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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-14 Judge: Hon. Christopher D. Jaime Date: November 24, 2026 Time: 11:00 a.m. (Pacific Time) Place: Courtroom 32, Department B 501 I Street Sacramento, California 95814

DECLARATION OF JONATHAN RAYMOND IN SUPPORT OF DEBTOR'S EMERGENCY MOTION FOR ENTRY OF AN ORDER AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES

[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 the *Debtor's Emergency Motion for Entry of an Order Authorizing Rejection of Certain Unexpired Leases* (the "Motion") filed concurrently herewith and for all other purposes authorized by law. The Motion seeks an order authorizing the Debtor: (a) to reject the executory contracts identified and set forth on Exhibit B to the Exhibit List (including any amendments or modifications, each a "Service Contract" and together, the "Service Contracts"), effective as of November 1, 2026; and (b) granting such further related relief as justified 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 October 4, 2026 (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 examiner has been made in this Chapter 11 Case, and no committees have been appointed or designated.

[2] Unless otherwise defined herein, all capitalized terms have the definitions set forth in the Motion filed concurrently herewith.

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. Since assuming responsibility for the Debtor's affairs, the current management team has undertaken a thorough and diligent evaluation of the Debtor's service contracts with an eye toward streamlining operations, and shrinking its financial obligations, including the full universe of leases and contracts that were entered into by prior management to identify areas where liabilities can be reduced. This ongoing comprehensive evaluation has been undertaken with the express purpose of identifying those liabilities or obligations that are no longer in use, operational or productive, that impose undue financial or administrative burdens upon the Debtor's estate, or that are simply unnecessary to support the Debtor's contemplated go-forward business operations. The current management team has approached this review with a keen awareness of both the Debtor's current financial condition and its long-term reorganization objectives, recognizing that the elimination of unnecessary or burdensome obligations is a critical component of any successful restructuring effort.

6. As a result of this comprehensive review, effective November 1, 2026, the Debtor has chosen to reject the three (3) Service Contracts identified and set forth on Exhibit B to the Exhibit List, without prejudice to the Debtor's future business decision(s) to reject any additional executory contracts at any point during this Chapter 11 Case. Following careful analysis, the Debtor has determined that each of the identified Service Contracts consisting of its agreements with

Bollinger Government Affairs, LLC, TK Civic Ventures, and Deveau Burr Group, LLC, (collectively, the "Service Providers") are not necessary to the Debtor's current business plan, and that continued performance under these Service Contracts would not confer any meaningful benefit upon the Debtor's estate or its creditors, and would, in fact, burden the Debtor's estate with unnecessary additional financial liability for the Service Contracts.[3]

7. The Service Contracts provide for various government affairs, legislative advocacy, strategic communications, and educational policy consulting and support services (collectively, the "Services"), which the Debtor has determined, in the exercise of its reasonable business judgment, are no longer necessary to efficiently operate the Schools at this time and impose unnecessary expenses on the Debtor's bankruptcy estate. Accordingly, the Debtor has determined that rejection of the Service Contracts will preserve estate resources and benefit the estate and its creditors.

8. The Debtor estimates that rejection of the Service Contracts will result in a meaningful reduction of monthly liabilities in the aggregate each month, which reduced liabilities are spread out among the Service Contracts. This reduction in recurring monthly obligations will provide the Debtor with meaningful financial relief, further enabling the Debtor to right-size its cost structure, rationalize its operations, and redirect resources toward those aspects of its business that are central to a successful reorganization for the benefit of the Debtor's creditors, employees and other parties in interest. Absent rejection of the Service Contracts, the Debtor would be obligated to pay fees for Services that the Debtor believes are not necessary to its current operations. Ultimately, the rejection of these Service Contracts represents a prudent and necessary step in the Debtor's broader efforts to restructure its operations and emerge from bankruptcy as a viable, sustainable enterprise.

9. For the reasons set forth herein and in the Motion filed concurrently herewith, I believe that the rejection of the Service Contracts, effective as of November 1, 2026, should be approved as an exercise of the Debtor's sound business judgment.

[3] The Debtor anticipates revisiting whether to enter into a new agreement with one or more of the Service Providers on a later date, on terms more aligned with the Debtor's reorganization efforts.

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

Dated this 26th day of October 2026, in Sacramento, California .



Jonathan Raymond