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 City of Stockton
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9 UNITED STATES BANKRUPTCY COURT
 10 EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION
 12

13 In re:
 14 CITY OF STOCKTON, CALIFORNIA,
 15 Debtor.
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Case No. 2012-32118
 Chapter 9

**NOTICE OF INTENT TO UPLOAD A
 FORM OF ORDER CONFIRMING
 FIRST AMENDED PLAN FOR THE
 ADJUSTMENT OF DEBTS OF CITY
 OF STOCKTON, CALIFORNIA, AS
 MODIFIED (AUGUST 8, 2014)**

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Exhibit 1

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**ORDER CONFIRMING FIRST
 AMENDED PLAN FOR THE
 ADJUSTMENT OF DEBTS OF CITY
 OF STOCKTON, CALIFORNIA, AS
 MODIFIED (AUGUST 8, 2014)**

Continued Confirmation Hearing

Date: October 30, 2014
 Time: 10:00 a.m.
 Dept: Courtroom 35
 Judge: Hon. Christopher M. Klein

21
22 The City of Stockton (the “City”) having proposed and filed the following:

23 1. First Amended Plan for the Adjustment of Debts of City of Stockton, California,
 24 As Modified (August 8, 2014) [Dkt. No. 1645] (the “Plan”), a copy of which is attached as
 25 Exhibit A;

26 2. Modified Disclosure Statement with Respect to First Amended Plan for the
 27 Adjustment of Debts of City of Stockton, California (November 15, 2013) [Dkt. No. 1215]; and

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1 3. Second Supplemental Plan Supplement in Connection with the First Amended
2 Plan for the Adjustment of Debts of City of Stockton, California, As Modified (August 8, 2014)
3 [Dkt. No. ____] (“Second Supplemental Plan Supplement”).¹

4 The Bankruptcy Court, having entered the Order (1) Approving Modified Disclosure
5 Statement with Respect to First Amended Plan for the Adjustment of Debts of City of Stockton,
6 California (November 15, 2013); (2) Setting Confirmation Procedures; and (3) Scheduling Filing
7 Dates and the Confirmation Hearing [Dkt. No. 1220], having considered the evidence adduced at
8 the Confirmation Hearing, the pleadings, and the arguments of the City and the other interested
9 parties in this case, and having made its findings of fact and conclusions of law pursuant to
10 Bankruptcy Rules 7052 and 9014 at hearings conducted on October 1 and October 30, 2014:

11 **IT IS HEREBY ORDERED that:**

12 1. The Plan is confirmed.

13 2. Subpart (iii) of definition 69 of the Plan (Contracts for Loan Guarantee)
14 erroneously refers to “a promissory note issued by the City numbered B-03-MC-06-0036.” Such
15 subpart of Definition 69 of the Plan is modified to refer to “a promissory note issued by the City
16 numbered B-03-MC-06-0026.”

17 3. The objection to the Plan filed by creditors Franklin High Yield Tax-Free Income
18 Fund and Franklin California High Yield Municipal Fund [Dkt. No. 1273] and all other
19 objections to the Plan are overruled.

20 4. The record of the Confirmation Hearing is closed.

21 5. Any holder of a Claim that has accepted or rejected the November 15, 2013, plan
22 of adjustment [Dkt. No. 1204] is deemed to have accepted or rejected the Plan. The City is not
23 required to resolicit acceptances or rejections of the Plan.

24 6. All transactions contemplated under the Plan, the Second Supplemental Plan
25 Supplement and documents related thereto are hereby authorized and approved.

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¹ Capitalized terms used but not defined in this Order have the meanings set forth in the Plan.

1 7. The assumption of executory contracts and unexpired leases pursuant to
2 Section VI.A. of the Plan is approved. Any party to an executory contract or unexpired lease
3 assumed by the City that asserts that any payment or other performance is due as a condition to
4 the proposed assumption shall, within 90 days of the Effective Date, file with the Bankruptcy
5 Court and serve upon the City a written statement and accompanying declaration in support
6 thereof, specifying the basis for its Claim. The failure to timely file and serve such a statement
7 shall be deemed to be a waiver of any and all objections to the proposed assumption and any
8 claim for cure amounts of the agreement at issue.

