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[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-6 Judge: Hon. [●] Date: [●], 2026 Time: Place:

DECLARATION OF JONATHAN RAYMOND IN SUPPORT OF DEBTOR'S EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS: (1) APPROVING DEBTOR'S ADEQUATE ASSURANCE OF PAYMENT FOR UTILITY SERVICES: (2) PROHIBITING UTILITY PROVIDERS FROM ALTERING. REFUSING, OR DISCONTINUING SERVICE; (3) APPROVING DEBTOR'S PROPOSED PROCEDURES; AND (4) GRANTING RELATED RELIEF

[1] The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: Highlands Community Charter and Technical Schools [0967]. The mailing address for the Debtor is 1111 Howe Ave. Suite 505 Sacramento, CA 95825.

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I, Jonathan Raymond, hereby state and declare as follows:

1. I am the Executive President of Highlands Community Charter and Technical Schools ("HCCTS" or, the "Debtor"), a California Non-Profit Corporation organized under the laws of the State of California. I make this Declaration in support of *Debtor's Emergency Motion for Entry of an Order: (I) Approving Debtor's Adequate Assurance of Payment for Utility Services; (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Service; (III) Approving the Debtor's Proposed Procedures for Resolving Additional Assurance Requests; and (IV) Granting Related Relief* (the "Motion") filed concurrently herewith and for all other purposes authorized by law. The Motion seeks an order: (a) approving the Debtor's proposed adequate assurance of payment for future utility services, (b) prohibiting utility companies form altering, refusing, or discontinuing services, (c) approving the Debtor's proposed procedures for resolving additional assurance requests, and (d) granting related relief as is just and appropriate under the circumstances.[2]

2. Except as otherwise indicated, all facts in this Declaration are based upon my personal knowledge, my discussions with others in the Debtor's management team and the Debtor's advisors, my review of relevant documents and information concerning the Debtor's operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge. The documents referenced herein, or otherwise relied upon for purposes of this Declaration, are business records of the Debtor, prepared and kept in the ordinary course of the regularly conducted business activities of the Debtor and used by me for those purposes. I am over the age of eighteen and authorized to submit this Declaration on behalf of the Debtor. If called upon as a witness, I could and would testify competently to the facts set forth in this Declaration.

3. The Debtor filed this bankruptcy case (the "Chapter 11 Case") on date hereof (the "Petition Date") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor is operating its business and managing its properties as a debtor in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or

[2] Unless otherwise defined herein, all capitalized terms have the definitions set forth in the Memorandum of Points and Authorities filed concurrently herewith.

examiner has been made in this Chapter 11 Case, and no committees have been appointed or designated.

4. The Debtor is a 501(c)(3) non-profit corporation that owns, manages and operates two adult-serving charter schools in Sacramento County: Highlands Community Charter School ("HCCS") and California Innovative Career Academy ("CICA" and, together with HCCS, the "Schools"). The Twin Rivers Unified School District ("Twin Rivers") issued the current charters (the "Charters") for both HCCS and CICA, and since opening in August 2014, HCCTS has served approximately 60,000 students. The Debtor is exempt from certain federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. A more detailed description of the Debtor, including its current and historical business operations and the events precipitating the Chapter 11 Case, are set forth in the *Declaration of Jonathan Raymond in Support of Chapter 11 Petition and First Day Motions* (the "First Day Declaration"), which is incorporated herein by reference.

5. The Debtor obtains electricity, natural gas, water and sewage, telephone, internet, garbage, cable, data services, and other similar services (collectively, the "Utility Services") from various utility providers and brokers, including without limitation those listed on Exhibit C (the "Utility Providers List") to the Exhibit List (collectively, the "Utility Providers") to operate its business and manage the Schools in the ordinary course of business. Exhibit C identifies the account information for each Utility Provider. In the aggregate, the Debtor pays approximately $301,667.82 per month for the Utility Services.

6. Preserving Utility Services on an uninterrupted basis is essential to the Debtor's ongoing operations, and, therefore, to the success of the Debtor's restructuring. Indeed, any interruption of the Utility Services, even for a brief period of time, would disrupt the Debtor's ability to operate and maintain its school operations. Such disruption would thereby negatively impact the Debtor's reorganization efforts, and, ultimately, could jeopardize the Debtor's value and creditors' recoveries. It is therefore critical that Utility Services continue uninterrupted during this chapter 11 case.

7. Based on the books and records, the Debtor believes there are no material defects or arrearages for undisputed invoices accrued in connection with postpetition Utility Services other than payment interruptions that may have occurred as a result of the Chapter 11 filing.

8. The Debtor intends to satisfy postpetition obligations owed to the Utility Providers in the ordinary course of business and in a timely manner. Cash on hand will provide the Debtor with sufficient liquidity to pay the Utility Providers for Utility Services in accordance with past practice. I have also carefully evaluated with my team and advisors the monthly aggregate cost for the Utility Services and have budgeted adequate funds equivalent to one month of utilities. As additional assurance of payment, the Debtor proposes to deposit $301,667.82 into a segregated bank account upon the entry of the Interim Order, which is attached as Exhibit A to the Exhibit List filed contemporaneously herewith.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated this 4th day of October 2026, in Sacramento, California .

Signed by:
Jonathan Raymond
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Jonathan Raymond