Exhibit A

Settlement Agreement Dated 8/18/2026

AGREEMENT

Diablo Grande Community Facilities District No. 1 (the "**Debtor**"), through its governing authority the Western Hills Water District ("**WHWD**"), on the one hand, and the County of Stanislaus, California (the "**County**"), through its governing Board of Supervisors, and with the County Treasurer-Tax Collector, on the other hand, (collectively, the "**Parties**") hereby enter into the following agreement dated as of August 18, 2026.

A. On November 25, 2025, the Debtor filed a Chapter 9 Petition (the "**Petition**")in the United States Bankruptcy Court for the Eastern District of California, commencing Case No. 25-26635 (the "**Bankruptcy Case**").

B. 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 to the Petition.

C. The Parties desire to resolve the County's Objection to the Petition pursuant this Agreement and the terms set forth herein.

Therefore, the Parties agree as follows:

1. The Debtor is currently the owner of 103 parcels of real property within the County which the Debtor acquired through the foreclosure of the liens securing delinquent special taxes (the "**Subject Parcels**"). A list identifying the Subject Parcels by their Assessor Parcel Nos. ("**APNs**") is attached hereto as Exhibit "A" and is incorporated herein by reference. The Subject Parcels are subject to delinquent property taxes assessed prior to the Debtor's acquisition of the Subject Parcels.

2. The Debtor and the County agree that the amount of property taxes secured by the 103 Subject Parcels due as of August 31, 2026, inclusive of ad valorem tax, special district assessments, and accrued interest, but without any penalties, is $2,287,605.78. The term "property taxes" as used in this Agreement shall collectively refer to ad valorem taxes, special district assessments, and accrued interest.

3. Pursuant to this Agreement, on or before August 31, 2026, the Debtor will pay $500,000 from special tax revenues towards the agreed amount of property taxes secured by the Subject Parcels as a CFD administrative expense to preserve the Subject Parcels from tax sale by the County, This $500,000 payment shall be applied pro rata according to the amount of property taxes secured by each of the Subject Parcels.

4. Commencing October 1, 2026, the Debtor will agree to pay $40,000 per month from special tax revenues towards the agreed amount of property taxes secured by the Subject Parcels as a CFD administrative expense to preserve the Subject Parcels from tax sale by the County. Payments will be due on the 1st of the month and will be late after the 15th of the month. Interest will accrue on the remaining unpaid agreed amount of property taxes secured by the Subject Parcels at the annualized interest rate of 12% commencing September 1, 2026, after application of the initial $500,000 payment. Monthly payments shall be applied first to the accrued interest and then credited against the remaining unpaid agreed amount of property taxes

secured by the Subject Parcels. The portion of the monthly payment credited against the remaining unpaid agreed amount of property taxes secured by the Subject Parcels shall be applied pro rata according to the amount of property taxes secured by each of the Subject Parcels. This will allow the unpaid agreed amount of property taxes secured by the Subject Parcels to be paid over a period not exceeding 60 months. This payment plan will be adopted in accordance with Revenue & Taxation Code § 4986.3 pursuant to the authority of the Board of Supervisors, with the written consent of the County Counsel. This provision shall not be construed to limit the Debtor to using only the identified special tax revenues to make payments under this Agreement, and the Debtor shall remain obligated to make payments to the County regardless of the source of funds used.

5. Pursuant to Revenue & Taxation Code § 4986.3, the Board of Supervisors, with the written consent of the County Counsel, will cancel penalties against the Subject Parcels, which equal $123,233.86, provided the agreed amount of property taxes secured by the Subject Parcels are paid in full pursuant to the agreement.

6. To the extent authorized by applicable law, the Board of Supervisors will not approve the sale of Subject Parcels pursuant to Revenue and Taxation Code §3694 as long as the Debtor is fulfilling its obligations under the agreement.

7. As property tax bills are issued for future tax years during the term of this Agreement reflecting special assessments levied on the Subject Parcels, the Debtor agrees to timely pay these special assessments in accordance with law. This provision shall not prevent the Debtor from challenging the legality of any special assessment in a manner authorized by law.

8. This Agreement is non-transferable. If the Debtor sells one of the Subject Parcels, all remaining unpaid agreed amount of property taxes secured by that parcel will need to be paid. Satisfaction of the agreed amount of property taxes secured by one of the Subject Parcels prior to the completion of the payment plan in its entirety will not reduce the amount of the monthly payments due under this Agreement.

9. The Debtor will stipulate to modify the automatic stay arising in the Bankruptcy Case so that the stay will remain in effect as long as the Debtor continues to perform the terms of this Agreement, and that the stay will be lifted to permit the County to go to tax sale if the Debtor fails to perform the terms of the agreement.

10. Upon entry of the order modifying the automatic stay, the County will withdraw its Objection to the Petition, and will not oppose entry of the Order For Relief, and will not oppose a motion to set a claims bar date in the Bankruptcy Case.

11. The County will file a proof of claim in the Bankruptcy Case for the unpaid property taxes secured by the Subject Parcels.

