

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): April 30, 2017

XTANT MEDICAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-34951
(Commission File Number)

20-5313323
(IRS Employer Identification No.)

664 Cruiser Lane
Belgrade, Montana
(Address of Principal Executive Offices)

59714
(Zip Code)

(406) 388-0480
(Registrant's Telephone Number, Including Area Code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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

Thirteenth Amendment to Amended and Restated Credit Agreement

Effective April 30, 2017, Bacterin International, Inc. (“Bacterin”), a Nevada corporation and wholly-owned subsidiary of Xtant Medical Holdings, Inc. (the “Company”), as borrower, the Company, X-Spine Systems, Inc., an Ohio corporation and wholly-owned subsidiary of the Company (“X-Spine”), and Xtant Medical, Inc., a Delaware corporation and wholly-owned subsidiary of the Company (“Xtant”), collectively as the guarantors, ROS Acquisition Offshore LP and OrbiMed Royalty Opportunities II, LP, entered into the Thirteenth Amendment to Amended and Restated Credit Agreement (the “Amendment”), which amended the existing Amended and Restated Credit Agreement (the “Facility”).

Prior amendments to the Facility deferred Bacterin’s accrued interest payment date for the fiscal quarter ended on December 31, 2016 until April 30, 2017. The Amendment further defers Bacterin’s accrued interest payment date for the fiscal quarter ended on December 31, 2016 until May 31, 2017, while also deferring Bacterin’s accrued interest payment date for the fiscal quarter ended on March 31, 2017 until May 31, 2017.

The interest due on May 31, 2017 for the fiscal quarter ended on December 31, 2016 will be \$1,147,329.47, plus interest accrued on such interest from January 2, 2017 until paid at a rate equal to 14% plus the higher of the LIBO Rate (as defined in the Facility) for the fiscal quarter ended on December 31, 2016, or 1%. The interest due on May 31, 2017 for the fiscal quarter ended on March 31, 2017 will be \$1,139,597.47, plus interest accrued on such interest from April 1, 2017 until paid at a rate equal to 14% plus the higher of the LIBO Rate for the fiscal quarter ended on March 31, 2017, or 1%.

Forbearance Agreement

On April 30, 2017, the Company and its wholly owned subsidiaries Bacterin, X-spine, and Xtant (together with the Company, individually and collectively, jointly, and severally, “Borrower”), entered into a forbearance agreement (the “Forbearance Agreement”) with Silicon Valley Bank (“SVB”). Pursuant to the Forbearance Agreement, SVB agreed to forbear from exercising its rights and remedies under the Loan and Security Agreement, dated as of May 25, 2016, as amended by a certain First Loan Modification Agreement, dated as of August 12, 2016 (as amended, the “Loan Agreement”), with respect to certain defaults from the date of the Forbearance Agreement until the earliest to occur of (a) the occurrence of any Event of Default (as defined in the Loan Agreement), (b) the failure of Borrower to promptly perform under the Forbearance Agreement when required, or (c) May 5, 2017. The defaults consisted of Borrower’s failure to comply with the financial covenant that Borrower deliver an unqualified opinion from an independent certified public accounting firm on the annual financial statements of Borrower for the fiscal year ended December 31, 2016, and the incurrence of cross-defaults under other debt arrangements (all of which have been waived).

The foregoing descriptions of the Amendment and the Forbearance Agreement do not purport to be complete and are qualified in their entirety by the full text of the Amendment and Forbearance Agreement, copies of which are filed as Exhibits 10.1 and 10.2 and incorporated by reference herein.

Item 2.03 Creation of Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement.

The disclosure set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

- | | |
|------|--|
| 10.1 | Thirteenth Amendment and Waiver to Amended and Restated Credit Agreement, dated as of April 30, 2017, by and among Bacterin International, Inc., Xtant Medical Holdings, Inc., X-Spine Systems, Inc., Xtant Medical, Inc., ROS Acquisition Offshore LP and OrbiMed Royalty Opportunities II, LP. |
| 10.2 | Forbearance Agreement, dated April 30, 2017, by and among Xtant Medical Holdings, Inc., Bacterin International, Inc., X-spine Systems, Inc., Xtant Medical, Inc. and Silicon Valley Bank. |
-

SIGNATURE

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

Dated: May 4, 2017

XTANT MEDICAL HOLDINGS, INC.

