IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
VYAIRE MEDICAL, INC., *et al.*,[1]	Case No. 24-11217 (BLS)
Debtors.	(Jointly Administered)
	Re: Docket No. 589

JOINT STIPULATION GRANTING LIMITED RELIEF FROM AUTOMATIC STAY

The above captioned debtors, Vyaire Medical, Inc., *et al.,* (collectively, the "Debtors"), on the one hand, and Jeffrey Paul Lyons, III, as Administrator of the Estate of Connita Shontell Ransom (the "Plaintiff" and together with the Debtors, the "Parties"), on the other hand, hereby stipulate as follows (the "Joint Stipulation"):

RECITALS

A. On June 9, 2024 (the "Petition Date"), the Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United State Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

B. On December 19, 2022, the Plaintiff commenced an action against Debtors Vyaire Medical, Inc., Vyaire Medical 203, Inc., and Vyaire Medical 211, Inc., and two non-debtors (the "Defendants") in the state court of Gwinnet County, State of Georgia, styled as *Conitta Ransom v. Vyaire Medical, Inc., et al.,* at Case No. 22-C-07343-S5 (the "Prepetition Action").

[1] The last four digits of Debtor Vyaire Medical, Inc.'s federal tax identification number are 6495. A complete list of each of the Debtors in these chapter 11 cases and each such Debtor's federal tax identification number may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/Vyaire. The location of Debtor Vyaire Medical, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 26125 North Riverwoods Boulevard, Mettawa, Illinois, USA 60045.

C. The Prepetition Action involves the asserted Incident as set forth in the MFRS (as defined below).

D. The Defendants deny any liability with respect to, and contest the merits of the claims asserted in the Prepetition Action.

E. On the Petition Date, the automatic stay imposed by section 362 of the Bankruptcy Code (the "Automatic Stay") came into effect, staying certain actions against the Debtors, including the Prepetition Action.

F. The Defendants are beneficiaries of one or more insurance policies that may cover damages awarded against it in the Prepetition Action (the "Insurance Policies").

G. The Plaintiff wishes to pursue potential recovery of the claims asserted in the Prepetition Action from the Insurance Policies, subject to the limits and terms and conditions of such policies.

H. Pursuant to the Insurance Policies, the Defendants assert that they maintain a self-insured retention requirement ("SIR") before the insurers will cover defense costs, monetary judgments, or settlements.

I. On October 1, 2024, the Plaintiff filed the *Jeffrey Paul Lyons, II's Motion for Relief from the Automatic Stay* [Docket No. 589] (the "MFRS").

J. The Debtors contest the relief sought in the MFRS.

K. The Parties desire to resolve the MFRS as provided in this Joint Stipulation.

NOW, THEREFORE, THE PARTIES STIPULATE AND AGREE AS FOLLOWS:

1. The recitals set forth above are hereby made an integral part of the Joint Stipulation and are incorporated herein.

2. This Joint Stipulation shall have no force or effect unless and until approved by order of the Bankruptcy Court (the "Effective Date").

3. Upon the Effective Date, the Plaintiff is allowed a non-priority general unsecured claim in the amount of the SIR, if any, under the applicable Insurance Policies (the "SIR Claim") to satisfy any SIR component of the Insurance Policies.

4. Upon the Effective Date, (i) any and all claims, proofs of claim, scheduled claims, administrative claims, motions or requests for payment filed and/or asserted, or which would have been filed or asserted by the Plaintiff against the Debtors or the Debtors' estates, including but not limited to the proof of claim docketed as Claim No. 72 on the Court's claims register, shall be deemed amended to reflect a non-priority general unsecured claim in the amount of the SIR Claim (the "Amended Claim") and (ii) Plaintiff shall be forever barred, estopped and permanently enjoined from asserting any further claims against the Debtors other than the Amended Claim.

5. Upon the Effective Date, with the sole exception of the Amended Claim, the Plaintiff waives any rights to collect or receive payment, in whole or in part, on account of the SIR or the Amended Claim from the Debtors or the insurers under the Insurance Policies, or any of their successors-in-interest.

6. Upon the Effective Date, the Automatic Stay shall be modified to the extent necessary solely to permit the Plaintiff to continue the Prepetition Action for the purpose of obtaining recovery from insurance proceeds under the applicable Insurance Policies; ***provided***, that all other provisions of the Automatic Stay, including, without limitation, those provisions prohibiting the commencement or continuation of any other judicial proceedings against the Debtors that was or could have been commenced prior to the Petition Date, and those provisions

prohibiting any act to collect, assess, or recover a claim against the Debtors that arose prior to the Petition Date from the respective estates and/or assets or property of any of the Debtors (as defined in section 541 of the Bankruptcy Code), shall remain in full force and effect. For the avoidance of doubt, (i) the Plaintiff may continue the Prepetition Action against the Debtors as a named defendant, but should any allegations result in a judgment, settlement, or other recovery against the Defendants, no such recovery shall be collectable against the assets of the Debtors except as provided herein, and (ii) nothing in this Joint Stipulation shall limit the Plaintiff's rights against any third-party non-debtor parties in the Prepetition Action.

