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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-12 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 DEBTOR'S APPLICATION TO EMPLOY ARCH & BEAM GLOBAL, LLC AS FINANCIAL ADVISORS TO DEBTOR

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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 Arch & Beam Global, LLC as Financial Advisors*.

Exhibit	Description	Page(s)
A	Arch + Beam Engagement Agreement	3-11
B	Proposed Order Authorizing Arch + Beam's Employment	12-15

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

arch + beam

October 4, 2026

Delivered Via Email

Highlands Community Charter and Technical Schools
1111 Howe Ave. Suite 505
Sacramento, CA 95825

Dear Highlands Community Charter and Technical Schools:

This letter confirms that Highlands Community Charter and Technical Schools ("Client" or "Debtor") has requested Arch & Beam Global, LLC ("Arch + Beam") to provide financial advisory services to the Client as a Debtor-in-Possession in its Chapter 11 Bankruptcy Case in the Eastern District of California once filed.

This letter agreement ("Agreement") sets forth the key terms of such Engagement and the basis upon which we will render these services and confirms our understanding with respect to the determination and payment of fees and the reimbursement of costs and expenses.

The appointment of Arch + Beam and its personnel ("Arch + Beam Personnel") shall be subject to an order of the Bankruptcy Court and Arch + Beam's scope of services, role and administrative powers will be governed by the court (the "Bankruptcy Court").

1. Scope of Services and Debtor Duties. The Debtor is choosing Arch + Beam as its financial advisor during its Chapter 11 Bankruptcy. All Arch + Beam personnel shall remain independent contractors. We will keep you informed on the progress of the matters we are handling and respond in a timely manner to your inquiries. If the scope of services is materially changed by mutual agreement between the Debtor and Arch + Beam, a new Agreement or amendment to this Agreement will be executed.

As financial advisor to the Debtor, Arch + Beam will assist the Debtor on matters relating to its Chapter 11 Bankruptcy filing in the Eastern District of California.

Tasks relating to this may include, among other things:

1. Assist the Debtors with bankruptcy strategy, planning, implementation and support with respect to a Plan of Reorganization approach in a Chapter 11 Bankruptcy, but that could also include other tasks related to DIP loans and lenders, Stalking horse bidders and Purchase and Sale Agreement negotiations, or other bankruptcy approaches.
2. Assist the Debtors with budget drafting, management, tracking and variance reporting.
3. Assist the Debtors with the communication, interface and negotiations with vendors and other creditors, including secured creditors, any future lenders, unsecured creditors committee and unsecured creditors.
4. Assist the Debtors with bankruptcy reporting requirements, such as preparations for Initial Debtor interviews, preparations for 341 meetings of creditors, monthly operating reports, variance reports for the Court or stakeholders, meetings with creditor committee and any future lenders, and US Trustee requests. Provide support to claims agent in their work to develop Schedules and SOFA.
5. Assist the Debtors with the work required to develop drafts of and supporting analysis for a Disclosure Statement, Liquidation Analysis, Plan of Reorganization and other documents required to confirm a Plan of Reorganization. Assist with Plan development, feasibility & confirmation steps.
6. If applicable and requested, assist the Debtors and any sale brokers with a sale process in bankruptcy, including advisory services related to bidder outreach, sale process tracking, bidding procedures, auction process (as applicable), due diligence requests from bidders, bid analysis and selection, sale closing and support for sale hearing through a section 363 sale, working to minimize overlaps with other case professionals.
7. Advise the Debtors on case conclusion options and post-Effective date topics.
8. Assist the Debtors with other tasks customary for a Financial Advisor in Chapter 11 Bankruptcy cases
9. Provide declarations and testimony as needed.
10. Other tasks as requested by the Debtors.

