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 City of Stockton

14 UNITED STATES BANKRUPTCY COURT
 15 EASTERN DISTRICT OF CALIFORNIA
 16 SACRAMENTO DIVISION

18 In re:
 19 CITY OF STOCKTON, CALIFORNIA,
 20 Debtor.

Case No. 2012-32118
 Chapter 9

**CITY'S SUBMISSION OF REDLINED
 COMPARISON OF THE FIRST
 AMENDED PLAN FOR THE
 ADJUSTMENT OF DEBTS OF CITY
 OF STOCKTON, CALIFORNIA, AS
 MODIFIED, DATED JUNE 2, 2014 AND
 THE FIRST AMENDED PLAN FOR
 THE ADJUSTMENT OF DEBTS OF
 CITY OF STOCKTON, CALIFORNIA,
 DATED NOVEMBER 15, 2013**

1 The City of Stockton, California (“City”), the debtor in the above-captioned case, hereby
2 submits the redlined comparison, attached hereto as Exhibit 1, of the City’s First Amended Plan
3 for the Adjustment of Debts of City of Stockton, California, As Modified, dated June 2, 2014 and
4 the City’s First Amended Plan for the Adjustment of Debts of the City of Stockton, California,
5 Dated November 15, 2013 [Dkt. No. 1204].

6
7 Dated: June 2, 2014

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By: /s/ Marc A. Levinson
MARC A. LEVINSON
Attorneys for Debtor
City of Stockton

Exhibit 1

~~The draft disclosure statement accompanying this draft plan of adjustment has not been approved by the Bankruptcy Court. The distribution of the draft disclosure statement and of this draft plan is not intended as, and should not be construed to be, the solicitation of a vote on this draft plan or on any other plan.~~

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City of Stockton

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re
CITY OF STOCKTON, CALIFORNIA,
Debtor.

Case No. 2012-32118
Chapter 9

**FIRST AMENDED PLAN FOR
THE ADJUSTMENT OF DEBTS
OF CITY OF STOCKTON,
CALIFORNIA ~~(NOVEMBER 15,
2013, AS MODIFIED (JUNE 2,
2014)~~**

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TABLE OF AUTHORITIES

~~(TO BE FILED ON NOVEMBER 18, 2013)~~ The City of Stockton, California, a

debtor under chapter 9 of the Bankruptcy Code in the case styled *In re City of Stockton, California*, Case No. 2012-32118, currently pending in the United States Bankruptcy Court for the Eastern District of California, hereby proposes the following First Amended Plan of Adjustment of Debts for City of Stockton, California ~~(November 15, 2013)~~, As Modified (June 2, 2014), pursuant to section 941 of the Bankruptcy Code.¹

Please refer to the ~~accompanying~~ Disclosure Statement for a discussion of the City’s financial condition, the developments throughout the Chapter 9 Case, ~~a summary and analysis of this Plan~~, and for other important information. The City encourages you to read this Plan and the Disclosure Statement in their entirety before voting to accept or reject this Plan. No materials other than the Disclosure Statement and the various exhibits and schedules attached to or incorporated therein have been approved for use in soliciting acceptance or rejection of this Plan.

I. DEFINITIONS, INTERPRETATION AND RULES OF CONSTRUCTION

A. Definitions.

- 1. **2003 Fire/Police/Library Certificates** means the 2003A Fire/Police/Library Certificates and the 2003B Fire/Police/Library Certificates.
- 2. **2003 Fire/Police/Library Certificates Reimbursement Agreement** means that certain Reimbursement Agreement, dated as of June 1, 2003, by and between the Successor Agency and the City.
- 3. **2003 Fire/Police/Library Certificates Supplemental Trust Agreement** means the First Supplemental Trust Agreement, dated as of May 9, 2013, by and among Wells Fargo, the Financing Authority, and the City, the form of which is attached as Exhibit B to the Declaration of Robert Deis in Support of the City of Stockton’s Motion Under Bankruptcy Rule 9019 for Approval of Its Settlement with Ambac Assurance Corporation, filed in the Chapter 9

¹The definitions of capitalized terms used throughout this Plan are set forth in Section I(A). As set forth in Section I.B., unless otherwise noted, all references to a “section” are references to a section of the Bankruptcy Code.

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Case on February 26, 2013 [Dkt. No. 725].

///

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4. **2003 Fire/Police/Library Certificates Trust Agreement** means the Trust Agreement, dated as of June 1, 2003, by and among Wells Fargo, the Financing Authority, and the City, relating to the 2003 Fire/Police/Library Certificates.

5. **2003 Fire/Police/Library Certificates Trustee** means Wells Fargo, as trustee under the 2003 Fire/Police/Library Certificates Trust Agreement, or any successor trustee thereunder.

6. **2003A Fire/Police/Library Certificates** means the Certificates of Participation (Redevelopment Housing Projects) Series 2003A, issued on June 27, 2003, in the original principal amount of \$1,160,000.

7. **2003B Fire/Police/Library Certificates** means the Certificates of Participation (Redevelopment Housing Projects) Taxable Series 2003B, issued on June 27, 2003, in the original principal amount of \$12,140,000.

8. **2004 Arena Bond Indenture** means the Indenture of Trust, dated as of March 1, 2004, by and between the Successor Agency and the 2004 Arena Bond Trustee, relating to the 2004 Arena Bonds.

9. **2004 Arena Bond Insurance Policy** means the Municipal Bond New Issue Insurance Policy No. 04010198 issued by NPMG, as successor to Financial Guaranty Insurance Company, with respect to the 2004 Arena Bonds.

10. **2004 Arena Bond Trustee** means Wells Fargo, as indenture trustee under the 2004 Arena Bonds Indenture, or any successor indenture trustee thereunder.

11. **2004 Arena Bonds** means the Successor Agency of the City of Stockton Revenue Bonds, Series 2004, (Stockton Events Center – Arena Project), issued on March 26, 2004 in the original aggregate principal amount of \$47,000,000.

12. **2004 Parking Bond Indenture** means the Indenture of Trust, dated as of June 1, 2004, by and between the Financing Authority and the 2004 Parking Bond Trustee.

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~~relating to the 2004 Parking Bonds.~~

~~///~~

~~///~~

13. ~~12.~~ **2004 Parking Bond Insurance Policy** means the Municipal Bond New Issue Insurance Policy No. 04010390 issued by NPF, as successor to Financial Guaranty Insurance Company, with respect to the 2004 Parking Bonds.

14. ~~13.~~ **2004 Parking Bond Trustee** means Wells Fargo, as indenture trustee under the 2004 Parking Bonds Indenture, or any successor indenture trustee thereunder.

15. ~~14.~~ **2004 Parking Bonds** means the Stockton Public Financing Authority Lease Revenue Bonds, Series 2004, (Parking and Capital Projects), issued on June 25, 2004, in the original aggregate principal amount of \$32,785,000.

~~15. **2004 Parking Bond Indenture** means the Indenture of Trust, dated as of June 1, 2004, by and between the Financing Authority and the 2004 Parking Bond Trustee, relating to the 2004 Parking Bonds.~~

16. **2006 SEB Bond Insurance Policy** means the Financial Guaranty Insurance Policy No. 47756(1) issued by NPF, as successor to MBIA Insurance Corporation, with respect to the 2006 SEB Bonds.

17. **2006 SEB Bond Trustee** means Wells Fargo, as indenture trustee under the 2006 SEB Bonds Indenture, or any successor indenture trustee thereunder.

18. **2006 SEB Bonds** means the Stockton Public Financing Authority 2006 Lease Revenue Refunding Bonds, Series A, issued on April 6, 2006, in the original aggregate principal amount of \$13,965,000.

19. **2006 SEB Indenture** means the Indenture of Trust, dated as of March 1, 2006, by and between the Financing Authority and the 2006 SEB Bond Trustee, relating to the 2006 SEB Bonds.

20. **2007 Office Building Bond Insurance Policy** means, collectively, the Financial Guaranty Insurance Policy No. D-2007-293 and the Financial Guaranty Insurance Policy No. D-2007-295, each issued by Assured Guaranty with respect to the 2007 Office

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1 (iii) is subject to a stipulation between the City and the holder of
2 such Claim providing for the allowance of such Claim;

3 (iv) is deemed “Allowed” pursuant to this Plan;

4 (v) is designated as “Allowed” in a pleading entitled
5 “Designation Of Allowed Claims” (or a similar title of the same import) filed with the Bankruptcy
6 Court by the City on or after the Effective Date; or

7 ~~##~~

8 ~~##~~

9 (b) with reference to any Administrative Claim or Other Postpetition
10 Claim, as to which the Bankruptcy Court has entered a Final Order allowing all or a portion of
11 such Administrative Claim or Other Postpetition Claim (but only in the amount so allowed).

