

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 26, 2021

VENUS CONCEPT INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-38238
(Commission File Number)

06-1681204
(IRS Employer Identification Number)

235 Yorkland Blvd, Suite 900
Toronto, Ontario M2J 4Y8
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (877) 848-8430

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	VERO	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On August 26, 2021, Venus Concept Inc. (the “**Company**”) entered into a Fourth Amended and Restated Loan Agreement (the “**CNB Loan Agreement**”), by and among the Company, Venus Concept USA Inc., a Delaware corporation (“**Venus USA**”), Venus Concept Canada Corp., a Canadian corporation (“**Venus Canada**”; and collectively with the Company and Venus USA, the “**Borrower**”), and City National Bank of Florida and its successors and/or assigns as lender (“**CNB**”), pursuant to which the Borrower’s existing revolving credit agreement with CNB was amended. As of June 30, 2021, there was \$nil outstanding under the existing revolving credit facility. Pursuant to the CNB Loan Agreement, CNB revised the revolving credit facility to provide for, among other things, a maximum principal amount of \$5.0 million at the LIBOR 30-Day rate plus 3.25%, subject to a minimum LIBOR rate floor of 0.50%. The CNB Loan Agreement is secured by substantially all of the Company’s assets and the assets of certain of its subsidiaries and requires the Company to maintain either a minimum cash balance in deposit accounts or a maximum total liability to tangible net worth ratio and a minimum debt service coverage ratio.

In connection with the CNB Loan Agreement, (i) Venus Concept Ltd., an Israeli limited corporation (“**Venus Ltd.**”), entered into a Fourth Amended and Restated Guaranty of Payment and Performance with CNB dated as of August 26, 2021 (the “**CNB Guaranty**”), pursuant to which Venus Ltd. agreed to guarantee the obligations under the CNB Loan Agreement, (ii) the Company and Venus USA entered into a Third Amended and Restated Security Agreement with CNB dated as of August 26, 2021 (the “**CNB Security Agreement**”), pursuant to which the Company and Venus USA agreed to grant CNB a security interest in substantially all of their assets to secure the obligations under the CNB Loan Agreement, (iii) the Borrower issued a Fifth Amended and Restated Revolving Promissory Note dated as of August 26, 2021 in favor of CNB (the “**CNB Note**”) in the amount of \$5,000,000 with a maturity date of July 24, 2023 and (iv) the obligations of the Company pursuant to certain of the Company’s outstanding promissory notes were reaffirmed as subordinated to the indebtedness of the Company owing to CNB pursuant to a Supplement to Subordination of Debt Agreements dated as of August 26, 2021 (the “**Subordination Supplement**”) by and among Madryn Health Partners, LP, Madryn Health Partners (Cayman Master), LP, the Company and CNB.

The foregoing descriptions of the CNB Loan Agreement, CNB Guaranty, CNB Security Agreement, CNB Note and Subordination Supplement are summaries, and are qualified in their entirety by reference to the complete terms of the agreements included therein. The CNB Loan Agreement, CNB Guaranty, CNB Security Agreement, CNB Note and Subordination Supplement are filed hereto as, respectively, Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5 and are incorporated by reference herein.

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

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

Exhibit

No.	Description
10.1	Fourth Amended and Restated Loan Agreement, dated as of August 26, 2021, by and among Venus Concept USA Inc., Venus Concept Canada Corp., Venus Concept Inc., and City National Bank of Florida.
10.2	Fourth Amended and Restated Guaranty of Payment and Performance, dated as of August 26, 2021, by Venus Concept Ltd. in favor of City National Bank of Florida.
10.3	Third Amended and Restated Security Agreement, dated as of August 26, 2021, by and among Venus Concept Inc., Venus Concept USA Inc., and City National Bank of Florida.
10.4	Fifth Amended and Restated Revolving Promissory Note, dated as of August 26, 2021, by Venus Concept USA Inc., Venus Concept Canada Corp., Venus Concept Inc., in favor of City National Bank of Florida.
10.5	Supplement to Subordination of Debts Agreement, dated as of August 26, 2021, by and among Madryn Health Partners, LP, Madryn Health Partners (Cayman Master), LP, City National Bank of Florida, and Venus Concept Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

VENUS CONCEPT INC.

Date: August 30, 2021

By: /s/ Domenic Della Penna

Domenic Della Penna
Chief Financial Officer

THIS FOURTH AMENDED AND RESTATED LOAN AGREEMENT AMENDS, RESTATES AND REPLACES IN ITS ENTIRETY THAT CERTAIN AMENDED AND RESTATED LOAN AGREEMENT DATED AS OF AUGUST 29, 2018, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT AND WAIVER TO AMENDED AND RESTATED LOAN AGREEMENT DATED MARCH 15, 2019, THAT CERTAIN SECOND AMENDMENT AND WAIVER TO AMENDED AND RESTATED LOAN AGREEMENT DATED APRIL 25, 2019, THAT CERTAIN THIRD AMENDMENT AND WAIVER TO AMENDED AND RESTATED LOAN AGREEMENT DATED OCTOBER 28, 2019, THAT CERTAIN SECOND AMENDED AND RESTATED LOAN AGREEMENT DATED MARCH 20, 2020, AND THAT CERTAIN THIRD AMENDED AND RESTATED LOAN AGREEMENT DATED DECEMBER 9, 2020 ALL BETWEEN BORROWER AND LENDER

FOURTH AMENDED AND RESTATED LOAN AGREEMENT

THIS FOURTH AMENDED AND RESTATED LOAN AGREEMENT (this "Agreement"), effectively dated as of July 24, 2021, by and between VENUS CONCEPT USA INC., a Delaware corporation, whose address is 235 Yorkland Blvd., Suite 900, Toronto, ON M2J 4Y8 ("Venus USA"); VENUS CONCEPT CANADA CORP., a Canadian corporation whose address is 235 Yorkland Blvd., Suite 900, Toronto, ON M2J 4Y8 ("Venus Canada"), and VENUS CONCEPT INC., a Delaware corporation, whose address is 235 Yorkland Blvd., Suite 900, Toronto, ON M2J 4Y8 ("VCI"), jointly and severally (collectively, the "Borrower"), and CITY NATIONAL BANK OF FLORIDA, its successors and/or assigns (the "Lender"), whose address is 100 SE 2nd Street, 13th Floor, Miami, Florida 33131.

RECITALS

A. Borrower has requested and Lender has agreed to make a revolving credit facility to Borrower in the maximum principal amount of **FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00)** (the "Loan") to be used by Borrower to finance working capital requirements, subject to the terms and conditions contained in this Agreement.

B. Borrower and Lender have negotiated the terms and conditions of, and wish to enter into, this Agreement in order to set forth the terms and conditions of the Loan.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, Borrower and Lender agree as follows:

1. DEFINITIONS. As used in this Agreement the terms listed below shall have the following meanings unless otherwise required by the context:

(a) Account: Has the meaning set forth in the Code.

(b) Account Debtor: Means a person who is obligated under any Account.

(c) Affiliate: An Affiliate of the Borrower shall mean any entity which, directly or indirectly, controls or is controlled by or is under common control with the Borrower. An entity shall be deemed to be "controlled by" another entity if such other entity possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such entity whether by contract, ownership of voting securities, membership interests or otherwise.

(d) Available Commitment: Means up to \$5,000,000.00.

- (e) Bona Fide Revenue Contract: Means any duly executed and effective bona fide contract of the Parent or any Subsidiary thereof entered into in the ordinary course of business with any Person that is not an Affiliate of any Loan Party or any Subsidiary pursuant to which the Parent or any Subsidiary earns revenue.
- (f) Borrowing Base: Shall have the meaning given to such term in Section 2 hereof.
- (g) Borrowing Base Certificate or BBC: Means the certificate attached hereto as Exhibit "A".
- (h) Capital Expenditures: Means all expenditures which would be required to be capitalized and shown on the balance sheet of the Borrower, including expenditures in respect to Capital Leases, but excluding expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with awards of compensation arising from the taking of eminent domain or condemnation of the assets being replaced.
- (i) Capital Lease: Means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real and personal property by such Person that is accounted for as a capital lease on the balance sheet of such Person.
- (j) Code: Means the Uniform Commercial Code (or any successor statute), as adopted and in force in Florida or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code (or any successor statute) of such state. Any term used in this Agreement and in any financing statement filed in connection herewith which is defined in the Code and not otherwise defined in this Agreement or in any other Loan Document has the meaning given to the term in the Code.
- (k) Collateral: Shall have the meaning set forth in the Amended and Restated Security Agreement.
- (l) Collateral Access Agreement: Means an agreement pursuant to which a mortgagee or lessor of real property on which collateral is stored or otherwise located, or a warehouseman, processor or other bailee of inventory owned by the loan party, acknowledges the liens of the lender and waives any liens held by such Person on such property, and in the case of any such agreement with a mortgagee or lessor, permits the Lender reasonable access to and use of such real property following the occurrence and during the continuance of an Event of Default to assemble, complete and sell any Collateral stored or otherwise located thereon, and contains such other provisions as otherwise acceptable to Lender.
- (m) Consolidated Contract Revenues: Means, for any period, for the Parent and its Subsidiaries on a consolidated basis, the sum (as calculated by the Parent in accordance with its practices prior to the date hereof), without duplication, of (a) gross revenues for such period from all Bona Fide Revenue Contracts originally entered into by the Parent or any Subsidiary of Parent in such period that are, or pursuant to the terms of such Bona Fide Revenue Contract will be, recognized as Consolidated Revenues under GAAP in such period or any future period plus (b) incremental gross revenues for such period arising pursuant to the terms of any bona fide amendment, extension, renewal or other modification of any Bona Fide Revenue Contract entered into by the Parent or any of its Subsidiaries in a prior period (or earlier in such period) that are, or pursuant to the terms of such amendment, extension, renewal or other modification will be, recognized as Consolidated Revenues under GAAP in such period or any future period plus (c) all revenues for such period that are (x) not in any way earned pursuant to, derived from or in any way related to any Contractual Obligation and (y) included in Consolidated Revenues for such period; provided, that, it is understood and agreed that in no event shall "Consolidated Contract Revenues" include any revenues from any contract or any amendment, extension, renewal or modification of any contract to the extent such contract, amendment, extension, renewal or modification represents a replacement of an existing Bona Fide Revenue Contract without a material modification of the economics thereof.

(n) Consolidated Revenues: Means, for any period, for the Parent and its Subsidiaries on a consolidated basis, the total of (a) gross revenues for such period as determined in accordance with GAAP minus (b) the sum (without duplication) of (i) trade, quantity and cash discounts allowed by the Parent and its Subsidiaries plus (ii) discounts, refunds, rebates, charge backs, retroactive price adjustments and any other allowances which effectively reduce net selling price plus (iii) product returns and allowances plus (iv) set-offs and counterclaims plus (v) any other similar and customary deductions used by the Parent and its Subsidiaries in determining net revenues, all for such period and as determined in accordance with GAAP; provided, that, "Consolidated Revenues" shall exclude the revenues generated by any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of the income resulting from such revenues is not at the time permitted by operation of the terms of its organizational documents or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary.

(o) Contractual Obligation: Means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

(p) CPLTD: Current Portion of Long-Term Debt.

(q) EBITDA: As applies to any Person, the sum of earnings before interest, taxes, depreciation and amortization.

(r) Eligible Accounts Receivable: Means all Accounts in U.S. dollars and Canadian dollars evidenced by a paper invoice or electronic equivalent (valued at the face amount of such invoice, less maximum discounts, credits and allowances which may be taken by Account Debtors on such Accounts, and net of any sales tax, finance charges or late payment charges included in the invoiced amount) created or acquired by Borrower arising from the sale of inventory and/or the provision of services in Borrower's ordinary course of business (as approved by Lender) in which Lender has a first priority, perfected security interest, but excluding, without duplication:

(i) domestic (Account Debtor located in the U.S. and/or Canada) Accounts not related to equipment leased to an Account Debtor due more than ninety (90) days after the date of invoice or past due by more than sixty (60) days;

(ii) All Accounts owed by an Account Debtor if more than twenty-five percent (25%) of the Accounts owed by such Account Debtor to Borrower is deemed ineligible hereunder pursuant to clause (i);

- (iii) Accounts owing from any Affiliate of Borrower;
- (iv) Accounts owed by a creditor of Borrower to the extent of the amount of the indebtedness of Borrower to such creditor;
- (v) Accounts that are in dispute or subject to any counterclaim, contra-account, volume rebate, cooperative advertising accrual, deposit or offset, to the extent of such dispute, counterclaim, contra-account, rebate, accrual, deposit or offset;
- (vi) Accounts owing by any Account Debtor that becomes the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships;
- (vii) Accounts arising from a sale on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment or similar basis or which is subject to repurchase, return, rejection, repossession, loss or damage;
- (viii) Accounts owed by an Account Debtor that (1) is a sanctioned person or (2) other than an Account Debtor with respect to a foreign Eligible Accounts Receivable, is located outside of the United States of America;
- (ix) Accounts owed by the United States of America or other governmental or quasi-governmental unit, agency or subdivision, provided, however, accounts owed by the United States Postal Service shall be Eligible Accounts Receivable;
- (x) (I) Accounts as to which the goods giving rise to the Account have not been delivered to and accepted by the Account Debtor and (II) accounts as to which the service giving rise to the Account has not been completely performed or which do not represent a final sale;
- (xi) Accounts evidenced by a note or other instrument or chattel paper or reduced to judgment;
- (xii) Accounts for which the total of all Accounts from an Account Debtor (together with the Affiliates of such Account Debtor) exceeds fifteen percent (15%) of the total Accounts of Borrower subject to the Borrowing Base (but only to the extent of the excess) (each an "Over Concentration Account," and collectively the "Over Concentration Accounts"); provided, however, at Borrower's request Lender shall review any Over Concentration Account on a case-by-case basis, and may include any such Over Concentration Account as Eligible Accounts Receivable as Lender shall determine in its sole and absolute discretion;
- (xiii) Accounts which, by contract, subrogation, mechanics' lien laws or otherwise, are subject to claims by Borrower's creditors or other third parties or which are owed by Account Debtors as to whom any creditor of Borrower (including any bonding company) has Lien or retainage rights;
- (xiv) Any and all other Accounts the validity, collectability, or amount of which is determined in good faith and after reasonable due diligence by Borrower or Lender to be doubtful;

- (xv) Any and all Accounts owed in connection with any bonded contracts;
 - (xvi) Any other Account which Lender in its sole and absolute discretion deems to be ineligible;
 - (xvii) Accounts owed by an Account Debtor which is located in a jurisdiction where Borrower is required to qualify to transact business or to file reports, unless Borrower so qualify or filed;
 - (xviii) Accounts owed by an Account Debtor who disputes the liability thereof; and
 - (xvix) Accounts in which Body Contour Ventures, LLC, American Aesthetic Equipment, LLC, BCA Acquisitions, LLC and/or any of their affiliates is the Account Debtor for so long as such Account Debtors are the subject of any bankruptcy or other similar proceeding and until Lender provides consent to include such Accounts as Eligible Accounts Receivable.
- (s) Escrow Agreement: Means that certain Escrow Agreement dated of even date herewith, by and among Madryn Health Partners, LP and the Lender.
- (t) Event of Default: Shall have the meaning given to such term in Section 7.
- (u) Exchange Agreement: Means that certain Securities Exchange and Registration Rights Agreement dated of even date herewith, by and among VCI, the Guarantors party thereto, the Investors party thereto and Madryn Health Partners, LP.
- (v) Financing Statements: The financing statements from Borrower to Lender to perfect Lender's security interest in the personal property described in the Amended and Restated Security Agreement.
- (w) Fiscal Year: Means the fiscal year of the Borrower, which period shall be a 12-month period ending on December 31 of each year. References to a Fiscal Year with a number corresponding to any calendar year (e.g. "Fiscal Year 2013") refer to the Fiscal Year ending on December 31 of such calendar year.
- (x) GAAP: Generally accepted accounting principles consistently applied, as adopted in the United States, and as amended from time to time.
- (y) Governmental Authority: Any governmental or quasi-governmental authority, agency, authority, board, commission, or governing body authorized by federal, state or local laws or regulations as having jurisdiction over the Lender, the Borrower or, the Guarantor.
- (z) Governmental Requirements: The standards for real property appraisals established under applicable regulations governing national or state chartered banks promulgated by the Board of Governors of the Federal Reserve System or the United States Comptroller of the Currency, and any other regulations promulgated by any Governmental Authority which apply to Lender.
- (aa) Guarantor: VENUS CONCEPT LTD., an Israeli corporation.

(bb) Guaranty: Fourth Amended and Restated Guaranty of Payment and Performance of even date herewith from Guarantor in favor of Lender, as may be amended, restated, modified or replaced from time to time.

(cc) Inventory: Has the meaning set forth in the Code.

(dd) Involuntary Disposition: any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any of its Subsidiaries.

(ee) IP Rights: all worldwide intellectual property rights, industrial property rights, proprietary rights and common-law rights, whether registered or unregistered, copyrights, domain names, patents, trademarks, proprietary databases, proprietary software, websites and trade secrets, including without limitation, all rights to and under all new and useful algorithms, concepts, data (including all clinical data relating to a product), databases, designs, discoveries, inventions, know-how, methods, processes, protocols, chemistries, compositions, show-how, software (other than commercially available, off-the-shelf or open source), specifications for products, techniques, technology, trade dress and all improvements thereof and thereto, which is owned by any Loan Party or any Subsidiary thereof or which any Loan Party or any Subsidiary thereof is licensed, authorized or otherwise granted rights under or to.

(ff) Lien: means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

(gg) Loan: That certain revolving credit facility in the amount of FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) from time to time outstanding, as evidenced by the Note and secured by the Security Agreement and other Loan Documents as provided herein.

(hh) Loan Documents: Any and all agreements evidencing, securing, or executed by the Borrower and the Guarantors in connection with the Loan, including, without limitation, the Note, the Security Agreement, and the Guaranty and this Agreement.

(ii) Loan Party: the Parent, Guarantor and each Borrower.

(jj) LTD or Long-Term Debt: Means financial obligations that become due more than one year.

(kk) Material Adverse Effect: Means (a) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Parent and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Borrower to perform any of the obligations under any Loan Documents or (c) a material adverse effect upon any substantial portion of the Collateral under the Loan Documents or upon the legality, validity, binding effect or enforceability of any Loan Document against the Borrower of any Loan Document.

(ll) Note: That certain Fifth Amended and Restated Revolving Promissory Note dated as of even date herewith from Borrower in favor of Lender in the principal amount of \$5,000,000.00, as the same may be amended, restated, modified or replaced from time to time.

(mm) Parent: Venus Concept Inc., a Delaware corporation.

