17

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
ORI KATZ, State Bar No. 209561
KIRK RIDER, State Bar No. 364539
Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
Telephone: (415) 434-9100
Facsimile: (415) 434-3947
Email: okatz@sheppard.com
krider@sheppard.com

Proposed Counsel for Highlands Community Charter and Technical Schools

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re Highlands Community Charter and Technical Schools, Debtor and Debtor in Possession.[1]	Case No. 26-25868 Chapter 11 **DCN: SMR-5** Judge: Hon. [●] Date: [●], 2026 Time: [●] Place: [●]

EXHIBITS IN SUPPORT OF DEBTOR'S EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTOR TO USE CASH IN THE ORDINARY COURSE OF BUSINESS IN ACCORDANCE WITH APPROVED BUDGET; (II) AUTHORIZING THE STATE OF CALIFORNIA TO RECOVER PREPETITION OVERPAYMENTS FROM FUTURE APPORTIONMENTS; (III) FINDING THAT HOLDERS OF EQUIPMENT LIENS ARE ADEQUATELY PROTECTED; AND (IV) GRANTING RELATED RELIEF

[1] The last four digits of the Debtor's federal tax identification number is 0967. The mailing address for the Debtor is 1111 Howe Ave., Suite 505, Sacramento, CA 95825.

2625868261005000000000020

Highlands Community Charter and Technical Schools ("HCCTS" or the "Debtor"), a non-profit public benefit corporation organized under the laws of the State of California, and the above-captioned debtor and debtor-in-possession in this voluntary chapter 11 case (the "Chapter 11 Case") filed on the date hereof (the "Petition Date") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), hereby submits the following exhibits in support of the *Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Use Cash in the Ordinary Course of Business in Accordance with Approved Budget; (II) Authorizing the State of California to Recover Prepetition Overpayments from Future Apportionments; (III) Finding that Holders of Equipment Liens Are Adequately Protected; and (IV) Granting Related Relief* (the "Motion"), filed concurrently herewith:

Exhibit	Description	Pages
A	[Proposed] Interim Order (I) Authorizing the Debtor to Use Cash in the Ordinary Course of Business in Accordance with Approved Budget; (II) Finding that Holders of Equipment Liens Are Adequately Protected; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief	3–7
B	[Proposed] Final Order (I) Authorizing the Debtor to Use Cash in the Ordinary Course of Business in Accordance with Approved Budget; (II) Authorizing the State of California to Recover Prepetition Overpayments from Future Apportionments; (III) Finding that Holders of Equipment Liens Are Adequately Protected; and (IV) Granting Related Relief	8–13
C	Approved Budget	14–17

Dated: October 4, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By */s/ Ori Katz*
ORI KATZ
Proposed Counsel for Highlands Community Charter and Technical Schools

EXHIBIT A

Proposed Interim Order

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
ORI KATZ, State Bar No. 209561
KIRK RIDER, State Bar No. 364539
Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
Telephone: (415) 434-9100
Facsimile: (415) 434-3947
Email: okatz@sheppard.com
krider@sheppard.com

Proposed Counsel for Highlands Community Charter and Technical Schools

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re Highlands Community Charter and Technical Schools, Debtor and Debtor in Possession.[2]	Case No. 26-25868 Chapter 11 **DCN: SMR-5** Judge: Hon. [●] Date: [●], 2026 Time: [●] Place: [●]

[PROPOSED] INTERIM ORDER (I) AUTHORIZING THE DEBTOR TO USE CASH IN THE ORDINARY COURSE OF BUSINESS IN ACCORDANCE WITH APPROVED BUDGET; (II) FINDING THAT HOLDERS OF EQUIPMENT LIENS ARE ADEQUATELY PROTECTED; (III) SCHEDULING A FINAL HEARING; AND (IV) GRANTING RELATED RELIEF

[1] The last four digits of the Debtor's federal tax identification number is 0967. The mailing address for the Debtor is 1111 Howe Ave., Suite 505, Sacramento, CA 95825.