The Debtor understands the need for complete and accurate information. The Debtor also understands the need to cooperate and to keep us informed on a timely basis of any developments as may impact upon the services that we are to provide. During the course of our work, a matter may come to our attention that might warrant the performance of additional or expanded procedures. Before addressing such matters, we will discuss them with the Debtor promptly in order for you to assess the need for additional or expanded work. Debtor will make information and/or personnel available to Arch + Beam as requested to assist in their analysis.

2. Fees and Billing Practices. In consideration for the services rendered by Arch + Beam hereunder, Arch + Beam will be paid the following fees.

Arch + Beam will be paid on a time and material basis.

a. No post-petition retainer will be requested. Any pre-petition retainers shall be held in Arch + Beam's client trust account as a security interest, and upon Bankruptcy Court approval, outstanding amounts owed Arch + Beam from its final fee application shall be paid to Arch + Beam from any held retainer balance. Any excess retainer funds, after the payment of outstanding amounts owed Arch + Beam from its final fee application, will be returned to the Debtor bankruptcy estate.

b. Arch + Beam payment terms are "due upon approval of the Bankruptcy Court".

Arch + Beam shall be compensated by an amount equal to the number of hours worked multiplied by Arch + Beam's hourly billing rates for the respective professionals. Time shall be recorded and billed in increments of one-tenth (0.1) of an hour. Fee Applications will be generated on a periodic basis as per the rules and guidelines of the Bankruptcy Court. Our hourly billing rates set forth in the below schedule:

	Standard Rates	Non-Profit Rates
Senior Managing Directors	$950	$855
Managing Directors	$825	$743
Directors	$725	$653
Senior Associates	$650	$585
Associates	$595	$536
Staff and Admin	$225-350	$200-315

Hourly rates are subject to periodic adjustment usually on January 1 of each year. For this Agreement, Arch + Beam will bill using Non-Profit Rates.

c. We may incur various costs and expenses, including travel in the normal course of performing the Engagement under this Agreement. All costs and expenses will be charged at our cost. Mileage will be charged at the current IRS rate, which is $0.76 per mile in 2026.

3. Indemnification.

Client shall indemnify and hold harmless Arch + Beam, its employees, officers, directors, agents, and any controlling person (individually and collectively, the "Indemnitees") from and against all liabilities, claims, suits, damages, judgments, reasonable costs and expenses, including reasonable counsel fees and disbursements, to which the Indemnitees may become subject to arising in any manner out of or in connection with the services or matters which are the subject

of this Agreement. Client shall promptly reimburse the Indemnitees, who become liable for matters indemnified hereunder, for all amounts, including reasonable attorneys' fees and disbursements, which they or any of them are required to pay in connection with or in defense of any of the matters for which they or any of them are entitled to indemnification as set forth above. Notwithstanding the foregoing, no Arch + Beam Personnel shall be entitled to indemnification, contribution, or reimbursement pursuant to the Engagement Letter for services, unless such services and the indemnification, contribution, or reimbursement therefore are approved by the Bankruptcy Court.

The Debtor shall have no obligation to indemnify any Arch + Beam Personnel, or provide contribution or reimbursement to any Arch + Beam Personnel, for any claim or expense to the extent it is either: (i) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from Arch + Beam's gross negligence, bad faith, fraud, or willful misconduct; (ii) for a contractual dispute in which the Debtor allege breach of an Arch + Beam contractual obligations, unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to In re United Artists Theatre Company, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by the Court, after notice and a hearing pursuant to subparagraph (c) hereof to be a claim or expense for which Arch + Beam Personnel should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Letter, as modified by this Order.

If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these Chapter 11 Cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing these Chapter 11 Cases, any Arch + Beam Personnel believe that it is entitled to the payment of any amounts by the Debtor on account of the Debtor' indemnification, contribution and/or reimbursement obligations under the Engagement Letter (as modified by this Order), including, without limitation, the advancement of defense costs, the Arch + Beam Personnel must file an application therefor in the Court, and the Debtor may not pay any such amounts to the Arch + Beam Personnel before the entry of an order by the Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by any Arch + Beam Personnel for indemnification, contribution and/or reimbursement, and is not a provision limiting the duration of the Debtor' obligation to indemnify, or make contributions or reimbursements to, Arch + Beam Personnel. All parties in interest shall retain the right to object to any demand by any Arch + Beam Personnel for indemnification, contribution and/or reimbursement.

4. Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation or validity thereof shall be determined by the Bankruptcy Court.

In the event the Bankruptcy Court declines jurisdiction, the dispute, claim or

controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation or validity thereof shall be determined by arbitration in San Francisco, California before one arbitrator. The arbitrator shall also have the authority to determine the scope or applicability of this agreement to arbitrate. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

Each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator. Each party shall bear its own attorneys fees and expenses. The parties agree to abide by all decisions and awards rendered in such proceedings. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law.

5. Term, Discharge and Withdrawal. This Agreement will be effective at the filing of a Chapter 11 bankruptcy by Client, and once effective, will supersede any existing agreements with Client. Should a Chapter 11 Bankruptcy not be filed, then this Agreement is null and void. The Debtor may discharge Arch + Beam at any time and we have the right to withdraw from this engagement at any time. If you are dissatisfied for any reason, we will cease our efforts and return the unused portion of the retainer to you, less any amount for fees and expenses incurred to that time. Reasons for our withdrawal may include, but are not limited to, your breach of this Agreement, your refusal to cooperate with us or any fact or circumstance that would make us unable to gain access to the information or personnel required to complete the scope of this engagement. The provisions of this Agreement shall survive any termination of this Agreement.

6. Intellectual Property and Confidentiality.

a) **Trade Secrets**. Debtor acknowledges and agrees that Arch + Beam owns and shall retain all right, title and interest, including without limitation all intellectual property rights, in any and all of its evaluation methodologies and tools, formulae, software, (including all source or object code) and other property developed by Arch + Beam either prior to or pursuant to Arch + Beam's performance under this Agreement (the "Trade Secrets"). Debtor agrees to use these methodologies, tools and templates only for the Debtor' use as part of this Agreement. Debtor will not distribute these materials to any third-party (other than their accountant or attorney) unless receiving prior written authorization from Arch + Beam.

b) **Confidential and Proprietary Information.** Debtor and Arch + Beam each agree to keep confidential and not disclose or use, except in performance of its obligations under the Engagement Letter and this Agreement, confidential or proprietary information related to the other party's technology or business ("Confidential Information"). For purposes hereunder, all information not in the "public domain" shall be deemed Confidential Information. Debtor acknowledges

that Arch + Beam's evaluation methodologies and related Trade Secrets constitute valuable proprietary assets of Arch + Beam, and Debtor agrees not to use such Confidential Information for its own commercial benefit or for any purpose except in accordance with the specific terms of the Engagement Letter and this Agreement. Debtor and Arch + Beam both agree that they it will take all reasonable measures to protect the secrecy of and avoid disclosure or use of the other party's Confidential Information in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such Confidential Information. Such measures shall include the degree of care that the party utilizes to protect its own trade secrets and other proprietary and confidential information of a similar nature, which shall be no less than reasonable care. Each party agrees to notify the other party in writing of any misuse or misappropriation of any Confidential Information that may come to such party's attention. The phrase "public domain" shall mean readily accessible to the public in a written publication and shall not include information that is only available by a substantial searching of the published literature, nor shall it include information the substance of which must be pieced together from a number of different publications and/or sources.

Debtor and Arch + Beam further agree that the Engagement Letter and its terms and conditions are confidential, and each agrees that it shall not disclose any information as per Section 6 of this Agreement to any other person or entity except in confidence to their respective attorneys and accountants (and employees, consultants, and advisors on a strict "need to know" basis), or as may be required by applicable law, subpoena or regulation.

