flow requirements and liquidity.
4. 4. Review and analyze the Lender's security position including a review of identified priority payables.
5. 5. Advice, reports, and general financial advisory services as may be agreed upon by Lender.

This is generally what a monitor would do. We need to get a better understanding of company operations for us to decide if we are willing to amend forbearance agreement.

Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC Royal Bank |
Royal Bank of Canada | 52 High Street West, Moose Jaw, Saskatchewan, S6H 1S3| T.
306 - 313 – 4207 C. 306 – 313 – 4207

From: Robert Golden <robert@vista-medical.com>

Sent: Friday, July 26, 2024 9:53 AM

To: Orth, Kerry (He/Him/His) <kerry.orth@rbc.com>; Hoffmann, Justin
<justin.hoffmann@rbc.com>

Cc: Andrew Frank <andrew@vista-medical.com>

Subject: Re: RBC Secure Email: RE: Vista Medical Ltd - Proposed Forbearance

Original Court Copy

Modification

[External]/[Externe]

Hi Kerry,

Sorry for the delayed response.

I've been traveling.

Can you tell me more about what "someone coming in to monitor" would mean and how it would be implemented?

It seems a little extreme and costly for a US\$500,000 loan.

Once you give me more details I will bring it to the Board.

Thanks!

Rob Golden

On 7/9/2024 12:46 PM, Orth, Kerry (He/Him/His) wrote:

Hi Robert,

Thank you for sending us your proposal. If we were to accept your proposal to amend to forbearance agreement, we would require someone to come into monitor company situation.

Please advise if this would be acceptable.

Kerry

Kerry Orth | Senior Manager – Special Loans and Advisory Services | RBC
Royal Bank | **Royal Bank of Canada** | 52 High Street West, Moose Jaw,
Saskatchewan, S6H 1S3 | T. 306 - 313 – 4207 C. 306 – 313 – 4207

From: Robert Golden <robert@vista-medical.com>

Sent: Tuesday, July 9, 2024 8:05 AM

To: Hoffmann, Justin <justin.hoffmann@rbc.com>; Orth, Kerry
(He/Him/His) <kerry.orth@rbc.com>

Cc: Andrew Frank <andrew@vista-medical.com>

Subject: Vista Medical Ltd - Proposed Forbearance Modification

[External]/[Externe]

Hi Justin, Kerry,

Original Court Copy

As promised below is a proposal for modifying our Forbearance Agreement.

Thank you for considering it.

Best,

Rob

Vista Medical

RBC Loan

Forbearance Modification Proposal

7/9/24

1. *1. Payments per previous forbearance agreement to be made by Vista on a "best efforts" basis thru 12/31/24.*
2. *2. Payments per previous forbearance agreement to resume no later than 1/31/25.*
3. *3. Vista to assign 15% of any licensing, royalties or other fees paid by Serta Simmons Bedding under the SSB Licensing Agreement of 1/17/23 now through the date the Vista RBC loan is paid in full.*
4. *4. Payments to be made to RBC upon receipt of such fees up to the outstanding balance of Vista's RBC loan.*

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

Original Court Copy

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

J

THIS IS EXHIBIT "J" REFERRED TO IN THE
AFFIDAVIT OF KERRY ORTH, AFFIRMED
BEFORE ME AT THE CITY OF MOOSE JAW, IN
THE PROVINCE OF SASKATCHEWAN,
THIS 19 DAY OF SEPTEMBER, 2024


A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF SASKATCHEWAN



My Appointment Expires January 31, 2025

August 19, 2024

KALEV A. ANNIKO
Direct Tel (204) 957-8308
Direct Fax (204) 954-0308
kanniko@fillmoreriley.com

LEGAL ASSISTANT
Yvonne Grabowiecki
Tel (204) 956-2970 ext. 207
ygrabowiecki@fillmoreriley.com
Our File Number: 180007-882/KAA
FRDOCS_2623188.1

VIA EMAIL AND REGISTERED MAIL

Vista Medical Ltd.
Unit 3 – 55 Henlow Bay
Winnipeg, Manitoba R4Y 1G4

Attention: Andrew Frank / Robert Golden

Dear Sirs:

Re: Royal Bank of Canada (the "Bank"), and Vista Medical Ltd. (the "Borrower")

We act on behalf of the Bank in respect to the above-noted matter.

We are advised by the Bank that the Borrower is directly indebted to it pursuant to various financial facilities in the aggregate sum of \$1,014,857.51 as at August 15, 2024 with interest accruing thereafter at \$298.18 per diem as follows:

Type of Advance	Total Due	Per Diem
1. Revolving Demand Loan 83231589-005	\$888,908.14	\$227.72
3. CAD VISA 4516070003245216	\$71,620.09	\$39.22
4. USD VISA 4514031009166956	\$54,329.28	\$31.24
Total	\$1,014,857.51	\$298.18

We are further advised that the Borrower is in default of its obligations under the terms of its credit facilities with the Bank as well as related security agreements.

Accordingly, we are instructed to and do hereby demand from the Borrower the aggregate sum of **\$1,014,857.51** as at August 15, 2024 together with interest accruing thereafter to date of payment at the various applicable interest rates, and all professional and legal costs (on a solicitor and client basis) incurred and to be incurred by the Bank to date of payment.

Should you fail to pay the said sum plus interest and all professional and legal costs aforesaid within 10 days from the date hereof, the Bank shall be at liberty to take all remedies available to it, including but not limited to realization of its security.

FR

August 19, 2024
Page 2

We enclose herewith Notice of Intent by Secured Creditor pursuant to section 244 of the *Bankruptcy and Insolvency Act*.

Kindly govern yourself accordingly.

Yours truly,

FILLMORE RILEY LLP

Per:



KALEV A. ANNIKO

Encl.

NOTICE OF INTENTION TO ENFORCE A SECURITY
Subsection 244(1) of the Bankruptcy and Insolvency Act,
R.S.C. 1985 Ch. B-3 and amendments thereto
(Rule 124)

TO: **Vista Medical Ltd.**
Unit 3 – 55 Henlow Bay
Winnipeg, Manitoba R4Y 1G4

Attention: Andrew Frank / Robert Golden

(an insolvent person)

TAKE NOTICE THAT:

1. Royal Bank of Canada (the "Bank"), a secured creditor, intends to enforce its security on the property of Vista Medical Ltd. below:
 - (a) All Present and after-acquired personal property.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement executed March 28, 2008.
3. The total amount of the indebtedness secured by the Security is \$1,014,857.51 at August 15, 2024, plus interest accruing thereon and costs incurred by the Bank in enforcing the Security.
4. The Bank will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this Notice, unless Vista Medical Ltd. consents to an earlier enforcement.

Dated at the City of Winnipeg, in the Province of Manitoba, this 19th day of August, 2024.

FILLMORE RILEY LLP

Per: _____

KALEV A. ANNIKO, as Solicitor and Agent
for Royal Bank of Canada