This Court, having considered the *Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Use Cash in the Ordinary Course of Business in Accordance with Approved Budget; (II) Authorizing the State of California to Recover Prepetition Overpayments from Future Apportionments; (III) Finding that Holders of Equipment Liens Are Adequately Protected; and (IV) Granting Related Relief* (the "Motion")[3] of Highlands Community Charter and Technical Schools, the above-captioned debtor and debtor in possession (the "Debtor"), filed on the Petition Date; and upon the First Day Declaration; and upon the Raymond Declaration; and upon the *Memorandum of Points and Authorities* in support of the Motion; and upon the Exhibits in support of the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and General Orders 182 and 223 of the United States District Court for the Eastern District of California; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and the hearing on the Motion (the "Interim Hearing") were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the Interim Hearing; and this Court having determined that the legal and factual bases set forth in the Motion and at the Interim Hearing establish just cause for the relief granted herein and that such relief is necessary to avoid immediate and irreparable harm pursuant to Bankruptcy Rule 6003; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth in this Interim Order.

[2] Capitalized terms used but not defined herein have the meanings assigned to them in the Motion.

2. The Debtor is authorized, on an interim basis, to use its Cash, including cash on hand as of the Petition Date and cash received after the Petition Date, to fund its operations and the administration of the Chapter 11 Case in accordance with the Approved Budget attached to the Exhibit List as **Exhibit C**, as may be modified from time to time in accordance with this Interim Order and the Final Order.

3. Categorical and grant funds included in the Cash shall continue to be used only for the purposes designated by the applicable grantor and accounted for separately from unrestricted cash, in accordance with the terms of the applicable grant programs. Nothing in this Interim Order shall be construed as granting any lien, security interest, superpriority claim, or other protection with respect to the Cash.

4. Any material amendment, modification, or supplement to the Approved Budget shall require further order of the Court, on notice to: (a) the Office of the U.S. Trustee; (b) the State; and (c) any official committee appointed in the Chapter 11 Case. Notwithstanding the foregoing, the Debtor may vary from a line item in the Approved Budget by not more than ten percent (10%) on a cumulative basis, measured monthly, without further order of the Court, provided that the Debtor gives not less than two (2) business days' prior written notice of any such variance to the parties identified in the preceding sentence.

5. The Debtor is authorized, but not directed, to pay its obligations arising on and after the Petition Date under the Equipment Leases as they come due, pending the Debtor's decision to assume or reject the applicable Equipment Lease, and the Equipment Lessor is adequately protected under §§ 361 and 363(e) of the Bankruptcy Code on an interim basis. This finding is without prejudice to (a) the Debtor's right to assume or reject any Equipment Lease, or to contend that any Equipment Lease is a financing rather than a true lease; (b) any party's rights with respect to cure amounts or prepetition claims; and (c) the Equipment Lessor's right to seek additional adequate protection upon a showing of changed circumstances.

6. All applicable financial institutions are authorized, upon the Debtor's request, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief granted in this Interim Order.

7. The final hearing (the "Final Hearing") on the Motion shall be held on [___], 2026, at [___] [a.m./p.m.], prevailing Pacific Time. Any objections or responses to the Motion shall be filed on or before [___], 2026, and served on: (a) proposed counsel for the Debtor, Sheppard, Mullin, Richter & Hampton LLP, Four Embarcadero Center, 17th Floor, San Francisco, California 94111-4109, Attn: Ori Katz (okatz@sheppard.com); (b) the Office of the U.S. Trustee; (c) the holders of the twenty (20) largest unsecured claims against the Debtor filed in accordance with Bankruptcy Rule 1007(d); (d) the State of California through the Attorney General for the State of California; (e) the United States of America through the United States Attorney for the Eastern District of California; (f) Twin Rivers Unified School District; (g) the Equipment Lessor; (h) East West Bank; (i) the Internal Revenue Service; (j) the United States Department of Education; and (k) parties that file with the Court and serve upon the Debtor requests for notice of all matters in accordance with Bankruptcy Rule 2002(i). In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

8. Nothing in this Interim Order shall constitute a waiver of any claims, rights, objections, or remedies available to the Debtor against any party, and the Debtor expressly reserves the right to seek modification of any relief granted hereunder to the extent necessary to facilitate the Chapter 11 Case and the Debtor's ongoing operations.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

10. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Interim Order.

