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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re DIABLO GRANDE COMMUNITY FACILITIES DISTRICT NO. 1, Debtor.	Case No. 25-26635-A-9 Chapter 9 DCN: CAE-1 **JOINT REPORT FOR STATUS CONFERENCE** **Status Conference** Date: June 24, 2026 Time: 9:30 a.m. Crtm: Dept. A, Ctrm 11 2500 Tulare Street, Fresno, California

Diablo Grande Community Facilities District No. 1 (the "Debtor"), and the County of Stanislaus, California (the "County")(collectively, the "Parties") hereby provide this Joint Status Report for the continued Status Conference in accordance with the Court's Order entered April 15, 2026 [Dkt. 62].

A. Objection To Petition By County of Stanislaus

Pursuant to the Court's Order [Dkt. 23], objections to the Chapter 9 petition were due not later than April 3, 2026. This deadline was duly noticed as part of the Notice of Commencement of Chapter 9 Case.

On April 3, 2026, the County filed an Objection to the Chapter 9 Petition (the "Objection") [Dkt. 43]. No other creditor or interested party filed an objection.

On April 16, 2026, the Court entered its Scheduling Order [Dkt. 63], setting dates in the Contested Matter arising from the County's Objection (RPL-1). As of this date, the Debtor and the County have exchanged their initial disclosures, as well as, some written discovery. The Parties have also engaged in settlement communications to explore options to resolve the County's Objection.

B. Other Matters

1. Claims Bar Date

The Debtor has not yet submitted a motion to set a claims bar date in the case as the County has indicated it would object to such a motion while Objection to the Petition is pending.

2. Marketing For Developers/Purchasers

The Debtor is currently developing a request for proposals to be communicated to the developer community. The Debtor believes that a recent settlement announced May 28, 2026, regarding the long-standing water supply contract dispute between the Western Hills Water District, which serves the properties owned by the Debtor, and the Kern County Water Agency, will greatly increase the interest of potential developers in the Diablo Grande project. The County takes no position on the Debtor's representations.

3. Continued Status Conference

The Parties suggest that the Court set a further Status Conference in this case on a date convenient to the Court's calendar in approximately 60 days.

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Dated: June 17, 2026

BURKE, WILLIAMS & SORENSEN, LLP

By: /s/ Joseph P. Buchman
Richard J. Reynolds
Joseph P. Buchman
Martin Kosla
Attorneys for Diablo Grande Community Facilities District No. 1

Dated: June 17, 2026

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