By: /s/ John Gandolfo

Name: John Gandolfo

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No. Description

- 10.1 Thirteenth Amendment and Waiver to Amended and Restated Credit Agreement, dated as of April 30, 2017, by and among Bacterin International, Inc., Xtant Medical Holdings, Inc., X-Spine Systems, Inc., Xtant Medical, Inc., ROS Acquisition Offshore LP and OrbiMed Royalty Opportunities II, LP.
- 10.2 Forbearance Agreement, dated April 30, 2017, by and among Xtant Medical Holdings, Inc., Bacterin International, Inc., X-spine Systems, Inc., Xtant Medical, Inc. and Silicon Valley Bank..
-

THIRTEENTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This **THIRTEENTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT** (this "Amendment") is made and entered into as of April 30, 2017 (the "Amendment Closing Date") by and among **BACTERIN INTERNATIONAL, INC.**, a Nevada corporation (the "Borrower"), **ROS ACQUISITION OFFSHORE LP**, a Cayman Islands Exempted Limited Partnership ("ROS"), **ORBIMED ROYALTY OPPORTUNITIES II, LP**, a Delaware limited partnership ("Royalty Opportunities"), and, in their capacity as Guarantors under the Credit Agreement (as defined below), **XTANT MEDICAL HOLDINGS, INC.**, a Delaware corporation ("Holdings"), **X-SPINE SYSTEMS, INC.**, an Ohio corporation ("X-Spine") and **XTANT MEDICAL, INC.**, a Delaware corporation ("Xtant") and, along with Holdings and X-Spine, collectively, the "Guarantors").

WHEREAS, the Borrower, ROS and Royalty Opportunities are party to that certain Amended and Restated Credit Agreement, dated as of July 27, 2015, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated as of March 31, 2016, that certain Second Amendment to Amended and Restated Credit Agreement, dated as of May 25, 2016, that certain Third Amendment to Amended and Restated Credit Agreement, dated as of June 30, 2016, that certain Fourth Amendment to Amended and Restated Credit Agreement, dated as of July 29, 2016, that certain Fifth Amendment to the Amended and Restated Credit Agreement, dated as of August 12, 2016, that certain Sixth Amendment to the Amended and Restated Credit Agreement, dated as of September 27, 2016, that certain Seventh Amendment to the Amended and Restated Credit Agreement, dated as of December 31, 2016, that certain Eighth Amendment to Amended and Restated Credit Agreement, dated as of January 13, 2017, that certain Ninth Amendment to Amended and Restated Credit Agreement, dated as of January 31, 2017, that certain Tenth Amendment to Amended and Restated Credit Agreement, dated as of February 14, 2017, that certain Eleventh Amendment to Amended and Restated Credit Agreement, dated as of February 28, 2017 and that certain Twelfth Amendment and Waiver to Amended and Restated Credit Agreement, dated as of March 31, 2017 (the "Credit Agreement"), pursuant to which (i) ROS and Royalty Opportunities, as Lenders under the Credit Agreement, have extended credit to the Borrower on the terms set forth therein and (ii) each Lender has appointed ROS as the administrative agent (the "Administrative Agent") for the Lenders;

WHEREAS, the Guarantors and the Administrative Agent entered into an Amended and Restated Guarantee, dated as of July 31, 2015 and supplemented on September 11, 2015, pursuant to which the Guarantors have agreed to guarantee the Obligations of the Borrower under the Credit Agreement;

WHEREAS, pursuant to Section 11.1 of the Credit Agreement, the Credit Agreement may be amended by an instrument in writing signed by each of the Borrower and the Administrative Agent (acting on behalf of the Lenders);

WHEREAS, the Borrower and the Lenders desire to amend certain provisions of the Credit Agreement as provided in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions; Loan Document**. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

2. **Amendments to Section 3.6**. Section 3.6 of the Credit Agreement is hereby amended by deleting the last sentence from such Section 3.6 in its entirety and inserting the following as the last sentence thereof:

“Notwithstanding the foregoing, interest accrued on the Loans for the Fiscal Quarters ended on December 31, 2016 and March 31, 2017 and otherwise required to be paid in cash on January 2, 2017 and March 31, 2017, respectively, shall instead be required to be paid in cash on May 31, 2017, plus interest accrued on such interest from January 2, 2017 and March 31, 2017, as applicable, to the date of payment thereof at a rate equal to the Applicable Margin plus the higher of (i) the LIBO Rate for the Fiscal Quarter ended on December 31, 2016 or the Fiscal Quarter ended on March 31, 2017, as applicable, and (ii) 1.00%.”

3. **Conditions to Effectiveness of Amendment**. This Amendment shall become effective upon receipt by the Borrower, the Administrative Agent, the Lenders and the Guarantors of a counterpart signature of the others to this Amendment duly executed and delivered by each of the Borrower, the Lenders, the Administrative Agent and the Guarantors.

4. **Expenses**. The Borrower agrees to pay on demand all expenses of the Administrative Agent (including, without limitation, the fees and out-of-pocket expenses of Covington & Burling LLP, counsel to the Administrative Agent) incurred in connection with the Administrative Agent’s review, consideration and evaluation of this Amendment, including the rights and remedies available to it in connection therewith, and the negotiation, preparation, execution and delivery of this Amendment.

5. **Representations and Warranties**. The Borrower and the Guarantors represent and warrant to each Lender as follows:

(a) After giving effect to this Amendment, the representations and warranties of the Borrower and the Guarantors contained in the Credit Agreement or any other Loan Document shall, (i) with respect to representations and warranties that contain a materiality qualification, be true and correct in all respects on and as of the date hereof, and (ii) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects on and as of the date hereof, and except that the representations and warranties limited by their terms to a specific date shall be true and correct as of such date.

(b) After giving effect to this Amendment, no Default or Event of Default under the Credit Agreement will occur or be continuing.

6. **No Implied Amendment or Waiver.** Except as expressly set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Administrative Agent or the Lenders under the Credit Agreement or the other Loan Documents, or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Credit Agreement or the other Loan Documents, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of the Administrative Agent or the Lenders to agree to or grant any similar or future amendment, consent or waiver of any of the terms and conditions of the Credit Agreement or the other Loan Documents.

7. **Waiver and Release.** TO INDUCE THE ADMINISTRATIVE AGENT, ACTING ON BEHALF OF THE LENDERS, TO AGREE TO THE TERMS OF THIS AMENDMENT, THE BORROWER, THE GUARANTORS AND THEIR AFFILIATES (COLLECTIVELY, THE RELEASING PARTIES) REPRESENT AND WARRANT THAT AS OF THE DATE HEREOF THERE ARE NO CLAIMS OR OFFSETS AGAINST OR RIGHTS OF RECOUPMENT WITH RESPECT TO OR DEFENSES OR COUNTERCLAIMS TO THEIR OBLIGATIONS UNDER THE LOAN DOCUMENTS AND IN ACCORDANCE THEREWITH THEY:

(a) WAIVE ANY AND ALL SUCH CLAIMS, OFFSETS, RIGHTS OF RECOUPMENT, DEFENSES OR COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING PRIOR TO THE DATE HEREOF; AND

(b) FOREVER RELEASE, RELIEVE, AND DISCHARGE THE ADMINISTRATIVE AGENT, THE LENDERS, THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PREDECESSORS, SUCCESSORS, ASSIGNS, ATTORNEYS, ACCOUNTANTS, AGENTS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE "RELEASED PARTIES"), AND EACH OF THEM, FROM ANY AND ALL CLAIMS, LIABILITIES, DEMANDS, CAUSES OF ACTION, DEBTS, OBLIGATIONS, PROMISES, ACTS, AGREEMENTS, AND DAMAGES, OF WHATEVER KIND OR NATURE, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, CONTINGENT OR FIXED, LIQUIDATED OR UNLIQUIDATED, MATURED OR UNMATURED, WHETHER AT LAW OR IN EQUITY, WHICH THE RELEASING PARTIES EVER HAD, NOW HAVE, OR MAY, SHALL, OR CAN HEREAFTER HAVE, DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY BASED UPON, CONNECTED WITH, OR RELATED TO MATTERS, THINGS, ACTS, CONDUCT, AND/OR OMISSIONS AT ANY TIME FROM THE BEGINNING OF THE WORLD THROUGH AND INCLUDING THE DATE HEREOF, INCLUDING WITHOUT LIMITATION ANY AND ALL CLAIMS AGAINST THE RELEASED PARTIES ARISING UNDER OR RELATED TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