12 **34. Ambac** means Ambac Assurance Corporation, a Wisconsin stock
13 insurance corporation.

14 **35. Ambac Effective Date** means the first ~~business day~~Business Day
15 following the day on which all the conditions contained in section 5.1 of the Ambac Settlement
16 Agreement have either occurred or been expressly waived by the parties thereto.

17 **36. Ambac Insurance Policy** means the Financial Guaranty Insurance Policy
18 No. 21154BE issued by Ambac in connection with the Fire/Police/Library Lease Back
19 Transaction, which insures the 2003 Fire/Police/Library Certificates executed and delivered by the
20 2003 Fire/Police/Library Certificates Trustee to fund affordable housing projects in the City.

21 **37. Ambac Settlement Agreement** means the Stipulation and Settlement
22 Agreement, dated as of February 26, 2013, by and among the City, the Financing Authority, the
23 2003 Fire/Police/Library Certificates Trustee, and Ambac, which is attached as Exhibit A to the
24 Declaration of Robert Deis in Support of the City of Stockton’s Motion Under Bankruptcy Rule
25 9019 for Approval of Its Settlement with Ambac Assurance Corporation, filed in the Chapter 9
26 Case on February 26, 2013 [Dkt. No. 725].

27 **38. Arena** means that property described as Parcel 4, as shown on the Parcel
28 Map filed for record in the office of the Recorder of the County of San Joaquin, State of

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1 California, on March 4, 2003, in Book 23 of Maps, page 15, and the Arena located thereon, an
2 indoor facility capable of hosting events such as ice hockey, indoor football, indoor soccer,
3 concerts, boxing events, rodeos, and other such indoor events, and located at 248 West Fremont
4 Street in downtown Stockton.

5 **39. Arena Claims of the 2004 Arena Bond Trustee/NPFG** means the Claims
6 arising in connection with the Arena Lease Back Transaction (which claims are asserted by the
7 2004 Arena Bond Trustee at the direction of NPFG (as the insurer of the 2004 Arena Bonds) as a
8 result of the assignment by the Successor Agency of all of its rights under the Arena Lease Out
9 and the Arena Lease Back to the 2004 Arena Bond Trustee), as modified by the NPFG
10 Settlement. The Arena Claims of the 2004 Arena Bond Trustee/NPFG do not include any claims
11 arising out of non-payment of the 2004 Arena Bonds as all such claims are claims against the
12 Successor Agency and are not obligations of the City (except to the extent specifically provided
13 under the terms of the NPFG Settlement).

14 **40. Arena Lease Back** means that certain Lease Agreement, dated as of March
15 1, 2004, pursuant to which the Successor Agency leased the Arena to the City.

16 **41. Arena Lease Back Transaction** means, collectively, all transactions
17 memorialized in, among other things, the 2004 Arena Bonds, Arena Lease Out, and the Arena
18 Lease Back, and all related documents in connection therewith.

19 **42. Arena Lease Out** means that certain Site Lease, dated as of March 1,
20 2004, pursuant to which the City leased the Arena to the Successor Agency.

21 **43. Arena Pledge Agreement** means that certain Pledge Agreement, dated as
22 of March 1, 2004, between the City, as pledgor, and the Successor Agency, as pledgee, pursuant
23 to which the City pledged certain incremental tax revenues expected to be collected from the
24 West End Urban Renewal Project No. 1.

25 ~~**44. Assumption Motion** means the motion to be filed by the City pursuant to
26 section 365(a) pursuant to which the City shall seek approval and authorization for its assumption
27 of such executory contracts and unexpired leases as are identified in such motion.~~

28 **44. 45. Assured Guaranty** means, collectively, Assured Guaranty Municipal

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1 Corp. and Assured Guaranty Corp.

2 45. ~~46.~~ **Assured Guaranty Settlement** means the settlement among the City
3 and Assured Guaranty relating to the Office Building Lease Back Transaction and the Pension
4 Obligation Bonds, the terms of which settlement are memorialized in the Assured Guaranty
5 Settlement Documents.

6 46. ~~47.~~ **Assured Guaranty Settlement Documents** means the documents
7 implementing the Assured Guaranty Settlement, copies of which documents are annexed as
8 Collective Exhibit 1 to the Plan Supplement.

9 47. ~~48.~~ **Ballot** means the ballot(s), in the form(s) approved by the Bankruptcy
10 Court in the Plan Solicitation Order accompanying the Disclosure Statement and provided to each
11 holder of a Claim entitled to vote to accept or reject this Plan.

12 48. ~~49.~~ **Bankruptcy Code** means title 11 of the United States Code, as
13 amended from time to time, as applicable to the Chapter 9 Case.

14 49. ~~50.~~ **Bankruptcy Court** means the United States Bankruptcy Court for the
15 Eastern District of California, Sacramento Division, or such other court that lawfully exercises
16 jurisdiction over the Chapter 9 Case.

17 50. ~~51.~~ **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure,
18 as amended from time to time, as applicable to the Chapter 9 Case, together with the local rules of
19 the Bankruptcy Court applicable to the Chapter 9 Case. Unless otherwise indicated, references in
20 this Plan to “Bankruptcy Rule _____” are to the specifically identified rule of the Federal Rules
21 of Bankruptcy Procedure.

22 51. ~~52.~~ **Bar Date** means the applicable date by which a particular proof of
23 claim must be filed, as established by the Bankruptcy Court.

24 52. **BEDI** means the Brownfields Economic Development Initiative.

25 53. **BEDI Grant** means the award by HUD of \$1,212,807 in BEDI grant funds
26 for costs chargeable to the City’s fiscal year 2003 BEDI award for the Downtown Stockton
27 Waterfront Project, the award of which is contingent upon the City’s compliance with the terms
28 set forth in that certain letter dated May 7, 2014, from Yolanda Chávez, Deputy Assistant

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Secretary for Grant Programs, HUD, to the Honorable Anthony Silva.

54. ~~53.~~ **Business Day** means a day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York, are required or authorized to close by law or executive order.

55. ~~54.~~ **CalPERS** means the California Public Employees' Retirement System.

56. ~~55.~~ **CalPERS Pension Plan** means the pension plan ~~contract~~ between CalPERS and the City, dated as of September 1, 1944, as amended (CalPERS ID 6373973665).

57. ~~56.~~ **CalPERS Pension Plan Participants** means those current and former City employees and their survivors and other dependents who are the beneficiaries of the CalPERS Pension Plan.

~~///~~

58. ~~57.~~ **Cash** means cash and cash equivalents, including withdrawable bank deposits, wire transfers, checks, and other similar items.

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59. ~~58.~~ **Chapter 9 Case** means the case under chapter 9 of the Bankruptcy Code commenced by the City, styled *In re City of Stockton, California*, Case No. 2012-32118, currently pending in the Bankruptcy Court.

60. ~~59.~~ **City** means the City of Stockton, California, the debtor in the Chapter 9 Case.

61. ~~60.~~ **City Council** means the duly elected legislative body of the City.

62. ~~61.~~ **CJPRMA** means California Joint Powers Risk Management Authority.

63. ~~62.~~ **Claim** has the meaning set forth in section 101(5).

64. ~~63.~~ **Class** means any group of Claims classified herein pursuant to section 1123(a).

65. ~~64.~~ **Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

66. ~~65.~~ **Confirmation Hearing** means the hearing to be conducted by the

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1 Bankruptcy Court regarding confirmation of this Plan, as such hearing may be adjourned,
2 reconvened or continued from time to time.

3 67. ~~66.~~ **Confirmation Order** means the order of the Bankruptcy Court
4 confirming this Plan pursuant to section 943.

5 68. ~~67.~~ **Construction Agreement** means that certain “Agreement Regarding
6 Construction Costs” dated as of April 29, 2008, among SCC 16, the City, and the Successor
7 Agency, relating to the City’s obligation to reimburse SCC 16 for construction costs paid by SCC
8 16 that the City was otherwise liable to pay, for the construction of improvements to certain
9 premises located in the Edmund S. Coy Parking Structure leased by SCC 16.

