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6 Attorneys for Diablo Grande Community
 7 Facilities District No. 1

8 UNITED STATES BANKRUPTCY COURT
 9 EASTERN DISTRICT OF CALIFORNIA

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11 In re

12 DIABLO GRANDE COMMUNITY
 13 FACILITIES DISTRICT NO. 1,

14 Debtor.

Case No. 25-26635-A-9

DCN BWS-1

**ORDER DIRECTING AND APPROVING
 FORM OF NOTICE AND SETTING
 DEADLINE FOR FILING OBJECTIONS
 TO THE CHAPTER 9 PETITION**

Date: February 4, 2026
 Time: 9:30 a.m.
 Ctrm: Dept. A, Ctrm 11
 2500 Tulare Street, Fresno California

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Upon consideration of the Motion for Entry of an Order (1) Directing and Approving Form of Notice; and (2) Setting Deadline for Filing Objections to Petition ("**Motion**"), filed by Diablo Grande Community Facilities District No. 1 (the "**Debtor**"), the Court finding that notice of the Motion was reasonable and appropriate under the circumstances and the Court determining the relief requested in the Motion is appropriate and in the best interests of the creditors and parties in interest in this case,

IT IS HEREBY ORDERED THAT:

1. The form of Notice of Commencement of Case ("Notice"), attached hereto as Exhibit A, is approved;
2. The requirements of Bankruptcy Code section 923 are satisfied by service of the

1 Notice by first class mail on the United States Trustee, all entities identified on the List of
 2 Creditors filed by the Debtor pursuant to Bankruptcy Code section 924, registered holders of the
 3 Bonds as of the record date that is no more than five business days prior to the mailing date, and
 4 by publication of the Notice once a week for at least three consecutive weeks in each of The
 5 Modesto Bee and The Bond Buyer;

6 3. The Clerk of the Court is directed to mail the Notice to all creditors listed on the
 7 Debtor's List of Creditors filed pursuant to section 924 of the Bankruptcy Code;

8 4. Debtor, shall serve (or cause to be served) the Notice to the registered holders of
 9 the Bonds on the record date that is no more than five business before the mailing date;

10 5. As more particularly described in the Notice, the deadline for filing objections to
 11 the petition under Bankruptcy Code section 921(d) is 5:00 p.m. Pacific time on April 3, 2026,
 12 ("**Objection Deadline**"); and

13 6. In the absence of any objection to the Debtor's chapter 9 petition by the Objection
 14 Deadline, the Notice shall serve as notice of the entry of an order for relief.

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Dated: February 04 2026

Jennifer E. Niemann
 Honorable Jennifer E. Niemann
 United States Bankruptcy Judge

Exhibit A

1 Richard J. Reynolds (SBN 89911)
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Case No. 25-26635-A-9

12 DIABLO GRANDE COMMUNITY
 13 FACILITIES DISTRICT NO. 1,

DCN BWS-1

14 Debtor.

**NOTICE OF COMMENCEMENT OF
 15 CHAPTER 9 CASE**

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NOTICE OF COMMENCEMENT OF CHAPTER 9 CASE

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**TO ALL CREDITORS OF DIABLO GRANDE COMMUNITY FACILITIES DISTRICT
 18 NO. 1, AND TO PARTIES IN INTEREST, PLEASE TAKE NOTICE THAT:**

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COMMENCEMENT OF CHAPTER 9 CASE. On November 25, 2025, Diablo Grande
 20 Community Facilities District No. 1 (the "**Debtor**") commenced a case under chapter 9 of title 11
 21 of the United States Code ("Bankruptcy Code") in the United States Bankruptcy Court for the
 22 Eastern District of California, Sacramento Division ("Court"). The chapter 9 case is pending
 23 before the Honorable Jennifer E. Niemann, United States Bankruptcy Judge. All documents filed
 24 with the Court are available for inspection via the PACER system, which may be accessed on a
 25 subscription basis at the following internet address: www.caeb.uscourts.gov. In addition, a website
 26 has been created with Verita Global, <https://www.veritaglobal.net/diablograndecfd1>, which
 27 contains, among other things, key pleadings filed in the bankruptcy case.

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AUTOMATIC STAY. Pursuant to sections 362 and 922 of the Bankruptcy Code, 11

1 U.S.C. sections 362 and 922, the filing of the Debtor's chapter 9 petition operates as an automatic
2 stay of actions against the Debtor, including, among other things, the enforcement of any
3 judgment, any act to obtain property from the Debtor, any act to create, perfect, or enforce any lien
4 against property of the Debtor, any act to collect, assess or recover a claim against the Debtor, and
5 the commencement or continuation of any judicial, administrative, or any other action or
6 proceeding against the Debtor.

7 **PURPOSE OF THE CHAPTER 9 FILING.** Chapter 9 of the Bankruptcy Code provides
8 a means for a municipality, such as the Debtor, that has encountered financial difficulty to work
9 with its creditors to adjust its debts. The primary purpose of chapter 9 is to allow the municipality
10 to continue its operations while it adjusts or restructures creditor obligations. In a chapter 9 case,
11 the jurisdiction and powers of the bankruptcy court are limited such that the court may not
12 interfere with any of the political or governmental powers of the Debtor. The Debtor intends to
13 propose a plan for the adjustment of its debts after the order for relief is entered. Future notice
14 concerning such a plan will be provided to all known creditors. During the bankruptcy case, the
15 Debtor will remain in possession and control of its property and will maintain its operations for
16 the benefit of the public.

17 **DEADLINE FOR OBJECTIONS TO PETITION AND ENTRY OF AN ORDER**
18 **FOR RELIEF.** Objections to the chapter 9 petition may be filed by a creditor or party in interest
19 by no later than 5:00 p.m. Pacific time on April 3, 2026. If you are an authorized user of the
20 Court's CM/ECF system, any such objection shall be filed via the Court's CM/ECF system. If you
21 are not an authorized user of the Court's CM/ECF system, a written objection must be sent by
22 means calculated to reach the Court no later than 5:00 p.m. on April 3, 2026, at the following
23 address: Clerk of the United States Bankruptcy Court for the Eastern District of California, 501 I
24 Street, Sacramento, California 95814. Any objection shall state the facts and legal authorities
25 relied upon in support thereof and shall be served on or before the same date on the following
26 parties: (1) the United States Trustee; (2) the Debtor; (3) the Debtor's chapter 9 counsel; and (4)
27 any other party who has filed a request for special notice with the Court.

28 **HEARING ON OBJECTIONS.** If no objection is timely filed, the filing of the petition

1 shall be deemed an order for relief under chapter 9 of the Bankruptcy Code, and this notice shall
 2 be deemed notice of such order for relief. If a timely objection is filed and served, the Court has
 3 set a status conference for April 15, 2026, at 9:30 a.m. Pacific time at the United States
 4 Bankruptcy Court for the Eastern District of California, Dept. A, Ctrm 11, 2500 Tulare Street,
 5 Fresno, California 93721. At such time, the Court will consider setting other dates.

6 **FAILURE TO FILE A TIMELY WRITTEN OPPOSITION WILL RESULT IN**
 7 **THE ORDER FOR RELIEF BEING ENTERED.**

8 Dated: February ____, 2026

BURKE, WILLIAMS & SORENSEN, LLP

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