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

DATED:

_____

United States Bankruptcy Judge

EXHIBIT B

Proposed Final Order

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
ORI KATZ, State Bar No. 209561
KIRK RIDER, State Bar No. 364539
Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
Telephone: (415) 434-9100
Facsimile: (415) 434-3947
Email: okatz@sheppard.com
krider@sheppard.com

Proposed Counsel for Highlands Community Charter and Technical Schools

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re Highlands Community Charter and Technical Schools, Debtor and Debtor in Possession.[4]	Case No. 26-25868 Chapter 11 **DCN: SMR-5** Judge: Hon. [●] Date: [●], 2026 Time: [●] Place: [●]

[PROPOSED] FINAL ORDER (I) AUTHORIZING THE DEBTOR TO USE CASH IN THE ORDINARY COURSE OF BUSINESS IN ACCORDANCE WITH APPROVED BUDGET; (II) AUTHORIZING THE STATE OF CALIFORNIA TO RECOVER PREPETITION OVERPAYMENTS FROM FUTURE APPORTIONMENTS; (III) FINDING THAT HOLDERS OF EQUIPMENT LIENS ARE ADEQUATELY PROTECTED; AND (IV) GRANTING RELATED RELIEF

[1] The last four digits of the Debtor's federal tax identification number is 0967. The mailing address for the Debtor is 1111 Howe Ave., Suite 505, Sacramento, CA 95825.

This Court, having considered the *Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Use Cash in the Ordinary Course of Business in Accordance with Approved Budget; (II) Authorizing the State of California to Recover Prepetition Overpayments from Future Apportionments; (III) Finding that Holders of Equipment Liens Are Adequately Protected; and (IV) Granting Related Relief* (the "Motion") of Highlands Community Charter and Technical Schools, the above-captioned debtor and debtor in possession (the "Debtor"), filed on the Petition Date; and upon the First Day Declaration; and upon the Raymond Declaration; and upon the *Memorandum of Points and Authorities* in support of the Motion; and upon the Exhibits in support of the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and General Orders 182 and 223 of the United States District Court for the Eastern District of California; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court, having previously granted the Motion on an interim basis, and having set a final hearing on the Motion (the "Final Hearing"); and this Court having found that the Debtor's notice of the Motion, the Interim Hearing, and the Final Hearing were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the Final Hearing; and this Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth in this Final Order.

2. The Debtor is authorized to continue to use its Cash, including cash on hand as of the Petition Date and cash received after the Petition Date, to fund its operations and the

administration of the Chapter 11 Case in accordance with the Approved Budget attached to the Exhibit List as **Exhibit C**, as may be modified from time to time in accordance with this Final Order.

3. Categorical and grant funds included in the Cash shall continue to be used only for the purposes designated by the applicable grantor and accounted for separately from unrestricted cash, in accordance with the terms of the applicable grant programs. Nothing in this Final Order shall be construed as granting any lien, security interest, superpriority claim, or other protection with respect to the Cash.

4. Any material amendment, modification, or supplement to the Approved Budget shall require further order of the Court, on notice to: (a) the Office of the U.S. Trustee; (b) the State; and (c) any official committee appointed in the Chapter 11 Case. Notwithstanding the foregoing, the Debtor may vary from a line item in the Approved Budget by not more than ten percent (10%) on a cumulative basis, measured monthly, without further order of the Court, provided that the Debtor gives not less than two (2) business days' prior written notice of any such variance to the parties identified in the preceding sentence.