10 ~~68. **Controller** means the California State Controller’s Office.~~

11 69. **Contracts for Loan Guarantee** means (i) that certain Contract of Loan
12 Guarantee Assistance Under Section 108 of the Housing and Community Development Act of
13 1974, as amended, 42 U.S.C. §5308, dated December 27, 2000, by and between the City, as
14 borrower, and HUD, as guarantor, for two promissory notes issued by the City both numbered
15 B-98-MC-06-0026; (ii) that certain Contract of Loan Guarantee Assistance Under Section 108 of
16 the Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5308, dated
17 December 27, 2000, by and between the City, as borrower, and HUD, as guarantor, for a
18 promissory note issued by the City numbered B-98-MC-06-0026-A; and (iii) that certain Contract
19 of Loan Guarantee Assistance Under Section 108 of the Housing and Community Development
20 Act of 1974, as amended, 42 U.S.C. § 5308, dated March 2, 2006, by and between the City, as
21 borrower, and HUD, as guarantor, for a promissory note issued by the City numbered
22 B-03-MC-06-0036.

23 70. ~~69.~~ **Convenience Class Claim** means any Allowed Claim that is greater
24 than \$0.00 in Allowed amount and less than or equal to \$100 in Allowed amount or irrevocably
25 reduced to \$100 in Allowed amount at the election of the holder of the Allowed Claim as
26 evidenced by the Ballot submitted by such holder; *provided, however,* that an Allowed Claim

27 ~~///~~

28 may not be subdivided into multiple Claims of \$100 or less for purposes of receiving treatment as

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1 a Convenience Class Claim.

2 71. ~~70.~~ DBW means the California Department of Boating and Waterways,
3 now the Boating and Waterways division of the Department of Parks and Recreation.

4 72. DBW Settlement Agreement means the agreement implementing the
5 DBW settlement between the City and DBW, annexed as Exhibit 4 to the Supplemental Plan
6 Supplement and annexed as an exhibit to the Second Supplemental Plan Supplement.

7 73. Deed of Estate for Years means the deed made by the City in favor of the
8 2009 Golf Course/Park Bond Trustee, by which the City would, on the Effective Date, transfer the
9 right of possession of the Golf Course/Park Properties through September 1, 2038, or such other
10 date as determined by the Bankruptcy Court to be the termination date of such right of possession,
11 should the City elect in its sole discretion to transfer the right of possession of the Golf
12 Course/Park Properties to the 2009 Golf Course/Park Bond Trustee as described in Section
13 IV(U)(2)(c) of this Plan. The Deed of Estate for Years will restrict the use of the Golf
14 Course/Park Properties to uses consistent with the Stockton Municipal Code, the Stockton
15 General Plan, Federal Emergency Management Agency restrictions, and in the case of Van
16 Buskirk Golf Course and community center, any applicable deed restrictions (as any of the
17 foregoing may be amended from time to time). The Deed of Estate for Years will condition
18 continued use and possession by the 2009 Golf Course/Park Bond Trustee or its assignees or
19 designees (and provide appropriate remedies upon any failure to perform) upon:

20 (a) arrangements satisfactory to the City for the maintenance of the Golf
21 Course/Park Properties in the same or better condition than they were in at the time of the transfer
22 in order to assure that the 2009 Golf Course/Park Bond Trustee will be in a position to return the
23 Golf Course/Park Properties to the City at the termination of the possessory estate granted in the
24 Deed of Estate for Years in the same good order and condition as the Golf Course/Park Properties
25 were in at the time of commencement of the original term of the Golf Course/Park Lease Out,
26 reasonable wear and tear excepted;

27 (b) the obligation of the 2009 Golf Course/Park Bond Trustee to avoid waste;
28

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(c) a reservation of the right of the City, or any of its duly authorized representatives, to enter upon the Golf Course/Park Properties at any reasonable time to inspect the same or to make any repairs, improvements, or changes the City may choose to make, and to access any City equipment and facilities located thereon;

(d) upon expiration of the stated term of the Deed of Estate for Years (or termination as provided in subsection (e) below), the 2009 Golf Course/Park Trustee shall return the Golf Course/Park Properties to the City in the same good order and condition as the same were in at the time of commencement of the original term of the Golf Course/Park Lease Out, reasonable wear and tear excepted, including any permanent improvements and structures existing upon the Golf Course/Park Properties at the time of such expiration or termination of the Deed of Estate for Years and title thereto shall vest in the City; and

(e) should the Bankruptcy Court determine that the term of the estate granted is indefinite and extended until all original Lease Payments (as defined in the 2009 Golf Course/Park Bonds Indenture) are paid, then the City shall have the right, upon payment of such amounts to cause the Deed of Estate for Years to be terminated.

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74. ~~71.~~ **Dexia** means Dexia Crédit Local, a banking corporation duly organized and existing under the laws of the Republic of France, acting through its New York branch.

75. ~~72.~~ **Disallowed** means a Claim or portion thereof that: (i) has been disallowed by a Final Order of the Bankruptcy Court; (ii) has been listed by the City in its list of creditors, as it may be amended from time to time in accordance with Bankruptcy Rule 1009, as in the amount of \$0.00, contingent, disputed, or unliquidated, and as to which no proof of claim has been filed by the applicable deadline or deemed timely filed pursuant to any Final Order of the Bankruptcy Court; (iii) as to which the holder thereof has agreed to be equal to \$0.00 or to be withdrawn, disallowed or expunged; or (iv) has not been listed in the list of creditors and as to which no proof of claim has been filed by the applicable deadline or deemed timely filed pursuant to a Final Order of the Bankruptcy Court.

76. ~~73.~~ **Disclosure Statement** means the disclosure statement, and all exhibits

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1 and schedules incorporated therein, that relates to this Plan and ~~that is~~was approved by the
2 Bankruptcy Court pursuant to section ~~1125~~1125 in an order filed on November 22, 2013, as the
3 same may be amended, modified, or supplemented in accordance with the Bankruptcy Code.

4 77. ~~74. **Disposition and Development Agreement** means that certain~~
5 ~~Disposition and Development Agreement between SCC-16 and the Successor Agency, dated as of~~
6 ~~October 8, 2002, regarding the development of the City Center Cinema project in the City.~~
7 Intentionally Left Blank.

8 78. ~~75. **Disputed Claim**~~ means any Claim or portion thereof that has not
9 become Allowed and that is not Disallowed. In the event that any part of a Claim is a Disputed
10 Claim, except as otherwise provided in this Plan, such Claim shall be deemed a Disputed Claim
11 in its entirety for purposes of distribution under this Plan unless the City otherwise agrees in
12 writing in its sole discretion. Without limiting the foregoing, a Claim that is the subject of a
13 pending

14 ~~///~~
15 application, motion, complaint, objection, or any other legal proceeding seeking to disallow, limit,
16 reduce, subordinate, or estimate such Claim shall be deemed to be a Disputed Claim.

17 79. ~~76. **Edmund S. Coy Parking Structure**~~ means the parking structure
18 located at N. Hunter Street and E. Channel Street in the City.

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22 80. ~~77. **Effective Date**~~ means the first Business Day after the Confirmation
23 Date on which the conditions specified in Section XIII of the Plan have been satisfied or waived.

24 81. ~~78. **Eligibility Contest**~~ means, collectively, the trial on the City's eligibility
25 to be a debtor under Chapter 9 of the Bankruptcy Code and all ancillary and related pleadings,
26 discovery, hearings, and actions.

27 82. ~~79. **Exculpated Party**~~ means each or any of the City, NPMG, Assured
28 Guaranty, Ambac, the Indenture Trustee in all its capacities (except in its capacity as the 2009

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Golf Course/Park Bond Trustee), and the respective Related Persons of each of the foregoing.

83. ~~80.~~ **Events Center Project** has the meaning set forth in the definition of Arena Lease Back Transaction.

84. ~~81.~~ **Final Order** means a judgment, order, ruling, or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other tribunal having jurisdiction over the subject matter thereof which judgment, order, ruling, or other decree has not been reversed, stayed, modified, or amended and as to which: (i) the time to appeal or petition for review, rehearing, or certiorari has expired and no appeal or petition for review, rehearing, or certiorari is then pending; or (ii) any appeal or petition for review, rehearing, or certiorari has been finally decided and no further appeal or petition for review, rehearing, or certiorari can be taken or granted.