12. The Debtor agrees that the County's tax liens will remain in effect throughout the bankruptcy proceedings and will continue in effect after the bankruptcy proceedings. The Debtor will take no action to avoid the County's tax liens or otherwise have the tax liens discharged through the bankruptcy proceeding.

13. The County agrees to accept a Plan of Adjustment proposed by the Debtor that incorporates the terms of this agreement and does not affect the validity of the County's tax liens.

14. As long as the Debtor continues to perform the terms of the agreement, the Debtor and the County each agree to bear their own respective attorney's fees and costs incurred with regard to the County's Objection to the Petition, negotiation of this Agreement, and any further Bankruptcy Court proceedings. In the event the Debtor fails to perform the terms of this agreement, the County will be free to pursue its remedies pursuant to Revenue & Taxation Code § 4807.

15. This Agreement supersedes all previous agreements relating to this Agreement and constitutes the entire understanding of the Parties hereto. No changes, amendments, or alterations shall be effective unless in writing signed by both Parties. If any portion of this Agreement or its application to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect.

The remainder of this page is intentionally left blank. The signature pages follow.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

COUNTY OF STANISLAUS

By: _____
Vito Chiesa
Chairman of the Board of Supervisors
County of Stanislaus, State of California

ATTEST:
Mary E. Hartsfield
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By: _____
Deputy Clerk

APPROVED AS TO CONTENT:
Department of Treasurer-Tax Collector

By: _____
Donna Riley
Treasurer-Tax Collector

APPROVED AS TO FORM:
Thomas E. Boze, County Counsel

By: _____
Thomas E. Boze
County Counsel

DIABLO GRANDE COMMUNITY FACILITIES DISTRICT NO. 1
through its governing authority the Western Hills Water District

By: _____
Mark Kovich,
President of the Board of Directors of
Western Hills Water District

ATTEST:
Secretary of the Board of Directors of the
Western Hills Water District

By: _____
Lori Lawson, Secretary

APPROVED AS TO FORM:

By: _____
Joseph P. Buchman
Counsel For Diablo Grande Community
Facilities District No. 1

EXHIBIT A

SUBJECT PARCELS

1. 025-005-010-000
2. 025-023-003-000
3. 025-025-001-000
4. 025-025-034-000
5. 025-025-047-000
6. 025-025-049-000
7. 025-025-051-000
8. 025-025-053-000
9. 025-025-054-000
10. 025-025-055-000
11. 025-025-056-000
12. 025-025-059-000
13. 025-025-060-000
14. 025-025-061-000
15. 025-025-062-000
16. 025-025-063-000
17. 025-025-064-000
18. 025-025-068-000
19. 025-027-008-000
20. 025-027-012-000
21. 025-027-013-000
22. 025-027-015-000
23. 025-027-016-000
24. 025-028-007-000
25. 025-028-008-000
26. 025-028-009-000
27. 025-028-011-000
28. 025-028-014-000
29. 025-028-015-000
30. 025-028-016-000
31. 025-028-017-000
32. 025-028-018-000
33. 025-028-019-000
34. 025-028-020-000
35. 025-028-021-000
36. 025-028-022-000
37. 025-028-023-000
38. 025-028-024-000
39. 025-028-025-000
40. 025-028-026-000
41. 025-038-001-000
42. 025-038-002-000
43. 025-039-013-000
44. 025-039-014-000
45. 025-039-015-000
46. 025-039-018-000
47. 025-039-020-000
48. 025-039-021-000
49. 025-040-003-000
50. 025-040-005-000
51. 025-040-016-000
52. 025-041-001-000
53. 025-041-002-000
54. 025-041-003-000
55. 025-041-004-000
56. 025-041-005-000
57. 025-041-009-000
58. 025-041-010-000
59. 025-041-011-000
60. 025-042-004-000
61. 025-042-005-000
62. 025-042-006-000
63. 025-042-007-000
64. 025-042-008-000
65. 025-042-009-000
66. 025-042-010-000
67. 025-042-011-000
68. 025-042-012-000
69. 025-042-013-000
70. 025-042-014-000
71. 025-042-015-000
72. 025-042-017-000
73. 025-042-018-000
74. 025-042-019-000
75. 025-042-020-000
76. 025-042-021-000
77. 025-046-008-000
78. 025-046-014-000
79. 025-047-003-000
80. 025-047-010-000
81. 025-048-001-000
82. 025-049-001-000
83. 025-050-001-000
84. 025-050-002-000
85. 025-050-003-000
86. 025-050-004-000
87. 025-050-005-000
88. 025-050-006-000
89. 025-050-007-000
90. 025-050-008-000
91. 025-050-009-000
92. 025-050-010-000
93. 025-050-011-000
94. 025-050-012-000
95. 025-050-013-000
96. 025-051-001-000
97. 025-051-002-000
98. 025-051-003-000
99. 025-051-004-000
100. 025-051-005-000
101. 025-051-006-000
102. 025-051-007-000
103. 025-052-001-000