5. The State of California (the "State") is authorized to recover from the Debtor the Overpayments from the Debtor's 2026-27 Apportionments in accordance with the following terms (the "Recovery Terms"):

(a) upon entry of this Final Order, the State may apply the Withheld Apportionments to the Overpayments;

(b) following entry of this Final Order, the State may withhold up to 100% of each 2026-27 Apportionment otherwise payable to HCCS or CICA, as applicable, and apply the amount withheld to the Overpayments attributable to that School, until the Overpayments attributable to that School, as agreed by the parties or determined by further order of the Court, are recovered in full;

(c) amounts withheld from HCCS's 2026-27 Apportionments will be applied only to the Overpayments attributable to HCCS, and amounts withheld from CICA's 2026-27 Apportionments will be applied only to the Overpayments attributable to CICA, and the State may not apply amounts otherwise payable to one School against the Overpayments attributable to the other School;

(d) the State's right to withhold and apply 2026-27 Apportionments under the Recovery Terms will terminate automatically, with respect to each School, upon the earliest of (i) recovery in full of the Overpayments attributable to that School, (ii) the end of the 2026-27 school year, after which the State may seek such further relief as may be appropriate, or (iii) revocation of the Charter for that School, in which case termination will apply only with respect to the School whose Charter is revoked; and

(e) within twenty-one (21) days after the end of each calendar month, the State will provide the Debtor with a statement showing, for each School, the amount of 2026-27 Apportionments withheld during that month, the amount applied to the Overpayments, and the remaining unrecovered balance of the Overpayments.

6. The Recovery Terms apply solely to the Debtor's 2026-27 Apportionments and do not grant the State any lien on, security interest in, or other right to apply the Debtor's Cash or any other property of the estate.

7. Nothing in the Recovery Terms, the Motion, this Final Order, or the Interim Order shall constitute an admission by the Debtor as to the validity or amount of the Overpayments, or a waiver of the Debtor's right to contest the Overpayments attributable to either School, in whole or in part, by any available means. If the amount of the Overpayments attributable to either School is subsequently reduced by agreement of the parties or further order of the Court, the State will promptly remit to the Debtor any amounts withheld in excess of the corrected amount. Nothing in the Recovery Terms constitutes an admission by the State as to the characterization of its recovery

as recoupment, setoff, or otherwise. Solely to the extent necessary, the automatic stay under § 362 of the Bankruptcy Code is modified to permit the State to apply the Withheld Apportionments and subsequent 2026-27 Apportionments to the Overpayments in accordance with the Recovery Terms.

8. The Debtor is authorized, but not directed, to pay its obligations arising on and after the Petition Date under the Equipment Leases as they come due, pending the Debtor's decision to assume or reject the applicable Equipment Lease, and the Equipment Lessor is adequately protected under §§ 361 and 363(e) of the Bankruptcy Code. This finding is without prejudice to (a) the Debtor's right to assume or reject any Equipment Lease, or to contend that any Equipment Lease is a financing rather than a true lease; (b) any party's rights with respect to cure amounts or prepetition claims; and (c) the Equipment Lessor's right to seek additional adequate protection upon a showing of changed circumstances.

9. All applicable financial institutions are authorized, upon the Debtor's request, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief granted in this Final Order.

10. Nothing in this Final Order shall constitute a waiver of any claims, rights, objections, or remedies available to the Debtor against any party, and the Debtor expressly reserves the right to seek modification of any relief granted hereunder to the extent necessary to facilitate the Chapter 11 Case and the Debtor's ongoing operations.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

12. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Final Order.