85. ~~82.~~ **Financing Authority** means the Stockton Public Financing Authority, a joint powers authority organized and existing under the laws of the state of California and that certain Joint Exercise of Powers Agreement dated as of June 16, 1990, by and between the City and the Successor Agency.

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86. ~~83.~~ **Fire/Police/Library Lease Back** means that certain Lease Agreement, dated as of June 1, 2003, pursuant to which the Financing Authority leased the Fire/Police/Library Properties to the City.

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87. ~~84.~~ **Fire/Police/Library Lease Back Transaction** means, collectively, all transactions memorialized in, among other things, the 2003 Fire/Police/Library Certificates Reimbursement Agreement, the 2003 Fire/Police/Library Certificates, the Fire/Police/Library Lease Out, the Fire/Police/Library Lease Back, and all related documents in connection therewith.

88. ~~85.~~ **Fire/Police/Library Lease Out** means that certain Site and Facility

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1 Lease, dated as of June 1, 2003, pursuant to which the City leased the Fire/Police/Library
2 Properties to the Financing Authority.

3 89. ~~86.~~ **Fire/Police/Library Lease Out Assignment Agreement** means the
4 Assignment Agreement by and between the Financing Authority and the 2003 Fire/Police/Library
5 Certificates Trustee, in substantially the form annexed to the Ambac Settlement Agreement as
6 Exhibit A (and referred to in the Ambac Settlement Agreement as the “Site Lease Assignment
7 Agreement”).

8 90. ~~87.~~ **Fire/Police/Library Properties** means, collectively, the City’s Main
9 Police Facility, located at 22 E. Market Street; the Maya Angelou Southeast Branch Library,
10 located at 2324 Pock Lane; Fire Station No. 1, located at 1818 Fresno Avenue; Fire Station No. 5,
11 located at 3499 Manthey Road; and Fire Station No. 14, located at 3019 McNabb Street.

12 91. ~~88.~~ **Fourth Floor Lease of 400 E. Main** means that certain 400 East Main
13 Street Office Lease dated as of June 1, 2012, between Main Street Stockton LLC and The City of
14 Stockton.

15 92. ~~89.~~ **Franklin** means, collectively, Franklin Advisers, Inc., Franklin High
16 Yield Tax-Free Income Fund, and Franklin California High Yield Municipal Fund.

17 ~~90. **Franklin Re-characterization Adversary Proceeding** means the
18 adversary proceeding that the 2009 Golf Course/Park Bond Trustee, Franklin High Yield
19 Tax-Free Income Fund, and Franklin California High Yield Municipal Fund commenced by filing
20 a~~

21 ~~///
22 **Complaint for Declaratory Relief against the City in the Bankruptcy Court.** [Dkt. No. 118],
23 **commencing Adversary Case 13-2315].**~~

24 93. ~~91.~~ **General Fund** means the City’s chief operating fund, which is used to
25 account for all financial resources except those required to be accounted for in another fund (such
26 as the Restricted Funds).

27 94. ~~92.~~ **General Liability Claim** means a tort or contract Claim filed against
28 the City pursuant to the Government Claims Act, California Government Code section 810 *et seq.*

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95. ~~93.~~ **General Unsecured Claim** means any unsecured Claim *that is not* (i) an Administrative Claim; (ii) a General Liability Claim; or (iii) a Workers Compensation Claim; *but excluding* the unsecured portion, if any, of the claims of the holders of the Claims in Classes 1A and 1B (Ambac), 2, 3, and 4 (NPFPG), and 5 and 6 (Assured Guaranty), which unsecured claims, if any, will be paid in accordance with the various settlements with such holders.

96. **Golf Course/Park Claims** means, collectively, the Golf Course/Park Secured Claim and the Golf Course/Park Unsecured Claim. The Allowed amount of the Golf Course/Park Claims is \$36,603,625.93.

97. ~~94.~~ **Golf Course/Park Claims of the 2009 Golf Course/Park Bond Trustee/Franklin** means the Claims arising from the rejection by the City of the Golf Course/Park Lease Back (as limited under section 502(b)(6)) and the Claims, if any, arising from the rejection by the City of the Golf Course/Park Lease Out, which claims are asserted by the 2009 Golf Course/Park Bond Trustee at the direction of Franklin, or its authorized successor in interest, as the sole holder of the 2009 Golf Course/Park Bonds as a result of the assignment by the Financing Authority of all of its rights under the Golf Course/Park Lease Out and the Golf Course/Park Lease Back to the 2009 Golf Course/Park Bond Trustee. ~~The Golf Course/Park Claims of the 2009 Golf Course/Park Bond Trustee/Franklin do not include any claims arising out of non-payment of the 2009 Golf Course/Park Bonds as all such claims are non-recourse claims against the Financing Authority secured only by the assignment by the Financing Authority of the Golf Lease Back Rental Payments and all of its rights under the Golf Course/Park Lease Out and the Golf Course/Park Lease Back, and are not obligations of the City.~~ Collateral means the right of the 2009 Golf Course/Park Bond Trustee to take possession of the Golf Course/Park Properties through September 1, 2038, or such other date as is determined by the Bankruptcy Court to be the termination date for such possession. The Bankruptcy Court will determine the value of the Golf Course/Park Collateral during the Confirmation Hearing.

98. ~~95.~~ **Golf Course/Park Lease Back** means that certain Lease Agreement, dated as of September 1, 2009, pursuant to which the Financing Authority leased the Golf Course/Park Properties to the City.

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1 ~~99.~~ **96. Golf Course/Park Lease Back Rental Payments** means the
2 semi-annual rental payments in varying amounts that the City agreed to make as tenant under the
3 Golf Course/Park Lease Back.

4 **100.** ~~97.~~ **Golf Course/Park Lease Back Transaction** means, collectively, all
5 transactions memorialized in, among other things, the 2009 Golf Course/Park Bonds, the Golf
6 Course/Park Lease Out, and the Golf Course/Park Lease Back, and all related documents in
7 connection therewith.

8 **101.** ~~98.~~ **Golf Course/Park Lease Out** means that certain Site and Facility
9 Lease, dated as of September 1, 2009, pursuant to which the City leased the Golf Course/Park
10 Properties to the Financing Authority.

11 **102.** ~~99.~~ **Golf Course/Park Properties** means, collectively, Oak Park, the Van
12 Buskirk Golf Course, and the Swenson Golf Course.

13 **103.** **Golf Course/Park Secured Claim** means the Secured Claim, if any, of the
14 2009 Golf Course/Park Bond Trustee arising from the recharacterization of the Golf Course/Park
15 Lease Back Transaction as a secured financing transaction pursuant to the Partial Judgment. The
16 Allowed amount of the Golf Course/Park Secured Claim as of the date of confirmation of the Plan
17 shall be determined by the Bankruptcy Court as the value of the Golf Course/Park Collateral.

18 **104.** **Golf Course/Park Unsecured Claim** means the Class 12 unsecured Claim
19 of the 2009 Golf Course/Park Bond Trustee arising from the recharacterization of the Golf
20 Course/Park Lease Back Transaction as a secured financing transaction pursuant to the Partial
21 Judgment. The Allowed amount of the Golf Course/Park Unsecured Claim as of the date of
22 confirmation of the Plan is equal to: (i) \$36,603,625.93 minus (ii) the Allowed amount of the
23 Golf Course/Park Secured Claim.

24 **105.** **HUD** means the U.S. Department of Housing and Urban Development.

25 **106.** ~~100.~~ **Impaired** means a Claim or interest that is impaired within the
26 meaning of section 1124.

27 **107.** ~~101.~~ **Indenture Trustee** means the 2003 Fire/Police/Library Certificates
28 Trustee, the 2004 Arena Bond Trustee, the 2004 Parking Bond Trustee, the 2006 SEB Bond

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1 Trustee, the 2007 Office Building Bond Trustee, the 2009 Golf Course/Park Bond Trustee, and/or
2 the Pension Obligation Bonds Trustee, as the context requires.

3 108. ~~102.~~ **Insurance Policies** means the 2004 Arena Bond Insurance Policy, the
4 2004 Parking Bond Insurance Policy, the 2006 SEB Bond Insurance Policy, the 2007 Office
5 Building Bond Insurance Policy, and the Ambac Insurance Policy.