(nn) Permitted Transfers: (a) the sale, lease, license, transfer or other disposition (including, for the avoidance of doubt, by way of subscription agreements) of inventory (excluding, for the avoidance of doubt, any intellectual property or any IP rights) in the ordinary course of business, (b) the sale, lease, license, transfer or other disposition in the ordinary course of business of surplus, obsolete or worn out property no longer used or useful in the conduct of business of any Loan Party or any of their Subsidiaries, (c) any sale, lease, license, transfer or other disposition of property to any Loan Party or any Subsidiary thereof; provided, that, if the transferor of such property is a Loan Party (i) the transferee thereof must be a Loan Party or (ii) to the extent such transaction constitutes an investment, such transaction is permitted under the terms of this Agreement, (d) granting licenses of intellectual property on a non-exclusive basis or on an exclusive basis so long as each such exclusive license is limited to geographic areas, particular distribution channels or fields of use, customized products for customers or limited time periods, and so long as after giving effect to such exclusive license, the Parent and its Subsidiaries retain sufficient rights to use or benefit from the subject intellectual property as to enable them to continue to conduct their business in the ordinary course, (e) any Involuntary Disposition, (f) investments permitted pursuant to this Agreement (including, for the avoidance of doubt, any issuance by a Subsidiary of Parent of its equity interests to a minority owner of such Subsidiary at initial creation or formation of such Subsidiary), (g) the sale, transfer, issuance or other disposition of a de minimis number of shares of the equity interests of a Subsidiary of Parent that is not organized under the laws of any state of the United States or the District of Columbia (excluding Venus Canada) in order to qualify members of the governing body of such Subsidiary if required by applicable law, (h) the abandonment or other disposition of IP Rights that are not material and are no longer used or useful in any material respect in the business of the Parent and its Subsidiaries, (i) licenses, sublicenses, leases or subleases (in each case, other than with respect to IP Rights or intellectual property) granted to third parties in the ordinary course of business and not interfering in any material respect with the business of the Parent and its Subsidiaries, (j) dispositions of cash and cash equivalents in the ordinary course of business and (k) any other disposition where (1) the consideration paid in connection therewith shall be cash or cash equivalents paid contemporaneous with consummation of the transaction and shall be in an amount not less than the fair market value of the property disposed of, (2) no Default or Event of Default shall have occurred and be continuing both immediately prior to and after giving effect to such disposition and (3) the aggregate net book value of all of the assets sold or otherwise disposed of in such disposition together with the aggregate net book value of all assets sold or otherwise disposed of by the Loan Parties and their Subsidiaries in all such transactions occurring during the term of this Agreement does not exceed \$1,000,000.

(oo) Person: A natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

(pp) Permitted Liens: Means (i) Liens pursuant to any Loan Document; (ii) Liens in favor of the Junior Lender (as defined in the Subordination Agreement) on Junior Lender's Collateral (as defined in the Subordination Agreement); (iii) Liens in favor of the Senior Lender (as defined in the Subordination Agreement) on Senior Lender's Collateral (as defined in the Subordination Agreement); (iv) Liens granted under the Transaction Documents (as defined in the Exchange Agreement); (v) Liens existing on the Effective Date; (vi) Liens (other than Liens imposed under ERISA or in respect of a Canadian Pension Plan) for taxes, assessments or governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP; (vii) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business; provided, that, such Liens secure only amounts not yet due and payable or, if due and payable, are unfiled and no other action has been taken to enforce the same or are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established; (viii) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or in respect of a Canadian Pension Plan; (ix) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (x) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person; (xi) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default; (xii) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions; (xiii) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection; (xiv) reservations, limitations, provisos and conditions expressed in any original grants from the crown or other grants of real or immovable property, or interest therein, which do not materially affect the use of the affected land for the purpose for which it was used by that Person; (xv) security given to a public utility or Governmental Authority when required by such utility or authority (excluding, for the avoidance of doubt, security in connection with Indebtedness for borrowed money) in connection with the operations of that Person in the ordinary course of its business provided that such security does not materially impair the use of the affected property for the purpose for which it was used by that Person; (xvi) Liens arising from precautionary Uniform Commercial Code financing statements or similar filings under applicable law regarding operating leases entered into by the Parent or any Subsidiary of Parent in the ordinary course of business; and (xvii) other Liens securing Indebtedness or other obligations permitted hereunder, in an aggregate amount at any time outstanding not to exceed \$250,000.

(qq) Security Agreement: Collectively, that certain Third Amended and Restated Security Agreement of even date herewith from Venus USA and VCI in favor of Lender, and that certain Amended and Restated General Security Agreement dated August 24, 2018, as amended by that certain Amendment to General Security Agreement dated December 9, 2020 both from Venus Canada in favor of Lender as the same may be amended, restated, modified or replaced from time to time.

(rr) Subordination Agreement: Collectively, those certain Subordination of Debt Agreements dated December 9, 2020 by and among: (i) Madryn Health Partners, LP, Madryn Health Partners (Cayman Master), LP, Lender, and Venus USA; (ii) Madryn Health Partners, LP, Madryn Health Partners (Cayman Master), LP, Lender and VCI; and (iii) Madryn Health Partners, LP, Madryn Health Partners (Cayman Master), LP, Lender and Venus Canada.

(ss) Subsidiary: As defined in the Security Agreement.

(tt) Total Liabilities: Means the Borrower's total stated liabilities, less subordinated debt.

(uu) Unmatured Event of Default: Any event that, if it continues uncured, will, with lapse of time or notice, or both, constitute an Event of Default hereunder and under the other Loan Documents.

2. LOAN. Provided no Unmatured Event of Default or Event of Default then exists, the proceeds of the Loan shall be advanced from time to time to Borrower in amounts such that the aggregate principal amount of the Loan at any one time outstanding, will not exceed the lesser of: (i) \$5,000,000.00; or (ii) the Eligible North American Non-Leased Accounts Receivable Formula Amount defined below, on such date (if applicable), less any reserves determined by Lender in its sole and absolute discretion (the "Borrowing Base"). If at any time (other than as described in the last paragraph of this Section 2) the aggregate principal balance of the Loan exceeds the Borrowing Base, Borrower shall be required to make a principal reduction within ten (10) business days in an amount sufficient to bring the outstanding principal balance of the Loan into compliance with the Borrowing Base. The failure to make such payment shall constitute an immediate Event of Default hereunder. In addition, upon such occurrence, Lender shall have the option, in its sole and absolute discretion, to permanently reduce availability under the Loan by an amount equal to the amount in excess of the Borrowing Base, irrespective of any subsequent payment made by Borrower. Notwithstanding the foregoing, Lender in its sole and absolute discretion may reduce the advance rates set forth above, or adjust or reduce one or more of the other elements used to compute the Borrowing Base and determine availability hereunder. As used herein, the following terms will have the meanings indicated:

"Eligible North American Non-Leased Accounts Receivable Formula Amount" means an amount up to 85% of the net amount of eligible North American (Account Debtor located in U.S. and/or Canada) Accounts Receivable that is due within 90 days from invoice date and not past due more than 60 days from due date, on any date of determination thereof.

For purposes of "Eligible North American Non-Leased Accounts Receivable Formula Amount", Ineligible Accounts Receivable will include, without limitation, Accounts that are disputed, in whole or in part (to the extent of the disputed amount), or are owed by a customer that is not deemed by Lender in its reasonable credit judgment to be creditworthy; Accounts owing by customers if 25% of the Accounts that are subject to offset, recoupment or counterclaim (to the extent of such offset, recoupment or counterclaim); Accounts owing by any individual Account Debtor representing in excess of 15% of total Accounts (to the extent of the excess); Accounts arising from bill and hold or consignment sales or sales on a return basis; portion of accounts which are interest payments; and accounts owed from Affiliates of Borrower.

Lender will have the right at any time, in its reasonable credit judgment, to reassess and modify eligibility standards and advance rates. After the closing date Lender may conduct, at Borrower's expense, such field examinations of the Borrower with such frequency as Lender deems appropriate in the exercise of its reasonable credit judgment. Notwithstanding, so long as no Unmatured Event of Default exists under any Loan Documents, such field examinations shall be conducted by Lender on an annual basis.

3. EXPENSES: Borrower shall pay all fees and charges incurred in the procuring and making of the Loan and all other expenses incurred by Lender during the term of the Loan, including without limitation documentary stamp taxes, if applicable, intangible taxes, if applicable, recording expenses, and the fees of the attorneys for Lender. The Borrower shall also pay any and all insurance premiums, taxes, assessments, and other charges, Liens and encumbrances upon the Collateral. Such amounts, unless sooner paid, shall be paid from time to time as Lender shall request either to the Person to whom such payments are due or to Lender if Lender has paid the same.

4. WARRANTIES AND REPRESENTATIONS. Borrower and/or Guarantor, as applicable, represent and warrant (which representations and warranties shall be deemed continuing) as follows:

(a) Organization Status. (i) Venus Concept USA, Inc. is duly organized under the laws of the State of Delaware and is in good standing under the laws of the State of Delaware, (ii) Venus Concept Canada Corp. is duly organized under the laws of Ontario, Canada, and is in good standing under the laws Ontario, Canada, (iii) Venus Concept Inc. is duly organized under the laws of the State of Delaware and is in good standing under the laws of the State of Delaware, (iv) Venus Concept USA, Inc. is qualified to do business in the State of Florida and the State of California, and (v) the issued and outstanding capital stock of the Borrower and Guarantor has been duly and validly issued.

(b) Compliance with Laws. To the Borrower's knowledge, Borrower is in material compliance with all laws, regulations, ordinances and orders of all Governmental Authorities applicable to it.

(c) Accurate Information. All information now and hereafter furnished by Borrower to Lender in connection with the Loan Documents is and will be true, correct and complete in all material respects.

(d) Authority to Enter into Loan Documents. The Borrower has full power and authority to enter into the Loan Documents and consummate the transactions contemplated hereby, and the facts and matters expressed or implied in the opinions of its legal counsel are true and correct.

(e) Validity of Loan Documents. The Loan Documents have been approved by those Persons having proper authority, and are in all respects legal, valid and binding according to their terms.

(f) Priority of Lien on Personalty. No chattel mortgage, bill of sale, security agreement, financing statement or other title retention agreement (except those executed in favor of Lender and other Permitted Liens) has been or will be executed with respect to any of the Collateral, unless otherwise approved by Lender in accordance with the Security Agreement.

(g) Conflicting Transactions of Borrower. The consummation of the transaction hereby contemplated and the performance of the obligations of Borrower and Guarantor under and by virtue of the Loan Documents will not result in any breach of, or constitute a default under, any material lease, loan or credit agreement, or other material instrument to which Borrower or Guarantor is a party or by which they are bound.

(h) Pending Litigation. There are no actions, suits or proceedings pending against Borrower, Guarantor, or the Collateral, or to the Borrower's knowledge, threatened in writing against Borrower, Guarantor, the Collateral before or by any Governmental Authority that (i) purports to affect or pertain to the validity or enforceability of any of the Loan Documents or (ii) could reasonably be expected to have a Material Adverse Effect, except, in each case, actions, suits and proceedings which have been disclosed to and approved by Lender in writing. As of the date hereof, a true and complete list of all actions, suits or proceedings pending before any Governmental Authority that could reasonably be expected to result in losses and/or expenses in excess of \$250,000 has been provided to Lender. To the Borrower's knowledge, Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or any Governmental Authority.

(i) Condition of Collateral. The Collateral is not now damaged or injured as a result of any fire, explosion, accident, flood or other casualty.

(j) Discharge of Liens and Taxes. Borrower and Guarantor have filed all Canadian, Israeli and U.S. federal and state income and all other material tax returns and reports required to be filed, and have paid and/or discharged all provincial, territorial, state and other material taxes, assessments, fees and other governmental charges levied or imposed by a taxing authority upon them or their properties, income or assets otherwise due and payable, except to the extent that such items are being appropriately contested in good faith and an adequate reserve under GAAP for the payment thereof is being maintained.

(k) Sufficiency of Capital. Neither Borrower nor any Guarantor is, and after consummation of this Agreement and after giving effect to all indebtedness incurred and Liens created by Borrower in connection with the Note and any other Loan Documents, will be, insolvent within the meaning of 11 U.S.C. § 101, as in effect from time to time.

(l) ERISA. Each employee pension benefit plan, as defined in Employee Retirement Income Security Act of 1974, as amended (“ERISA”), maintained by Borrower and/or any Guarantor meets, as of the date hereof, the minimum funding standards of ERISA and all applicable regulations thereto and requirements thereof, and of the Internal Revenue Code of 1986, as amended. No “Prohibited Transaction” or “Reportable Event” (as both terms are defined by ERISA) has occurred with respect to any such plan.

(m) No Default. There is no Event of Default or Unmatured Event of Default on the part of Borrower or Guarantor under this Agreement, the Note, the Guaranty or the Security Agreement. To Borrower’s knowledge, Guarantor and Borrower are not in default in any material respect under any agreement or instrument to which it is a party or by which it may be bound which would individually or in the aggregate have a material adverse effect on the financial condition or business of the Borrower or Guarantor.

(n) Brokerage. Any brokerage commission due in connection with the transaction contemplated hereby has been paid in full.

(o) Ownership of Properties/Liens. Borrower has marketable title or leasehold interests in and to all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Borrower’s real and personal properties, tangible and intangible, of any nature whatsoever (including patents, trademarks, trade names, service marks and copyrights), are free and clear of all Liens (other than Permitted Liens).

5. COVENANTS. Borrower and Guarantor, as applicable, covenants and agrees with Lender as follows:

(a) Taxes. Borrower certifies that it has filed or caused to be filed all federal, state income and other material tax returns which are required to be filed, and have paid or caused to be paid all such taxes as shown on said returns or in any manner due to be paid (including, but not limited to, ad valorem and personal property taxes) or on any assessment received by Borrower and not being contested in good faith, to the extent that such taxes have become due.

(b) Notice of Litigation. Borrower shall promptly give Lender written notice of (a) a judgment in excess of \$500,000.00 entered against Borrower, or (b) the commencement of any action, suit, claim, counterclaim or proceeding against or investigation of Borrower which, if adversely determined, would materially adversely affect the business of Borrower, or which questions the validity of this Agreement, the Note or the Security Agreement.

(c) Notice of Default. Borrower shall promptly give Lender written notice of any Unmatured Event of Default under any agreement with Lender or under any other contract to which Borrower is a party resulting in the acceleration of Indebtedness which would reasonably be expected to have a materially adverse affect on the business of Borrower.

(d) Reports. Borrower shall promptly furnish Lender with copies of all material governmental agency reports pertaining to or affecting Borrower which would materially adversely affect the business of Borrower.

(e) Change in Ownership, Control or Management of Borrower. Borrower shall not change its ownership, control or management structure during the term of the Agreement without the prior written consent of Lender, including without limitation, if either Borrower becomes a standalone entity or subsidiary of another entity, which shall not be unreasonably withheld or delayed. It is hereby clarified that bona fide raising of capital or an initial public offering of the Guarantor or either Borrower shall not be deemed as change of control of the Borrower and shall not require the Lender's prior written consent.

(f) Change in Fiscal Year. Borrower shall not change its fiscal year without the prior written consent of Lender. Borrower's fiscal year ends on December 31.

(g) No Sale of Assets. Borrower and Guarantor shall not, during the term of the Loan, transfer any material portion of their respective assets (other than Permitted Transfers) unless either (i) such transfer is in the ordinary course of Borrower's or Guarantor's business, for fair market value or reasonable consideration, and such transfer will not have a material adverse effect on the financial condition of Borrower or Guarantor and/or its ability to perform the obligations hereunder, as determined by Lender in its reasonable discretion, or (ii) (x) the consideration paid in connection therewith shall be cash or cash equivalents paid contemporaneous with consummation of the transaction and shall be in an amount not less than the fair market value of the property disposed of, (y) no Unmatured Event of Default or Event of Default shall have occurred and be continuing both immediately prior to and after giving effect to such transfer, and (z) the aggregate net book value of all of the assets sold or otherwise disposed of in such disposition together with the aggregate net book value of all assets sold or otherwise disposed of by the Loan Parties and their Subsidiaries in all such transactions occurring during the term of this Agreement does not exceed \$500,000.

(h) Title to Collateral. Borrower will deliver to Lender, after its reasonable request, any contracts, bills of sale, statements, receipted vouchers or agreements under which Borrower claims title to any of the Collateral.

(i) Payment of Taxes. Borrower shall pay and discharge when due, and before subject to penalty or further charge, and otherwise satisfy before maturity or delinquency, all provincial, territorial, state and other material taxes, assessments, fees and other governmental charges levied or imposed by a taxing authority upon them or their properties, income or assets otherwise due and payable, except to the extent that such items are being appropriately contested in good faith and an adequate reserve under GAAP for the payment thereof is being maintained, or with respect to which Borrowers have obtained a valid extension of time within which to pay any such debts, taxes and liabilities, or for which delay and payment shall not have a material adverse effect on Borrower's financial condition .

(j) Collection of Insurance Proceeds. Borrower will cooperate with Lender in obtaining for Lender the benefits of any insurance or other proceeds lawfully or equitably payable to it in connection with the transaction contemplated hereby and the collection of any indebtedness or obligation of Borrower to Lender incurred hereunder.

(k) Indebtedness. Borrower shall not incur, create, assume or permit to exist any indebtedness or liability for borrowed money, any indebtedness constituting the deferred purchase price of any property or assets, any indebtedness owed under any conditional sale or title retention agreement, contingent obligations pursuant to guaranties of Indebtedness, endorsements, letters of credit and other similar secondary liabilities, or any other indebtedness or liability evidenced by notes, bonds, debentures or similar obligations (collectively, "Indebtedness") without the prior written approval of Lender, except for (i) the Loan, (ii) the endorsement of checks for collection in the ordinary course of business, (iii) debt payable to suppliers and other trade creditors in the ordinary course of business on ordinary and customary trade terms and which is not past due, (iv) intercompany Indebtedness; (v) other Indebtedness, in an aggregate principal amount not to exceed \$1,000,000 at any time outstanding; (vi) purchase money Indebtedness (including obligations in respect of capital leases or synthetic leases) hereafter incurred by any Loan Party or any of their Subsidiaries to finance the purchase of fixed assets, and renewals, refinancings and extensions thereof; provided, that, (1) the total of all such Indebtedness for all such Persons taken together shall not exceed an aggregate principal amount of \$500,000 at any one time outstanding, (2) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed and (3) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing; (vii) unsecured Indebtedness in respect of netting services, overdraft protections, employee credit card programs, automatic clearinghouse arrangements and similar arrangements in each case in connection with deposit accounts and Indebtedness arising from the honoring of a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, that, (x) any such Indebtedness is extinguished within thirty (30) days; and (y) the aggregate outstanding principal amount of such Indebtedness shall not at any time exceed \$750,000; (viii) Indebtedness in favor of Madryn Health Partners, LP as set forth in any Subordination Agreement; and (ix) other Indebtedness owing to Lender.

(l) Guaranties. Except as may be in existence prior to the date hereof, as previously disclosed to the Lender, or as permitted under Section 5(k), Borrower shall not guarantee or otherwise in any way become or be responsible for any Indebtedness of any other Person, whether by agreement to purchase the indebtedness of any other Person, or agreement for the furnishing of funds to any other Person through the purchase of goods, supplies or services (or by way of stock purchase, capital contribution, advance or loan) for the purpose of paying or discharging Indebtedness of any other Person, or otherwise.

