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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
Tel: (415) 434-9100; Fax: (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	Case No. 26-25868
Highlands Community Charter and Technical Schools, Debtor and Debtor in Possession.	Chapter 11 DCN SMR-7 Judge: Hon. [●] Date: [●], 2026 Time: Place:

EXHIBITS IN SUPPORT OF DEBTOR'S EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS: (I) AUTHORIZING THE DEBTOR TO MAINTAIN, RENEW, OR SUPPLEMENT ITS INSURANCE POLICIES AND SATISFY ALL OBLIGATIONS RELATED THERETO; AND (II) GRANTING RELATED RELIEF

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Highlands Community Charter and Technical Schools ("HCCTS" or, the "Debtor"), a California Non-Profit 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 Interim and Final Orders: (I) Authorizing the Debtor to Maintain, Renew, or Supplement Its Insurance Policies and Satisfy All Obligations Related Thereto; and (II) Granting Related Relief*:

Exhibit	Description	Page(s)
A	*[Proposed]* Interim Order Authorizing the Debtor to (I) Maintain, Renew, or Supplement Insurance Policies and Satisfy Obligation Related Thereto and (II) Granting Related Relief	
B	*[Proposed]* Final Order Authorizing the Debtor to (I) Maintain, Renew, or Supplement Insurance Policies and Satisfy Obligation Related Thereto and (II) Granting Related Relief	
C	Insurance Schedule	

Dated: October 4, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

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

EXHIBIT A

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re Highlands Community Charter and Technical Schools, Debtor and Debtor in Possession.	Case No. 26-25868 Chapter 11 DCN SMR-7 Judge: Hon. [●] Date: [●], 2026 Time: Place:

PROPOSED INTERIM ORDER AUTHORIZING THE DEBTOR TO: (I) MAINTAIN, RENEW, OR SUPPLEMENT INSURANCE POLICIES AND SATISFY OBLIGATION RELATED THERETO; AND (II) GRANTING RELATED RELIEF

Upon the *Debtor's Emergency Motion for Interim and Final Orders: (I) Authorizing the Debtor to Maintain, Renew, or Supplement Its Insurance Policies and Satisfy All Obligations Related Thereto; and (II) Granting Related Relief* (the "Motion") of the above-captioned debtor and debtor in possession filed on October 4, 2026; and upon the First Day Declaration and the Raymond Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; 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 permissible 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 and the Debtor's estates, creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion, the Raymond Declaration, the First Day Declaration, and such other evidence submitted by the Debtor, and having heard the statements in support of the relief requested therein at a hearing before this Court on October [___], 2026 (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 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 Order.

2. The Debtor shall serve a copy of the Motion and this Order on each Insurance Carrier listed on Exhibit C to the Exhibit List within two business days after the date this Order is entered.

3. A final hearing to consider the relief requested in the Motion shall be held on _____, 2026, at _____ _. (the "Final Hearing"). Any objections or responses to the Motion shall be filed on or prior to [_____ ___, 2026], and served on: (i) counsel for the Debtor Sheppard, Mullin, Richter & Hampton LLP, 4 Embarcadero Center, Floor 17, San Francisco, CA 94111, Attn

Ori Katz (okatz@sheppard.com); (ii) the office of the United States Trustee; (iii) the holders of the twenty (20) largest unsecured claims against the Debtor filed in accordance with Bankruptcy Rule 1007(d); (iv) the State of California through the Attorney General for the State of California; (v) the United States of America through the United States Attorney for the Eastern District of California; (vi) the Insurance Carriers; (vii) parties that file with the Court and serve upon the Debtor requests for notice of all maters in accordance with Bankruptcy Rule 2002(i); and (viii) all other parties who have filed a request for special notice and service of papers with the clerk of this Court.

4. The Debtor is authorized, on an interim basis, but not directed, to: (a) continue the Insurance Policies and pay any prepetition or postpetition obligations related to the Insurance Policies, including the payment of Insurance Premiums, Insurance Deductibles, and Insurance Retentions (SIRS), in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtor's chapter 11 case; and (b) renew, amend, supplement, extend, or purchase Insurance Policies to the extent that the Debtor determines that such action is in the best interest of the estate.

5. Any payment made pursuant to this Order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtor's rights to subsequently dispute such claim.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtor's designation of any particular check or electronic payment request as approved by this Interim Order.

7. The Debtor is authorized to issue, on an interim basis, postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts owed in connection with the relief granted herein.

8. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Insurance Policies.

9. The Motion satisfies the requirements of Bankruptcy Rule 6003(b).

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this 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 Order.

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

*** END OF ORDER ***

EXHIBIT B

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re Highlands Community Charter and Technical Schools, Debtor and Debtor in Possession.	Case No. 26-25868 Chapter 11 DCN SMR-7 Judge: Hon. [●] Date: [●], 2026 Time: Place:

PROPOSED FINAL ORDER AUTHORIZING THE DEBTOR TO: (I) MAINTAIN, RENEW, OR SUPPLEMENT INSURANCE POLICIES AND SATISFY OBLIGATION RELATED THERETO; AND (II) GRANTING RELATED RELIEF

Upon the *Debtor's Emergency Motion for Interim and Final Orders: (I) Authorizing the Debtor to Maintain, Renew, or Supplement Its Insurance Policies and Satisfy All Obligations Related Thereto; and (II) Granting Related Relief* (the "Motion") of the above-captioned debtor and debtor in possession filed on October 4, 2026; and upon the First Day Declaration; and this Court, having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; 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 permissible 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 estates, 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 "Final Hearing"); and this Court, having found that the Debtor's notice of the Motion and of the Final Hearing were appropriate under the circumstances and 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 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 a final basis.

2. The Debtor shall serve the Motion and this Order on each Insurance Carrier on the Insurance Schedule, attached as **Exhibit C** to this Exhibit List, no later than three (3) business days after the date that this Order is entered.

3. The Debtor is authorized, on an final basis, but not directed, to: (a) continue the Insurance Policies and pay any prepetition or postpetition obligations related to the Insurance Policies, including the payment of Insurance Premiums, Insurance Deductibles, and Insurance Retentions (SIRs), in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtor's chapter 11 case; and (b) renew, amend, supplement, extend, or

purchase Insurance Policies to the extent that the Debtor determines that such action is in the best interest of the estate.

4. Any payment made pursuant to this Order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtor's rights to subsequently dispute such claim.

5. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtor's designation of any particular check or electronic payment request as approved by this Final Order.

6. The Debtor is authorized to issue, on a final basis, postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts owed in connection with the relief granted herein.

7. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Insurance Policies.

8. The Motion satisfies the requirements of Bankruptcy Rule 6003(b).

9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

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

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

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

*** END OF ORDER ***

EXHIBIT C

(INSURANCE SCHEDULE)

Insurance Company	Type of Insurance	Policy No.	Policy Period	Premium	Deductible / Retention
Philadelphia Indemnity Insurance Company	Commercial Package	PHPK2572948-009	07/01/2026 – 07/01/2027	$288,750.68	Property - $1,000 deductible (all perils) General Liability (N/A) Commercial Auto (N/A) Inland Marine - $1,000 deductible (each item) Crime - $1,000 deductible (each occurrence) Employee Benefits Admin. E&O (N/A)
Ascot Insurance Company	Excess Management Liability	MLXS2610003002-01	08/02/2026 – 07/01/2027	$80,596.00	N/A
RSUI Indemnity Company	Management Liability (D&O / EPL)	NPP717745	02/01/2026 – 07/01/2027	$79,550.00	Directors & Officers Liability **Retention:** Insurance Agmt. A - $0 Insurance Agmts. B & C

					- $75,000 Employment Practices Liability **Retention:** EPL & Third Party - $200,000
WCF National Insurance Company	Workers' Compensation & Employers Liability	4046860	07/01/2026 – 07/01/2027	$75,249.00	N/A
Philadelphia Indemnity Insurance Company	Commercial Umbrella Liability	PHUB871041-009	07/01/2026 – 07/01/2027	$74,870.00	$10,000 Retained Limit
National Liability & Fire Insurance Company	Business Auto – Fleet	73 APS 134152	07/01/2026 – 07/01/2027	$26,343.00	N/A
Certain Underwriters at Lloyd's (CFC)	Cyber Liability	ESP0440888698	07/01/2026 – 07/01/2027	$16,420.29	$25,000 (aggregate deductible)
Philadelphia Indemnity Insurance Company	Blanket Student Accident	PHPA160610-002	07/01/2026 – 07/01/2027	$12,891.00	N/A
Certain Underwriters at Lloyd's (CFC)	Active Assailant	POP0240928815	07/01/2026 – 07/01/2027	$9,154.13	Legal Liability / Commercial Property – $1,000 Deductible