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

DATED:

_____

United States Bankruptcy Judge

EXHIBIT C

Approved Budget

Highlands Community Charter and Technical Schools
Consolidated - Weekly Cash Budget
Draft - Subject to Change
$ in 000's

Week Ending	10/10/26	10/17/26	10/24/26	10/31/26	11/7/26	11/14/26	11/21/26	11/28/26	12/5/26	12/12/26	12/19/26	12/26/26	1/2/27	
Case Status	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	
Month	Oct-26	Oct-26	Oct-26	Oct-26	Nov-26	Nov-26	Nov-26	Nov-26	Dec-26	Dec-26	Dec-26	Dec-26	Jan-27	Total
Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	13 Week
Cash Budget														
LCFF Revenue, HCCS	-	-	-	51	-	-	-	51	-	-	-	51	-	153
Federal Revenues, HCCS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other State Revenues, HCCS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Local Revenues, HCCS	-	-	-	57	-	-	-	52	-	-	-	53	-	163
Total Receipts, HCCS	**-**	**-**	**-**	**108**	**-**	**-**	**-**	**104**	**-**	**-**	**-**	**104**	**-**	**316**
LCFF Revenue, CICA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenues, CICA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other State Revenues, CICA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Local Revenues, CICA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts, CICA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Receipts	**-**	**-**	**-**	**108**	**-**	**-**	**-**	**104**	**-**	**-**	**-**	**104**	**-**	**316**
Certificated Salaries, HCCS	(344)	(144)	(144)	(144)	(141)	(141)	(141)	(141)	(131)	(131)	(131)	(131)	(131)	(1,996)
Classified Salaries, HCCS	(80)	(80)	(80)	(80)	(90)	(90)	(90)	(90)	(70)	(70)	(70)	(70)	(70)	(1,028)
Employee Benefits, HCCS	(663)	-	-	-	(303)	-	-	-	(359)	-	-	-	-	(1,325)
Books and Supplies, HCCS	(9)	(9)	(9)	(9)	(11)	(11)	(11)	(11)	(9)	(9)	(9)	(9)	(9)	(123)
Services, HCCS	(182)	(153)	(153)	-	(326)	(195)	(65)	(65)	(259)	(156)	(52)	(52)	-	(1,659)
Capital Outlay, HCCS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Unknown, HCCS	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(24)	(24)	(24)	(24)	(24)	(360)
Total Operating Disbursements, HCCS	**(1,307)**	**(416)**	**(416)**	**(262)**	**(901)**	**(468)**	**(338)**	**(338)**	**(852)**	**(389)**	**(285)**	**(285)**	**(234)**	**(6,491)**
Certificated Salaries, CICA	(177)	(66)	(66)	(66)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(941)
Classified Salaries, CICA	(44)	(44)	(44)	(44)	(49)	(49)	(49)	(49)	(43)	(43)	(43)	(43)	(43)	(586)
Employee Benefits, CICA	(663)	-	-	-	(147)	-	-	-	(172)	-	-	-	-	(982)
Books and Supplies, CICA	(3)	(3)	(3)	(3)	(12)	(12)	(12)	(12)	(5)	(5)	(5)	(5)	(5)	(87)
Services, CICA	(102)	(71)	(71)	-	(123)	(74)	(25)	(25)	(120)	(72)	(24)	(24)	-	(729)
Capital Outlay, CICA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Unknown, CICA	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(16)	(16)	(16)	(16)	(16)	(240)
Total Operating Disbursements, CICA	**(1,008)**	**(204)**	**(204)**	**(133)**	**(414)**	**(218)**	**(169)**	**(169)**	**(420)**	**(199)**	**(151)**	**(151)**	**(127)**	**(3,565)**
Total Operating Disbursements	**(2,315)**	**(619)**	**(619)**	**(395)**	**(1,315)**	**(686)**	**(507)**	**(507)**	**(1,271)**	**(588)**	**(436)**	**(436)**	**(361)**	**(10,056)**
Operating Cash Flow, HCCS	**(1,307)**	**(416)**	**(416)**	**(154)**	**(901)**	**(468)**	**(338)**	**(234)**	**(852)**	**(389)**	**(285)**	**(181)**	**(234)**	**(6,174)**
Operating Cash Flow, CICA	**(1,008)**	**(204)**	**(204)**	**(133)**	**(414)**	**(218)**	**(169)**	**(169)**	**(420)**	**(199)**	**(151)**	**(151)**	**(127)**	**(3,565)**
Operating Cash Flow, Total	**(2,315)**	**(619)**	**(619)**	**(286)**	**(1,315)**	**(686)**	**(507)**	**(403)**	**(1,271)**	**(588)**	**(436)**	**(332)**	**(361)**	**(9,740)**