(m) Advances. Borrower shall not make any advances, dividends, loans, or distributions to Guarantor or any of its subsidiaries, affiliates, shareholders, officers or directors, without the prior written consent of Lender. Notwithstanding the foregoing, so long as no Event of Default exists, Borrower shall be permitted to make advances to Guarantor or any of its subsidiaries, affiliates, shareholders, officers or directors, in the ordinary course of Borrower's business, without first obtaining Lender's prior written consent. Furthermore, it is hereby clarified and agreed that the provisions made in this section shall not interfere with any ordinary course money transfers among the Borrower and any of its affiliates, and such money transfers shall not require the Lender's prior written consent.

(n) Further Assurances and Preservation of Security. Borrower will do all acts and execute all documents for the better and more effective carrying out of the intent and purposes of this Agreement, as Lender shall reasonably require from time to time, and will do such other acts necessary or desirable to preserve and protect the Collateral at any time securing or intending to secure the Note, as Lender may reasonably require.

(o) No Assignment. Borrower shall not assign this Agreement or any interest therein and any such assignment is void and of no effect. Lender may assign this Agreement and any other Agreements contemplated hereby, and all of its rights hereunder and thereunder, and all provisions of this Agreement shall continue to apply to the Loan. Lender agrees to notify Borrower of any such assignment. Lender also shall have the right to participate the Loan with any other lending institution.

(p) Access to Books and Records. Borrower shall allow Lender, or its agents, after reasonable prior notice and during reasonable normal business hours, to access Borrower's books, records and such other documents, and allow Lender, at Borrower's expense, to inspect, audit and examine the same and to make extracts therefrom and to make copies thereof. Lender shall be entitled to a field exam, and/or audit on an annual basis (or during the existence of an Event of Default, more frequently, if Lender deems it necessary in its sole and absolute discretion) at Borrower's expense throughout the term of the Loan.

(q) Business Continuity. Borrower shall conduct its business in substantially the same manner and as such business is now and has previously been conducted during the term of the Loan.

(r) Insurance.

(1) Borrower shall obtain, maintain and keep in full force and effect during the term of the Loan adequate insurance coverage, with all premiums paid thereon and without notice or demand, with respect to its properties and business against loss or damage of the kinds and in the amounts customarily insured against by companies of established reputation engaged in the same or similar businesses and owning similar properties in localities where the applicable Borrower operates including, without limitation:

(i) For any and all Canadian locations, public liability insurance insuring against all claims for personal or bodily injury, death, or property damage in an amount of not less than \$1,000,000.00 single limit coverage, and \$2,000,000.00 in the aggregate. Such policy shall include an additional insured endorsement naming the Lender as loss payee;

(ii) For any and all United States locations, public liability insurance insuring against all claims for personal or bodily injury, death, or property damage in an amount of not less than \$1,000,000.00 single limit coverage, and \$2,000,000.00 in the aggregate. Such policy shall include an additional insured endorsement naming the Lender as loss payee; and

(iv) Insurance in such amounts and against such other casualties and contingencies as may from time to time be required by Lender.

(2) All policies of insurance required hereunder shall: (i) be written by carriers which are licensed or authorized to transact business in the State of Florida, and are rated "A" or higher, Class XII or higher, according to the latest published Best's Key Rating Guide and which shall be otherwise acceptable to Lender in all other respects, (ii) provide that the Lender shall receive thirty (30) days' prior written notice from the insurer before a cancellation, material change or non-renewal of the policy becomes effective and (iii) be otherwise satisfactory to Lender in its reasonable discretion.

(3) Borrower shall not, without the prior written consent of Lender, take out separate insurance concurrent in form or contributing with regard to any insurance coverage required by Lender.

(4) At all times during the term of the Loan, at request of Lender, Borrower shall promptly deliver to Lender the original (or a certified copy) of all policies of insurance required hereby, together with receipts or other evidence that the premiums therefor have been paid.

(5) Not less than thirty (30) days prior to the expiration date of any property or liability insurance policy of Borrower, at request of Lender, Borrower shall deliver to Lender the original (or certified copy), or a certificate, as applicable, of each renewal policy, together with receipts or other evidence that the premiums therefor have been paid.

(6) The delivery of any insurance policy and any renewals thereof, shall constitute an assignment thereof to Lender and Borrower hereby grants to Lender a security interest in all such policies, in all proceeds thereof and in all unearned premiums therefor.

(s) Lockbox. After the occurrence and during the continuation of an Event of Default, Lender may require the Borrower to establish a lockbox under the control of Lender to which all of the Account Debtors shall forward payments on the Accounts. The Borrower shall pay all of Lender's standard fees and charges in connection with such lockbox arrangement (if any) as such charges and fees may change from time to time. In the event Lender requires a lockbox arrangement, the Borrower shall notify Account Debtors on the Accounts to forward payments on the Accounts to the lockbox; provided, however, that Lender shall have the right to directly contact Account Debtors at any time after the occurrence and during the continuation of an Event of Default, to ensure that payments on the Accounts are directed to the lockbox. The Borrower hereby grants to Lender as additional security in and lien upon all items and balances held in any lockbox as additional collateral for the obligations of the Borrower. After the occurrence and during the continuation of an Event of Default, the Lender shall be irrevocably authorized to debit and "sweep" the lockbox daily and take all sums contained therein and apply such sums against monies owed to the Lender of any kind, including, without limitation, any principal and/or interest due under the Note.

(t) Subordination of Debt. Borrower will fully subordinate all of the Borrower's material Indebtedness owed to third parties, including, without limitation, officers, employees, stockholders, and affiliates, upon terms and conditions acceptable to Lender. Notwithstanding the foregoing, (i) so long as the Borrower is in compliance with the financial covenants contained herein and there is no Event of Default, and no condition exists, which but for the giving of notice or the passage of time would constitute an Event of Default, the Borrower shall be permitted to make regular scheduled payments of principal and interest on such subordinated debt.

(u) Indemnification. Borrower and Guarantor hereby indemnify and hold Lender, its directors, officers, agents, employees and attorneys harmless from and against any liability, loss, expenses, damage of any nature, and claims, including, without limitation, brokers' claims, arising in connection with: (i) any failure by the Borrower to make payment of any amount due under this Loan Agreement or the Security Agreement on the due date or, if so payable, on demand; (ii) the occurrence and/or continuance of an Event of Default or (iii) material inaccuracy or material breach of any of the representations contained in this Agreement or any other Loan Documents, in each case, except for any liabilities, losses, expenses, damages and claims arising out of Lender's breach of contract, bad faith, gross negligence or willful misconduct.

(v) Estoppel Certificate. At any time during the term of the Loan, within ten (10) business days after written demand of such Borrower by the Lender therefor, the Borrower shall deliver to the Lender a certificate, duly executed and in form satisfactory to the Lender, stating and acknowledging, to the best of such Borrower's knowledge, the then unpaid principal balance of, and interest due and unpaid, under the Loan, the fact that there are no defenses, off sets, counterclaims or recoupments thereto (or, if such should not be the fact, then the facts and circumstances relating to such defenses, off sets, counterclaims or recoupments).

(w) Release of Information for Marketing Purposes. The Borrower consents to the Lender releasing details of the Loan to the media, radio, television, trade publications, magazines, web sites or other forms of media (collectively, the "Media") and hereby releases and holds Lender harmless from any liability arising out of the use or publication of such information absent Lender's gross negligence or willful misconduct.

6. FINANCIAL COVENANTS AND REPORTING REQUIREMENTS.

(a) Depository Relationship. At all times during the term of the Loan, each Borrower shall maintain all its depository account(s), merchant services and treasury management services with Lender with exception for foreign depository accounts. Notwithstanding the foregoing, Borrower shall be permitted to maintain: (i) account(s) with JP Morgan; and (ii) Borrower's PayPal account(s) so long as such account(s) do not exceed \$250,000.00 at any given time. The Loan shall be set up on an automatic debit from one of Borrower's accounts with Lender.

(b) Guarantor's Annual Financial Statements. Within 120 days after the end of each fiscal year, commencing with fiscal year end 2018, Guarantor shall supply Lender with (i) an annual audited consolidated financial statement for the prior fiscal year (including a comparison to the immediately preceding year) in form of presentation reasonably acceptable to Lender, and (ii) such supporting documentation as Lender reasonably requests.

(c) Borrower, Guarantor and its Subsidiaries Financial Statements. Within 45 days following the close of each quarter (but within 60 days after the last month in a fiscal year) Borrower shall supply Lender with (i) quarterly management prepared (and certified as true and correct by the CEO and/or CFO of Guarantor) consolidated and consolidating, financial statement of the Parent and its Subsidiaries for the prior semi-annual period in form of presentation reasonably acceptable to Lender, (ii) such supporting documentation as Lender reasonably requests, and (iii) a covenant compliance certificate confirming compliance with the financial covenants set forth herein, in form reasonably satisfactory to Lender.

(d) Borrower Tax Returns. Within 30 days of filing, Borrower shall supply Lender with a copy of its annual federal income tax returns, including, without limitation, K-1 statements for all Partnerships and Sub Chapter S Corporations, or, if an extension is filed for any tax return, within 30 days after any permitted extension date.

(e) Guarantor Tax Returns. Within 30 days of filing, each Guarantor shall supply Lender with a copy of its annual federal income tax returns, including, without limitation, K-1 statements for all Partnerships and Sub Chapter S Corporations, or, if an extension is filed for any tax return, within 30 days after any permitted extension date.

(f) Monthly Reports. Within twenty (20) days of the end of each month, Borrower shall supply Lender with (i) an accounts receivable aging report, (ii) [reserved], (iii) an accounts payable aging report, (iv) [reserved].

Should Borrower not be required to provide the bank with Monthly Reports as established in Section 6 (f) and require an advance under the line thereafter, Borrower shall submit Monthly Reports for the three periods prior to the advance request, along with a BBC for the most current period. Borrower will give Bank two weeks' notice of the borrowing requirement with the submission of the required reports.

(g) Form of Financial Statements. The form of presentation of each financial statement as required above shall be reasonably acceptable to Lender, shall be certified by Borrower to be correct and complete in all material respects, and to the extent required by GAAP, shall include a complete description of all contingent liabilities, including, without limitation, all Indebtedness guaranteed.

(h) Intentionally Omitted.

(i) Monthly Borrowing Base Certificates. Within twenty (20) days of the end of each month ("BBC Reporting Date"), Borrower shall supply Lender with a Borrowing Base Certificate with the Borrowing Base calculation for such month and resulting availability under the Note duly executed by an authorized officer of Borrower (the "BBC Reports"). However, if Borrower has a \$0 balance on the Loan prior to its monthly BBC Reporting Date, Borrower may submit its BBC Reports within 90 days of prior submission ("Quarterly BBC Reporting Period"). Should Borrower request an advance during a Quarterly BBC Reporting Period, Borrower shall provide the Bank with BBC Reporting for the last three (3) monthly periods, which will be reviewed by the bank within seven (7) business days of receipt.

(j) Financial Covenants. At all times during the term of the Loan, the Borrower shall satisfy (or cause to be satisfied) either clause (i) below; or clauses (ii) and (iii) below:

(i) Average Compensating Balances. The Borrower shall maintain an average daily balance during each calendar quarter of deposits with the Lender as follows: (i) (which shall include amounts held pursuant to the Escrow Agreement) of at least Twenty Three Million and No/100 Dollars (\$23,000,000.00) until December 9, 2021, and (ii) beginning December 10, 2021 of at least One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) (the “Minimum Deposit Relationship”), in each case, to be tested on a quarterly basis. Failure to maintain the Minimum Deposit Relationship will result in a fee payable to Lender equal to two percent (2%) per annum of the amount of the deficiency (the “Deficiency Fee”), which Deficiency Fee shall be charged automatically without any notice to Borrower. The Deficiency Fee shall not be deemed to be or constitute additional interest under the Loan, as it relates specifically and directly to the required deposit balances. In the event Borrower fails to maintain the required Minimum Deposit Relationship and the Deficiency Fee becomes due and payable by Borrower, Lender shall be entitled to either (i) set off against the Borrower’s accounts held with Lender (excluding the account established pursuant to the Escrow Agreement) in order to collect the Deficiency Fee without the requirement of notice, or (ii) send a written demand to Borrower that the Deficiency Fee be paid within ten (10) days of written notice thereof. At Lender’s sole discretion, the Minimum Deposit Relationship may be satisfied not only with Borrower accounts, but also with accounts maintained with Lender by Guarantor or any accounts owned or controlled by the Borrower or Guarantor (collectively, the “Related Accounts”). To the extent such Related Accounts are included in the calculation of the Minimum Deposit Relationship, Lender may exercise its right of setoff against any such Related Accounts along with any Borrower accounts.

(ii) Debt Service Coverage Ratio. Parent shall maintain a minimum Debt Service Coverage Ratio of not less than 1.75 to 1.00 including Madryn Health Partners, LP debt service. For purposes hereof, “Debt Service Coverage Ratio” shall mean the ratio of (a) EBITDA, plus stock based compensation, plus capital contributions to Borrower or Parent less shareholder distributions, less unfinanced capex, divided by (b) CPLTD, plus cash interest expense on all debt. This covenant shall be measured annually on a trailing twelve month basis upon Lender’s receipt of the consolidated financial statements of Parent required herein for each fiscal quarter ending June 30 and December 31.

(iii) Total Liabilities to Tangible Net Worth Ratio. Parent shall maintain a maximum ratio of Total Liabilities to Tangible Net Worth of not more than 1.5 to 1.00. For purposes hereof, "Total Liabilities" shall be defined as total liabilities, less subordinated debt; and "Tangible Net Worth" shall be defined as net worth, less dues from or loans to affiliated/related parties, less intangible assets, plus subordinated debt. This covenant shall be measured quarterly upon Lender's receipt of the financial statements of Parent required herein.

(k) Reserved.

(l) Landlord Lien Waivers. Borrower shall use best efforts to obtain a Landlord Lien Waiver in form and substance acceptable to Lender for Borrower's Florida location(s). Lender may, from time to time, request reasonable evidence of such efforts.

(m) Loan Fee. Lender has waived the Loan fee.

7. DEFAULT. Upon the occurrence of any of the following events (each an "Event of Default" and collectively, the "Events of Default"), Lender may at its option exercise any of its remedies set forth herein:

(a) Borrower fails to pay any principal or interest under this Agreement or the Note, when due, whether on the scheduled due date or upon acceleration, maturity or otherwise, and such failure is not cured by the Borrower within 5 business days from the date of notice by Lender of such Event of Default; or

(b) Borrower fails to perform any other obligation under the Loan Documents and such failure is not cured by the Borrower within fourteen (14) business days after written notice thereof is given by Lender to Borrower; or

(c) Borrower or Guarantor (i) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), in respect of any Indebtedness or Guarantee of Indebtedness having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$250,000, or (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee of more than \$250,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or

(d) If any warranty or representation made by Borrower in this Agreement or in any written document, instrument or agreement delivered pursuant to the terms hereof shall be false or misleading in any material respect, when made or deemed made; or

(e) The dissolution of, or termination of existence of, Borrower; or

(f) Borrower becomes the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships, and such proceeding has not been vacated, discharged, or stayed within 60 days from the commencement thereof; or

(g) Guarantor becomes the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationship; or

(h) The entry of a final judgment against Borrower or Guarantor for the payment of money in an aggregate amount exceeding \$250,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) which is not paid, stayed or discharged within 60 days, except as would not have a material adverse effect on Borrower's financial condition; or

(i) The seizure or forfeiture of, or the issuance of any writ of possession, garnishment or attachment, or any turnover order for any material property of Borrower, or Guarantor; and such proceeding has not been vacated, discharged, or stayed within 60 days from the commencement thereof; or

(j) There occurs any circumstance or circumstances that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, and Lender has given Borrower written notice thereof; or

(k) The failure of Borrower or any Guarantor to timely provide any of the information as required in Section 6 above, and such failure is not cured by the Borrower within fourteen (14) business days; or

(l) The failure of Borrower to timely satisfy any of the covenants as required in Section 6 above, and such failure is not cured by the Borrower within fourteen (14) business days.

8. REMEDIES OF LENDER. Upon the happening of an Event of Default, subject to the expiration of the applicable cure period, then Lender may, at its option, upon written notice to Borrower:

(j) Cease making advances hereunder;

(k) Terminate its obligations to make advances under this Agreement;

(l) Commence an appropriate legal or equitable action to enforce performance of this Agreement;

(m) Accelerate the payment of the Note and the Loan and any other sums secured by the Security Agreement, and commence appropriate legal and equitable action to collect all such amounts due Lender;

(n) Exercise any other rights or remedies Lender may have under the Security Agreement or other Loan Documents referred to in this Agreement or executed in connection with the Loan or which may be available under applicable law.

9. INTENTIONALLY OMITTED.

10. GENERAL TERMS. The following shall be applicable throughout the period of this Agreement or thereafter as provided herein:

(o) Rights of Third Parties. All conditions of the Lender hereunder are imposed solely and exclusively for the benefit of Lender and Borrower and their respective successors and assigns. No Person other than Lender shall have standing to require satisfaction of such conditions or be entitled to assume that Lender will make advances in the absence of strict compliance with any or all thereof. No other Person shall, under any circumstances, be deemed to be a beneficiary of this Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the Lender at any time if, in its sole discretion, it deems it desirable to do so.

(p) Borrower is not Lender's Agent. Nothing in this Agreement, the Note, the Security Agreement, or any other Loan Document shall be construed to make the Borrower the Lender's agent for any purpose whatsoever, or the Borrower and Lender partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(q) Loan Expense/Enforcement Expense. Borrower agrees to pay to Lender on demand all reasonable costs and expenses incurred by Lender in seeking to enforce Lender's rights and remedies under this Agreement, including court costs, costs of alternative dispute resolution and reasonable attorneys' fees and costs, whether or not suit is filed or other proceedings are initiated hereon.

(r) Evidence of Satisfaction of Conditions. Lender shall, at all times, be free independently to establish to its good faith and satisfaction, and in its absolute discretion, the existence or nonexistence of a fact or facts which are disclosed in documents or other evidence required by the terms of this Agreement.

(s) Headings. The headings of the sections, paragraphs and subdivisions of this Agreement are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.

(t) Invalid Provisions to Affect No Others. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

(u) Application of Interest to Reduce Principal Sums Due. In the event that any charge, interest or late charge is above the maximum rate provided by law, then any excess amount over the lawful rate shall be applied by Lender to reduce the principal sum of the Loan or any other amounts due Lender hereunder.

(v) Governing Law. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement.

(w) Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the others and shall apply jointly and severally.

(x) Waiver. If Lender shall waive any provisions of the Loan Documents, or shall fail to enforce any of the conditions or provisions of this Agreement, such waiver shall not be deemed to be a continuing waiver and shall never be construed as such; and Lender shall thereafter have the right to insist upon the enforcement of such conditions or provisions. Furthermore, no provision of this Agreement shall be amended, waived, modified, discharged or terminated, except by instrument in writing signed by the parties hereto.

