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SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
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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.	Case No. 26-25868 Chapter 11 DCN SMR-11 Judge: Hon. Christopher D. Jaime Date: November 10, 2026 Time: 11:00am Place: Courtroom 32 501 I Street Sacramento, California 95814

EXHIBITS IN SUPPORT OF APPLICATION TO EMPLOY SHEPPARD, MULLIN, RICHTER & HAMPTON LLP AS BANKRUPTCY COUNSEL

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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 Application to Employ Sheppard, Mullin, Richter & Hampton LLP as Bankruptcy Counsel*.

Exhibit	Description	Page(s)
A	Sheppard Engagement Agreement	3-9
B	Proposed Order Authorizing Sheppard's Employmnt	10-13

Dated: October 13, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

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

EXHIBIT A

Docusign Envelope ID: 16D9B623-AF17-839C-8229-EAF7901A179B

Sheppard

May 29, 2026

Ori Katz
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okatz@sheppard.com

File Number: 0100-922016

VIA DOCUSIGN

Jonathan Raymond
Executive Director
Highlands Charter and Technical Schools
1111 Howe Ave. Suite 505
Sacramento, CA 95825

Re: Engagement of Sheppard, Mullin, Richter & Hampton LLP

Dear Mr. Raymond:

The purpose of this letter is to confirm our engagement by Highlands Charter and Technical Schools, a California non-profit corporation (the "Company") to represent it in connection with the following matter: we will act as specialized non-profit counsel to the Company in connection with a potential workout with its creditors and, as appropriate, to effectuate a going-concern sale or reorganization, and any other matters on which you request our assistance and we agree in writing to perform (the "Matter"). We appreciate your confidence and thank you for selecting us as counsel.

1. Scope of Representation. Except as we may agree otherwise in writing, we will be representing only the Company and will not be representing any parent, subsidiary, or other affiliated entity nor any shareholder, partner, member, director, officer, employee, agent or insurer of the Company and such individuals or entities will be treated as separate for conflicts purposes. Except as we may otherwise agree, the terms of this letter apply to other engagements for the Company that we may undertake.

2. Fees and Charges. Our fees are based on hours charged at scheduled rates that are periodically adjusted, generally as of the beginning of a calendar year. The hourly rates at this time are $1,925 for me, $1,330 for Alyssa Paddock, and $860 for Kirk Rider. Our scheduled hourly rates for other attorneys range from $730 to $2,700. Because the Company is a non-profit entity in the education space, we have agreed to an across the board discount of 10% off our standard rates. In addition to fees, the Company is responsible for costs associated with our representation (collectively "Charges").

Statements are submitted monthly and are due and payable upon receipt. The Company agrees to notify us promptly in writing if you dispute any entry for legal services or charges on any

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statement. In the absence of any written objection thereto within thirty (30) days of the Company's receipt of an invoice, the Company will be deemed to have accepted and acknowledged the invoice as correct through the period covered by the invoice. Pursuant to the Rules of Professional Conduct, we will withdraw from the representation if invoices are not paid per the terms of this agreement. Also, interest is charged at 10% per annum from date of statement for amounts outstanding more than sixty (60) days.

Unless we otherwise expressly agree in writing, any estimates we may provide from time to time and any deposits, retainers, or advances against costs we may require are not a limitation on our fees and other charges.

3. Fee Deposits. We have agreed to undertake this engagement on the condition that the Company deposits with us when it signs and returns this letter the sum of $200,000 (the "Fee Deposit") to be held in the Firm's Client Trust Account and applied as provided below. We reserve the right from time to time in the future, to require that the Company deposit an additional sum as a Fee Deposit for any reason that we deem appropriate to protect our firm. Should we request the same, any increase in the Fee Deposit must be paid within fifteen (15) days of our written request. The amounts we may request be deposited as a Fee Deposit will not represent our estimate of the total Fees and Charges to be incurred in the course of this engagement or for any time period of our engagement. The Fee Deposit will be applied to our final invoice, or at our option, we may apply some or all of the Fee Deposit to the payment of such invoice. In such event, the Company agrees that, within ten (10) days of our notice to it, it will deposit with us the amount so applied in order to restore the Fee Deposit to its amount prior to such application. Any unearned portion of the Fee Deposit will be returned to the Company at the conclusion, termination or closure of the matter.

4. Limited Advance Transactional Waiver. As a large law firm, we may be asked to be involved in a matter where you are working at "arm's length" with a person or entity who happens to be another one of our clients (e.g., transactional negotiations). Although this scenario is often not particularly adversarial, our involvement as lawyer for either party is considered a conflict of interest (at least under U.S. ethical standards).

Given the frequency with which this type of conflict can arise, as well as the fact that most such conflicts are routinely waived, we ask that you agree in advance to waive certain conflicts of interest which we believe pose little, if any, risk to the Company. We are asking for your advance consent to represent another client adverse to the Company in matters where: (1) the work for the other client is not substantially related to any of our work for Company; (2) we do not have confidential information from Company that is material to our work for the other client; and (3) our work for the other client does not involve litigation against Company.