Highlands Community Charter and Technical Schools
Consolidated - Weekly Cash Budget
Draft - Subject to Change
$ in 000's

Week Ending	10/10/26	10/17/26	10/24/26	10/31/26	11/7/26	11/14/26	11/21/26	11/28/26	12/5/26	12/12/26	12/19/26	12/26/26	1/2/27	
Case Status	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	Post-Pet.	
Month	Oct-26	Oct-26	Oct-26	Oct-26	Nov-26	Nov-26	Nov-26	Nov-26	Dec-26	Dec-26	Dec-26	Dec-26	Jan-27	Total
Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	13 Week
Legal and Professional Fees	(351)	(348)	(370)	(322)	(225)	(225)	(217)	(215)	(215)	(212)	(212)	(212)	(211)	(3,335)
Other Non-Bankruptcy Professionals	(25)	-	-	-	(25)	-	-	-	(25)	-	-	-	-	(75)
503(b)9 Administrative Creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Adequate Assurance Account Funding	(302)	-	-	-	-	-	-	-	-	-	-	-	-	(302)
US Trustee Fees Accrual	(24)	(6)	(6)	(4)	(12)	(6)	(5)	(5)	(12)	(5)	(4)	(4)	(3)	(94)
Total Restructuring Disbursements	**(701)**	**(354)**	**(376)**	**(326)**	**(262)**	**(231)**	**(222)**	**(220)**	**(252)**	**(217)**	**(216)**	**(216)**	**(214)**	**(3,806)**
Net Aggregate Receipts and Disbursements	**(3,016)**	**(973)**	**(995)**	**(612)**	**(1,577)**	**(917)**	**(728)**	**(623)**	**(1,523)**	**(805)**	**(652)**	**(548)**	**(575)**	**(13,545)**
Net Cash Flow, HCCS	**(1,692)**	**(610)**	**(622)**	**(333)**	**(1,046)**	**(595)**	**(460)**	**(355)**	**(990)**	**(509)**	**(404)**	**(300)**	**(351)**	**(8,267)**
Net Cash Flow, CICA	**(1,324)**	**(363)**	**(373)**	**(279)**	**(532)**	**(322)**	**(268)**	**(268)**	**(533)**	**(297)**	**(248)**	**(248)**	**(223)**	**(5,278)**
Net Cash Flow, Total	**(3,016)**	**(973)**	**(995)**	**(612)**	**(1,577)**	**(917)**	**(728)**	**(623)**	**(1,523)**	**(805)**	**(652)**	**(548)**	**(575)**	**(13,545)**
Cash Balance														
BB Cash & Equivalents, Consolidated	93,571	90,555	89,582	88,587	87,975	86,398	85,481	84,752	84,130	82,607	81,801	81,149	80,601	
(+/-) Net Cash Flow, Consolidated	(3,016)	(973)	(995)	(612)	(1,577)	(917)	(728)	(623)	(1,523)	(805)	(652)	(548)	(575)	
EB Cash & Equivalents, Consolidated	**90,555**	**89,582**	**88,587**	**87,975**	**86,398**	**85,481**	**84,752**	**84,130**	**82,607**	**81,801**	**81,149**	**80,601**	**80,026**	
Restricted Cash, Consolidated	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	(51,787)	
Unrestricted Cash, Consolidated	**38,768**	**37,795**	**36,800**	**36,188**	**34,611**	**33,694**	**32,965**	**32,343**	**30,820**	**30,014**	**29,362**	**28,814**	**28,239**	
BB Cash & Equivalents, HCCS	78,384	76,691	76,081	75,459	75,126	74,081	73,485	73,026	72,670	71,680	71,171	70,767	70,467	
(+/-) Net Cash Flow, HCCS	(1,692)	(610)	(622)	(333)	(1,046)	(595)	(460)	(355)	(990)	(509)	(404)	(300)	(351)	
EB Cash & Equivalents, HCCS	**76,691**	**76,081**	**75,459**	**75,126**	**74,081**	**73,485**	**73,026**	**72,670**	**71,680**	**71,171**	**70,767**	**70,467**	**70,116**	
Restricted Cash, HCCS	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	(48,644)	
Unrestricted Cash, HCCS	**28,047**	**27,437**	**26,815**	**26,482**	**25,436**	**24,841**	**24,381**	**24,026**	**23,036**	**22,527**	**22,123**	**21,823**	**21,472**	
BB Cash & Equivalents, CICA	15,188	13,864	13,501	13,128	12,849	12,317	11,995	11,727	11,459	10,927	10,630	10,382	10,133	
(+/-) Net Cash Flow, CICA	(1,324)	(363)	(373)	(279)	(532)	(322)	(268)	(268)	(533)	(297)	(248)	(248)	(223)	
EB Cash & Equivalents, CICA	**13,864**	**13,501**	**13,128**	**12,849**	**12,317**	**11,995**	**11,727**	**11,459**	**10,927**	**10,630**	**10,382**	**10,133**	**9,910**	
Restricted Cash, CICA	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	(3,143)	
Unrestricted Cash, CICA	**10,721**	**10,358**	**9,985**	**9,706**	**9,175**	**8,853**	**8,584**	**8,317**	**7,784**	**7,487**	**7,239**	**6,991**	**6,767**	