(y) Notices. All notices from the Borrower to Lender and Lender to Borrower required or permitted by any provision of this Agreement shall be in writing and sent by registered or certified mail, by nationally recognized overnight delivery service, by facsimile or by electronic communication (e-mail) and addressed as follows:

TO LENDER:

CITY NATIONAL BANK OF FLORIDA
100 S.E. 2nd Street, 13th Floor
Miami, Florida 33131
Attention: Legal Department
E-mail: Greg.Mangram@citynational.com

TO BORROWER:

VENUS CONCEPT USA INC.
235 Yorkland Blvd, Suite 900
Toronto, Ontario, Canada M2J 4Y8
Attention: Domenic Serafino, President
Michael Mandarello, General Counsel
Facsimile:(855) 907-0115
E-mail: dom@venusconcept.com
mmandarello@venusconcept.com

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

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
Attention: Mark Pedretti
Facsimile: (212) 521-5450
E-mail: mpedretti@reedsmith.com

Such addresses may be changed by such notice to the other party. Notices sent by registered or certified mail or by overnight delivery service shall be deemed given on the date of its deposit in the United States Mail and, unless sooner actually received, shall be deemed received by the party to whom it is addressed on the third calendar day following the date on which said notice is deposited in the mail, or if a courier system is used, on the date of delivery of the notice; notices sent by facsimile or by electronic communications shall be deemed given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient).

(z) Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their successors and assigns; but nothing herein shall authorize the assignment hereof by the Borrower.

(aa) USA Patriot Act Notice. Lender hereby notifies Borrower and Guarantor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), Lender is required to obtain, verify and record information that identifies Borrower and Guarantor, which information includes the name and address of Borrower and Guarantor and other information that will allow Lender to identify Borrower and Guarantor in accordance with the Act.

(bb) Counterparts, Facsimiles. This Agreement may be executed in counterparts. Each executed counterpart of this Agreement will constitute an original document, and all executed counterparts, together, will constitute the same agreement. Any counterpart evidencing signature by one party that is delivered by facsimile by such party to the other party hereto shall be binding on the sending party when such facsimile is sent.

(cc) WAIVER OF JURY TRIAL. LENDER, BORROWER AND GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT TO BE CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THIS AGREEMENT.

[CONTINUES ON THE FOLLOWING PAGE]

BORROWER:

VENUS CONCEPT USA INC., a Delaware corporation

By: /s/ Domenic Serafino

Domenic Serafino, as President

VENUS CONCEPT CANADA CORP., a Canadian corporation

By: /s/ Domenic Serafino

Domenic Serafino, as CEO

VENUS CONCEPT INC., a Delaware corporation

By: /s/ Domenic Serafino

Domenic Serafino, as CEO

JOINDER OF GUARANTOR

Each of the undersigned as Guarantor hereby consents to the foregoing Fourth Amended and Restated Loan Agreement.

GUARANTOR:

VENUS CONCEPT LTD., an Israeli corporation

By: /s/ Domenic Serafino

Domenic Serafino, as CEO

PROVINCE OF ONTARIO)
)SS:
CITY OF TORONTO)

The foregoing instrument was acknowledged before me this 20th day of August, 2021, by means of physical presence or online notarization, by Domenic Serafino, as President of VENUS CONCEPT USA INC., a Delaware corporation; as CEO of VENUS CONCEPT CANADA CORP., a Canadian corporation, as CEO of VENUS CONCEPT LTD., an Israeli corporation, and as CEO of VENUS CONCEPT INC., a Delaware corporation; on behalf of and as an act of the corporations respectively. He is personally known to me or has produced a _____ as identification, and took an oath.

/s/ Michael Mandarello

NOTARY PUBLIC

Print Name: Michael Mandarello

My Commission Expires: __N/A_____

LENDER:

CITY NATIONAL BANK OF FLORIDA

By: /s/ Carlos E. Fernandez

Name: Carlos E. Fernandez

Title: Managing Senior VP

Exhibit A
Borrowing Base Certificate

THIS FOURTH AMENDED AND RESTATED GUARANTY OF PAYMENT AND PERFORMANCE AMENDS, RESTATES AND REPLACES IN ITS ENTIRETY THAT CERTAIN THIRD AMENDED AND RESTATED GUARANTY OF PAYMENT AND PERFORMANCE DATED THE 9TH DAY OF DECEMBER, 2020 GIVEN BY GUARANTOR TO LENDER.

FOURTH AMENDED AND RESTATED GUARANTY OF PAYMENT AND PERFORMANCE

This Fourth Amended and Restated Guaranty of Payment and Performance (this “Guaranty”) is made as of this 24th day of July, 2021, by VENUS CONCEPT LTD., an Israeli limited corporation (the “Guarantor”), in favor of CITY NATIONAL BANK OF FLORIDA (“Lender”).

RECITALS

VENUS CONCEPT USA INC., a Delaware corporation (“Venus USA”); VENUS CONCEPT CANADA CORP., a Canadian corporation (“Venus Canada”); and VENUS CONCEPT, INC., a Delaware corporation (“VCI”) (individually and collectively, the “Borrower”) have requested and Lender has agreed to make one or more loans to Borrower in the principal amount from time to time outstanding of FIVE MILLION THOUSAND AND NO/100 DOLLARS (\$5,000,000.00) (the “Loan”), as evidenced by that certain Fifth Amended and Restated Revolving Promissory Note effectively dated as of July 24, 2021 from Borrower in favor of Lender in the original principal amount of the Loan (as the same may be amended, restated, modified or replaced from time to time, the “Note”). Certain terms and conditions of the Loan are set forth in that certain Fourth Amended and Restated Loan Agreement effectively dated as of July 24, 2021 between Borrower and Lender (as the same may be amended, restated, modified or replaced from time to time, the “Loan Agreement”). As a condition precedent to Lender making the Loan, Lender has required Guarantor to execute and deliver this Guaranty to Lender. Any capitalized term used and not defined in this Guaranty shall have the meaning given to such term in the Loan Agreement.

AGREEMENTS

Guarantor is a subsidiary of VCI and a sub-parent of Venus USA and Venus Canada and will receive a material benefit from Lender making the Loan to Borrower. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in order to induce Lender to make the Loan to Borrower, Guarantor hereby guarantees to Lender the prompt and full payment of the Indebtedness described below in this Guaranty (collectively called the “Guaranteed Obligations”), this Guaranty being upon the following terms and conditions:

Section 1. Guaranty of Payment.

Guarantor hereby unconditionally and irrevocably guarantees to Lender the punctual payment when due, whether by lapse of time, by acceleration of maturity, or otherwise, of all principal, interest (including interest accruing after maturity and after the commencement of any bankruptcy or insolvency proceeding by or against Borrower, whether or not allowed in such proceeding), prepayment premiums, fees, late charges, costs, expenses, indemnification indebtedness, and other sums of money now or hereafter due and owing, or which Borrower is obligated to pay, pursuant to the terms of the Note, the Loan Agreement, the Security Agreements by and between Borrower and Lender (the “Security Agreements”), any application, agreement, note or other document executed and delivered by Borrower in connection with any Loan, or any of the other Loan Documents, including, without limitation, any letter of credit issued by Lender in connection with the Loan, as the same may from time to time be amended, supplemented, restated or otherwise modified (collectively, the “Indebtedness”). The Indebtedness includes all reasonable costs and expenses incurred by Lender in seeking to enforce Lender’s rights and remedies with respect to the Indebtedness, and to protect, defend, maintain or enforce Lender’s liens or security interests, including, without limitation, collection costs, default rates of interest, reasonable attorneys’ fees and costs at trial and appellate levels and related costs, and costs of alternative dispute resolution, whether or not suit is filed or other proceedings are initiated thereon. This Guaranty covers the Indebtedness presently outstanding and the Indebtedness arising subsequent to the date hereof, including all amounts advanced by Lender in stages or installments. The guaranty of Guarantor as set forth in this Section is a continuing guaranty of payment and not a guaranty of collection.

The foregoing obligations guaranteed under this Section are defined as the “Guaranteed Payment Obligations”. The Guaranteed Payment Obligations are included as part of the Guaranteed Obligations for all purposes of this Guaranty.

Section 2. Guaranty of Performance.

Guarantor hereby unconditionally and irrevocably guarantees to Lender the complete performance when due of all other Obligations of Borrower under all of the Loan Documents, including, without limiting the generality of the foregoing, all such Obligations of Borrower to duly and punctually perform and observe all other terms, covenants and conditions of the Note, the Loan Agreement, and all other Loan Documents.

The foregoing obligations guaranteed under this Section are defined as the “Guaranteed Performance Obligations.” The Guaranteed Performance Obligations are included as part of the Guaranteed Obligations for all purposes of this Guaranty.

The liability and obligations under this Section shall not be limited or restricted by the existence of, or any terms of, the guaranty of payment under Section 1.

Section 3. Primary Liability of Guarantor.

(a) This Guaranty is an absolute, irrevocable and unconditional guaranty of payment and performance, and Guarantor shall be liable for the payment and performance of the Guaranteed Obligations as a primary obligor. This Guaranty shall be effective as a waiver of, and Guarantor hereby expressly waives, any right to which Guarantor may otherwise have been entitled, whether existing under statute, at law or in equity, to require Lender to take prior recourse or proceedings against any collateral, security or person. It shall not be necessary for Lender, in order to enforce such payment or performance by Guarantor, first to institute suit or pursue or exhaust any rights or remedies against Borrower or other person liable on such indebtedness or performance, or to enforce any rights against any security given to secure such indebtedness or for such performance, or to join Borrower or any other person liable for the payment or performance of the Guaranteed Obligations or any part thereof in any action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligations provided, however, that nothing herein contained shall prevent Lender from suing on the Note or exercising any other right under the Loan Documents.

(b) Suit may be brought or demand may be made against Borrower or against any or all parties who have signed this Guaranty or any other guaranty covering all or any part of the Guaranteed Obligations, or against any one or more of them, separately or together, without impairing the rights of Lender against any party hereto. Any time that Lender is entitled to exercise its rights or remedies hereunder, it may in its discretion elect to demand payment and/or performance. If Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Guaranteed Obligations have been paid and performed in full. If Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Guaranteed Obligations have been paid and performed in full.

(a) Guarantor agrees that neither Lender's rights or remedies nor Guarantor's obligations under the terms of this Guaranty shall be released, diminished, impaired, reduced or affected by any one or more of the following events, actions, facts, or circumstances, in each case, unless the Guaranteed Obligations themselves have been changed, reduced, discharged or terminated, and the liability of Guarantor under this Guaranty shall be absolute, unconditional and irrevocable irrespective of:

- (i) any limitation on the liability of, or recourse against, any other person in any Loan Document or arising under any law;
- (ii) any claim or defense that this Guaranty was made without consideration or is not supported by adequate consideration or that the obligations of Guarantor hereunder exceed or are more burdensome than those of Borrower under the other Loan Documents;
- (iii) the taking or accepting of any other security or guaranty for, or right of recourse with respect to, any or all of the Guaranteed Obligations;
- (iv) the operation of any laws (other than statutes of limitation) regarding the limitation of actions, all of which are hereby waived as a defense to any action or proceeding brought by Lender against Guarantor, to the fullest extent permitted by law;
- (v) any homestead exemption or any other exemption under applicable law;
- (vi) any release, surrender, abandonment, exchange, alteration, sale or other disposition, subordination, deterioration, waste, failure to protect or preserve, impairment, or loss of, or any failure to create or perfect any lien or security interest with respect to, or any other dealings with, any collateral or security at any time existing or purported, believed or expected to exist in connection with any or all of the Guaranteed Obligations, or any impairment of Guarantor's recourse against any person or collateral;
- (vii) whether express or by operation of law, any partial release of the liability of Guarantor hereunder (except to the extent paid, performed or expressly so released) or any complete or partial release of Borrower or any other person liable, directly or indirectly, for the payment or performance of any or all of the Guaranteed Obligations;
- (viii) the insolvency, bankruptcy, dissolution, liquidation, termination, receivership, reorganization, merger, consolidation, change of form, structure or ownership, sale of all assets, or lack of corporate, partnership or other power of Borrower or any other person at any time liable for the payment of any or all of the Guaranteed Obligations;
- (ix) any renewal, extension, modification, supplement, subordination or rearrangement of the terms of any or all of the Guaranteed Obligations and/or any of the Loan Documents, including material alterations of the terms of payment (including changes in maturity date(s) and interest rate(s) or performance or any other terms thereof, or any waiver, termination, or release of, or consent to departure from, any of the Loan Documents or any other guaranty of any or all of the Guaranteed Obligations, or any adjustment, indulgence, forbearance, or compromise that may be granted from time to time by Lender to Borrower or any other person at any time liable for the payment or performance of any or all of the Guaranteed Obligations (collectively "**Change**"), provided however, that the Lender has furnished the Guarantor with a prior written notice setting forth such a Change, and, provided further, that the Guarantor shall be liable to guarantee the Guaranteed Obligations, as so amended, supplemented, modified, extended, renewed waived of otherwise changed, as of the effective date of such Change;

(x) any neglect, lack of diligence, delay, omission, failure, or refusal of Lender to take or prosecute (or in taking or prosecuting) any action for the collection or enforcement of any of the Guaranteed Obligations, or to foreclose or take or prosecute any action to foreclose (or in foreclosing or taking or prosecuting any action to foreclose) upon any security therefor, or to exercise (or in exercising) any other right or power with respect to any security therefor, or to take or prosecute (or in taking or prosecuting) any action in connection with any Loan Document, or any failure to sell or otherwise dispose of in a commercially reasonable manner any collateral securing any or all of the Guaranteed Obligations;

(xi) the existence of any claim, counterclaim, set-off or other right that Guarantor may at any time have against Borrower, Lender, or any other person, whether or not arising in connection with this Guaranty, the Note, the Loan Agreement, the Security Agreement, any other Loan Document; provided, however, that the foregoing shall not be deemed a waiver of Guarantor's right to assert any compulsory counterclaim maintained in a court of the United States or the State of Florida if such counterclaim is compelled under local law or procedure;

(xii) the unenforceability of all or any part of the Guaranteed Obligations against Borrower, whether because the Guaranteed Obligations exceed the amount permitted by law or violate any usury law, or because the persons creating the Guaranteed Obligations acted in excess of their authority, or because of a lack of validity or enforceability of or defect or deficiency in any of the Loan Documents, or because Borrower has any valid defense, claim or offset with respect thereto, or because Borrower's obligation ceases to exist by operation of law, or because of any other reason or circumstance, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other person be found not liable on the Guaranteed Obligations, or any part thereof, for any reason (and regardless of any joinder of Borrower or any other party in any action to obtain payment or performance of any or all of the Guaranteed Obligations);

(xiii) any order, ruling or plan of reorganization emanating from proceedings under Title 11 of the United States Code with respect to Borrower or any other person, including any extension, reduction, composition, or other alteration of the Guaranteed Obligations, whether or not consented to by Lender, or any action taken or omitted by Lender in any such proceedings, including any election to have Lender's claim allowed as being secured, partially secured or unsecured, any extension of credit by Lender in any such proceedings or the taking and holding by Lender of any security for any such extension of credit;

(xiv) any other condition, event, omission, or action that would in the absence of this paragraph result in the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty or any other agreement;

(xv) Lender's enforcement or forbearance from enforcement of the Guaranteed Obligations on a net or gross basis.

(b) In the event any payment by Borrower or any other person to Lender is held to constitute a preference, fraudulent transfer or other voidable payment under any bankruptcy, insolvency or similar law, or if for any other reason Lender is required to refund such payment or pay the amount thereof to any other party, such payment by Borrower or any other party to Lender shall not constitute a release of Guarantor from any liability hereunder, and this Guaranty shall continue to be effective or shall be reinstated (notwithstanding any prior release, surrender or discharge by Lender of this Guaranty or of Guarantor), as the case may be, with respect to, and this Guaranty shall apply to, any and all amounts so refunded by Lender or paid by Lender to another person (which amounts shall constitute part of the Guaranteed Obligations), and any interest paid by Lender and any reasonable attorneys' fees, costs and expenses paid or incurred by Lender in connection with any such event.

(c) It is the intent of Guarantor and Lender that the obligations and liabilities of Guarantor hereunder are absolute, irrevocable and unconditional under any and all circumstances and that until the Guaranteed Obligations are fully and finally paid and performed, and not subject to refund or disgorgement, the obligations and liabilities of Guarantor hereunder shall not be discharged or released, in whole or in part, by any act or occurrence that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of a guarantor.

(d) Guarantor's obligations shall not be affected, impaired, lessened or released by loans, credits or other financial accommodations now existing or hereafter advanced by Lender to Borrower in excess of the Guaranteed Obligations. All payments, repayments and prepayments of the Loan, whether voluntary or involuntary, received by Lender from Borrower, any other person or any other source (other than from Guarantor pursuant to a demand by Lender hereunder), and any amounts realized from any collateral for the Loan, shall be deemed to be applied first to any portion of the Loan which is not covered by this Guaranty, and last to the Guaranteed Obligations, and this Guaranty shall bind Guarantor to the extent of any Guaranteed Obligations that may remain owing to Lender. Lender shall have the right to apply any sums paid by Guarantor to any portion of the Loan in Lender's sole and absolute discretion.

(e) If acceleration of the time for payment of any amount payable by Borrower under the Note, the Loan Agreement, or any other Loan Document is stayed or delayed by any law or tribunal, then unless similarly stayed or delayed all such amounts shall nonetheless be payable by Guarantor within 10 Business Days following receipt of a written demand from the Lender.

(f) Guarantor hereby waives and agrees not to assert or take advantage of (i) any right or claim of right to cause a marshalling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the Indebtedness; (ii) the defense of laches in any action hereunder or for the payment of the Indebtedness and performance of any obligation hereby guaranteed; (iii) any defense that may arise by reason of lack of authority of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (iv) any defense based on the failure of Lender to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the Indebtedness, in connection with any obligation hereby guaranteed; (v) any defense based upon an election of remedies by Lender which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (vi) any defense based upon failure of Lender to commence an action against Borrower; (vii) any defense based upon acceptance of this Guaranty by Lender; (viii) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (ix) any defense based upon any complete or partial release of liability contained in any of the Loan Documents; (x) any defense based upon any transfer by Borrower of all or any part of the collateral for the Loan; (xi) any defense based upon the failure of Lender to perfect any security or to extend or renew the perfection of any security; and (xii) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

Section 5. Subordination.

