

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

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In re: : Chapter 11  
: :  
MODIVCARE INC., *et al.*, : Case No. 25-90309 (ARP)  
: :  
Debtors.<sup>1</sup> : (Jointly Administered)  
: :  
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DEBTORS' MOTION FOR ENTRY OF AN  
ORDER EXTENDING TIME TO ASSUME OR TO REJECT  
UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY

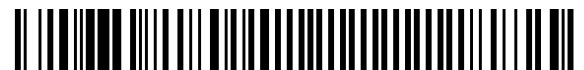
If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

ModivCare Inc. and its debtor affiliates in the above-captioned cases, as debtors and debtors in possession (collectively, the “*Debtors*”), respectfully state as follows in support of this motion (the “*Motion*”):

RELIEF REQUESTED

1. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto (the “*Proposed Order*”), granting a 90-day extension of the period by which they must assume or reject Unexpired Real Property Leases (as defined below) (through and including March 18, 2026), without prejudice to their rights to seek further extensions, as contemplated by

<sup>1</sup> A complete list of each of the Debtors in these 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 these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.



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section 365(d)(4)(B)(ii) of the Bankruptcy Code.<sup>2</sup> The current Lease Deadline (as defined below) expires on December 18, 2025.

### **JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction to consider this Motion under 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157, and the Court may enter a final order consistent with Article III of the United States Constitution.

3. Venue of the Chapter 11 Cases and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory and legal predicates for the relief requested herein are sections 105 and 365(d)(4) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Bankruptcy Rule 9006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”), and the Procedures for Complex Cases in the Southern District of Texas (the “**Complex Case Procedures**”).

### **BACKGROUND**

5. On August 20, 2025 (the “**Petition Date**”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. On September 5, 2025, the Office of the United States Trustee for the Southern District of Texas (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors [Docket No. 124] (the “**Creditors’ Committee**”), which was reconstituted on October 22,

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<sup>2</sup> Pursuant to Section K of the Complex Case Procedures, the filing of this Motion prior to the expiration of the Lease Deadline (each, as defined herein) automatically extends such periods until a ruling on this Motion.

2025 [Docket No. 568]. No request for the appointment of a trustee or an examiner has been made in the Chapter 11 Cases.

6. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Chad J. Shandler in Support of Debtors' Chapter 11 Petitions and First Day Relief* [Docket No. 14] (the “**First Day Declaration**”).<sup>3</sup>

7. The Chapter 11 Cases are being jointly administered, for procedural purposes, pursuant to Bankruptcy Rule 1015(b) and Bankruptcy Local Rule 1015-1.

### **BASIS FOR RELIEF**

8. The Debtors are currently party to more than 90 leases, contracts, or other documents that may potentially be considered “nonresidential real property leases” subject to the provisions of section 365 of the Bankruptcy Code (collectively, the “**Unexpired Real Property Leases**”). While the Debtors have rejected certain Unexpired Real Property Leases [see Docket No. 507], the Debtors and their advisors are still analyzing their remaining Unexpired Real Property Releases. The Unexpired Real Property Leases relate to real property that includes, without limitation, the Debtors’ corporate headquarters, call centers, and other offices. The Unexpired Real Property Leases are important assets of the Debtors’ estates. Accordingly, they should be preserved for the benefit of all stakeholders while the Debtors complete their analysis regarding whether to assume or reject such Unexpired Real Property Leases.

9. Pursuant to section 365(d)(4)(A) of the Bankruptcy Code, the Debtors must decide to assume or reject the Unexpired Real Property Leases on or before the earlier of (a) the date of

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<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

the entry of an order confirming a plan and (b) December 18, 2025 (the “**Lease Deadline**”). See 11 U.S.C. § 365(d)(4)(A). Pursuant to section 365(d)(4)(B)(i) of the Bankruptcy Code, however, the Lease Deadline may be extended for cause for an additional 90 days. See 11 U.S.C. § 365(d)(4)(B)(i). The Debtors anticipate that their *First Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates* [Docket No. 465] (the “**Plan**”) will be confirmed at the conclusion of the confirmation hearing, scheduled to commence on December 8, 2025 (the “**Confirmation Hearing**”), such that no extension of the Lease Deadline is required. But out of an abundance of caution, the Debtors are seeking the relief sought by this Motion. Extending the existing Lease Deadline will ensure that the Debtors’ ability to maximize value of the Debtors’ estates is not prematurely cut off by the existing Lease Deadline in the event that the Effective Date (as defined in the Plan) occurs after December 18, 2025.

10. Courts consider various factors in determining whether “cause” exists to grant such an extension, including, but not limited to:

- whether the lease is the debtor’s primary asset;
- whether the debtor has had sufficient time to intelligently appraise its financial situation and the potential value of its assets in terms of the formulation of a plan of reorganization;
- whether the lessor continues to receive rent for the use of the property;
- whether the debtor’s continued occupation could damage the lessor beyond the compensation available under the Bankruptcy Code;
- whether the case is exceptionally complex and involves a large number of leases;
- whether the debtor has failed or is unable to formulate a plan when it has had sufficient time to do so; and
- any other factors bearing on whether the debtor has had a reasonable amount of time in which to decide whether to assume or reject the lease.