9 8. If a party to an executory contract or unexpired lease assumed by the City timely
10 asserts that any payment or other performance is due as a condition to the proposed assumption,
11 and the Bankruptcy Court enters an order determining that the City is required to pay a cure
12 amount or otherwise render performance as a condition to such assumption, then the City may
13 elect, within 14 days after the date of any such order, to reject such executory contract or
14 unexpired lease by filing a motion with the Bankruptcy Court seeking approval of such rejection.

15 9. The rejection by the City of the following executory contracts or unexpired leases
16 is approved: (1) Office Building Standby Agreement; (2) Lease, dated as of June 21, 1988,
17 between the City, as lessor, and Stockton Sailing Club, a California corporation, as lessee, as
18 amended by the First Amendment to Lease, dated as of August 22, 1994; (3) Lease, dated as of
19 December 27, 1974, between the City, as lessor, and Stephens Marine, Inc., a California
20 corporation, as lessee, as amended; and (4) Agreement for Purchase and Sale of Real Property,
21 dated as of August 17, 2004, by and between the City and the County of San Joaquin. Upon the
22 Effective Date, such executory contracts and unexpired leases shall be deemed rejected by the
23 City without further action by the City or the Bankruptcy Court.

24 10. Without prejudice to the right of the City or any other party in interest to object to
25 a proof of claim filed after any applicable bar date as untimely, and except as expressly provided
26 in any order approving a Rejection Motion, any proof of claim filed after the date that is 35 days

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1 after the date of entry of this Order shall be deemed not timely filed and shall be disallowed in its
2 entirety without any further action by the City or the Bankruptcy Court.

3 11. On the Effective Date, and upon the City's payment to the Retiree Health Benefit
4 Claimants of an aggregate amount of \$5,100,000 for the Allowed Retiree Health Benefit Claims
5 as provided in Class 12 of the Plan, the Retirees Committee shall be released and discharged of
6 and from all further authority, duties, responsibilities, and obligations relating to and arising from
7 and in connection with the Chapter 9 Case, and, except for the limited purpose of presenting to
8 the City any invoices for fees and expenses, the Retirees Committee shall be deemed dissolved.

9 12. Within 14 days of the entry of this Order, the City shall, pursuant to Bankruptcy
10 Rule 3020(c)(2), cause to be served by mail to all creditors, parties in interest, and all parties to
11 the City's executory contracts and unexpired leases a Notice of Entry of this Order ("Notice of
12 Entry") in the form of or substantially similar to Exhibit B hereto. The mailing of the Notice of
13 Entry shall include a CD containing this Order, the Plan and the Second Supplemental Plan
14 Supplement, and shall provide that any party in interest desiring a paper copy of such documents
15 may request these documents at no cost from the City's claims agent, Rust Omni, via the City's
16 chapter 9 website, U.S. Mail, or facsimile.

17 13. The City shall cause the Notice of Entry to be published in a newspaper of general
18 circulation in the City. The Plan need not be reprinted in such publication, which shall instead
19 provide information enabling any interested party to obtain a copy of the Plan or this Order at no
20 cost via internet or U.S. Mail.

21 14. In the event of any inconsistency between the Plan and this Order, this Order shall
22 govern.