If, for any reason whatsoever, Borrower is now or hereafter becomes Indebted (as defined in the Loan Agreement) to Guarantor:

(a) such Indebtedness and all interest thereon and all liens, security interests and rights now or hereafter existing with respect to property of Borrower securing such indebtedness shall, at all times, be subordinate in all respects to the Guaranteed Obligations and to all liens, security interests and rights now or hereafter existing to secure the Guaranteed Obligations;

(b) at any time after the occurrence and during the continuation of an Event of Default, Guarantor shall not be entitled to enforce or receive payment, directly or indirectly, of any such indebtedness of Borrower to Guarantor until the Guaranteed Obligations have been fully and finally paid and performed;

(c) After the occurrence and during the continuation of an Event of Default, Guarantor shall assign and grant to Lender a security interest in all such indebtedness and security therefor, if any, of Borrower to Guarantor now existing or hereafter arising, including any dividends and payments pursuant to debtor relief or insolvency proceedings referred to below. In the event of receivership, bankruptcy, reorganization, arrangement or other debtor relief or insolvency proceedings involving Borrower as debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and shall have the right to receive directly from the receiver, trustee or other custodian (whether or not an Event of Default shall have occurred or be continuing under any of the Loan Documents), dividends and payments that are payable upon any obligation of Borrower to Guarantor now existing or hereafter arising, and to have all benefits of any security therefor, until the Guaranteed Obligations have been fully and finally paid and performed. If, notwithstanding the foregoing provisions, Guarantor should receive any payment, claim or distribution that is prohibited as provided above in this Section, Guarantor shall pay the same to Lender immediately, Guarantor hereby agreeing that it shall receive the payment, claim or distribution in trust for Lender and shall have absolutely no dominion over the same except to pay it immediately to Lender; and

(d) Upon the occurrence of an Event of Default, Guarantor shall promptly upon request of Lender from time to time execute such documents and perform such acts as Lender may reasonably require to evidence and perfect its interest and to permit or facilitate exercise of its rights under this Section, including execution and delivery of proofs of claim, further assignments and security agreements, and delivery to Lender of any promissory notes or other instruments evidencing indebtedness of Borrower to Guarantor.

Section 6. Other Liability of Guarantor or Borrower.

If Guarantor is or becomes liable, by endorsement or otherwise, for any indebtedness owing by Borrower to Lender other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may have against Guarantor. If Borrower is or becomes indebted to Lender for any indebtedness other than or in excess of the Guaranteed Obligations, any payment received or recovery realized upon such other indebtedness of Borrower to Lender may be applied to such other indebtedness. This Guaranty is independent of (and shall not be limited by) any other guaranty now existing or hereafter given. Further, Guarantor's liability under this Guaranty is in addition to any and all other liability Guarantor may have in any other capacity to Lender.

Section 7. [Reserved].

Section 8. Lender Assigns; Disclosure of Information.

This Guaranty is for the benefit of Lender and Lender's successors and assigns, and in the event of an assignment of the Guaranteed Obligations, or any part thereof, the rights and benefits hereunder, to the extent applicable to the Guaranteed Obligations so assigned, may be transferred with such Guaranteed Obligations. Subject to prior written notice to the Guarantor, Lender may sell or offer to sell the Loan or interests therein to one or more assignees or participants. Guarantor shall execute, acknowledge and deliver any and all instruments reasonably requested by Lender in connection therewith, and to the extent, if any, specified in any such assignment or participation, such assignee(s) or participant(s) shall have the same rights and benefits with respect to the Loan Documents as such person(s) would have if such person(s) were Lender hereunder. Lender may disclose to any such assignee or participant or prospective assignee or participant, to Lender's affiliates (in each case, provided it or they are subject to the same confidentiality obligations towards Guarantor as applicable to Lender in the Loan Documents), to any regulatory body having jurisdiction over Lender and to any other parties as necessary or appropriate in Lender's reasonable judgment, any information Lender now has or hereafter obtains pertaining to the Guaranteed Obligations, this Guaranty, or Guarantor, including information regarding any security for the Guaranteed Obligations or for this Guaranty, and/or credit or other information on Guarantor and/or any other person liable, directly or indirectly, for any part of the Guaranteed Obligations.

Section 9. Binding Effect; Joint and Several Liability.

This Guaranty is binding not only on Guarantor, but also on Guarantor's successors and assigns.

Section 10. Governing Law.

The validity, enforcement, and interpretation of this Guaranty, shall for all purposes be governed by and construed in accordance with the laws of the State of Florida and applicable United States federal law, and is intended to be performed in accordance with, and only to the extent permitted by, such laws. All obligations of Guarantor hereunder are payable and performable at the place or places where the Guaranteed Obligations are payable and performable. This Guaranty is an agreement executed under seal. If any Guarantor is a corporation, the designation "(SEAL)" on this Guaranty shall be effective as the affixing of such Guarantor's corporate seal physically to this Guaranty.

Section 11. Invalidity of Certain Provisions.

If any provision of this Guaranty or the application thereof to any person or circumstance shall, for any reason and to any extent, be declared to be invalid or unenforceable, neither the remaining provisions of this Guaranty nor the application of such provision to any other person or circumstance shall be affected thereby, and the remaining provisions of this Guaranty, or the applicability of such provision to other persons or circumstances, as applicable, shall remain in effect and be enforceable to the maximum extent permitted by applicable law.

Section 12. Costs and Expenses of Enforcement.

Guarantor agrees to pay to Lender on demand all reasonable costs and expenses incurred by Lender in seeking to enforce Lender's rights and remedies under this Guaranty, including court costs, costs of alternative dispute resolution and reasonable attorneys' fees and costs, whether or not suit is filed or other proceedings are initiated hereon. All such reasonable costs and expenses incurred by Lender shall constitute a portion of the Guaranteed Obligations hereunder, shall be subject to the provisions hereof with respect to the Guaranteed Obligations and shall be payable by Guarantor within ten (10) business days of written demand by Lender.

Section 13. No Usury.

It is not the intention of Lender or Guarantor to obligate Guarantor to pay interest in excess of that lawfully permitted to be paid by Guarantor under applicable law. Should it be determined that any portion of the Guaranteed Obligations or any other amount payable by Guarantor under this Guaranty constitutes interest in excess of the maximum amount of interest that Guarantor, in Guarantor's capacity as guarantor, may lawfully be required to pay under applicable law, the obligation of Guarantor to pay such interest shall automatically be limited to the payment thereof in the maximum amount so permitted under applicable law. The provisions of this Section shall override and control all other provisions of this Guaranty and of any other agreement between Guarantor and Lender.

Section 14. Representations, Warranties, and Covenants of Guarantor.

Until the Guaranteed Obligations are paid and performed in full and each and every term, covenant and condition of this Guaranty is fully performed, Guarantor hereby represents, warrants, and covenants that: (a) Guarantor has a financial interest in Borrower and will derive a material and substantial benefit, directly or indirectly, from the making of the Loan to Borrower and from the making of this Guaranty by Guarantor; (b) this Guaranty is duly authorized and valid, and is binding upon and enforceable against Guarantor; (c) Guarantor is not, and the execution, delivery and performance by Guarantor of this Guaranty will not cause Guarantor to be, in violation of or in default with respect to any law or in default (or at risk of acceleration of indebtedness) under any agreement or restriction by which Guarantor is bound or affected; (d) unless Guarantor is a natural person, Guarantor is duly organized, validly existing, and in good standing under the laws of the state of its organization and has full power and authority to enter into and perform this Guaranty; (e) except as previously disclosed to Lender in writing, there is no litigation pending or, to the knowledge of Guarantor, threatened by or before any tribunal against or affecting Guarantor; (f) all financial statements and written information heretofore furnished to Lender by Guarantor do, and all financial statements and written information hereafter furnished to Lender by Guarantor will, fully and accurately, in all material aspects, present the condition (financial or otherwise) of Guarantor as of their dates and the results of Guarantor's operations for the periods therein specified; (g) after giving effect to this Guaranty, Guarantor consolidated with its subsidiaries is solvent, is not engaged or about to engage in business or a transaction for which the property of Guarantor is an unreasonably small capital, and does not intend to incur or believe that it will incur debts that will be beyond its ability to pay as such debts mature; (h) Guarantor has read and fully understands the provisions contained in the Note, the Loan Agreement, the Security Agreement and the other Loan Documents. No Loan Documents or other document, certificate or written statement (including, without limitation, any financial statements provided to Lender by Guarantor) furnished to Lender by or on behalf of Guarantor in connection with the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. Guarantor acknowledges that all such statements, representations and warranties shall be deemed to have been relied upon by Lender as an inducement to make the Loan to Borrower. Guarantor's representations, warranties and covenants are a material inducement to Lender to enter into the other Loan Documents shall survive the execution hereof and any bankruptcy, foreclosure, transfer of security or other event affecting Borrower, Guarantor, any other party, or any security for all or any part of the Guaranteed Obligations.

All notices from the Guarantor to Lender and Lender to Guarantor required or permitted by any provision of this Guaranty shall be in writing and sent by registered or certified mail, by nationally recognized overnight delivery service, by facsimile or by electronic communication (e-mail) and addressed as follows:

TO LENDER:

CITY NATIONAL BANK OF FLORIDA
100 S.E. 2nd Street, 13th Floor
Miami, FL 33131
Attention: Legal Department
E-mail: Greg.Mangram@citynational.com

TO GUARANTOR:

VENUS CONCEPT LTD.
235 Yorkland Blvd, Suite 900
Toronto, Ontario, Canada M2J 4Y8
Attention: Domenic Serafino, CEO
Michael Mandarello, General Counsel
Facsimile: (855) 907-0115
E-mail: dom@venusconcept.com
mmandarello@venusconcept.com

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

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
Attention: Mark Pedretti
Facsimile: (212) 521-5450
E-mail: mpedretti@reedsmith.com

Such addresses may be changed by such notice to the other party. Notices sent by registered or certified mail or by overnight delivery service shall be deemed given on the date of its deposit in the United States Mail and, unless sooner actually received, shall be deemed received by the party to whom it is addressed on the third calendar day following the date on which said notice is deposited in the mail, or if a courier system is used, on the date of delivery of the notice; notices sent by facsimile or by electronic communications shall be deemed given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient).

Section 16. Cumulative Rights.

All of the rights and remedies of Lender under this Guaranty and the other Loan Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Lender to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default. No notice to or demand on Guarantor in any case shall of itself entitle Guarantor to any other or further notice or demand in similar or other circumstances. No provision of this Guaranty or any right or remedy of Lender with respect hereto, or any default or breach, can be waived, nor can this Guaranty or Guarantor be released or discharged in any way or to any extent, except specifically in each case by a writing intended for that purpose (and which refers specifically to this Guaranty) executed and delivered by Lender to Guarantor.

Section 17. Term of Guaranty.

Without limitation of the provisions of Section 4(b) hereof, this Guaranty shall continue in effect until all the Guaranteed Obligations and all of the obligations of Guarantor to Lender under this Guaranty are fully and finally paid, performed and discharged.

Section 18. Subrogation.

Guarantor shall not have any right of subrogation under any of the Loan Documents or any right to participate in any security for the Guaranteed Obligations or any right to reimbursement, exoneration, contribution, indemnification or any similar rights, until the Guaranteed Obligations have been fully and finally paid, performed and discharged in accordance with Section 17 above, and Guarantor hereby waives all of such rights.

Section 19. [Reserved]

Section 20. [Reserved]

Section 21. Time of Essence.

Time shall be of the essence in this Guaranty with respect to all of Guarantor's obligations hereunder.

Section 22. Entire Agreement; Counterparts; Construction.

This Guaranty embodies the entire agreement between Lender and Guarantor with respect to the guaranty by Guarantor of the Guaranteed Obligations. This Guaranty supersedes all prior agreements and understandings, if any, with respect to the guaranty by Guarantor of the Guaranteed Obligations. This Guaranty shall be effective upon execution by Guarantor and delivery to Lender. This Guaranty may not be modified, amended or superseded except in a writing signed by Lender and Guarantor referencing this Guaranty by its date. This Guaranty has been executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement. As used herein, the words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 23. No Third Party Beneficiary.

Except as specifically provided for herein, Guarantor and Lender do not intend the benefits of this Guaranty to inure to any third party (including Borrower) and no third party shall have any status, right or entitlement under this Guaranty.

Section 24. Forum.

Guarantor hereby irrevocably submits generally and unconditionally for itself and in respect of its property to the jurisdiction of any state court or any United States federal court sitting in Miami-Dade County, Florida. Guarantor hereby irrevocably waives, to the fullest extent permitted by law, any objection that Guarantor may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Guarantor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any state court or any United States federal court sitting in the state specified in the governing law section of this Guaranty may be made by certified or registered mail, return receipt requested, directed to Guarantor at its address for notice set forth in this Guaranty, or at a subsequent address of which Lender received actual notice from Guarantor in accordance with the notice section of this Guaranty, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Guarantor in any other court or jurisdiction.

Section 25. WAIVER OF JURY TRIAL.

GUARANTOR AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THIS AGREEMENT.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[CONTINUES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Guarantor has duly executed this Fourth Amended and Restated Guaranty *under seal* on August 26, 2021.

GUARANTOR:

VENUS CONCEPT LTD., an Israeli corporation

By: /s/ Domenic Serafino

Domenic Serafino, as CEO

THIS THIRD AMENDED AND RESTATED SECURITY AGREEMENT AMENDS, RESTATES AND REPLACES IN THEIR ENTIRETY THAT CERTAIN AMENDED AND RESTATED SECURITY AGREEMENT DATED AS OF AUGUST 29, 2018, FROM VENUS USA IN FAVOR OF LENDER; THAT CERTAIN SECURITY AGREEMENT DATED AS OF MARCH 20, 2020, FROM VENUS CONCEPT INC. IN FAVOR OF LENDER AND THAT CERTAIN SECOND AMENDED AND RESTATED SECURITY AGREEMENT DATED AS OF DECEMBER 9, 2020, FROM VENUS CONCEPT INC. IN FAVOR OF LENDER.

THIRD AMENDED AND RESTATED SECURITY AGREEMENT

This THIRD AMENDED AND RESTATED SECURITY AGREEMENT Effectively dated as of July 24, 2021 (the "Security Agreement"), is executed by **VENUS CONCEPT INC.**, a Delaware corporation, and **VENUS CONCEPT USA INC.**, a Delaware corporation both whose address is 235 Yorkland Blvd., Suite 900, Toronto, Ontario, Canada M2J 4Y8 (collectively, the "Debtor"), and **CITY NATIONAL BANK OF FLORIDA**, whose address is 100 S.E. 2nd Street, 13th Floor, Miami, FL 33131 (the "Bank").

RECITALS:

A. Debtor, requested and Bank agreed to make a revolving loan in the maximum principal amount of FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) to the Debtor, and Venus Concept Canada Corp., a Canadian corporation ("Venus Canada") which shall be used to finance working capital requirements for Borrower and for other corporate purposes.

B. As a condition to the Bank's loaning funds or providing other financial accommodations to the Debtor, the Bank requires that the Debtor enter into this Security Agreement in order to secure the obligations and performance of the Debtor under such loans or financial accommodations.

NOW THEREFORE, in consideration of the premises, and the mutual covenants and agreements set forth herein, the Debtor and the Bank hereby agree as follows:

AGREEMENTS:

Section 1 DEFINITIONS.

1.1 Defined Terms. For the purposes of this Security Agreement, the following capitalized words and phrases shall have the meanings set forth below.

"Affiliate" of the Bank shall mean any entity which, directly or indirectly, controls or is controlled by or is under common control with the Bank. An entity shall be deemed to be "controlled by" another entity if such other entity possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such entity whether by contract, ownership of voting securities, membership interests or otherwise.

“Bank Product Agreements” shall mean those certain cash management service agreements entered into from time to time by an Obligor with the Bank or any Affiliate of the Bank concerning Bank Products.

“Bank Product Obligations” shall mean all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by an Obligor to the Bank or any Affiliate of the Bank pursuant to or evidenced by the Bank Product Agreements and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

“Bank Products” shall mean any service or facility extended to an Obligor by the Bank or any Affiliate of the Bank, including: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, (f) cash management, including controlled disbursement, accounts or services.

“Bankruptcy Code” shall mean the United States Bankruptcy Code, as now existing or hereafter amended.

“Borrower” shall mean collectively the Debtor and Venus Canada.

“Business Day” shall mean any day other than a Saturday, Sunday or a legal holiday on which banks are authorized or required to be closed for the conduct of commercial banking business in Miami, Florida.

“Capital Lease” shall mean, as to any Person, a lease of any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, by such Person, as lessee, that is, or should be, in accordance with Financial Accounting Standards Board Statement No. 13, as amended from time to time, or, if such statement is not then in effect, such statement of GAAP as may be applicable, recorded as a “capital lease” on the financial statements of such Person prepared in accordance with GAAP.

“Capital Securities” shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person’s capital, whether now outstanding or issued or acquired after the date hereof, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent of such ownership interest.

“Capitalized Lease Obligations” shall mean, as to any Person, all rental obligations of such Person, as lessee under a Capital Lease which are or will be required to be capitalized on the books of such Person.

“Collateral” shall have the meaning set forth in Section 2.1 hereof.

“Collateral Access Agreement” shall mean an agreement in form and substance reasonably satisfactory to the Bank pursuant to which a mortgagee or lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of Inventory or other property owned by the Debtor of any Subsidiary, acknowledges the Liens of the Bank and waives any Liens held by such Person on such property, and, in the case of any such agreement with a mortgagee or lessor, permits the Bank reasonable access to and use of such real property following the occurrence and during the continuance of an Event of Default to assemble, complete and sell any collateral stored or otherwise located thereon.

“Default Rate” shall mean a per annum rate of interest equal to the highest rate authorized by applicable law (the “Default Rate”).

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“Event of Default” shall have the meaning set forth in the Loan Agreement.

“Exchange Agreement” shall have the meaning set forth in the Loan Agreement.

“Excluded Property” shall mean, with respect to any Borrower: (a) any personal property (including, without limitation, motor vehicles) in respect of which perfection of a Lien is not governed by the Uniform Commercial Code, (b) any permit, lease, license, contract or other agreement if the grant of & security interest in such permit, lease, license, contract or other agreement in the manner contemplated by the Loan Documents, under the terms thereof or under applicable law or regulation, is prohibited and would result in the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter such Borrower's rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both); provided, that, (i) any such limitation described in the foregoing clause (b) on the security interests granted under the Loan Documents shall only apply to the extent that any such prohibition is not rendered ineffective pursuant to the Uniform Commercial Code that has the effect of permitting the grant of a security interest and preventing any termination, acceleration or alteration of such Borrower's rights, titles and interests thereunder as a result of such grant of a security interest and (ii) in the event of the termination or elimination of any such prohibition or the requirement for any consent contained in any applicable law, regulation, permit, lease, license, contract or other agreement, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such permit, lease, license, contract or other agreement shall be automatically and simultaneously granted under the Loan Documents and such permit, lease, license, contract or other agreement shall be included as Collateral, (c) any equity interests in any Subsidiaries, and (d) any assets that are not collateral pledged and perfected under the Transaction Documents (as defined in the Exchange Agreement).

“GAAP” shall mean generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination, provided, however, that interim financial statements or reports shall be deemed in compliance with GAAP despite the absence of footnotes and fiscal year-end adjustments as required by GAAP.

“Hedging Agreements” shall mean any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices.

“Hedging Obligation” shall mean, with respect to any Person, any liability of such Person under any Hedging Agreement.

“Letter of Credit” and “Letters of Credit” shall mean, respectively, a letter of credit and all such letters of credit issued by the Bank, in its sole discretion, for the account of an Obligor.