6 109. ~~103.~~ **Insured Portion** means that portion of an Allowed Workers
7 Compensation Claim or an Allowed General Liability Claim that is covered by one or more of the
8 excess risk-sharing pools of which the City is a member, up to the amount of the policy limits,
9 including any excess coverage policies.

10 110. ~~104.~~ **Leave Buyout Claim** means a Claim of a former City employee on
11 account of unpaid sick leave or other compensation or reimbursement due upon such employee's
12 retirement or other separation from City service.

13 111. ~~105.~~ **Marina Construction Loan** means that certain Stockton Waterfront
14 Marina \$13,300,000 Loan Contract, dated as of June 21, 2004.

15 112. ~~106.~~ **Marina Construction Loan Agreement** means the amended Marina
16 Construction Loan.

17 113. ~~107.~~ **Marina Project** has the meaning set forth in the Marina Construction
18 Loan Agreement.

19 114. ~~108.~~ **Market Street Garage** means the structure located within the City's
20 Central Parking District on Market Street between Sutter and California Streets.

21 115. ~~109.~~ **New 400 E. Main Lease** means the lease to the City of a portion of
22 the 400 E. Main Office Building Property, a copy of which lease is included in the Assured
23 Guaranty Settlement Documents.

24 116. ~~110.~~ **Notice of the Effective Date** shall have the meaning ascribed to such
25 phrase in Section XIV(E) of the Plan.

26 117. ~~111.~~ **NPFG** means National Public Finance Guarantee Corporation, a New
27 York stock insurance corporation.

28 118. ~~112.~~ **NPFG Arena Settlement** means the settlement between the City and

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1 NPFPG relating to the Arena Lease Back Transaction, the terms of which settlement are
2 memorialized in the NPFPG Arena Settlement Documents.

3 119. ~~113.~~ **NPFPG Arena Settlement Documents** means the documents
4 implementing the NPFPG Arena Settlement, copies of which documents are annexed as Collective
5 Exhibit 2 to the Plan Supplement.

6 120. ~~114.~~ **NPFPG Parking Settlement** means the settlement between the City
7 and NPFPG relating to the Parking Structure Lease Back Transaction, the terms of which
8 settlement are memorialized in the NPFPG Parking Settlement Documents.

9 121. ~~115.~~ **NPFPG Parking Settlement Documents** means the documents
10 implementing the NPFPG Parking Settlement, copies of which documents are annexed as
11 Collective Exhibit 3 to the Plan Supplement.

12 122. **NPFPG Settlement means, collectively, the NPFPG Arena Settlement, the**
13 **NPFPG Parking Settlement, and the NPFPG/SEB Settlement.**

14 ///

15 123. ~~116.~~ **NPFPG/SEB Settlement** means the settlement between the City and
16 NPFPG relating to the SEB Lease Back Transaction, the terms of which settlement are embodied
17 herein.

18 ~~117.~~ **NPFPG Settlement means, collectively, the NPFPG Arena Settlement, the**
19 **NPFPG Parking Settlement, and the NPFPG/SEB Settlement.**

20 124. ~~118.~~ **Oak Park** means the public park of approximately 61.2 acres in the
21 City, bounded on the east by Union Pacific railroad tracks, on the north by East Fulton Street, on
22 the south by East Alpine Street, and on the west by North Sutter and Alvarado Streets.

23 125. ~~119.~~ **Office Building Claims of the 2007 Office Building Bond**
24 **Trustee/Assured Guaranty** means the Claims arising in connection with the Office Building
25 Lease Back Transaction, which Claims are asserted by the 2007 Office Building Bond Trustee at
26 the direction of Assured Guaranty as a result of the assignment by the Financing Authority of all
27 of its rights under the Office Building Lease Out and the Office Building Lease Back to the 2007
28 Office Building Bond Trustee.

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126. ~~120.~~ **Office Building Lease Back** means that certain Lease Agreement,

dated as of November 1, 2007, pursuant to which the Financing Authority leased the 400 E. Main Office Building Property to the City.

127. ~~121.~~ **Office Building Lease Back Transaction** means, collectively, all

transactions memorialized in, among other things, the 2007 Office Building Bonds, the Office Building Lease Out, and the Office Building Lease Back, and all related documents in connection therewith.

128. ~~122.~~ **Office Building Lease Out** means that certain Site and Facility Lease,

dated as of November 1, 2007, pursuant to which the City leased the 400 E. Main Office Building Property to the Financing Authority.

129. ~~123.~~ **Office Building Standby Agreement** means that certain Standby

Bond Purchase Agreement, dated as of November 29, 2007, entered into by the City, the Financing Authority, and Dexia.

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~~124. **Omitted Agreements** means, collectively, the executory contract(s) or unexpired lease(s) omitted from the schedules attached to the Assumption Motion and the Rejection Motion, if any.~~

130. ~~125.~~ **Other Postpetition Claims** means Claims asserted against the City

for services rendered to, or goods delivered to, or obligations incurred by, the City after the Petition Date that do not constitute Administrative Claims.

~~///~~

131. **Parking Authority** means the Parking Authority of the City of Stockton, a

public body corporate and politic, organized and existing under and by virtue of the laws of the State of California.

132. ~~126.~~ **Parking Structure Claims of the 2004 Parking Bond**

Trustee/NPFG means the Claims arising in connection with the Parking Structure Lease Back Transaction, as modified by the NPFG Settlement. The Parking Structure Claims of the 2004

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1 Parking Bond Trustee/NPFG do not include any claims arising out of non-payment of the 2004
2 Parking Bonds, as all such claims are non-recourse claims against the Financing Authority
3 secured only by the assignment by the Financing Authority of the Parking Structure Lease Back
4 Rental Payments and are not obligations of the City (except to the extent specifically provided
5 under the terms of the NPFG Settlement).

6 133. ~~127.~~ **Parking Structure Lease Back** means that certain Lease Agreement,
7 dated as of September 1, 2004, pursuant to which the Financing Authority leased the Parking
8 Structure Properties to the City.

9 134. ~~128.~~ **Parking Structure Lease Back Transaction** means, collectively, the
10 transactions memorialized in the 2004 Parking Bonds, the Parking Structure Lease Out, and the
11 Parking Structure Lease Back.

12 135. ~~129.~~ **Parking Structure Lease Out** means that certain Site and Facility
13 Lease, dated as of June 1, 2004, pursuant to which the City leased the Parking Structure
14 Properties to the Financing Authority.

15 136. ~~130.~~ **Parking Structure Properties** means, collectively, the Edmund S.
16 Coy Parking Structure, the Stockton Events Center Parking Structure, and the Market Street
17 Garage.

18 137. **Partial Judgment** means the Partial Judgment in Favor of Plaintiffs
19 entered on April 21, 2014 in the Recharacterization Adversary Proceeding [Adv. Dkt. No. 56].

20 138. ~~131.~~ **Pension Obligation Bonds** means the City of Stockton 2007 Taxable
21 Pension Obligation Bonds issued on April 5, 2007 in the aggregate principal amount of
22 \$125,310,000 pursuant to articles 10 and 11 (commencing with section 53570) of chapter 3 of
23 ~~part 1 of division 2 of title 5 of the Government Code of the State of California and the Pension~~
24 ~~Obligation Bonds Indenture.~~

25 ///

26 part 1 of division 2 of title 5 of the Government Code of the State of California and the Pension
27 Obligation Bonds Indenture.

28 139. ~~132.~~ **Pension Obligation Bonds Claims** means the Claims arising in

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1 connection with the Pension Obligation Bonds.

2 140. ~~133.~~ **Pension Obligation Bonds Indenture** means that certain Indenture of
3 Trust, dated as of April 1, 2007, by and between the City and the Pension Obligation Bonds
4 Trustee.

5 141. ~~134.~~ **Pension Obligation Bond Bonds Insurance Policy** means that certain
6 Municipal Bond Insurance Policy No. 208382-N issued by Assured Guaranty, as successor to
7 Financial Security Assurance, with respect to the Pension Obligation Bonds.

8 142. ~~135.~~ **Pension Obligation Bonds Trustee** means Wells Fargo, as indenture
9 trustee under the Pension Obligation Bonds Indenture, or any successor indenture trustee
10 thereunder.

11 143. ~~136.~~ **Petition Date** means June 28, 2012.

12 144. ~~137.~~ **Plan** means this First Amended Plan of Adjustment of Debts of City
13 of Stockton, California (November 15, 2013), together with any exhibits (including any Plan
14 Supplement and exhibits annexed to any Plan Supplement), each in their present form or as they
15 may be altered, amended or modified from time to time in accordance with the provisions of this
16 Plan, the Confirmation Order, the Bankruptcy Code, and the Bankruptcy Rules.