EXHIBIT A

FIRST AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS
OF CITY OF STOCKTON, CALIFORNIA, AS MODIFIED
(AUGUST 8, 2014)

(Intentionally omitted)

EXHIBIT B

NOTICE OF ENTRY OF CONFIRMATION ORDER

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Case No. 2012-32118

Chapter 9

**NOTICE OF ENTRY OF ORDER
 CONFIRMING FIRST AMENDED
 PLAN FOR THE ADJUSTMENT OF
 DEBTS OF CITY OF STOCKTON,
 CALIFORNIA, AS MODIFIED
 (AUGUST 8, 2014)**

19
 20 TO ALL CREDITORS, PARTIES IN INTEREST, PARTIES TO THE CITY’S
 21 EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND THEIR ATTORNEYS OF
 22 RECORD:

23 PLEASE TAKE NOTICE that on November __, 2014, the United States Bankruptcy
 24 Court for the Eastern District of California entered the Order Confirming First Amended Plan For
 25 The Adjustment Of Debts Of City Of Stockton, California, As Modified (August 8, 2014) (the
 26 “Order” confirming the “Plan”).

27 PLEASE TAKE FURTHER NOTICE that a CD containing a copy of (i) the Order,
 28 including its exhibits (one of which is the Plan), and (ii) the City’s Second Supplemental Plan

1 Supplement has been included with this Notice. Paper copies of the Order, its exhibits, and the
2 Second Supplemental Plan Supplement can be obtained at no cost by (i) visiting the City's
3 chapter 9 website (stocktonchapter9.com) and requesting a copy or (ii) mailing or faxing a request
4 to Rust Consulting/Omni Bankruptcy at the following address: Rust Consulting/Omni
5 Bankruptcy, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367 (facsimile: 818-783-
6 2737).

7 PARTICULARLY FOR PARTIES TO THE CITY'S EXECUTORY CONTRACTS AND
8 UNEXPIRED LEASES, PLEASE TAKE FURTHER NOTICE that:

9 1. Pursuant to the Plan and the Order, the City has rejected the following contracts: (1)
10 Office Building Standby Agreement; (2) Lease, dated as of June 21, 1988, between the City, as
11 lessor, and Stockton Sailing Club, a California corporation, as lessee, as amended by the First
12 Amendment to Lease, dated as of August 22, 1994; (3) Lease, dated as of December 27, 1974,
13 between the City, as lessor, and Stephens Marine, Inc., a California corporation, as lessee, as
14 amended; and (4) Agreement for Purchase and Sale of Real Property, dated as of August 17,
15 2004, by and between the City and the County of San Joaquin.

16 2. Subject to Paragraph 3 of this Notice, the City is assuming all other executory contracts
17 and unexpired leases. The City believes that it is not in default under any such executory
18 contracts and unexpired leases. Pursuant to the Plan, any party to an assumed executory contract
19 or unexpired lease that asserts that any payment or other performance is due as a condition to the
20 assumption shall, no later than 90 days after the Effective Date of the Plan¹, file with the
21 Bankruptcy Court and serve upon counsel for the City a written statement and accompanying
22 declaration in support thereof, specifying the basis for its claim. The failure to timely file and
23 serve such a statement and declaration shall be deemed to be a waiver of any and all objections to
24 the assumption and to any claim for cure amounts of the agreement at issue.

25 3. Notwithstanding Paragraph 2 of this Notice, the agreements relating to Wells Fargo
26 Bank, National Public Finance Guaranty, Assured Guaranty Corp. and Ambac Assurance
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28 ¹ The Plan defines the Effective Date as the first business day after the conditions specified in Section XIII of the Plan have been satisfied.

1 Corporation have been assumed pursuant to the Plan and have been modified as set forth in the
2 Plan and in the documents contained in the Second Supplemental Plan Supplement.

3 For additional information, creditors and parties in interest, including those who are
4 parties to the City’s executory contracts or unexpired leases, may contact counsel for the City,
5 Patrick Bocash, Orrick, Herrington & Sutcliffe LLP, at pbocash@orrick.com or by mail at the
6 address in the upper left hand corner of the first page of this Notice of Entry.

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Dated: November __, 2014

MARC A. LEVINSON
NORMAN C. HILE
PATRICK B. BOCASH
Orrick, Herrington & Sutcliffe LLP

By: _____
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City of Stockton