Similarly, in scenarios where we represent the Company adverse to a person/entity which happens to be or become a firm client in other unrelated matters, we ask for your advance consent to represent the other client in any ongoing or future matters which meet the three criteria set forth above. The types of matters where we will rely on this waiver include, but are not limited to financings, IP advice, corporate transactions, land use and real estate transactions, co-creditor representations and the service of records subpoenas.

Finally, we seek Company's agreement that in the event the Company or one of its affiliates is a bidder or potential purchaser of an asset, we may simultaneously represent other bidders or

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purchasers in that bidding process with the understanding that we will have separate lawyers represent each client.

By consenting to this arrangement, the Company is waiving future conflicts of interest so long as we: (i) maintain confidentiality, and (ii) adhere to the foregoing limitations. We encourage the Company to consult other counsel concerning this waiver. If you need additional time to do so, please let us know.

5. In-Firm Privilege. We may have occasion to seek legal advice about our own rights and responsibilities regarding our engagement by the Company. We may seek such advice from attorneys in our internal Office of the General Counsel who do not do work for the Company or from outside attorneys at our own expense. The Company agrees that any such communications and advice are protected by our own attorney-client privilege and neither the fact of any communication nor their substance is subject to disclosure to the Company.

6. Termination of Representation. The Company has the right to terminate our representation at any time. Subject to our ethical obligation to give the Company reasonable notice to arrange for alternate representation, we may terminate our representation at any time. Our work for the Company and our attorney-client relationship on any matter for which we are engaged will end upon the earliest of: our completion of our work on the matter; the passage of six (6) months with no work performed on the matter; our sending the Company written notice that our representation has ended; or sending our final bill for services rendered. Upon the occurrence of any one of the foregoing, the Company will be deemed a former client on such matter for conflict purposes. That will be the case whether or not, as is not uncommon, we are designated to receive copies or courtesy copies of notices under one or more transaction documents. If you ask us to represent the Company on another matter, we may agree or decline to do so in our discretion.

7. Disclosures and Public Announcements. We will be permitted to disclose to third parties the fact that we represented the Company in transactions on its behalf after such transactions are completed, and to describe in general terms our role, the services we performed, and the nature of the transaction. These disclosures may be made to current or prospective clients or to others, and may consist of announcements and advertisements placed at our own expense in legal, business, financial and other periodicals and publications.

8. Our Document Retention. It is our policy and practice to destroy our files seven (7) years after the file is first closed unless the client requests a shorter or longer retention period in writing. Files are generally closed at the conclusion of a lawsuit or completion of a transaction. In addition, the Company agrees that our work product including our internal emails, internal drafts, notes and mental impressions belong to us as lawyers and are not part of your client file.

9. Arbitration, Choice of Law and Forum. Arbitration has the potential to provide a more timely, more economic and more confidential resolution of any dispute between us. Any dispute between us concerning our fees or charges shall, if you so elect, be submitted to arbitration under the rules of the State Bar of California (“the Rules”), and shall be binding if (i) each of us so agrees after any such dispute arises, or (ii) such arbitration becomes binding under the Rules. Any dispute between us concerning our fees or charges not so submitted to binding arbitration under the Rules, or that remains unresolved after non-binding arbitration under the Rules and any other dispute between or among the Company and us or any of our attorneys and agents, including but not limited to claims of malpractice, errors or omissions, the scope or applicability of this

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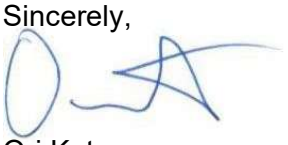
agreement to arbitrate or any other claim of any kind regardless of the facts or the legal theories, shall be finally settled by mandatory binding arbitration in San Francisco with each party to bear its own costs and attorneys' fees and disbursements. The Arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, except that notwithstanding anything to the contrary in the JAMS rules, full discovery shall be permitted as allowed by California Code of Civil Procedure section 1283.05. The arbitration shall commence when any party serves a demand for arbitration on the other party. Any arbitration hereunder, and all submissions, testimony, transcripts, evidence, etc., related to such arbitration, shall be kept confidential by all parties. Such arbitration shall be conducted before a single arbitrator, except in matters involving a dispute greater than One Million Dollars ($1,000,000), which shall be conducted before a three-arbitrator panel. The Arbitrator(s) shall be appointed according to the JAMS rules. All arbitrators shall serve as neutral, independent and impartial arbitrators and must act in conformity with the rules of evidence and law. Judgment on a binding arbitration award may be entered in any court of competent jurisdiction. *We mutually acknowledge that, by this agreement to arbitrate, each of us irrevocably waives our rights to court or jury trial. The Company has the right to consult separate legal counsel at any time as to any matter, including whether to enter into this engagement letter and consent to the foregoing agreement to arbitrate.* The Company agrees that this agreement will be governed by the laws of California without regard to its conflict rules provided that nothing herein shall limit the full applicability of the Federal Arbitration Act. The foregoing arbitration provision shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. Subject in all cases to the arbitration provision set forth herein, the Company agrees that (i) with regard to the courts, exclusive jurisdiction and exclusive venue for any dispute between us shall lie solely with the California Superior Court for the county named above as the site for arbitration and the corresponding U.S. District Court and (ii) consents to service of process pursuant to the applicable California state statutes and federal rules.