17 145. ~~138.~~ **Plan Document** means any agreement or instrument contemplated by,
18 or to be entered into pursuant to, this Plan, that is in form and substance acceptable to the City,
19 has been duly and validly executed and delivered, or deemed executed by the parties thereto, and
20 for which all conditions to its effectiveness have been satisfied or waived.

21 146. ~~139.~~ **Plan Solicitation Order** means the Order Approving (i) ~~Adequacy of~~
22 ~~Information in~~ 1) Modified Disclosure Statement with Respect to the City's Plan of Adjustment;
23 ~~(ii) Form, Scope and Nature of Solicitation, Balloting, Tabulation and Notices with Respect~~
24 ~~Thereto; and (iii) Related Confirmation Procedures, Deadlines and Notices;~~ First Amended Plan
25 for the Adjustment of Debts of City of Stockton (November 15, 2013); (2) Setting Confirmation
26 Procedures; and (3) Scheduling Filing Dates and the Confirmation Hearing [Dkt. No. 1220],
27 entered on November 22, 2013, by which the Bankruptcy Court ~~on [November __, 2013]~~
28 approved the Disclosure Statement as containing adequate information for the purpose of

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1 dissemination and solicitation of votes on and confirmation of this Plan and established certain
2 rules, deadlines, and procedures for the solicitation of votes with respect to and the balloting on
3 this Plan.

4 147. ~~140.~~ **Plan Supplement** means the ~~supplement to be filed with the~~
5 ~~Bankruptcy Court in accordance with Section I.C. no later than 14 days prior to the deadline~~
6 ~~established for objecting to confirmation of the Plan, containing, without limitation,~~ Plan
7 Supplement in Connection with the First Amended Plan for the Adjustment of Debts of City of
8 Stockton, California (November 15, 2013) [Dkt. No. 1236], filed on January 27, 2014, which
9 includes drafts reflecting the material economic terms of the Assured Guaranty Settlement
10 Documents, the NCFG Arena Settlement Documents, and the NCFG Parking Settlement
11 Documents, ~~the Price Settlement Documents, and any other agreement or instrument~~
12 ~~contemplated by, or to be entered into pursuant to, the~~ The Supplemental Plan Supplement
13 includes updated drafts of these documents as well as additional documents, as does the Second
14 Supplemental Plan Supplement.

15 148. ~~141.~~ **Ports License Agreement** means that certain “Events Center Ball
16 Park License Agreement” dated as of March 2, 2004, between the City and ~~Seventh~~ 7th Inning
17 Stretch, LLC regarding the terms and conditions upon which the ~~Stockton Ports baseball team~~
18 may use the Banner Island Ballpark located next to the Arena.

19 149. **Ports** means, collectively, the professional minor-league baseball team
20 known as the Stockton Ports and 7th Inning Stretch, LLC.

21 150. **Ports Settlement** means the settlement between the City and the Ports
22 regarding the Claims of the Ports and the terms of the City’s financial support of the Ports. The
23 terms of the Ports Settlement are implemented by the Ports Settlement Documents.

24 151. **Ports Settlement Documents** mean the documents implementing the Ports
25 Settlement, which as of the date hereof have not been finalized. However, the term sheet, which
26 sets forth the material terms of the Ports Settlement, is annexed as an exhibit to the Second
27 Supplemental Plan Supplement.

28 152. **Possession Notice.** The notice to be filed with the Bankruptcy Court and

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1 served upon the City by the 2009 Golf Course/Park Bond Trustee indicating the intention of the
2 2009 Golf Course/Park Bond Trustee or its assignee or nominee to take possession of the Golf
3 Course/Park Properties and to operate the businesses and activities located thereon pursuant to
4 ///
5 Section IV U. 2. (c) herein. In order to be effective to elect to take possession of the Golf
6 Course/Park Properties, the Possession Notice shall:

7 (a) be filed and served no later than 60 days after delivery of the Deed of
8 Estate for Years to the 2009 Golf Course/Park Bond Trustee;

9 (b) provide a date for the transition from the City's operations of the
10 businesses and activities located on the Golf Course/Park Properties, which date must be no later
11 than 120 days from the date of the delivery of the Deed of Estate for Years to the 2009 Golf
12 Course/Park Bond Trustee;

13 (c) specify the executory contracts relating to the management and use of the
14 Golf Course\Park Properties that should be assumed and assigned and which executory contracts
15 should be rejected by the City; and

16 (d) indicate that liability and property insurance acceptable to the City will be
17 in place prior to the date upon which possession is to be taken by the 2009 Golf Course/Park
18 Bond Trustee or its assignee or designee.

19 153. ~~142.~~ **Pre-Confirmation Date Claims** means all Claims against the City
20 that arose prior to the Confirmation Date.

21 154. ~~143.~~ **Price Claims** mean the Claims of the Price Judgment Creditors, who
22 filed a proof of claim in the Chapter 9 Case in the amount of \$1,423,164.

23 155. ~~144.~~ **Price Judgment Creditors** mean Richard Price and five other
24 low-income individuals who were displaced from single-room-occupancy housing units in
25 downtown Stockton in connection with the City's code-enforcement activities, and the Interfaith
26 Council of San Joaquin (formerly Stockton Metro Ministry Inc.), who collectively filed an action
27 against the City, the Successor Agency, and other parties on May 2, 2002, captioned as *Price, et*
28 *al. v. City of Stockton, et al.*, U.S. District Court for the Eastern District of California, case no.

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2:02-cv-00065-LKK-KJM.

1
2 **156.** ~~145.~~ **Price Settlement** means the settlement between the City and the Price
3 Judgment Creditors regarding the Price Claims. The terms of the Price Settlement are
4 summarized by the Price Settlement Documents.

5 ~~///~~

6 **157.** ~~146.~~ **Price Settlement Documents** ~~means~~**mean** the documents
7 implementing the Price Settlement, copies of which ~~documents~~ are annexed as ~~Collective~~ Exhibit
8 ~~45~~ to the **Supplemental** Plan Supplement.

9 **158.** ~~147.~~ **Professional Claim** means a Claim required to be filed pursuant to
10 Section II(B) of the Plan for approval of amounts, if any, to be paid after the Effective Date for
11 services or expenses in the Chapter 9 Case or incident to this Plan.

12 **159.** **Recharacterization Adversary Proceeding** means the adversary
13 proceeding that the 2009 Golf Course/Park Bond Trustee, Franklin High Yield Tax-Free Income
14 Fund, and Franklin California High Yield Municipal Fund commenced by filing a Complaint for
15 Declaratory Relief against the City in the Bankruptcy Court. [Dkt. No. 1181, commencing
16 Adversary Case 13-2315].

17 **160.** ~~148.~~ **Rejection Motion** means the motion or motions to be filed by the City
18 pursuant to section 365(a) by which the City shall seek approval and authorization for the
19 rejection of such executory contracts and unexpired leases as shall be identified in such motion(s).

20 **161.** ~~149.~~ **Related Persons** means, with respect to any Person, such Person's
21 predecessors, successors, assigns and present and former Affiliates (whether by operation of law
22 or otherwise) and subsidiaries, and each of their respective current and former officers, directors,
23 principals, employees, shareholders, members (including ex officio members), partners, agents,
24 financial advisors, attorneys, accountants, investment bankers, investment advisors, consultants,
25 representatives, and other professionals, and any Person claiming by or through any of them.

26 **162.** ~~150.~~ **Released Party** means each or any of NPMG, Assured Guaranty,
27 Ambac, the Indenture Trustee, and the respective Related Persons of each of the foregoing.

28 **163.** ~~151.~~ **Restricted Funds** means the approximately 200 special purpose and

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1 enterprise funds administered by the City, the use of which is restricted by, among other things,
2 grants, federal law, the California Constitution, or other California law, such that the assets of the
3 Restricted Funds may not lawfully be used to pay obligations of the General Fund, but which can
4 be used to pay the Pension Obligation Bonds and the Restricted Revenue Bond and Note Payable
5 Obligations.