7. This Joint Stipulation by the Debtors to the modification of the Automatic Stay on the terms and conditions set forth herein shall not be deemed an agreement by the Debtors to provide assistance or to cooperate with the Plaintiff in any way with efforts to pursue coverage and/or a recovery in connection with the Prepetition Action or to secure coverage and/or payment from the Insurance Policies, if any, on any settlement or judgment arising in the Prepetition Action. The Plaintiff acknowledges that the Defendants, and their counsel, have not made any representations or warranties as to whether any of the Insurance Policies provides coverage or would otherwise provide payment related to the Prepetition Action, and that any determination made by the Plaintiff as to the availability of coverage or payment from the Insurance Policies is made wholly on the basis of Plaintiff's independent investigation. Nothing in this Joint Stipulation shall provide a basis for or constitute a determination as to the availability or applicability of coverage or payment by the Insurance Policies or the Plaintiff's rights or entitlement to the proceeds of the Insurance Policies. For the avoidance of doubt, the terms of this Joint Stipulation, including without limitation the waivers set forth herein, are binding and enforceable on all Parties regardless of whether coverage exists with respect to the

Plaintiff's claims and regardless of whether the Plaintiff obtains any recovery under the Insurance Policies.

8. Nothing contained herein shall be deemed an admission of liability on the part of the Defendants with respect to the claims asserted in the Prepetition Action or an admission by the Plaintiff of the validity of any defenses. Nothing in this Joint Stipulation is intended to, or shall be construed to, waive any defenses, setoffs, objections, counterclaims, or coverage defenses that the Defendants or the Defendants' applicable insurance carriers or their representatives may have with respect to any litigation, current or contemplated, including but not limited to the Prepetition Action.

9. Any judgment against or settlement with the Debtors in the Prepetition Action shall be (i) reduced by the Amended Claim as to account for the SIR Claim and (ii) limited to any available insurance proceeds, up to the available limits of the Insurance Policies. Notwithstanding the foregoing, nothing in this Joint Stipulation limits the Plaintiff's right to recover against third-party non-debtor parties to the Prepetition Action, including but not limited to their respective insurance coverage(s).

10. To the extent that a judgment or settlement is not fully satisfied by available insurance proceeds of the Insurance Policies, if any, the Plaintiff hereby waives any claim (except the Amended Claim) against the Debtors and agrees that he will not seek in any manner to receive distribution of money or property of or from the Debtors or any of their debtor-affiliates or successors-in-interest, except on account of the Amended Claim.

11. Nothing herein (i) alters, amends or otherwise modifies the terms and conditions of any Insurance Policies issued to the Defendants, or held on behalf of the Defendants, or of any related agreements; (ii) creates or limits a direct right of action by the Plaintiff against any

insurers; (iii) precludes or limits, in any way, the rights of any insurer to contest and/or litigate the existence, primacy and/or scope of available coverage under any allegedly applicable policy or to otherwise assert any defenses to coverage; or (iv) constitutes a determination or admission that coverage exists with respect to the Plaintiff's claims.

12. This Joint Stipulation is without prejudice to any claims of the Defendants that they are not required to satisfy any SIR that are or may be required under the Insurance Policies, or any other claims of the Defendants against the insurers, including any claims, rights, or defenses of the Defendants arising under the Bankruptcy Code, or arising in, or related to, the chapter 11 cases.

13. Nothing contained herein shall be construed as a waiver by the Debtors or any other party in interest of their right to object to any and all proofs of claim relating to the Prepetition Action or any other action to which the Debtors are a party that may be filed in the chapter 11 cases.

14. Neither this Joint Stipulation, nor any terms contained herein, shall be offered or received in evidence or in any way referred to in any legal action or administrative proceeding among or between the Parties hereto, other than as may be necessary: (a) to obtain approval and to enforce this Joint Stipulation; or (b) to seek damages or injunctive relief in connection therewith.

15. This Joint Stipulation shall constitute the entire agreement and understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

16. The undersigned who executes this Joint Stipulation by or on behalf of each respective Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Joint Stipulation on behalf of such Party.

17. This Joint Stipulation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copies, electronic copies, or facsimiles signed by the Parties here to be charged.

18. This Joint Stipulation shall not be modified, altered, amended or vacated without the written consent of all Parties hereto or by further order of the Bankruptcy Court.

19. Notwithstanding the applicability of Federal Rule of Bankruptcy Procedure 4001(a)(3), the terms and provisions of this Joint Stipulation immediately shall be effective and enforceable upon the Effective Date, and shall thereafter be binding upon the Parties hereto and their respective affiliates and successors.

20. Each Party represents and warrants to the other Party that it: (a) made this Joint Stipulation freely and voluntarily and with full knowledge of its significance; and (b) has been represented by counsel of its own choice in the negotiations preceding the execution of this Joint Stipulation and in connection with the preparation and execution of this Joint Stipulation.

21. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from this Joint Stipulation.

22. This Joint Stipulation may be filed in any court of competent jurisdiction as evidence that the Automatic Stay in the above-captioned chapter 11 cases has been modified for cause, as provided herein, under section 362(d)(1) of the Bankruptcy Code.

[*Remainder of Page Intentionally Left Blank – Signatures to Follow*]

Dated: October __, 2024

/s/ ______________________________

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