(c) IN CONNECTION WITH THE RELEASE CONTAINED HEREIN, THE RELEASING PARTIES ACKNOWLEDGE THAT THEY ARE AWARE THAT THEY MAY HEREAFTER DISCOVER CLAIMS PRESENTLY UNKNOWN OR UNSUSPECTED, OR FACTS IN ADDITION TO OR DIFFERENT FROM THOSE WHICH THEY KNOW OR BELIEVE TO BE TRUE, WITH RESPECT TO THE MATTERS RELEASED HEREIN. NEVERTHELESS, IT IS THE INTENTION OF THE RELEASING PARTIES, THROUGH THIS AGREEMENT AND WITH ADVICE OF COUNSEL, FULLY, FINALLY, AND FOREVER TO RELEASE ALL SUCH MATTERS, AND ALL CLAIMS RELATED THERETO, WHICH DO NOW EXIST, OR HERETOFORE HAVE EXISTED. IN FURTHERANCE OF SUCH INTENTION, THE RELEASES HEREIN GIVEN SHALL BE AND REMAIN IN EFFECT AS A FULL AND COMPLETE RELEASE OR WITHDRAWAL OF SUCH MATTERS NOTWITHSTANDING THE DISCOVERY OR EXISTENCE OF ANY SUCH ADDITIONAL OR DIFFERENT CLAIMS OR FACTS RELATED THERETO.

(d) THE RELEASING PARTIES COVENANT AND AGREE NOT TO BRING ANY CLAIM, ACTION, SUIT, OR PROCEEDING AGAINST THE RELEASED PARTIES, DIRECTLY OR INDIRECTLY, REGARDING OR RELATED IN ANY MANNER TO THE MATTERS RELEASED HEREBY, AND FURTHER COVENANT AND AGREE THAT THIS AGREEMENT IS A BAR TO ANY SUCH CLAIM, ACTION, SUIT, OR PROCEEDING.

(e) THE RELEASING PARTIES REPRESENT AND WARRANT TO THE RELEASED PARTIES THAT THEY HAVE NOT HERETOFORE ASSIGNED OR TRANSFERRED, OR PURPORTED TO ASSIGN OR TRANSFER, TO ANY PERSON OR ENTITY ANY CLAIMS OR OTHER MATTERS HEREIN RELEASED.

8. **Counterparts; Governing Law.** This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of such when so executed and delivered shall be an original, but all of such counterparts shall together constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or other electronic mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amendment. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[Remainder of Page Intentionally Left Blank]

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

BACTERIN INTERNATIONAL, INC.,

as the Borrower

By: /s/ John Gandolfo

Name: John Gandolfo

Title: CFO

XTANT MEDICAL HOLDINGS, INC.,

(fka: Bacterin International Holdings, Inc.)

as a Guarantor

By: /s/ John Gandolfo

Name: John Gandolfo

Title: CFO

X-SPINE SYSTEMS, INC.,

as a Guarantor

By: /s/ John Gandolfo

Name: John Gandolfo

Title: CFO

XTANT MEDICAL, INC.,

as a Guarantor

By: /s/ John Gandolfo

Name: John Gandolfo

Title: CFO

Signature Page to Thirteenth Amendment to A&R Credit Agreement

ROS ACQUISITION OFFSHORE LP,
as a Lender and as the Administrative Agent

By OrbiMed Advisors LLC, solely in its
capacity as Investment Manager

By: /s/ Samuel D. Islay
Name: Samuel D. Islay
Title: Managing Member

ORBIMED ROYALTY OPPORTUNITIES II, LP,
as a Lender

By OrbiMed ROF II LLC,
its General Partner
By OrbiMed Advisors LLC,
its Managing Member