Notes
Cash model assumes no material funding is received from State of California for either school under the LCFF formula during the term of this cash model.
Payroll is accrued weekly for the cash model, but paid twice per month. First week includes some pre-petition wages amounts that will be subject to a court order.
Restricted cash may be spent on certain expense items as allowed by restricted cash guidelines, but for the purpose of this cash model, it is assumed that no restricted cash is spent.
Beginning consolidated cash balance reflects ending bank balances as of October 2, 2026. Beginning cash balance for both HCCS and CICA reflects a pro-forma allocation of the consolidated bank balance, based on their respective August 31, 2026 balances.
503(b)(9) is currently forecasted to be zero, but this is subject to change once any amounts can be determined post-filing.

Highlands Community Charter and Technical Schools
Legal & Professional Fee Schedule
Draft - Subject to Change
$ in 000's

Week Ending	10/10/26	10/17/26	10/24/26	10/31/26	11/7/26	11/14/26	11/21/26	11/28/26	12/5/26	12/12/26	12/19/26	12/26/26	1/2/27	
Case Status	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	**Post-Pet.**	
Month	**Oct-26**	**Oct-26**	**Oct-26**	**Oct-26**	**Nov-26**	**Nov-26**	**Nov-26**	**Nov-26**	**Dec-26**	**Dec-26**	**Dec-26**	**Dec-26**	**Jan-27**	**Total**
Week #	**Week 1**	**Week 2**	**Week 3**	**Week 4**	**Week 5**	**Week 6**	**Week 7**	**Week 8**	**Week 9**	**Week 10**	**Week 11**	**Week 12**	**Week 13**	**13 Week**
Fee Schedule														
Debtor Bankruptcy Legal Counsel	150	150	150	150	100	100	100	100	100	100	100	100	100	**1,500**
Debtor Legal Special Counsel (California Education Code)	100	100	100	50	30	30	30	30	30	30	30	30	30	**620**
Debtor Financial Advisor	75	75	75	75	50	50	50	50	50	50	50	50	50	**750**
Debtor Claims Agent	26	23	15	17	25	25	17	15	15	12	12	12	11	**225**
Unsecured Creditors Committee Professionals	-	-	30	30	20	20	20	20	20	20	20	20	20	**240**
Total Fees	**351**	**348**	**370**	**322**	**225**	**225**	**217**	**215**	**215**	**212**	**212**	**212**	**211**	**3,335**