

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
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**STIPULATION AND AGREED ORDER
GRANTING LIMITED RELIEF FROM PLAN INJUNCTION**

This Stipulation and Agreed Order (the “*Stipulation*”) is entered into by and among (a) the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”²) and Mary Beth Duran (the “*Plaintiff*”). The Parties hereby stipulate and agree as follows:

WHEREAS, on August 20, 2025, the Debtors filed voluntary petitions in the United States Bankruptcy Court for the Southern District of Texas (the “*Bankruptcy Court*”) commencing cases for relief under chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”). The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code.

WHEREAS, Plaintiff has filed suit against Debtor ModivCare Solutions, LLC (“*Debtor Defendant*”) and certain non-debtor co-defendants in the Second Judicial District Court, Bernadillo County, State of New Mexico (the “*Non-Bankruptcy Forum*”), under Case No. D-

1 A complete list of each of the Debtors in the Chapter 11 Cases (the “*Chapter 11 Cases*”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

2 References herein to the Debtors shall also refer to the Debtors as reorganized by the Plan, on and from the Effective Date (each as defined below).



202-CV-2025-01137 (the “**Duran Lawsuit**”).

WHEREAS, the Debtors may have insurance policies (the “**Insurance Policies**”) in place that may provide coverage to Debtor Defendant in connection with the Duran Lawsuit.

WHEREAS, on November 25, 2025, Plaintiff filed the *Objection of Marybeth Duran, as Personal Representative of the Estate of Richard Chavez, to the First Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* (the “**Objection**”) [Docket No. 812].

WHEREAS, on December 15, 2025, the Bankruptcy Court entered an order [Docket No. 1055] confirming the *Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates* [Docket No. 959] (as amended, modified, or supplemented from time to time, the “**Plan**”), and Article X, Section 10.5 of the Plan will release the Debtors from the claims the subject of the Duran Lawsuit and enjoin the Plaintiff from prosecuting its claims against the Debtors (the “**Plan Injunction**”) on and from the date on which the Plan becomes effective (the “**Effective Date**”).

WHEREAS, counsel to the Debtors and the Plaintiff have conferred and agreed to resolve the Objection by way of the Debtors agreeing to modify the Plan Injunction to the extent necessary to permit Plaintiff to pursue and liquidate claims for insurance coverage (the “**Insurance Claims**”) after the Effective Date. For the avoidance of doubt, Plaintiff is seeking to obtain the benefit of any coverage provided under the Insurance Policies and/or recover solely from (a) the proceeds of the Insurance Policies (if any) and/or (b) non-Debtor third parties, and not from the Debtors, their estates, their employees, and/or their assets (other than the applicable Insurance Policies) notwithstanding whatever recovery may be obtained by Plaintiff from the applicable Insurance Policies of the Debtors, including any deficiency which

may arise by virtue of a judgment in an amount greater than the limits of coverage.

WHEREAS, the Parties have agreed, subject to approval of the Bankruptcy Court and the occurrence of the Effective Date, to modify the Plan Injunction for the limited purpose and subject to the terms and conditions set forth below, following which the Objection shall be deemed moot.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION, IT IS SO ORDERED:

1. The foregoing recitals are hereby incorporated by reference into this Stipulation with the same force and effect as if fully set forth hereinafter.

2. The Plan Injunction is modified as at the Effective Date solely to the extent necessary to permit Plaintiff to pursue the Insurance Claims and proceed with the Duran Lawsuit; *provided*, that any such recovery against the Debtors shall be limited solely to the proceeds of the Insurance Policies, if any, and limited to the extent of any coverage under such Insurance Policies, and not from any of the Debtors, their estates, their employees, or the assets of any of the foregoing.