By: /s/ Samuel D. Islay
Name: Samuel D. Islay
Title: Managing Member

Signature Page to Thirteenth Amendment to A&R Credit Agreement

FORBEARANCE AGREEMENT

This Forbearance Agreement (this “**Forbearance Agreement**”) is entered into as of April 30, 2017, by and between (a) **SILICON VALLEY BANK**, a California corporation (“**Bank**”), and (b) (i) **XTANT MEDICAL HOLDINGS, INC.**, a Delaware corporation (“**Holdings**”), (ii) **BACTERIN INTERNATIONAL, INC.**, a Nevada corporation (“**Bacterin**”), (iii) **X-SPINE SYSTEMS, INC.**, an Ohio corporation (“**X-spine**”), and (iv) **XTANT MEDICAL, INC.**, a Delaware corporation (“**Xtant**”, and together with Holdings, Bacterin and X-spine, individually and collectively, jointly and severally, the “**Borrower**”).

1. **DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS.** Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of May 25, 2016, evidenced by, among other documents, a certain Loan and Security Agreement, dated as of May 25, 2016, between Borrower and Bank, as amended by a certain First Loan Modification Agreement, dated as of August 12, 2016 (as amended, the “**Loan Agreement**”). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. **DESCRIPTION OF COLLATERAL.** Repayment of the Obligations is secured by (a) the Collateral as described in the Loan Agreement, and (b) the “Intellectual Property Collateral”, as such term is defined in that certain Intellectual Property Security Agreement, executed and delivered by Borrower to Bank, dated as of May 25, 2016 (the “**IP Agreement**”). Hereinafter, the Loan Agreement and the IP Agreement, together with all other documents executed in connection therewith evidencing, securing or otherwise relating to the Obligations, shall be referred to as the “**Existing Loan Documents**”.

3. **ACKNOWLEDGMENT OF DEFAULTS.** Borrower acknowledges that (i) an Event of Default under Section 8.2(a) of the Loan Agreement has occurred by virtue of Borrower failing to deliver an “unqualified” opinion from an independent certified public accounting firm, on the annual financial statements of Borrower for the fiscal year ended December 31, 2016 (such opinion includes a “going concern” qualification), and (ii) an Event of Default or Events of Default under Section 8.3, 8.6 and/or Section 8.9 of the Loan Agreement have occurred by virtue of Borrower’s events of default under the OrbiMed Loan Documents, that certain Indenture, dated as of July 31, 2015, by and between Holdings and Wilmington Trust, National Association, as trustee, and certain Convertible Promissory Notes issued by Holdings to ROS Acquisition Offshore LP on April 14, 2016 (in the aggregate principal amount of \$1,428,552.78) and January 17, 2017 (in the aggregate principal amounts of \$995,700 and \$42,856.59), and to OrbiMed Royalty Opportunities II, LP on April 14, 2016 (in the aggregate principal amount of \$809,613.67) and January 17, 2017 (in the aggregate principal amounts of \$564,300 and \$24,288.41), as a result of such “going concern” qualification (the foregoing Events of Default described in clause (i) and clause (ii) are collectively referred to as the “**Stated Defaults**”).

4. **FORBEARANCE BY BANK.**

A. In consideration of, among other things, Borrower’s compliance with each and every term of this Forbearance Agreement, Bank hereby agrees to forbear from exercising its rights and remedies as a result of the Stated Defaults until the earlier of (i) a Default or an Event of Default occurs under the Loan Agreement (with the sole exception of the Stated Defaults), (ii) the failure of Borrower to promptly, punctually, or faithfully perform or comply with any term or condition of this Forbearance Agreement as and when required, it being expressly acknowledged and agreed that TIME IS OF THE ESSENCE, or (iii) 3:00 p.m. Pacific time on May 5, 2017 (the period commencing as of the date of the effectiveness of this Forbearance Agreement and ending on the earlier of (i), (ii) or (iii) above shall be referred to as the “**Forbearance Period**”).

