Docket #1551 Date Filed: 05/27/2026
United States Bankruptcy Court
Southern District of Texas
ENTERED
May 27, 2026
Nathan Ochsner, Clerk

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

In re:	:	Chapter 11
MODIVCARE INC., *et al.*,	:	Case No. 25-90309 (ARP)
Reorganized Debtors.[1]	:	(Jointly Administered)

STIPULATION AND AGREED ORDER
GRANTING RELIEF FROM PLAN INJUNCTION TO DARLENE SHERWOOD

WHEREAS, on August 20, 2025, the above-captioned Reorganized Debtors commenced the Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of 11 U.S.C. §§ 101 *et seq*. in the United States Bankruptcy Court for the Southern District of Texas (the "***Court***");

WHEREAS, counsel to Darlene Sherwood ("***Claimant***") communicated with counsel to the Reorganized Debtors regarding the existence of a pending personal injury matter styled *Darlene Sherwood v. ModivCare Solutions, LLC, ModivCare Inc., and John Doe–10*, Case No. 260300038 in the Court of Common Pleas, Philadelphia County, Pennsylvania (the proceeding and all claims related thereto, the "***State Court Action***") and the Claimant's desire to prosecute a claim for payment against proceeds of the Reorganized Debtors' insurance policies that may be available;

WHEREAS, the Reorganized Debtors and Claimant (together, the "***Parties***") have conferred and, by and through their undersigned counsel, agreed upon the terms set forth below

[1] A complete list of each of the reorganized debtors (the "***Reorganized Debtors***") in these chapter 11 cases (the "***Chapter 11 Cases***") and the last four digits of each Reorganized Debtor's taxpayer identification number (if applicable) may be obtained on the website of the Reorganized Debtors' claims and noticing agent at https://www.veritaglobal.net/ModivCare. Reorganized Debtor ModivCare Inc.'s principal place of business and the Reorganized Debtors' service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1200, Denver, Colorado 80237.

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(this "***Stipulation and Agreed Order***"), which the Parties agree is in the best interests of judicial economy and the efficient administration of the Chapter 11 Cases; and

WHEREAS, the Court, having considered the recitals contained herein and the representations of counsel, and finding that good cause exists to approve, authorize, and enter this Stipulation and Agreed Order, **it is hereby ORDERED that**:

1. Upon the Reorganized Debtors' filing of their *Notice of (I) Order Confirming Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates, (II) Occurrence of Such Plan's Effective Date, and (III) Related Deadlines with Respect to Administrative Expense and Rejection Damage Claims* [Docket No. 1134] on December 29, 2025, notifying parties of the effectiveness of the confirmed chapter 11 plan in the Chapter 11 Cases [Docket No. 1055, Exhibit A] (the "***Plan***"),[2] the automatic stay under 11 U.S.C. § 362(a) terminated by operation of law pursuant to 11 U.S.C. § 362(c)(2)(C). For the avoidance of doubt, except for the limited rights set forth in Paragraph 2, nothing herein limits the applicability of the injunction provided in Article X, Section 10.5 of the Plan (the "***Plan Injunction***").

2. Relief from Plan Injunction; Preservation of Claims and Reservation of Rights: (a) effective as of the Stipulation Effective Date (defined below), the Plan Injunction, if and to the extent applicable, shall be modified with respect to the prosecution (by Claimant) and the defense of the State Court Action to allow the State Court Action to proceed to final judgment or settlement, in each case on the terms set forth in this Stipulation and Agreed Order; (b) Claimant's rights, claims, and causes of action, if any, against any of the Reorganized Debtors as nominal defendants in order to pursue applicable insurance, the Reorganized Debtors' insurers, and any other parties in the State Court Action are hereby preserved and not released, impaired, waived or enjoined by

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

operation of the Plan (including operation of the Plan Injunction), or any confirmation order; (c) the Reorganized Debtors reserve all defenses, claims, and rights with respect to the State Court Action, except as expressly provided in this Stipulation and Agreed Order; and (d) nothing herein shall constitute or be deemed an admission of liability or coverage by any party.

3. Any judgment, settlement or recovery by Claimant in the State Court Action against the Reorganized Debtors shall be limited solely to the proceeds, if any, available under applicable insurance policies, and Claimant shall not directly seek or enforce any judgment or recovery against the Estates, Reorganized Debtors, or property thereof, except to the extent of such insurance proceeds. Claimant hereby waives any claim she may have against the Reorganized Debtors or the Estates for any amount in excess of the proceeds of applicable insurance policies (including, without limitation, any distribution on account of any Proof of Claim that has been or may be filed in the Chapter 11 Cases).

4. Nothing in this Stipulation and Agreed Order: (a) alters, amends or otherwise modifies (i) the terms and conditions of any insurance policies issued to the Reorganized Debtors (or to any of their predecessors) or of any related agreements or (ii) paragraph 24 of the *Order (I) Confirming Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates, and (II) Denying Motions of Official Committee of Unsecured Creditors for Leave, Derivative Standing, and Authority to Commence and Prosecute Certain Causes of Action on behalf of Debtors' Estates* [Docket No. 1055]; (b) relieves the Reorganized Debtors of any obligations to pay any retentions or to pay (or reimburse an insurer for) any deductibles; (c) relieves the Reorganized Debtors of any of their other obligations under the insurance policies and related agreements; (d) creates or permits a direct right of action by Claimant against any of the Reorganized 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 policy or to otherwise assert any defenses to coverage; (f) constitutes a determination or admission that coverage exists with respect to Claimant's claims; or (g) relieves Claimant from her obligation, if any, to file a proof of claim in the Chapter 11 Cases. For the avoidance of doubt, the Plan Injunction is modified, if and to the extent applicable, to allow, but not to require, the Reorganized Debtors' insurers and third party administrators to: (a) administer, handle, defend, settle, and/or pay Claimant's 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 provided by or on behalf of the Reorganized Debtors therefor if and when the Reorganized Debtors fail to pay.

5. This Stipulation and Agreed Order shall be effective upon the date that it becomes a final and non-appealable order (the "***Stipulation Effective Date***"). This Stipulation and Agreed Order shall be binding upon the Parties, their successors, assigns, and any trustee or Reorganized Debtor in the Chapter 11 Cases.

6. Each person who executes this Stipulation and Agreed Order by or on behalf of any Party represents and warrants that such person has been duly authorized and empowered to execute and deliver this Stipulation and Agreed Order on behalf of the relevant Party.

7. The Court retains jurisdiction to interpret, enforce, and implement the provisions of this Stipulation and Agreed Order.

THE FOREGOING STIPULATION IS HEREBY APPROVED AND SO ORDERED

Signed: May 27, 2026

Alfredo R Pérez
United States Bankruptcy Judge

Accepted and agreed

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Counsel for the Reorganized Debtors

CERTIFICATE OF SERVICE

I certify that on May 26, 2026, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

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