7. Independent Contractor. Arch + Beam and its Service Providers are independent contractors of Debtor, and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship. Arch + Beam is not the agent of Debtor, and is not authorized to make any representation, contract, or commitment on behalf of Debtor, except with prior approval of Debtor.

8. Standard of Care. Arch + Beam warrants that its Services shall be performed by personnel possessing competency consistent with applicable industry standards. No other representation, express or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report, opinion, deliverable, work product, document or otherwise. Furthermore, no guarantee is made as to the efficacy or value of any Services performed. THIS SECTION SETS FORTH THE ONLY WARRANTIES PROVIDED BY ARCH + BEAM CONCERNING THE SERVICES AND RELATED WORK PRODUCT. THIS WARRANTY IS MADE EXPRESSLY IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION ANY WARRANTIES OF TITLE, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT, OR OTHERWISE.

Arch + Beam personnel are not CPAs, attorneys, investment bankers, or tax specialists. Debtor should consult its professional advisors for accounting, tax and

legal questions.

9. Limitation of Liability. Arch + Beam's maximum liability to the Debtor, in the aggregate, arising for any reason out of or relating to this Agreement, whether a claim in tort, contract, or otherwise, shall be limited to the amount of fees paid to Arch + Beam under this Agreement for these services, except to the extent such liability is finally determined to have been caused by gross negligence or willful misconduct of Arch + Beam or its personnel.

10. Force Majeure. Arch + Beam shall not be responsible for delays or failures (including any delay by Arch + Beam to render Services) if such delay arises out of causes beyond its control. Such causes may include, but are not limited to, acts of God or of the public enemy, fires, floods, epidemics, riots, strikes, freight embargoes, earthquakes, electrical outages, computer or communications failures, and severe weather, and acts or omissions of subcontractors or third parties.

11. Enforceability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

12. Representation on Authority of Parties/Signatories. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized, and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

13. Entire Agreement. This Agreement may not be amended or modified except in writing signed by each of the parties hereto and shall be governed by and construed in accordance with the laws of the State of California. To the extent permitted by law, each of the parties hereto expressly waives all right to trial by jury in any action or proceeding arising out of this Agreement. This Agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements should they exist with respect thereto and shall be binding upon and inure to the benefit of the Debtor, Arch + Beam, and the other Indemnified Persons and their respective successors, assigns, heirs and personal representatives.

14. Work Location and Travel Considerations. This engagement is currently expected to be performed through a combination of on-site/in-person and remote work. The Debtor understands and acknowledges that Arch + Beam personnel may not be able to travel, attend face-to-face meetings and/or work at the Debtor' physical location(s) if new State or Federal Health Orders are issued by government authorities. Should new State or Federal Health Orders be issued, this engagement will be performed remotely using video and teleconferences, email,

screen sharing and other remote technologies. Arch + Beam has video conference, audio conference, screen share, and data room services that it can provide for the delivery of this Agreement.

If the foregoing correctly sets forth the understanding and agreement between Arch + Beam and the Debtor, please so indicate in the space provided below, whereupon this letter shall constitute a binding agreement as of the date first above written.

Very truly yours,

Arch & Beam Global, LLC

DocuSigned by:
By: Matthew English
102C0850A852408...
Name: Matthew English
Title: Senior Managing Director

Agreed and Accepted:

Highlands Community Charter and Technical Schools

Signed by:
By: Jonathan Raymond
CDB5C9FE394D4D7...
Name: Jonathan Raymond
Title: CEO / Executive Director

EXHIBIT B

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
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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.	Case No. 26-25868 Chapter 11 DCN: SMR-12 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 ARCH & BEAM GLOBAL, LLC AS FINANCIAL ADVISORS TO THE DEBTOR

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 Arch & Beam Global, LLC ("Arch + Beam") as financial advisors to the Debtor (the "Application"), and the *Declaration of Matthew English* 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 Arch + Beam, 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. Arch + Beam 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 Arch + Beam'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 Arch + Beam'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