B. Borrower hereby acknowledges and agrees that nothing contained in this section or in any other section of this Forbearance Agreement shall be deemed or otherwise construed as a waiver by Bank of the Stated Defaults or any other Default or Event of Default (whether now existing or hereafter arising) or of any of its rights and remedies pursuant to the Existing Loan Documents, applicable law or otherwise. This Forbearance Agreement shall only constitute an agreement by Bank to forbear from enforcing its rights and remedies based upon the Stated Defaults, upon the terms and conditions set forth herein. Upon the expiration of the Forbearance Period, the agreement of Bank to forbear as set forth in this Forbearance Agreement shall automatically terminate and Bank may immediately commence enforcing its rights and remedies pursuant to the Existing Loan Documents, applicable law or otherwise, in such order and manner as Bank may determine appropriate.

5. TERMS OF FORBEARANCE.

A. From and after the execution of this Forbearance Agreement, Borrower agrees that Bank shall have no further obligation to make any Advances to Borrower, or to issue any other Credit Extensions for Borrower's account, or to provide any other extensions of credit of any kind (if an obligation exists in a particular instance) to Borrower. Notwithstanding the foregoing, during the Forbearance Period and at the request of Borrower, Bank may, in its sole and absolute discretion, continue to make Advances (hereinafter, such financial accommodations shall be referred to collectively as "**Discretionary Financial Accommodations**" and singly as a "**Discretionary Financial Accommodation**"), subject, in all events, to the terms and conditions of this Forbearance Agreement, the Loan Agreement, (including but not limited to, all limitations imposed by the Availability Amount) and the other Loan Documents, as affected hereby. Borrower covenants and agrees that if, in the sole and absolute discretion of Bank, Bank shall make any Discretionary Financial Accommodation during the Forbearance Period, such act shall not constitute (i) a waiver of the Stated Defaults, or of any other Default or Event of Default which may now exist or which may occur after the date of this Forbearance Agreement under any of the Loan Documents, or (ii) an agreement on the part of Bank to make any further extensions of credit of any kind to Borrower at a later date.

- B. At all times during the Forbearance Period, Borrower shall comply with all terms and conditions of the Loan Agreement and the other Loan Documents including, without limitation, all representations, warranties, affirmative and negative covenants contained in the Loan Agreement and the other Loan Documents.
- C. During the Forbearance Period, Borrower shall continue to remit all regularly scheduled payments (whether due on account of any Credit Extension or otherwise, including all principal, interest, fees, costs and other amounts) which may become due under the Loan Agreement, as and when such payments are due.
6. FEES. Borrower shall reimburse Bank for all legal fees and expenses incurred in connection with the Existing Loan Documents and this Forbearance Agreement.
7. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of the Loan Documents and all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.
8. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.
9. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of the Loan Documents and all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.
10. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.
11. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Forbearance Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to forbear from enforcing its rights and remedies pursuant to this Forbearance Agreement in no way shall obligate Bank to make any future forbearances or make any other modifications to the Obligations. Nothing in this Forbearance Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing. No maker will be released by virtue of this Forbearance Agreement.
12. JURISDICTION/VENUE/TRIAL WAIVER. Section 11 of the Loan Agreement is hereby incorporated by reference in its entirety.

13. COUNTERSIGNATURE. This Forbearance Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Signature page follows.]

This Forbearance Agreement is executed as of the date first written above.

BANK:

SILICON VALLEY BANK

By /s/ Zach Norris
Name: Zach Norris
Title: Vice President

BORROWER:

XTANT MEDICAL HOLDINGS, INC.

By /s/ John P. Gandolfo
Name: John P. Gandolfo
Title: CFO

BACTERIN INTERNATIONAL, INC.

By /s/ John P. Gandolfo
Name: John P. Gandolfo
Title: CFO

X-SPINE SYSTEMS, INC.

By /s/ John P. Gandolfo
Name: John P. Gandolfo
Title: CFO

XTANT MEDICAL, INC.

By /s/ John P. Gandolfo
Name: John P. Gandolfo
Title: CFO