*See, e.g., In re Am. Healthcare Mgmt., Inc.*, 900 F.2d 827, 832-33 (5th Cir. 1990) (discussing factors relevant to section 365(d)(4) analysis); *In re Panaco, Inc.*, 2002 WL 31990368, at \*5 (Bankr. S.D. Tex. Dec. 10, 2002) (listing similar factors).

11. The Debtors have made, and continue to make, significant progress on the Chapter 11 Cases. Since the Petition Date, the Debtors have worked diligently on numerous time-sensitive matters critical to their restructuring efforts. Specifically, the Debtors and their professionals have focused their attention on, among other things:

- a. stabilizing the Debtors' business operations to maximize the value of the Debtors' estates, including engaging with customers, vendors, and other key stakeholders in connection therewith;
- b. obtaining relief that has enabled the Debtors to continue operating their business in the ordinary course, including obtaining approval of a number of "first day" motions, "second day" motions, and retention applications;
- c. engaging with DIP lenders to obtain debtor-in-possession financing;
- d. engaging in settlement discussions and negotiations with several of the Debtors' largest customers to maintain key relationships while maximizing the value of the Debtors' estates, some of which required attendance at hearings to resolve objections;
- e. preparing for and conducting several depositions of the Debtors, Debtor professionals, certain lenders, and other key personnel;
- f. preparing and submitting bids for, and engaging with, several state agencies regarding the renewal and/or procurement of government contracts central to Debtor's businesses and estates;
- g. preparing and filing the Schedules and Statements; preparing for and attending various hearings, including, but not limited to, the first day hearing and the hearing to approve the debtor-in-possession financing on a final basis; and
- h. soliciting votes on the Plan.

12. The Debtors are in the critical stages of preparing for the Confirmation Hearing, which, at present, will be a contested hearing spanning at least three full days.

13. If the Unexpired Real Property Leases are deemed rejected under section 365(d)(4)(A) of the Bankruptcy Code and the Debtors are forced to surrender the premises, their

day-to-day operations, as well as their efforts to consummate the Plan, would be severely impacted. In this regard, the Unexpired Real Property Leases are an integral part of the Debtors' normal business operations, including with respect to the various critical business functions that are undertaken at the Debtors' corporate offices. At least in the short term, it would be impossible for the Debtors to find suitable replacements for these Unexpired Real Property Leases.

14. Lastly, the Debtors submit that the landlords under the Unexpired Real Property Leases will not be harmed by the extension of the Lease Deadline. The Debtors have been paying, and will continue to pay the applicable landlords, all postpetition amounts that come due in connection with the Unexpired Real Property Leases in the ordinary course of business.

15. For the reasons set forth above, the Debtors submit that cause exists to extend the Lease Deadline by the proposed 90-days and that such extension is warranted under the circumstances and is in the best interests of the Debtors' estates and creditors. Accordingly, the proposed relief should be granted.

### **NOTICE**

16. Notice of this Motion will be given to the parties on the Debtors' Master Service List, the applicable landlords, and all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

17. A copy of the Motion is available on (a) the Court's website, at [www.txs.uscourts.gov](http://www.txs.uscourts.gov), and (b) the website maintained by the Debtors' claims and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global, at <https://www.veritaglobal.net/ModivCare>.

**WHEREFORE**, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: December 2, 2025  
Houston, Texas

Respectfully submitted,

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

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*Co-Counsel for the Debtors*

*and Debtors in Possession*

**CERTIFICATE OF SERVICE**

I certify that on December 2, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

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

Timothy A. ("Tad") Davidson II



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

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In re:	:	Chapter 11
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MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	

**ORDER EXTENDING TIME TO ASSUME OR TO REJECT  
UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY**  
[Relates to Docket No. \_\_\_\_]

Upon the motion (the “***Motion***”)<sup>2</sup> of the above-captioned debtors (collectively, the “***Debtors***”) for entry of an order (this “***Order***”) extending the time to assume or to reject unexpired leases of nonresidential real property pursuant to section 365(d)(4) of the Bankruptcy Code, all as more fully set forth in the Motion; and the Court having reviewed the Motion; and the Court having jurisdiction to consider the Motion; and the Court having found that the relief requested therein is in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in this order, it is hereby

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<sup>1</sup> A complete list of each of the Debtors in these 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 these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

<sup>2</sup> Capitalized terms used but not defined herein have the meanings given to them in the Motion.

**ORDERED, ADJUDGED AND DECREED THAT:**

1. Pursuant to section 365(d)(4) of the Bankruptcy Code, the time period by which the Debtors must assume or reject any unexpired lease of nonresidential real property under which any Debtor is the lessee (including the Unexpired Real Property Leases) is extended through and including the later of (a) March 18, 2026 and (b) such other later date that is mutually agreed to by the Debtors and the applicable counterparty to the subject Unexpired Real Property Lease; *provided* that, if the Debtors file a motion to assume or reject an Unexpired Real Property Lease prior to such date, the time period within which the Debtors must assume or reject such Unexpired Real Property Lease pursuant to section 365(d)(4) shall be deemed extended through and including the date that the Court enters an order granting or denying such motion.

2. The Debtors retain the right to request additional extensions of time to assume or reject the Unexpired Real Property Leases consistent with section 365(d)(4) of the Bankruptcy Code.

3. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

4. The relief granted by this Order shall not affect the ability of the Debtors to assume or reject any Unexpired Real Property Leases.

5. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed \_\_\_\_\_, 2025

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Alfredo R. Pérez  
United States Bankruptcy Judge