“Lien” shall have the meaning in the Loan Agreement.

“Loan Agreement” shall mean that certain Fourth Amended and Restated Loan Agreement dated as of even date herewith as amended from time to time by and between Borrower and Bank.

“Loan Documents” shall mean the Loan Agreement, the Fifth Amended and Restated Revolving Promissory Note and each of the agreements and instruments from time to time executed and delivered by an Obligor for the benefit of the Bank in connection with the Obligations, and all amendments, restatements, supplements and other modifications thereto.

“Material Adverse Effect” shall have the meaning in the Loan Agreement.

“Note” shall mean that certain Fifth Amended and Restated Revolving Promissory Note dated as of even date herewith as amended from time to time from Borrower to the order of Bank in the principal amount of \$5,000,000.00.

“Obligations” shall mean all loans or other obligations arising pursuant to (a) (i) the Note, and (ii) the Loan Agreement, all interest accrued thereon (including interest which would be payable as post-petition in connection with any bankruptcy or similar proceeding, whether or not permitted as a claim thereunder), any fees due the Bank under the Loan Documents, any expenses incurred by the Bank under the Loan Documents, (b) any and all other liabilities and obligations of an Obligor to the Bank under any reimbursement obligations of an Obligor to Bank in respect of Letters of Credit and surety bonds, which are owed by an Obligor to the Bank or any Affiliate of the Bank, and (c) all Bank Product Obligations of an Obligor, in each of (a), (b) and (c) howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, together with any and all renewals or extensions thereof.

“Obligor” shall mean the Borrower and any guarantor with respect to the Obligations.

“Organizational Identification Number” means, with respect to Debtor, the organizational identification number assigned to Debtor by the applicable governmental unit or agency of the jurisdiction of organization of the Debtor.

“Permitted Liens” shall have the meaning in the Loan Agreement.

“Person” shall have the meaning in the Loan Agreement.

“Subsidiary” and “Subsidiaries” shall mean, respectively, with respect to any Person, each and all such corporations, partnerships, limited partnerships, limited liability companies, limited liability partnerships, joint ventures or other entities of which or in which such Person owns, directly or indirectly, such number of outstanding Capital Securities as have more than fifty percent (50.00%) of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of the Borrower.

“UCC” shall mean the Uniform Commercial Code in effect in the state of Florida from time to time.

1.2 Other Terms Defined in UCC or Loan Agreement. All other capitalized words and phrases used herein and not otherwise specifically defined herein shall have the respective meanings assigned to such terms in the UCC, to the extent the same are used or defined therein, and otherwise in the Loan Agreement.

1.3 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Whenever the context so requires, the neuter gender includes the masculine and feminine, the single number includes the plural, and vice versa, and in particular the word “Debtor” shall be so construed.

(b) Section and Schedule references are to this Security Agreement unless otherwise specified. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement.

(c) The term “including” is not limiting, and means “including, without limitation”.

(d) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including”.

(e) Unless otherwise expressly provided herein, (i) references to agreements (including this Security Agreement and the other Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, supplements and other modifications thereto, but only to the extent such amendments, restatements, supplements and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such statute or regulation.

(f) To the extent any of the provisions of the other Loan Documents are inconsistent with the terms of this Security Agreement, the provisions of this Security Agreement shall govern.

(g) This Security Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and each shall be performed in accordance with its terms.

Section 2 **SECURITY FOR THE OBLIGATIONS.**

2.1 Security for Obligations. As security for the payment and performance of the Obligations, the Debtor does hereby pledge, assign, transfer, deliver and grant to the Bank, for its own benefit and as agent for its Affiliates, a continuing and unconditional first priority security interest in and to any and all personal property of the Debtor, of any kind or description, tangible or intangible, wheresoever located and whether now existing or hereafter arising or acquired, including the following (all of which property, along with the products and proceeds therefrom, are individually and collectively referred to as the "Collateral" provided however, that the Collateral shall not include any Excluded Property):

(a) all property of, or for the account of, the Debtor now or hereafter coming into the possession, control or custody of, or in transit to, the Bank or any agent or bailee for the Bank or any parent, affiliate or subsidiary of the Bank or any participant with the Bank in the Obligations (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise), including all earnings, dividends, interest, or other rights in connection therewith and the products and proceeds therefrom, including the proceeds of insurance thereon; and

(b) the additional property of the Debtor, whether now existing or hereafter arising or acquired, and wherever now or hereafter located, together with all additions and accessions thereto, substitutions, betterments and replacements therefor, products and Proceeds therefrom, and all of the Debtor's books and records and recorded data relating thereto (regardless of the medium of recording or storage), together with all of the Debtor's right, title and interest in and to all computer software required to utilize, create, maintain and process any such records or data on electronic media, identified and set forth as follows:

(i) All Accounts and all Goods whose sale, lease or other disposition by the Debtor has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, the Debtor, or rejected or refused by an Account Debtor;

(ii) All Inventory, including raw materials, work in process and finished goods;

(iii) All Goods (other than Inventory), including embedded software, Equipment, vehicles, furniture and Fixtures;

(iv) All Software and computer programs;

(v) All Securities, Investment Property, Financial Assets and Deposit Accounts;

(vi) All Chattel Paper, Electronic Chattel Paper, Instruments, Documents, Letter of Credit Rights, all proceeds of letters of credit, Health-Care-Insurance Receivables, Supporting Obligations, notes secured by real estate, Commercial Tort Claims and General Intangibles, including Payment Intangibles; and

(vii) All Proceeds (whether Cash Proceeds or Noncash Proceeds) of the foregoing property, including all insurance policies and proceeds of insurance payable by reason of loss or damage to the foregoing property, including unearned premiums, and of eminent domain or condemnation awards.

2.2 Possession and Transfer of Collateral. Until an Event of Default has occurred hereunder, the Debtor shall be entitled to possession or use of the Collateral (other than Instruments or Documents (including Tangible Chattel Paper and Investment Property consisting of certificated securities) and other Collateral required to be delivered to the Bank pursuant to this Section 2. The cancellation or surrender of any promissory note evidencing an Obligation, upon payment or otherwise, shall not affect the right of the Bank to retain the Collateral for any other of the Obligations.

2.3 Financing Statements. The Debtor shall, at the Bank's request, at any time and from time to time, execute and deliver to the Bank such financing statements, amendments and other documents and do such acts as the Bank deems necessary in order to establish and maintain valid, attached and perfected first priority security interests in the Collateral in favor of the Bank, for its own benefit and as agent for its Affiliates, free and clear of all Liens except Permitted Liens. The Debtor hereby irrevocably authorizes the Bank at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto without the signature of the Debtor that (a) indicate the Collateral (i) is comprised of all assets of the Debtor or words of similar effect, regardless of whether any particular asset comprising a part of the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or (ii) as being of an equal or lesser scope or within greater detail as the grant of the security interest set forth herein, and (b) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization and any Organizational Identification Number issued to the Debtor, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of the real property to which the Collateral relates. The Debtor hereby agrees that a photogenic or other reproduction of this Security Agreement is sufficient for filing as a financing statement and the Debtor authorizes the Bank to file this Security Agreement as a financing statement in any jurisdiction. The Debtor agrees to furnish any such information to the Bank promptly upon request. The Debtor further ratifies and affirms its authorization for any financing statements and/or amendments thereto, executed and filed by the Bank in any jurisdiction prior to the date of this Security Agreement. In addition, the Debtor shall make appropriate entries on its books and records disclosing the security interests of the Bank, for its own benefit and as agent for its Affiliates, in the Collateral.

2.4 Preservation of the Collateral. The Bank may, but is not required, to take such actions from time to time as the Bank deems appropriate to maintain or protect the Collateral. The Bank shall have exercised reasonable care in the custody and preservation of the Collateral if the Bank takes such action as the Debtor shall reasonably request in writing which is not inconsistent with the Bank's status as a secured party, but the failure of the Bank to comply with any such request shall not be deemed a failure to exercise reasonable care; provided, however, the Bank's responsibility for the safekeeping of the Collateral shall (i) be deemed reasonable if such Collateral is accorded treatment substantially equal to that which the Bank accords its own property, and (ii) not extend to matters beyond the control of the Bank, including acts of God, war, insurrection, riot or governmental actions. In addition, any failure of the Bank to preserve or protect any rights with respect to the Collateral against prior or third parties, or to do any act with respect to preservation of the Collateral, not so requested by the Debtor, shall not be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral, absent Bank's gross negligence or willful misconduct. The Debtor shall have the sole responsibility for taking such action as may be necessary, from time to time, to preserve all rights of the Debtor and the Bank in the Collateral against prior or third parties. Without limiting the generality of the foregoing, where Collateral consists in whole or in part of securities, the Debtor represents to, and covenants with, the Bank that the Debtor has made arrangements for keeping informed of changes or potential changes affecting the securities (including rights to convert or subscribe, payment of dividends, reorganization or other exchanges, tender offers and voting rights), and the Debtor agrees that the Bank shall have no responsibility or liability for informing the Debtor of any such or other changes or potential changes or for taking any action or omitting to take any action with respect thereto.

2.5 Other Actions as to any and all Collateral. The Debtor further agrees to take any other action reasonably requested by the Bank to ensure the attachment and perfection and first priority of, and the ability of the Bank to enforce, the security interest of the Bank, for its own benefit and as agent for its Affiliates, in any and all of the Collateral, including (a) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Bank to enforce, the security interest of the Bank, for its own benefit and as agent for its Affiliates, in such Collateral, (b) to the extent required under the Loan Agreement, obtaining waivers from mortgagees and landlords in form and substance reasonably satisfactory to the Bank, and (c) taking all actions required by the UCC in effect from time to time or by other law, as applicable in any relevant UCC jurisdiction, or by other law as applicable in any foreign jurisdiction. The Debtor further agrees to indemnify and hold the Bank harmless against claims of any Persons not a party to this Security Agreement concerning disputes arising over the Collateral, absent Bank's gross negligence or willful misconduct.

2.6 Collateral in the Possession of a Warehouseman or Bailee. If any material portion of the Collateral at any time is in the possession of a warehouseman or bailee, the Debtor shall promptly notify the Bank thereof, and shall promptly use commercially reasonable efforts at Bank's request to obtain a Collateral Access Agreement.

2.7 Letter-of-Credit Rights. If the Debtor at any time is a beneficiary under a letter of credit now or hereafter issued in favor of the Debtor, the Debtor shall promptly notify the Bank thereof and, at the request and option of the Bank, the Debtor shall, pursuant to an agreement in form and substance satisfactory to the Bank, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Bank, for its own benefit and as agent for its Affiliates, of the proceeds of any drawing under the letter of credit, or (ii) arrange for the Bank, for its own benefit and as agent for its Affiliates, to become the transferee beneficiary of the letter of credit, with the Bank agreeing, in each case, that the proceeds of any drawing under the letter to credit are to be applied as provided in this Security Agreement.

2.8 Commercial Tort Claims. If the Debtor shall at any time hold or acquire a Commercial Tort Claim, the Debtor shall promptly notify the Bank in writing signed by the Debtor of the details thereof and grant to the Bank for its own benefit and as agent for its Affiliates, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Agreement, in each case in form and substance satisfactory to the Bank, and shall execute any amendments thereto deemed reasonably necessary by the Bank to perfect the security interest of the Bank, for its own benefit and as agent for its Affiliates, in such Commercial Tort Claim.

2.9 Electronic Chattel Paper and Transferable Records. If the Debtor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record", as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Debtor shall promptly notify the Bank thereof and, at the request of the Bank, shall take such action as the Bank may reasonably request to vest in the Bank control under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, §16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Bank agrees with the Debtor that the Bank will arrange, pursuant to procedures satisfactory to the Bank and so long as such procedures will not result in the Bank's loss of control, for the Debtor to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to make without loss of control.

Section 3 **REPRESENTATIONS AND WARRANTIES.**

3.1 The Debtor makes the following representations and warranties to the Bank:

3.2 **Debtor Organization and Name.** Each Debtor is a Delaware corporation duly organized, existing and in good standing under the laws of the State of Delaware with full and adequate power to carry on and conduct its business as presently conducted. The exact legal name of Debtor is as set forth in the first paragraph of this Security Agreement.

3.3 **Authorization.** The Debtor has full right, power and authority to enter into this Security Agreement and to perform all of its duties and obligations under this Security Agreement. The execution and delivery of this Security Agreement and the other Loan Documents will not, nor will the observance or performance of any of the matters and things herein or therein set forth, violate or contravene any provision of law or of the articles/certificate of incorporation or bylaws of the Debtor. All necessary and appropriate action has been taken on the part of the Debtor to authorize the execution and delivery of this Security Agreement.

3.4 **Validity and Binding Nature.** This Security Agreement is the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

3.5 **Consent; Absence of Breach.** The execution, delivery and performance of this Security Agreement and any other documents or instruments to be executed and delivered by the Debtor in connection herewith, do not and will not (a) require any consent, approval, authorization, or filings with, notice to or other act by or in respect of, any governmental authority or any other Person (other than any consent or approval which has been obtained and is in full force and effect and filings with respect to security interests); (b) conflict with (i) any provision of law or any applicable regulation, order, writ, injunction or decree of any court or governmental authority, (ii) the articles of incorporation or bylaws of the Debtor, or (iii) any material agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon the Debtor or any of its respective properties or assets; or (c) require, or result in, the creation or imposition of any Lien on any asset of Debtor, other than Liens in favor of the Bank created pursuant to this Security Agreement and the other Loan Documents.

3.6 [Reserved]

3.7 [Reserved]

3.8 **Security Interest.** This Security Agreement creates a valid security interest in favor of the Bank in the Collateral and, when properly perfected by filing in the appropriate jurisdictions, or by possession or Control of such Collateral by the Bank or delivery of such Collateral to the Bank, shall, constitute a valid, perfected, first priority security interest in the Collateral to the extent a security interest in such Collateral may be perfected under Article 9 of the UCC.

3.9 Place of Business. The principal place of business and books and records of the Debtor as of the hereof is set forth in the preamble to this Security Agreement. The Debtor will not remove or permit the Collateral to be removed from such locations without the prior written consent of the Bank, except for Inventory sold in the usual and ordinary course of the Debtor's business or as otherwise permitted under the Loan Agreement.

3.10 [Reserved]

Section 4 AFFIRMATIVE COVENANTS.

4.1 Debtor Existence. The Debtor shall at all times preserve and maintain its (a) its existence and good standing in the jurisdiction of its organization, and (b) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary (other than such jurisdictions in which the failure to be qualified or in good standing could not reasonably be expected to have a Material Adverse Effect), and shall at all times continue as a going concern in the business which the Debtor is presently conducting. If the Debtor does not have an Organizational Identification Number and later obtains one, the Debtor shall promptly notify the Bank of such Organizational Identification Number.

4.2 Compliance with Laws. The Debtor shall comply in all respects, including the conduct of its business and operations and the use of the Collateral, with all applicable laws, rules, regulations, decrees, orders, judgments, licenses and permits, except where failure to comply could not reasonably be expected to have a Material Adverse Effect.

4.3 [Reserved.]

4.4 Maintain Property. The Debtor shall at all times maintain, preserve and keep the Collateral, in good repair, working order and condition, normal wear and tear excepted. The Debtor shall permit the Bank to examine and inspect such Collateral, at all reasonable times to the extent provided under the Loan Agreement.

4.5 Maintain Insurance. The Debtor shall at all times maintain, and cause each Subsidiary to maintain, with insurance companies reasonably acceptable to the Bank, such insurance coverage as may be required by any law or governmental regulation or court decree or order applicable to it and such other insurance, to such extent and against such hazards and liabilities, including employers', public and professional liability risks, as is customarily maintained by companies similarly situated, as provided in the Loan Agreement. The Debtor shall furnish to the Bank a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by the Debtor, which shall be reasonably acceptable in all respects to the Bank. The Debtor shall cause each issuer of an insurance policy to provide the Bank with an endorsement (i) showing the Bank as loss payee and as additional insured with respect to each policy of property or casualty insurance; and (ii) providing that thirty (30) days notice will be given to the Bank prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy.

4.6 In the event the Debtor either fails to provide the Bank with evidence of the insurance coverage required by this Section or at any time hereafter shall fail to obtain or maintain any of the policies of insurance required above, or to pay any premium in whole or in part relating thereto, then the Bank, without waiving or releasing any obligation or default by the Debtor hereunder, may at any time (but shall be under no obligation to so act), obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto, which the Bank deems advisable. This insurance coverage (a) may, but need not, protect the Debtor's interests in such property, including the Collateral, and (b) may not pay any claim made by, or against, the Debtor in connection with such property, including the Collateral. The Debtor may later cancel any such insurance purchased by the Bank, but only after providing the Bank with evidence that the Debtor has obtained the insurance coverage required by this Section. If the Bank purchases insurance for the Collateral, the Debtor will be responsible for the costs of that insurance, including interest and any other charges that may be imposed with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the principal amount of the Loans owing hereunder. The costs of the insurance may be more than the cost of the insurance the Debtor may be able to obtain on its own.

4.7 Field Audits. Upon reasonable advance written notice and during reasonable normal business hours, no more than twice annually (unless an Event of Default has occurred and is continuing), the Debtor shall permit the Bank to inspect the Inventory and other Collateral, to perform appraisals of the Inventory of the Debtor, and to inspect, audit, check and make copies of, and extracts from, the books, records, computer data, computer programs, journals, orders, receipts, correspondence and other data relating to Inventory, Accounts and any other Collateral. All such inspections or audits by the Bank shall be at the Debtor's sole expense.

4.8 Collateral Records. The Debtor shall keep full and accurate books and records relating to the Collateral and shall mark such books and records to indicate the Bank's Lien in the Collateral including placing a legend, in form and content acceptable to the Bank, on all Chattel Paper created by the Debtor indicating that the Bank has a Lien in such Chattel Paper.

Section 5 **REMEDIES.**

Upon the occurrence of an Event of Default (as defined in the Loan Agreement) beyond the expiration of any applicable grace or cure periods (if any), the Bank shall have all rights, powers and remedies set forth in this Security Agreement or the other Loan Documents or in any other written agreement or instrument relating to any of the Obligations or any security therefor, as a secured party under the UCC or as otherwise provided at law or in equity. Without limiting the generality of the foregoing, the Bank may, at its option upon the occurrence of an Event of Default, declare its commitments to the Borrower or the Debtor to be terminated and all Obligations to be immediately due and payable, or, if provided in the Loan Documents, all commitments of the Bank to the Borrower or the Debtor shall immediately terminate and all Obligations shall be automatically due and payable, all without demand, notice or further action of any kind required on the part of the Bank. The Debtor hereby waives any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of Bank's rights under the Loan Documents, and hereby consents to, and waives notice of release, with or without consideration, of any Collateral, notwithstanding anything contained herein or in the Loan Documents to the contrary. In addition to the foregoing:

5.1 Possession and Assembly of Collateral. The Bank may, without notice, demand or legal process of any kind, take possession of any or all of the Collateral (in addition to Collateral of which the Bank already has possession), wherever it may be found, and for that purpose may pursue the same wherever it may be found, and may at any time enter into any of the Debtor's premises where any of the Collateral may be or is supposed to be, and search for, take possession of, remove, keep and store any of the Collateral until the same shall be sold or otherwise disposed of and the Bank shall have the right to store and conduct a sale of the same in any of the Debtor's premises without cost to the Bank. At the Bank's request, the Debtor will, at the Debtor's sole expense, assemble the Collateral and make it available to the Bank at a place or places to be designated by the Bank which is reasonably convenient to the Bank and the Debtor.