3. Except as may otherwise be provided in this Stipulation, Plaintiff shall not seek to collect any sum from or against the Debtors, their estates, successors, employees, owners, controllers, shareholders, related parties, nor the assets of any of the foregoing other than the applicable Insurance Policies and any coverage provided thereunder, notwithstanding whatever recovery may be obtained by Plaintiff from the applicable Insurance Policies, including any deficiency which may arise by virtue of a judgment in an amount greater than the limits of coverage. For the avoidance of doubt, Plaintiff shall not seek to collect from or against the

Debtors, their estates, their employees, and/or the assets of any of the foregoing other than the applicable Insurance Policies and any coverage provided thereunder to satisfy: (a) any self-insured retention or deductible liability; (b) any obligation to post any security or deposit with any insurer pursuant to the terms of the Insurance Policies; (c) any defense costs; (d) any portion of a judgment or settlement that exceeds the aggregate available coverage under the Insurance Policies; or (e) any other costs of any kind arising from the Duran Lawsuit, including, without limitation, any claims by any insurer against the Debtors, their estates, their employees, or their successors arising from the Duran Lawsuit.

4. Except as expressly set forth herein, the Plan Injunction shall otherwise remain in full force and effect as at the Effective Date.

5. To the extent applicable, the Plan Injunction is modified, if and to the extent necessary, to permit any insurer from which coverage is sought pursuant to Insurance Claims (or any third-party administrator with respect to such Insurance Claims) to (a) administer, handle, defend, settle, and/or pay such claims (and any costs related thereto) subject to and in accordance with the terms of any applicable Insurance Policies, any related agreements, or any claim services agreements, and (b) draw on any and all collateral such insurer is holding to the extent the insurer had valid, enforceable, perfected and non-avoidable liens and/or security interests on such collateral pursuant to the terms and conditions of the Insurance Policies and all related documents, agreements, and instruments related thereto and applicable non-bankruptcy law.

6. Nothing in the Objection, Stipulation or this Order: (a) alters, amends or otherwise modifies the terms and conditions of any Insurance Policies or of any related agreements; (b) relieves the Debtors of any obligations to pay any retentions or to pay (or reimburse an insurer for) any deductibles; (c) relieves the Debtors of any of their other

obligations under the Insurance Policies and related agreements; (d) creates or permits a direct right of action by Plaintiff against any of the Debtors' insurers; (e) 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 Insurance Policy or to otherwise assert any defenses to coverage; (f) constitutes a determination or admission that coverage exists with respect to the claims asserted in the Duran Lawsuit; or (g) relieves Plaintiff from any obligation to file a proof of claim in the Chapter 11 Cases.

7. Neither this 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 Stipulation; (b) to seek damages or injunctive relief in connection therewith; or (c) to prove that the Plan Injunction has been modified to allow prosecution of the Duran Lawsuit in the Non-Bankruptcy Forum.

8. Plaintiff shall file this Stipulation in the Non-Bankruptcy Forum within five (5) business days after the date of the entry of an order of the Bankruptcy Court approving this Stipulation.

9. For the avoidance of doubt, nothing in this Stipulation shall be construed as an agreement to treat any damages or expenses resulting or arising from the Duran Lawsuit, or prosecution thereof, as postpetition claims.

10. By entering this Stipulation, the Debtors are not waiving and will not be deemed to have waived, whether in the Duran Lawsuit or in any other proceeding, any available defenses, counterclaims, rights to setoff, or other claims that they may be entitled to assert (including at law, equity, or otherwise).

11. This Stipulation shall be binding upon the Parties' successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary, or affiliated entity of the Parties.

12. Other than as expressly authorized herein, this Stipulation does not authorize any party to pursue claims against the Debtors in the Duran Lawsuit or any other action.

13. The undersigned counsel represent and warrant that they are duly authorized to enter and be bound by this Stipulation on behalf of their respective clients.

14. The terms and conditions of this Stipulation will be immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Stipulation.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Stipulation.

THE FOREGOING STIPULATION IS HEREBY APPROVED AND SO ORDERED.

Signed:

United States Bankruptcy Judge

Stipulated and agreed by:

Dated: December 16, 2025

Respectfully submitted,

/s/ Timothy A. ("Tad") Davidson II

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