10. Modification. These engagement terms may only be modified by written agreement with a partner of the Firm or an attorney within the Firm's Office of General Counsel.

If these terms are acceptable, please sign and return along with the Company's Fee Deposit. ***Wire instructions are attached, if needed***. If you have any questions or concerns, please call me or seek the advice of an independent counsel of your choice.

Once again, thank you for selecting us to represent the Company.

Sincerely,



Ori Katz
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH

Enclosure

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The undersigned has read and understands this engagement letter and agrees that it correctly sets forth the terms upon which Sheppard, Mullin, Richter & Hampton LLP has been engaged by the undersigned in connection with the representation described herein and has waived any conflict of interest on the part of this Firm arising out of the representation described above.

Highlands Charter and Technical Schools, a California non-profit corporation

Signed by:
By: Jonathan Raymond
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Jonathan Raymond

Its: Executive Director

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May 29, 2026

Jonathan Raymond
Executive Director
Highlands Charter and Technical Schools
1111 Howe Ave. Suite 505
Sacramento, CA 95825

Our Matter No.:

Billing Atty: Ori Katz

RETAINER INVOICE

This invoice reflects the retainer required pursuant to your Engagement Letter with Sheppard. Funds paid to us pursuant to this invoice will be held in our client trust account until earned.

Total Due for This Retainer Invoice $200,000

Wire and Payment Instructions

Wire (U.S.):		By Check – mail to:
Account Name:	Sheppard Mullin Richter & Hampton LLP	Sheppard Mullin Richter & Hampton LLP PO Box 840728 Los Angeles, CA 90084-0728
Beneficiary Bank:	Wells Fargo Bank, N.A. 420 Montgomery St. San Francisco, CA 94104-1298	
Account No.:	6640215023	
ACH ABA No.:	121042882	
Wire ABA No.:	121000248	
Swift Identifier:	WFBIUS6S	

If available, please indicate client name or matter number in the payment detail field.

Please note that these wire instructions are for purposes of paying this retainer only and should not be used for future payments on other invoices. All invoices will reflect the correct wire instructions.

SMRH:4910-8942-5581.2

EXHIBIT B

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
ORI KATZ, State Bar No. 209561
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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.	Case No. 26-25868 Chapter 11 DCN: SMR-11 Judge: Hon. Christopher D. Jaime Date: November 10, 2026 Time: 11:00am Place: Courtroom 32 501 I Street Sacramento, California 95814

ORDER AUTHORIZING EMPLOYMENT OF SHEPPARD, MULLIN, RICHTER & HAMPTON LLP AS BANKRUPTCY COUNSEL

The Court, having considered the application (the "Application") of Highlands Community Charter and Technical Schools (the "Debtor") a California Non-Profit Corporation, and the debtor and debtor in possession in the above-captioned chapter 11 case (the "Bankruptcy Case"), for an order authorizing the employment of Sheppard, Mullin, Richter & Hampton LLP ("Sheppard") as bankruptcy counsel to the Debtor (the "Application"), and the *Declaration of Ori Katz* and in support thereof, no objection being filed, and good cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Application is approved.

2. The Debtor is authorized to employ Sheppard, upon the terms and conditions set forth in the Application, Bankruptcy Code section 327 and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure.

3. Sheppard shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtor's Chapter 11 Case as set forth in the Application and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of this Court.

4. Professionals retained by the Debtor in this Chapter 11 Case have performed a significant amount of work after the Petition Date and before entry of this Order, and satisfy the exceptional circumstances exception for the compensation for pre-employment services. Any application or motion for compensation must distinguish between any services provided before the effective date of employment and services provided after the effective date of employment. The effective date of employment is the date of this Order.

5. In connection with any increases in Sheppard's rates set forth in the Application, Sheppard shall provide reasonable notice (i.e. at least ten days) prior to filing a fee statement or fee application reflecting such an increase.

6. Notwithstanding any provision in Sheppard's engagement letter to the contrary, approval of the Application shall not alter the result dictated by the holding in *Baker Botts L.L.P. v. ASARCO LLC*, 135 S. Ct. 2158, 2169 (2015) and its construction of 11 U.S.C. § 330(a)(1).

DATED:

_____

United States Bankruptcy Judge