5.2 Sale of Collateral. The Bank may sell any or all of the Collateral at public or private sale, upon such terms and conditions as the Bank may deem proper, and the Bank may purchase any or all of the Collateral at any such sale. The Debtor acknowledges that the Bank may be unable to effect a public sale of all or any portion of the Collateral because of certain legal and/or practical restrictions and provisions which may be applicable to the Collateral and, therefore, may be compelled to resort to one or more private sales to a restricted group of offerees and purchasers. The Debtor consents to any such private sale so made even though at places and upon terms less favorable than if the Collateral was sold at public sale. The Bank shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Bank may apply the net proceeds, after deducting all costs, expenses, reasonable attorneys' and paralegals' fees incurred or paid at any time in the collection, protection and sale of the Collateral and the Obligations, to the payment of the Obligations, returning the excess proceeds, if any, to the Debtor. The Debtor and/or the Borrower shall remain liable for any amount remaining unpaid after such application, with interest at the Default Rate. Any notification of intended disposition of the Collateral required by law shall be conclusively deemed reasonably and properly given if given by the Bank at least ten (10) calendar days before the date of such disposition. The Debtor hereby confirms, approves and ratifies all acts and deeds of the Bank relating to the foregoing, and each part thereof, and expressly waives any and all claims of any nature, kind or description which it has or may hereafter have against the Bank or its representatives, by reason of taking, selling or collecting any portion of the Collateral absent Bank's bad faith, gross negligence, willful misconduct or material breach of contract. The Debtor consents, effective after the acceleration of the Obligations during the existence of an Event of Default, to release of the Collateral at any time and to commercially reasonable sales of the Collateral in groups, parcels or portions, or as an entirety, as the Bank shall deem appropriate. The Debtor expressly absolves the Bank from any loss or decline in market value of any Collateral by reason of delay in the enforcement or assertion or non-enforcement of any rights or remedies under this Security Agreement.

5.3 Standards for Exercising Remedies. To the extent that applicable law imposes duties on the Bank to exercise remedies in a commercially reasonable manner, the Debtor acknowledges and agrees that, subject to applicable law, it is not commercially unreasonable for the Bank (a) to fail to incur expenses reasonably deemed significant by the Bank to prepare Collateral for disposition or otherwise to complete raw material or work-in-process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, including any warranties of title, (k) to purchase insurance or credit enhancements to insure the Bank against risks of loss, collection or disposition of Collateral or to provide to the Bank a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Bank, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Bank in the collection or disposition of any of the Collateral. The Debtor acknowledges that the purpose of this section is to provide non-exhaustive indications of what actions or omissions by the Bank would not be commercially unreasonable in the Bank's exercise of remedies against the Collateral and that other actions or omissions by the Bank shall not be deemed commercially unreasonable solely on account of not being indicated in this section. Without limitation upon the foregoing, nothing contained in this section shall be construed to grant any rights to the Debtor or to impose any duties on the Bank that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this section.

5.4 UCC and Offset Rights. The Bank may exercise, from time to time, any and all rights and remedies available to it under the UCC or under any other applicable law in addition to, and not in lieu of, any rights and remedies expressly granted in this Security Agreement or in any other agreements between any Obligor and the Bank, and may, without demand or notice of any kind, appropriate and apply toward the payment of such of the Obligations then due and owing, whether matured or unmatured, including costs of collection and reasonable attorneys' and paralegals' fees, and in such order of application as the Bank may, from time to time elect, any indebtedness of the Bank to any Obligor, however created or arising, including balances, credits, deposits, accounts or moneys of such Obligor in the possession, control or custody of, or in transit to the Bank. The Debtor, on behalf of itself and each Obligor, hereby waives the benefit of any law that would otherwise restrict or limit the Bank in the exercise of its right, which is hereby acknowledged, to appropriate at any time hereafter any such indebtedness owing from the Bank to any Obligor.

5.5 Additional Remedies. The Bank shall have the right and power to:

(a) instruct the Debtor, at its own expense, to notify any parties obligated on any of the Collateral, including any Account Debtors, to make payment directly to the Bank of any amounts due or to become due thereunder, or, the Bank may directly notify such obligors of the security interest of the Bank, and/or of the assignment to the Bank of the Collateral and direct such obligors to make payment to the Bank of any amounts due or to become due with respect thereto, and thereafter, collect any such amounts due on the Collateral directly from such Persons obligated thereon;

(b) enforce collection of any of the Collateral, including any Accounts, by suit or otherwise, or make any compromise or settlement with respect to any of the Collateral, or surrender, release or exchange all or any part thereof, or compromise, extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder;

(c) take possession or control of any proceeds and products of any of the Collateral, including the proceeds of insurance thereon;

(d) extend, renew or modify for one or more periods (whether or not longer than the original period) the Obligations or any obligation of any nature of any other obligor with respect to the Obligations;

(e) grant releases, compromises or indulgences with respect to the Obligations, any extension or renewal of any of the Obligations, any security therefor, or to any other obligor with respect to the Obligations;

(f) transfer the whole or any part of securities which may constitute Collateral into the name of the Bank or the Bank's nominee without disclosing, if the Bank so desires, that such securities so transferred are subject to the security interest of the Bank, and any corporation, association, or any of the managers or trustees of any trust issuing any of such securities, or any transfer agent, shall not be bound to inquire, in the event that the Bank or such nominee makes any further transfer of such securities, or any portion thereof, as to whether the Bank or such nominee has the right to make such further transfer, and shall not be liable for transferring the same;

(g) vote the Collateral;

(h) make an election with respect to the Collateral under Section 1111 of the Bankruptcy Code or take action under Section 364 or any other section of the Bankruptcy Code; provided, however, that any such action of the Bank as set forth herein shall not, in any manner whatsoever, impair or affect the liability of the Debtor hereunder, nor prejudice, waive, nor be construed to impair, affect, prejudice or waive the Bank's rights and remedies at law, in equity or by statute, nor release, discharge, nor be construed to release or discharge, the Debtor, any guarantor or other Person liable to the Bank for the Obligations; and

(i) at any time, and from time to time, accept additions to, releases, reductions, exchanges or substitution of the Collateral, without in any way altering, impairing, diminishing or affecting the provisions of this Security Agreement, the Loan Documents, or any of the other Obligations, or the Bank's rights hereunder, under the Obligations.

The Debtor hereby ratifies and confirms whatever the Bank may do with respect to the Collateral and agrees that the Bank shall not be liable for any error of judgment or mistakes of fact or law with respect to actions taken in connection with the Collateral.

5.6 Attorney-in-Fact. The Debtor hereby irrevocably makes, constitutes and appoints the Bank (and any officer of the Bank or any Person designated by the Bank for that purpose) as the Debtor's true and lawful proxy and attorney-in-fact (and agent-in-fact) in the Debtor's name, place and stead, with full power of substitution, to (i) take such actions as are permitted in this Security Agreement, (ii) execute such financing statements and other documents and to do such other acts as the Bank may require to perfect and preserve the Bank's security interest in, and to enforce such interests in the Collateral, and (iii) during the occurrence of an Event of Default, carry out any remedy provided for in this Security Agreement, including endorsing the Debtor's name to checks, drafts, instruments and other items of payment, and proceeds of the Collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of the Debtor, changing the address of the Debtor to that of the Bank, opening all envelopes addressed to the Debtor and applying any payments contained therein to the Obligations. The Debtor hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable. The Debtor hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Security Agreement.

5.7 No Marshaling. The Bank shall not be required to marshal any present or future collateral security (including this Security Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order. To the extent that it lawfully may, the Debtor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Bank's rights under this Security Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Debtor hereby irrevocably waives the benefits of all such laws.

5.8 Application of Proceeds. The Bank will within a commercially reasonable time after receipt of cash or solvent credits from collection of items of payment, proceeds of Collateral or any other source, apply the whole or any part thereof against the Obligations secured hereby. The Bank shall further have the exclusive right to determine how, when and what application of such payments and such credits shall be made on the Obligations, and such determination shall be conclusive upon the Obligors. Any proceeds of any disposition by the Bank of all or any part of the Collateral during the continuation of an Event of Default may be first applied by the Bank to the payment of expenses incurred by the Bank in connection with the Collateral, including reasonable attorneys' fees and legal expenses as provided for in Section 6.13 hereof.

5.9 No Waiver. No Event of Default shall be waived by the Bank except in writing. No failure or delay on the part of the Bank in exercising any right, power or remedy hereunder shall operate as a waiver of the exercise of the same or any other right at any other time; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. There shall be no obligation on the part of the Bank to exercise any remedy available to the Bank in any order. The remedies provided for herein are cumulative and not exclusive of any remedies provided at law or in equity. The Debtor agrees that in the event that the Debtor fails to perform, observe or discharge any of its Obligations or liabilities under this Security Agreement or any other agreements with the Bank, no remedy of law will provide adequate relief to the Bank, and further agrees that the Bank shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 6 **MISCELLANEOUS.**

6.1 Entire Agreement. This Security Agreement and the other Loan Documents (i) are valid, binding and enforceable against the Debtor and the Bank in accordance with their respective provisions and no conditions exist as to their legal effectiveness; (ii) constitute the entire agreement between the parties with respect to the subject matter hereof and thereof; and (iii) are the final expression of the intentions of the Debtor and the Bank. No promises, either expressed or implied, exist between the Debtor and the Bank, unless contained herein or therein. This Security Agreement, together with the other Loan Documents, supersedes all negotiations, representations, warranties, commitments, term sheets, discussions, negotiations, offers or contracts (of any kind or nature, whether oral or written) prior to or contemporaneous with the execution hereof with respect to any matter, directly or indirectly related to the terms of this Security Agreement and the other Loan Documents. This Security Agreement and the other Loan Documents are the result of negotiations among the Bank, the Debtor and the other parties thereto, and have been reviewed (or have had the opportunity to be reviewed) by counsel to all such parties, and are the products of all parties. Accordingly, this Security Agreement and the other Loan Documents shall not be construed more strictly against the Bank merely because of the Bank's involvement in their preparation.

6.2 Amendments; Waivers. No delay on the part of the Bank in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Security Agreement or the other Loan Documents shall in any event be effective unless the same shall be in writing and acknowledged by the Bank, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 WAIVER OF DEFENSES. SUBJECT TO APPLICABLE LAW, THE DEBTOR, ON BEHALF OF ITSELF AND ANY GUARANTOR OF ANY OF THE OBLIGATIONS, WAIVES EVERY PRESENT AND FUTURE DEFENSE, CAUSE OF ACTION, COUNTERCLAIM OR SETOFF WHICH THE DEBTOR MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY THE BANK IN ENFORCING THIS SECURITY AGREEMENT. PROVIDED THE BANK ACTS IN GOOD FAITH, AND WITHOUT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE DEBTOR RATIFIES AND CONFIRMS WHATEVER THE BANK MAY DO PURSUANT TO THE TERMS OF THIS SECURITY AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK GRANTING ANY FINANCIAL ACCOMMODATION TO THE DEBTOR.

6.4 FORUM SELECTION AND CONSENT TO JURISDICTION. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF MIAMI-DADE COUNTY, THE STATE OF FLORIDA OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA; PROVIDED THAT NOTHING IN THIS SECURITY AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE BANK FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION. THE DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF MIAMI-DADE COUNTY, STATE OF FLORIDA AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. THE DEBTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF FLORIDA. THE DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

6.5 WAIVER OF JURY TRIAL. THE BANK AND THE DEBTOR, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS SECURITY AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT, ANY OF THE OTHER OBLIGATIONS, THE COLLATERAL, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH THE BANK AND THE DEBTOR ARE ADVERSE PARTIES, AND EACH AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK GRANTING ANY FINANCIAL ACCOMMODATION TO THE DEBTOR.

6.6 Assignability. The Bank may at any time assign the Bank's rights in this Security Agreement, the other Loan Documents, the Obligations, or any part thereof and transfer the Bank's rights in any or all of the Collateral, and the Bank thereafter shall be relieved from all liability with respect to such Collateral. This Security Agreement shall be binding upon the Bank and the Debtor and their respective legal representatives and successors. All references herein to the Debtor shall be deemed to include any successors, whether immediate or remote. In the case of a joint venture or partnership, the term "Debtor" shall be deemed to include all joint venturers or partners thereof, who shall be jointly and severally liable hereunder.

6.7 Binding Effect. This Security Agreement shall become effective upon execution by the Debtor and the Bank. If this Security Agreement is not dated or contains any blanks when executed by the Debtor, the Bank is hereby authorized, without notice to the Debtor, to date this Security Agreement as of the date when it was executed by the Debtor, and to complete any such blanks according to the terms upon which this Security Agreement is executed.

6.8 Governing Law. This Security Agreement shall be delivered and accepted in and shall be deemed to be a contract made under and governed by the internal laws of the State of Florida (but giving effect to federal laws applicable to national banks) applicable to contracts made and to be performed entirely within such state, without regard to conflict of laws principles.

6.9 Enforceability. Wherever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by, unenforceable or invalid under any jurisdiction, such provision shall as to such jurisdiction, be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6.10 Time of Essence. Time is of the essence in making payments of all amounts due the Bank under this Security Agreement and in the performance and observance by the Debtor of each covenant, agreement, provision and term of this Security Agreement.

6.11 Counterparts; Facsimile Signatures. This Security Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Security Agreement. Receipt of an executed signature page to this Security Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof. Electronic records of executed Loan Documents maintained by the Bank shall be deemed to be originals thereof.

6.12 Notices. All notices from the Debtor to Lender and Lender to Debtor required or permitted by any provision of this Security Agreement shall be in writing and sent by registered or certified mail, by nationally recognized overnight delivery service, by facsimile or by electronic communication (e-mail) and addressed as follows:

TO LENDER:

CITY NATIONAL BANK OF FLORIDA
100 S.E. 2nd Street, 13th Floor
Miami, FL 33131
Attention: Legal Department
Email: Greg.Mangram@citynational.com

TO BORROWER/DEBTOR:

VENUS CONCEPT USA INC.
235 Yorkland Blvd, Suite 900
Toronto, Ontario, Canada M2J 4Y8
Attention: Domenic Serafino, President
Michael Mandarello, General Counsel
Facsimile: (855) 907-0115
E-mail: dom@venusconcept.com
mmandarello@venusconcept.com

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

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
Attention: Mark Pedretti
Facsimile: (212) 521-5450
E-mail: mpedretti@reedsmith.com

Such addresses may be changed by such notice to the other party. Notices sent by registered or certified mail or by overnight delivery service shall be deemed given on the date of its deposit in the United States Mail and, unless sooner actually received, shall be deemed received by the party to whom it is addressed on the third calendar day following the date on which said notice is deposited in the mail, or if a courier system is used, on the date of delivery of the notice; notices sent by facsimile or by electronic communications shall be deemed given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient).

6.13 Costs, Fees and Expenses. The Debtor shall pay or reimburse the Bank for all reasonable costs, fees and expenses incurred by the Bank or for which the Bank becomes obligated in connection with the enforcement of this Security Agreement, including reasonable attorneys' fees and time charges of counsel to the Bank, plus costs and expenses of such attorneys or of the Bank; search fees, costs and expenses; and all taxes payable in connection with this Security Agreement. In furtherance of the foregoing, the Debtor shall pay any and all stamp and other taxes, UCC search fees, filing fees and other costs and expenses in connection with the execution and delivery of this Security Agreement and the other Loan Documents to be delivered hereunder, and agrees to save and hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such costs and expenses. That portion of the Obligations consisting of costs, expenses or advances to be reimbursed by the Debtor to the Bank pursuant to this Security Agreement or the other Loan Documents which are not paid on or prior to the date hereof shall be payable by the Debtor to the Bank on demand. If at any time or times hereafter the Bank: (a) employs counsel for advice or other representation (i) with respect to this Security Agreement or the other Loan Documents, (ii) to represent the Bank in any litigation, contest, dispute, suit or proceeding or to commence, defend, or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit, or proceeding (whether instituted by the Bank, the Debtor, or any other Person) in any way or respect relating to this Security Agreement, or (iii) to enforce any rights of the Bank against the Debtor or any other Person under of this Security Agreement; (b) takes any action to protect, collect, sell, liquidate, or otherwise dispose of any of the Collateral; and/or (c) attempts to or enforces any of the Bank's rights or remedies under this Security Agreement, the costs and expenses incurred by the Bank in any manner or way with respect to the foregoing, shall be part of the Obligations, payable by the Debtor to the Bank on demand.

[EXECUTIONS ON FOLLOWING PAGE]

Debtor:

VENUS CONCEPT INC., a Delaware corporation

By: /s/ Domenic Serafino
Domenic Serafino, as CEO

VENUS CONCEPT USA INC., a Delaware corporation

By: /s/ Domenic Serafino
Domenic Serafino, as President

PROVINCE OF ONTARIO)
)SS:
CITY OF TORONTO)

The foregoing instrument was acknowledged before me this 20th day of August, 2021, by means of physical presence or online notarization, by Domenic Serafino, as CEO of VENUS CONCEPT INC., a Delaware corporation and as President of VENUS CONCEPT USA INC., a Delaware corporation, on behalf of and as an act of the corporations. He is personally known to me or has produced _____ as identification, and took an oath.

/s/ Michael Mandarello
NOTARY PUBLIC
Print Name: Michael Mandarello
My Commission Expires: N/A

Bank:

CITY NATIONAL BANK OF FLORIDA

By: /s/ Carlos E. Fernandez

Name: Carlos E. Fernandez

Title: Managing Senior VP

AS REQUIRED BY FLORIDA LAW, FLORIDA DOCUMENTARY STAMP TAXES IN THE AMOUNT OF \$2,450.00 WERE PAID IN CONNECTION WITH THAT CERTAIN THIRD AMENDED AND RESTATED REVOLVING PROMISSORY NOTE DATED MARCH 20, 2020. NO ADDITIONAL DOCUMENTARY STAMP TAXES ARE DUE.

FIFTH AMENDED AND RESTATED REVOLVING PROMISSORY NOTE

Effective Date of Note: July 24, 2021

Amount of Note: FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00)

Maturity Date: July 24, 2023, unless otherwise extended and/or accelerated pursuant to and in accordance with the terms and conditions set forth in this Note or extended as provided herein.

FOR VALUE RECEIVED, VENUS CONCEPT USA INC., a Delaware corporation (“Venus USA”); VENUS CONCEPT CANADA CORP., an Ontario corporation (“Venus Canada”); and VENUS CONCEPT INC., a Delaware corporation (“VCI”), jointly and severally (collectively, the “Borrower”) hereby covenants and promises to pay to the order of CITY NATIONAL BANK OF FLORIDA, its successors and/or assigns (the “Lender”), at 100 S.E. 2nd Street, 13th Floor, Miami, Florida 33131, or at such other place as Lender may designate to Borrower in writing from time to time, in legal tender of the United States, FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00), together with all accrued interest, which shall be due and payable upon the following terms and conditions contained in this Fourth Amended and Restated Revolving Promissory Note (this “Note”) and the Loan Agreement (as defined herein).