6 ///

7 **164.** ~~152.~~ **Restricted Revenue Bond and Note Payable Obligations** means,
8 collectively, (i) the City of Stockton Revenue Certificates of Participation 1998 Series A
9 (Wastewater System Project), the City of Stockton Certificates of Participation 2003 Series A
10 (Wastewater System Project), the Stockton Public Financing Authority 2005 Water Revenue
11 Bonds, Series A (Water System Capital Improvement Project), Stockton Public Financing
12 Authority Water Revenue Bonds, Series 2009A (Delta Water Supply Project) & Taxable Build
13 America Bonds Series 2009 B (Delta Water Supply Project), Stockton Public Financing Authority
14 Variable Rate Demand Water Revenue Bonds, Series 2010A (Delta Water Supply Project),
15 including all installment purchase agreements, security agreements, trust indentures,
16 reimbursement agreements, fee letters, and other agreements with respect thereto to which the
17 City is a party and which are payable from and secured by special and restricted sources of
18 revenues; and (ii) the City's obligations under that certain Installment Purchase Agreement, dated
19 as of May 1, 2002, by and between the City and California Statewide Communities Development
20 Authority, to make installment payments, from certain revenues of the City's water system, that
21 relate to California Statewide Communities Development Authority Water and Wastewater
22 Revenue Bonds (Pooled Financing Program), Series 2002A .

23 **165.** ~~153.~~ **Retiree Health Benefit Claim** means a Claim by a former City
24 employee or dependent on account of or in any way related to the City's postpetition reduction of
25 its contribution to health benefit payments to former City employees and dependents.

26 **166.** ~~154.~~ **Retiree Health Benefit Claimant** means a former City employee (or
27 dependent) who was eligible for retiree health benefits based on his or her collective bargaining
28 agreement at the time of retirement and: (i) who was receiving City retiree health benefits as of

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1 June 30, 2012 (which includes any retiree who had waived coverage prior to that date but was
2 otherwise eligible, or any retiree who had exceeded the 15-year cap for under-65 retiree health
3 benefits, but who was eligible for a City retiree benefit for an over-65 retiree); or (ii) who retired
4 prior to July 1, 2012 with his or her last day on payroll having occurred on or before June 30,
5 2012; or (iii) who was a surviving spouse of a deceased retiree who was receiving retiree benefits
6 on June 30, 2012.

7 167. ~~155.~~ **Retirees Committee** means the Official Committee of Retirees,
8 appointed in the Chapter 9 Case on April 1, 2013 [Dkt. No. 846], by the Office of the United
9 States Trustee pursuant to sections 1102(a)(1) and 1102(b)(1), as the membership thereof may
10 have been reconstituted from time to time by the Office of the United States Trustee.

11 ~~///~~

12 168. ~~156.~~ **Retirees Settlement** means the agreement between the City and the
13 Retirees Committee by which the City agrees to propose a plan of adjustment containing the
14 provisions set forth in the Retirees Settlement.

15 169. ~~157.~~ **Rights of Action** means any rights, claims, or causes of action owned
16 by, accruing to, or assigned to the City pursuant to the Bankruptcy Code or pursuant to any
17 contract, statute, or legal theory, including without limitation any rights to, claims, or causes of
18 action for recovery under any policies of insurance issued to or on behalf of the City.

19 170. ~~158.~~ **Risk Management Internal Service Fund** means the fund
20 established by the City to accumulate resources for interdepartmental charges expended on self
21 insurance for General Liability Claims. The City also has other internal service funds.

22 171. ~~159.~~ **Rust Omni** means Rust Consulting/Omni Bankruptcy, the Ballot
23 Tabulator in the Chapter 9 Case.

24 172. ~~160.~~ **SCC 16** means Stockton City Center 16, LLC, a California limited
25 liability company.

26 173. ~~161.~~ **SCC 16 Claims** means any Claim of SCC 16 arising out of the
27 Construction Agreement.

28 174. **SCC 16 Lease** means that certain Master Lease dated February 26, 2008

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between the City, as lessor, and SCC 16, as lessee, whereby the City subleased to SCC 16 a portion of that certain parcel of real property situated in Stockton commonly known as The Coy Parking Garage, and more particularly described in the Lease.

175. ~~162.~~ **SCC 16 Promissory Note** means that certain promissory note executed by the City in favor of SCC 16 pursuant to, and in accordance with, the Construction Agreement.

176. ~~163.~~ **SCC 16 Settlement** means the settlement, if any, memorialized in the SCC Settlement Agreement.

177. ~~164.~~ **SCC Settlement Agreement** means that certain settlement agreement, if any, among the City, the 2004 Parking Structure Bond Trustee, and SCC 16.

178. ~~165.~~ **SEB Claims of the 2006 SEB Bond Trustee/NPFG** means the Claims (if any) arising under the SEB Lease Back or the SEB Lease Out.

179. ~~166.~~ **SEB Lease Back** means that certain Lease Agreement, dated as of March 1, 2006, pursuant to which the Financing Authority leased the SEB Properties to the City.

180. ~~167.~~ **SEB Lease Back Transaction** means, collectively, the transactions memorialized in the 2006 SEB Bonds, SEB Lease Out, and the SEB Lease Back.

181. ~~168.~~ **SEB Lease Out** means that certain Ground Lease, dated as of March 1, 2006, pursuant to which the City leased the SEB Properties to the Financing Authority.

182. ~~169.~~ **SEB Properties** means the Stewart/Eberhardt Building located at 22 East Weber Avenue, in the City, and the adjacent public parking facility located at 15 North El Dorado Street.

183. **Second Supplemental Plan Supplement** means the Second Supplemental Plan Supplement in Connection with the First Amended Plan for the Adjustment of Debts of City of Stockton, California, As Modified (June 2, 2014), to be filed by the City, which includes the Assured Guaranty Settlement Documents, the NPFG Arena Settlement Documents, the NPFG Parking Settlement Documents, the DBW Settlement Document, the Price Settlement Documents, and the Thunder Settlement Documents as approved by the City Council by resolution dated April 15, 2014, as well as the term sheet executed by the City and the Ports.

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184. ~~170.~~ **Secured Claim** means a Claim that is secured, in whole or in part, (i) by a lien that is not subject to avoidance or subordination under the Bankruptcy Code or applicable non-bankruptcy law; or (ii) as a result of rights of setoff under section 553; but in any event only to the extent of the value, determined in accordance with section 506(a), of the holder's interest in the City's interest in property or to the extent of the amount subject to such setoff, as the case may be.

185. ~~171.~~ **SIR Claim Portion** means the portion of a Workers Compensation Claim or General Liability Claim subject to the City's self insurance retention. For any resolved Workers Compensation Claim, the SIR Claim Portion is the first \$500,000. For any resolved General Liability Claim, the SIR Claim Portion is the first \$1,000,000. The SIR Claim Portion is an obligation of the City rather than an obligation of any excess risk-sharing pool of which the City is a member.

186. ~~172.~~ **Special Assessment and Special Tax Obligations** means, collectively:

- Stockton Public Financing Authority Reassessment Revenue Bonds (Arch Road and Stockton Business Park Assessment Districts) Series 1998, including claims related to those certain:
 - Stockton Airport Business Park Ltd. Obligation Refunding Improvement Bonds Project 84-1 Phase IV, Series 229 (Local Obligation Bonds);
 - Stockton Airport Business Park Ltd. Obligation Refunding Improvement Bonds Project 84-1 Phase V, Series 230 (Local Obligation Bonds);
 - Stockton Airport Business Park Ltd. Obligation Refunding Improvement Bonds Project 84-1 Phase I, Series 231 (Local Obligation Bonds);

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- City of Stockton Camera Estates Community Facilities District No. 2003-1 Special Tax Bonds, Series 2003;
- City of Stockton Limited Obligation Improvement Bonds March Lane/Holman Assessment District 2003-1;
- City of Stockton Limited Obligation Improvement Bonds Mosher Assessment District 2003-02;
- City of Stockton Limited Obligation Improvement Bonds Waterford Estates East Phase II Assessment District 2003-03;
- Stockton Public Financing Authority Refunding Revenue Bonds (West Eighth Street Reassessment District);
- City of Stockton South Stockton Community Facilities District No. 90-1 2005 Special Tax Refunding Bonds;
- Stockton Public Financing Authority Refunding Revenue Bonds (2005 Assessment Districts Refinancing) Series A Senior Lien Bonds and Series B Subordinate Lien Bonds:
 - City of Stockton Limited Obligation Refunding Bond Blossom Ranch Assessment District No. 93-1 (Reassessment and Refunding of 2005);
 - City of Stockton Limited Obligation Refunding Bond La Morada Assessment District No. 96-4 (Reassessment and Refunding of 2005);
 - City of Stockton Limited Obligation Refunding Bond Morada North Assessment District No. 2002-01 (Reassessment and Refunding of 2005);

