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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

In re DIABLO GRANDE COMMUNITY FACILITIES DISTRICT NO. 1, Debtor.	Case No. 25-26635-A-9 Chapter 9 DCN: CAE-1 **DEBTOR'S REPORT FOR STATUS CONFERENCE** **Status Conference** Date: September 30, 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") hereby provides this Status Report for the continued Status Conference in accordance with the Court's Order entered August 27, 2026 [Dkt. 84].

A. Objection To Petition By County of Stanislaus

Pursuant to the Court's Order entered February 4, 2026 [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). On July 17, 2026, the Court entered its Order Revising Discovery Deadlines In Contested Matter [Dkt. 78] pursuant to the Parties' stipulation [Dkt. 76] requesting a brief extension of the then remaining discovery deadlines in the Contested Matter so that they could continue their ongoing settlement discussions without the need to incur additional attorney's fees and costs in discovery efforts which may prove unnecessary.

On August 19, 2026, the Debtor and the County filed a Joint Report For Status Conference [Dkt 81] which reported to the Court that they had reached an Agreement for the County to withdraw its Objection subject to the terms of the Settlement Agreement.

Upon the entry of an Order Modifying Automatic Stay as stated in the Settlement Agreement, the County has agreed to withdraw its Objection to the Debtor's Chapter 9 Petition [Dkt. 43].

B. Motion For Order Modifying Automatic Stay

On September 2, 2026, the Debtor filed its Motion For Order Modifying Automatic Stay [Dkt. 88] to obtain the order called for under the terms of the Settlement Agreement between the Debtor and the County to resolve the County's Objection to the Debtor's Chapter 9 Petition. The hearing on the Motion For Order Modifying Automatic Stay is scheduled to be heard at the same time as the Status Conference.

An Opposition to the Motion For Order Modifying Automatic Stay was filed by Creditor Koshi Padnani [Dkt. 101] and the Debtor has submitted its Reply papers. The Debtor anticipates that the Motion For Order Modifying Automatic Stay will be granted and that the County's Objection to the Debtor's Chapter 9 Petition will be withdrawn.

C. Motions Filed By Creditor Koshi Padnani

At the Status Conference held on August 26, 2026, Creditor Koshi Padnani addressed the Court and stated that she intended to file an objection to the Chapter 9 Petition. The Court advised her that the noticed deadline to file an objection had expired and if Padnani thought she had

grounds to file late objection, she needed to do so promptly.

On September 14, 2026, Creditor Koshi Padnani filed the following documents: (1) Bondholder Koshi Padnani's Motion To Extend Time To File Objection To Diablo Grande Community Facilities District No. 1's Chapter 9 Petition [Dkt. 95]; (2) Bondholder Koshi Padnani's Motion To (Deem Notice Ineffective) Compel Proper Service To Current Bond Agent [Dkt. 96]; and (3) Bondholder Koshi Padnani's Objection To Diablo Grande Community Facilities District No.1's Chapter 9 Petition [Dkt. 97] (collectively, the "Padnani Motions").

The Padnani Motions were submitted for filing to the Court without a separate Notice of Hearing with a hearing date and time set forth. Consequently, on September 15, 2026, the Court Clerk filed and served notices to Creditor Koshi Padnani advising her of the deficiency and that none of the Padnani Motions would be calendared until the necessary documents were received by the Clerk. [Dkt. 98, 99, and 100]. Consequently, as of the writing of this Status Report, none of the Padnani Motions are calendared to be considered by the Court.

The Debtor requests that the Court not delay the entry of the Order For Relief in this case in order grant additional time to permit Creditor Koshi Padnani to try to rectify her deficient filings. The Debtor points out that Ms. Padnani has personally attended most of the hearings in this case and has received mailed notices of all filings since December of 2025. She personally attended the hearing held in this case on February 4, 2026, when the Court granted the Debtor's Motion For Entry Of Order (1) Directing And Approving Form Of Notice And (2) Setting Deadline For Filing Objections To Petition (Civil Minutes of Hearing Held February 4, 2026 [Dkt. 22]).

D. Entry of Order For Relief

Upon entry of the Order Modifying Automatic Stay, the County has agreed to withdraw its Objection to the Chapter 9 Petition. The Debtor requests that upon the withdrawal of the County's Objection, that the Court enter the Order For Relief in this case. The Debtor will then proceed to serve Notice of the Order For Relief in accordance with the requirements of 11 U.S.C. § 923.

E. Claims Bar Date

The Debtor has filed a motion to set a claims bar date in the case to be heard on October 13, 2026, at 9:30 a.m. In anticipation that the Order For Relief will be entered by that date, the Debtor will request that the Court allow the Notice of Claims Bar Date to be combined with the Notice of the Order For Relief.

Dated: September 23, 2026

BURKE, WILLIAMS & SORENSEN, LLP

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