A. Interest Rate:

- (i) From the date hereof until and including the Maturity Date, Borrower may borrow, repay and re-borrow, and Lender shall advance and re-advance under this Note from time to time, so long as the total principal balance outstanding at any one time does not exceed the principal amount stated on the face of this Note. Lender’s obligation to make advances under this Note shall terminate upon the earlier to occur of: (i) an Event of Default under this Note, or (ii) the Maturity Date.
 - (ii) Interest shall accrue on the unpaid principal balance of this Note from the date hereof at a rate per annum equal to the LIBOR 30-Day Rate (as defined below), plus 3.25% (as the same may be modified below, the “Interest Rate Margin”) (as the same may be modified below, the “Interest Rate”). Notwithstanding, in no event shall the Interest Rate Margin be less than 0.50%. with a minimum all-in Interest Rate of no less than 3.75% per annum.
 - (iii) As used herein, “LIBOR 30-Day Rate” means the rate of interest per annum equal to the London Interbank Offered Rate (“LIBOR”) for thirty (30) day U.S. dollar deposits as published in the “Money Rates” column of the local edition of The Wall Street Journal. If such LIBOR 30-Day Rate is no longer available from the Wall Street Journal, but otherwise continues to be readily available from another publisher in the marketplace, Lender, at its sole discretion, shall choose a new publisher of the LIBOR 30-Day Rate. The Interest Rate will be effective on and from the date hereof, based on the most recent rate information available, and will be effective until the last day of said month. The interest rate shall be thereafter be adjusted on the first (1st) day of each calendar month to the current LIBOR 30-Day Rate or, if applicable, the current LIBOR Successor Rate (as defined below), plus the Interest Rate Margin, or, if applicable, the Successor Interest Rate Margin (as defined below), based on the most recent rate information available on the date that the interest rate is adjusted and such rate shall be effective until the end of each such calendar month.
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- (iv) If The Wall Street Journal or its successor ceases to publish the LIBOR 30-Day Rate, or if LIBOR is permanently or indefinitely unavailable or unascertainable, or a Governmental Authority (as defined in the Loan Agreement, and including the Board of Governors of the Federal Reserve, the Office of the Comptroller of the Currency, or the Alternative Reference Rates Committee), has made a public statement identifying a specific date after which the LIBOR 30-Day Rate shall no longer be made available or used for determining the interest rate of loans (the “LIBOR Sunset Date”), then at any time within 90 days of the LIBOR Sunset Date, or reasonably promptly after such occurrence, Lender shall amend this Note (without the need for any action or consent by Borrower) to (i) replace the LIBOR 30-Day Rate with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving consideration to any similar loans for such alternative benchmarks (any such proposed rate, a “LIBOR Successor Rate”), (ii) adjust the Interest Rate Margin on a permanent basis (the “Adjusted Interest Rate Margin”) by a factor equal to the positive or negative difference which, on the date of the adjustment, will make the LIBOR 30-Day Rate plus the Interest Rate Margin substantially equal to the LIBOR Successor Rate plus the Adjusted Interest Rate Margin, and (iii) make any LIBOR Successor Rate Changes (as defined below), and Lender shall give Borrower prompt notice thereof (it being understood that such amendment may become effective prior to such notice). In the event that on the date selected by Lender to make the change from the LIBOR 30-Day Rate to the LIBOR Successor Rate, the LIBOR 30-Day Rate is either 50 basis points above or below the prior day’s rate, then in order to substitute a fair LIBOR Successor Rate, the Lender shall be required to use a mathematical average of the last 60 days of the LIBOR 30-Day Rate instead of the LIBOR 30-Day Rate on the date of the change. For clarification purposes, the intent of this language is that, **at the time of the transition and substitution** from the LIBOR 30-Day Rate to the LIBOR Successor Rate, the effective Interest Rate under the Note shall be mathematically as close as possible to what the effective Interest Rate was prior to the change. Thereafter, the Interest Rate will adjust monthly (subject to LIBOR Successor Rate Changes) based on the then current LIBOR Successor Rate plus the Adjusted Interest Rate Margin.
- (v) For purposes hereof, “LIBOR Successor Rate Changes” means, with respect to any LIBOR Successor Rate and the Adjusted Interest Rate Margin, any changes to the timing and frequency of determining rates and other administrative matters as may be appropriate, in the discretion of Lender, to reflect the adoption of the LIBOR Successor Rate and the Adjusted Interest Rate Margin and to permit the administration thereof by Lender in a manner reasonably consistent with market practice.
- (vi) Interest shall be calculated at the rate of 1/360 of the annual rate of interest for each day that principal is outstanding (i.e., interest will not accrue and be paid on the actual number of calendar days elapsed from the date hereof based on a 360 day year).
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B. Payment Terms:

Commencing on August 24, 2021, and continuing on the twenty-fourth (24th) day of each month thereafter, Borrower shall make consecutive monthly payments of accrued interest only. Unless this Note is otherwise accelerated in accordance with the terms and conditions hereof, the entire outstanding principal balance of this Note plus all accrued interest shall be due and payable in full on July 24, 2023 (the "Maturity Date").

C. Security:

This Note is secured pursuant to that certain Third Amended and Restated Security Agreement of even date herewith from Borrower and Guarantor (defined hereinafter below), all in favor of Lender (as the same may be amended or modified from time to time, collectively, the "Security Agreement"), granting Lender a lien and security interest in and to certain personal property, as more particularly described in the Security Agreement and those certain applicable UCC-1 and PPSA.

D. Loan Documents:

This Note, the Security Agreement, that certain Fourth Amended and Restated Loan Agreement effectively dated as of July 24, 2021 by and between Borrower and Lender (as the same may be amended, restated, modified or replaced from time to time, the "Loan Agreement"), that certain Fourth Amended and Restated Guaranty of Payment and Performance effectively dated as of July 24, 2021 herewith from VENUS CONCEPT LTD., an Israeli corporation (the "Guarantor") in favor of Lender (as the same may be amended, restated, modified or replaced from time to time, the "Guaranty"), and all other documents and instruments executed by the Borrower or the Parent in connection with this Note are hereinafter individually and/or collectively referred to as the "Loan Documents".

E. Default Interest Rate:

All principal and installments of interest shall bear interest from the date that said payments are due and unpaid or from the date of occurrence of any other Event of Default (as hereinafter defined) at a rate equal to the highest rate authorized by applicable law (the "Default Rate").

F. Prepayment/Prepayment Compensation:

The Borrower may prepay all or any portion of this Note at any time without fee, premium or penalty.

G. Late Charges:

Lender may collect a late charge not to exceed an amount equal to five percent (5%) of any installment which is not paid within ten (10) days of the due date thereof, to cover the extra expense involved in handling delinquent payments, provided that collection of said late charge shall not be deemed a waiver by Lender of any of its rights under this Note. Notwithstanding the foregoing, there shall be no grace period or late charges for payments due on the outstanding principal balance due on the Maturity Date or upon acceleration, as set forth in Section H below, but such outstanding balance shall accrue interest at the Default Rate. The late charge is intended to compensate the Lender for administrative and processing costs incident to late payments. The late charge payments are not interest. The late charge payment shall not be subject to rebate or credit against any other amount due. Any late charge shall be in addition to any other interest due.

H. Default and Acceleration:

If any of the “Events of Default” defined in the Loan Agreement occur, at the Lender's option, exercisable in its sole discretion by written notice to the Borrower to such effect, all sums of principal and interest under this Note shall be accelerated and become immediately due and payable, and the Lender shall be immediately entitled to exercise all of its available remedies under the Loan Documents.

In any such event, all sums of principal and interest under this Note shall automatically become immediately due and payable. The Borrower expressly consents to any extension or renewal, in whole or in part, and all delays in time of payment or other performance which Lender may grant at any time and from time to time without limitation and without any notice or further consent of the undersigned.

The remedies of Lender as provided herein, or in the Security Agreement, the Loan Agreement or the other Loan Documents shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Lender, and may be exercised as often as the occasion therefor shall arise.

The Lender may, in the sole discretion of Lender, accept payments made by Borrower after any Event of Default has occurred, without waiving any of Lender's rights herein.

I. Costs:

In the event that this Note is collected by law or through attorneys at law, or under advice therefrom (whether such attorneys are employees of Lender or an affiliate of Lender or are outside counsel), Borrower and any guarantor for payment hereof hereby, severally and jointly agree to pay all reasonable costs of collection, including attorneys' fees, including reasonable charges for paralegals, appraisers, experts and consultants working under the direction or supervision of Lender's attorneys costs for evaluating preserving or disposing of any collateral granted as security for payment of this Note, including the costs of any audits, environmental inspections which Lender may reasonably deem necessary from time to time; any premiums for property insurance purchased on behalf of Borrower or on behalf of the owners of any collateral pursuant to any Security Agreement relating to any collateral, or any other charges permitted by applicable law whether or not suit is brought, and whether incurred in connection with collection, trial, appeal, bankruptcy or other creditors' proceedings or otherwise.

J. Loan Charges:

Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require Borrower or any person liable for the repayment of same, to pay interest in an amount or at a rate greater than the maximum allowed by applicable law. Should any interest or other charges paid by Borrower, or any parties liable for the payment of the loan made pursuant to this Note, result in the computation or earning of interest in excess of the maximum legal rate of interest permitted under the law in effect while said interest is being earned, then any and all of such excess shall be and is waived by Lender, and all such excess shall be automatically credited against and in reduction of the principal balance, and any portion of the excess that exceeds the principal balance shall be paid by Lender to Borrower or any parties liable for the payment of the loan made pursuant to this Note so that under no circumstances shall the Borrower, or any parties liable for the payment of the loan hereunder, be required to pay interest in excess of the maximum rate allowed by applicable law.

K. Jurisdiction:

The laws of the State of Florida shall govern the interpretation and enforcement of this Note. In the event that legal action is instituted to collect any amounts due under, or to enforce any provision of, this instrument, Borrower and any endorser, guarantor or other person primarily or secondarily liable for payment hereof consent to, and by execution hereof submit themselves to, the jurisdiction of the courts of the State of Florida, and, notwithstanding the place of residence of any of them or the place of execution of this instrument, such litigation may be brought in or transferred to a court of competent jurisdiction in and for Miami-Dade County, Florida.

L. Assignment:

Subject to prior written notice to Borrower, Lender shall have the unrestricted right at any time and from time to time and without Borrower's or Guarantor's consent, to assign all or any portion of its rights and obligations hereunder to one or more lenders or Purchasers (each, an "Assignee") under this Note and the Loan Documents and all information now or hereafter in its possession relating to the Borrower and all Guarantors (all rights of privacy hereby being waived, and to retain any compensation received by Lender in connection with any such transaction and Borrower and Guarantor agrees that it shall execute such documents, including without limitation, the delivery of an estoppel certificate and such other documents as Lender shall reasonably deem necessary to effect the foregoing. The Borrower hereby agrees to be bound by the terms of the Amended and Restated Note subsequent to any transfer and agrees that the terms of the Amended and Restated Note may be fully enforced by any subsequent holder of this Note.

M. Non-Waiver:

The failure at any time of Lender to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of Lender shall be cumulative and may be pursued singly, successively or together, at the option of Lender.

N. Right of Setoff:

In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Lender by law, the Lender shall have, with respect to the Borrower's obligations to the Lender under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Lender a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Lender, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Lender, whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts, resident prepayments, and such other funds as government agencies may require for resident care. Every such security interest and right of setoff may be exercised subject to prior notice to the Borrower. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Lender, although the Lender may enter such set off on its books and records at a later time.

O. Miscellaneous:

1. TIME IS OF THE ESSENCE OF THIS NOTE.
 2. It is agreed that the granting to Borrower or any other party of an extension or extensions of time for the payment of any sum or sums due under this Note or under the Security Agreement or for the performance of any covenant or stipulation thereof or the taking of other or additional security shall not in any way release or affect the liability of Borrower under this Note or any of the Loan Documents.
 3. This Note may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.
 4. [Reserved].
 5. Notwithstanding anything herein to the contrary, the obligations of Borrower under this Note shall be subject to the limitation that payments of interest shall not be required to the extent that receipt of any such payment by Lender would be contrary to provisions of law applicable to Lender limiting the maximum rate of interest which may be charged or collected by Lender. In the event that any charge, interest or late charge is above the maximum rate provided by law, then any excess amount over the lawful rate shall be applied by Lender to reduce the principal sum of the Loan or any other amounts due Lender hereunder.
 6. Borrower acknowledges that Lender shall have no obligation whatsoever to renew, modify or extend this Note or to refinance the indebtedness under this Note upon the maturity thereof, except as specifically provided herein.
 7. Lender shall have the right to accept and apply to the outstanding balance of this Note and all payments or partial payments received from Borrower after the due date therefor, whether this Note has been accelerated or not, without waiver of any of Lender's rights to continue to enforce the terms of this Note and to seek any and all remedies provided for herein or in any instrument securing the same, including, but not limited to, the right to foreclose on such security.
 8. All amounts received by Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by Lender, in its sole discretion, as permitted by law.
 9. Borrower shall not assign Borrower's rights or obligations under this Note without Lender's prior consent.
 10. The term "Borrower" as used herein, in every instance shall include the makers of this Note, and its successors, and assigns, and shall denote the singular and/or plural, the masculine and/or feminine, and natural and/or artificial persons whenever and wherever the context so requires or admits.
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11. If more than one party executes this Note, all such parties shall be jointly and severally liable for the payment of this Note.
12. If any clause or provision herein contained operates or would prospectively operate to invalidate this Note in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Note shall remain operative and in full force and effect.

P. Waiver of Jury Trial:

BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO EXTEND TO BORROWER THE LOAN EVIDENCED BY THIS NOTE.

This Note amends, restates and replaces that certain Fourth Amended and Restated Revolving Promissory Note dated as of December 9, 2020, by Borrower and in favor of Lender in the original principal amount of \$10,000,000, in its entirety.

[SIGNATURE ON PAGE TO FOLLOW]

Borrower has duly executed this Note August 26, 2021.

BORROWER:

VENUS CONCEPT USA INC., a Delaware corporation

By:/s/ Domenic Serafino
Name: Domenic Serafino
Title: President

VENUS CONCEPT CANADA CORP., an Ontario corporation

By:/s/ Domenic Serafino
Name: Domenic Serafino
Title: Chief Executive Officer

VENUS CONCEPT INC., a Delaware corporation

By:/s/ Domenic Serafino
Name: Domenic Serafino
Title: Chief Executive Officer

SUPPLEMENT TO SUBORDINATION OF DEBT AGREEMENTS

This **SUPPLEMENT TO SUBORDINATION OF DEBT AGREEMENTS** Effectively dated as of July 24, 2021 (this "Supplement"), by and among MADRYN HEALTH PARTNERS, LP and MADRYN HEALTH PARTNERS (CAYMAN MASTER), LP (collectively, the "**Junior Lender**"), whose address is 140 E. 45th Street, 15th Floor, Suite B, New York, New York 10017, CITY NATIONAL BANK OF FLORIDA, its successors and/or assigns (the "**Senior Lender**"), whose address is 100 S.E. 2nd Street, 13th Floor, Miami, Florida 33131, and VENUS CONCEPT INC., a Delaware limited liability company (the "**Borrower**"), whose address is 1880 N. Commerce Parkway, Suite 2, Weston, Florida 33326. Each of the foregoing is referred to herein as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, the Parties entered into those certain Subordination of Debt Agreements, dated as of December 9, 2020, as amended hereby or otherwise modified from time to time, (the "Existing Subordination Agreements"); capitalized terms that are used herein and not defined herein shall have the meanings given to such terms in the Existing Subordination Agreements);

WHEREAS, the Parties have requested and Lender has agreed to amend and supplement the Existing Subordination Agreements on the terms and subject to the conditions set forth in this Supplement; and

NOW, THEREFORE, in consideration of the foregoing, the covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. Incorporated Terms.

- (i) "**Senior Debt**" shall include, without limitation, that certain Fifth Amended and Restated promissory Note effectively dated July 24, 2021, from the Borrower in favor of Senior Lender in the principal amount of \$5,000,000; and
- (ii) "**Loan Agreement**" shall include, without limitation, that certain Fourth Amended and Restated Loan Agreement effectively dated as of July 24, 2021 by and between, inter alios, the Borrower and the Senior Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time.

SECTION 2. Conditions of Effectiveness. This Supplement shall become effective when the Lender and Borrower have executed and delivered this Supplement.

SECTION 3. Reference to and Effect. From and after the date hereof, the Existing Subordination Agreements and the other Loan Documents shall be deemed to be amended and modified as provided herein, but, except as so amended and modified, the Existing Subordination Agreements and the other Loan Documents shall continue in full force and effect and the Existing Subordination Agreements and the applicable provisions of this Supplement shall be read, taken and construed as one and the same instrument. On and after the date hereof, the term "Subordination Agreement" used in any Loan Document shall mean the Existing Subordination Agreement as amended hereby.

SECTION 4. Execution in Counterparts. This Supplement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Supplement by facsimile transmission or by electronic mail in portable document format (.pdf) shall be effective as delivery as an original executed counterpart of this Supplement.

SECTION 5. GOVERNING LAW. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA APPLICABLE TO CONTRACTS MADE AND PERFORMED ENTIRELY IN SUCH STATE WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAWS.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be executed by their respective authorized officers on August 26, 2021.

BORROWERS:

VENUS CONCEPT INC., a Delaware limited liability company

By: /s/Domenic Serafino

Name: Domenic Serafino

Title: Chief Executive Officer

VENUS CONCEPT USA INC.

By: /s/DomenicSerafino

Name: Domenic Serafino

Title: President

VENUS CONCEPT CANADA CORP.

By: /s/Domenic Serafino

Name: Domenic Serafino

Title: Chief Executive Officer

[EXECUTION CONTINUES ON THE FOLLOWING PAGE]

JUNIOR LENDER:

MADRYN HEALTH PARTNERS, LP

By: MADRYN HEALTH ADVISORS, LP,
its General Partner

By: MADRYN HEALTH ADVISORS GP, LLC,
its General Partner

By: /s/Avinash Amin

Name: Avinash Amin

Title: Member

MADRYN HEALTH PARTNERS (CAYMAN MASTER), LP

By: MADRYN HEALTH ADVISORS, LP,
its General Partner

By: MADRYN HEALTH ADVISORS GP, LLC,
its General Partner

By: /s/ Avinash Amin

Name: Avinash Amin

Title: Member

[EXECUTION CONTINUES ON THE FOLLOWING PAGE]

SENIOR LENDER:

CITY NATIONAL BANK OF FLORIDA

By: /s/ Carlos E. Fernandez

Name: Carlos E. Fernandez

Title: Managing Senior VP