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- City of Stockton Limited Obligation Refunding Bond Morada Ranch Assessment District No. 2000-01 (Reassessment and Refunding of 2005);
- City of Stockton Limited Obligation Refunding Bond Waterford Estates East Assessment District No. 2002-03 (Reassessment and Refunding of 2005);
- City of Stockton Community Facilities District No. 90-2 (Brookside Estates) 2005 Special Tax Refunding Bonds;
- Stockton Public Financing Authority Revenue Bonds (Redevelopment Projects) 2006 Series A and Taxable Revenue Bonds (Housing Projects) 2006 Series C;
- City of Stockton Community Facilities District No. 1 (Weston Ranch) Special Tax Refunding Bonds, Series 2006;
- City of Stockton Spanos Park West Community Facilities District No. 2001-1 Special Tax Refunding Bonds, Series 2006;
- City of Stockton Community Facilities District No. 2006-1 (Riverbend) Special Tax Bonds, Series 2006;
- City of Stockton Community Facilities District No. 2006-3 (Northbrook) Woodside Improvement Area 1 Special Tax Bonds, Series 2007;
- City of Stockton Arch Road East Community Facilities District No. 99-02 2007 Special Tax Bonds;
- City of Stockton 2001 Combined Assessment District Refunding, 2001 Charter Way (86-4), North Stockton Interim Sewer (88-2), and Little John Creek (97-01) 2001 Limited Obligation Improvement Refunding Bonds;
- Stockton Public Financing Authority 2008 Refunding Revenue Bonds:

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- 2 ○ City of Stockton Limited Obligation Refunding Bonds,
- 3 Reassessment District No. 91-1R (Local Obligation Bonds);
- 4 ○ Stockton Public Financing Authority Communities Facilities
- 5 District No. 90-4 (Spanos Park) Special Tax Refunding Bonds
- 6 (Local Obligation Bonds); and
- 7 ● All installment purchase agreements, security agreements, trust
- 8 indentures, reimbursement agreements, fee letters, and other
- 9 agreements with respect thereto to which the City is a party and which
- 10 are payable from and secured by special and restricted sources of
- 11 revenues.

12 187. ~~173.~~ SPOA means the Stockton Police Officers' Association.

13 188. ~~174.~~ SPOA Claims means the Claims of members of the SPOA in the
14 approximate amount of \$13 million included in and resolved under the SPOA MOU.

15 ~~///~~

16 189. ~~175.~~ SPOA MOU means the Memorandum of Understanding between the
17 City and the SPOA effective July 1, 2012, through June 30, 2014, as approved by the City, a copy
18 of which is attached as Exhibit 5 to the Plan Supplement.

19 190. ~~176.~~ Stockton Events Center Parking Structure means the structure
20 located at the intersection of Fremont and Van Buren streets in the City.

21 191. ~~177.~~ Successor Agency means the City, acting in its capacity as Successor
22 Agency to the Redevelopment Agency of the City of Stockton following the dissolution of such
23 agency. References to actions by the Successor Agency in the Plan incorporate references to
24 actions taken and agreements entered into by the former Redevelopment Agency of the City of
25 Stockton prior to its dissolution and the Successor Agency's succession in interest.

26 192. Supplemental Plan Supplement means the Supplemental Plan
27 Supplement in Connection with the First Amended Plan for the Adjustment of Debts of City of
28 Stockton, California (November 15, 2013) [Dkt. No. 1259], filed on February 10, 2014, which

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1 includes drafts reflecting the material economic terms of the Assured Guaranty Settlement
2 Documents, the NPEFG Arena Settlement Documents, the NPEFG Parking Settlement Documents,
3 the DBW Settlement Document, the Price Settlement Documents.

4 193. ~~178.~~ **Swenson Golf Course** means the property in the City located on
5 approximately 219 acres at 6803 Alexandria Place.

6 194. ~~179.~~ **Thunder Claims** means the Claims arising in connection with the
7 Thunder License Agreement, as modified by the Thunder Settlement.

8 ~~///~~

9 195. ~~180.~~ **Thunder License Agreement** means that certain agreement dated as
10 of March 2, 2004, titled “Team Lease for Stockton Events Center (Ice Hockey Team)” between
11 the City and IFG-Stockton Franchise Group, Inc. as the same may have been amended from time
12 to time, relating to the rights of the Stockton Thunder ice hockey team to use the facilities of the
13 Arena.

14 196. **Thunder Settlement** means that certain settlement between the City and
15 SC Hockey Franchise Corporation, as successor to IFG-Stockton Franchise Group, Inc., regarding

16 ~~///~~

17 ~~181.~~ **Thunder Settlement** means that certain settlement between the City and SC Hockey
18 ~~Franchise Corporation, as successor to IFG-Stockton Franchise Group, Inc., regarding~~ the
19 treatment under this Plan of the claims arising out of the Thunder License Agreement, the
20 material terms of which agreement are set forth in the Thunder Settlement Term Sheet.

21 197. **Thunder Settlement Documents** means the documents implementing the
22 Thunder Settlement, copies of which are annexed as an exhibit to the Second Supplemental
23 Supplement.

24 198. ~~182.~~ **Thunder Settlement Term Sheet** means that certain Term
25 Sheet—Proposed Amendments to Team Lease for Stockton Events Center, dated as of September
26 18, 2013, a copy of which is attached as Exhibit E to the Disclosure Statement and incorporated
27 by reference.

28 199. ~~183.~~ **Unimpaired** means a Claim that is not Impaired within the meaning

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of section 1124.

200. ~~184.~~ **Uninsured Portion Claim** means the amount in excess of the Insured Portion of an Allowed Workers Compensation Claim or an Allowed General Liability Claim that is covered by one or more of the excess risk-sharing pools of which the City is a member.

201. ~~185.~~ **Unsecured Claim Payout Percentage** means the percentage of the Allowed ~~Amount~~ amount of General Unsecured Claims that will be paid to holders of Class 12 Claims, equal to the percentage paid on account of the Retiree Health Benefit Claims (unless the amount of the Retiree Health Benefit Claims changes, that percentage will be equal to 0.93578%, i.e., \$5,100,000 divided by \$545,000,000), or such other amount as is determined by the Bankruptcy Court before confirmation of this Plan to constitute a pro-rata payment on such other General Unsecured Claims; *provided, however*, the dollar amount to be paid on account of General Unsecured Claims other than the Retiree Health Benefit Claims on the Effective Date shall not exceed \$500,000. If the amounts to be paid exceed \$500,000, then such excess amounts shall be made in two equal annual installments on the first and second anniversary of the Effective Date, together with simple interest accruing from and after the Effective Date at 5% per annum. Such excess amounts may be prepaid at the option of the City.

202. ~~186.~~ **Wells Fargo** means Wells Fargo Bank, National Association, acting solely in its role as 2003 Fire/Police/Library Certificates Trustee, the 2004 Arena Bond Trustee, the 2004 Parking Bond Trustee, the 2006 SEB Bond Trustee, the 2007 Office Building Bond Trustee, the 2009 Golf Course/Park Bond Trustee, the Pension Obligation ~~Bond~~ Bonds Trustee, as well as in its role as trustee, fiscal agent or other like capacity with respect to certain of the Restricted Revenue Bond and Note Payable Obligations and the Special Assessment and Special Tax Obligations.

203. ~~187.~~ **Workers Compensation Claims** means those Claims pursuant to California workers compensation law (California Labor Code section 3200 *et seq.*) of current and former City employees who have suffered an eligible injury while employed by the City

204. ~~188.~~ **Workers Compensation Internal Service Fund** means the fund established by the City to accumulate resources for interdepartmental charges expended on self

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insurance for Workers Compensation Claims.

B. Rules of Construction.

The following rules of construction apply to this Plan: (a) unless otherwise specified, all references in this Plan to “sections” (lowercased) are references to a section of the Bankruptcy Code; (b) unless otherwise specified, all references in this Plan to “Sections” and “Exhibits” (uppercased) are to the respective Section in or Exhibit to this Plan, as the same may be amended or modified from time to time; (c) the headings in this Plan are for convenience of reference only and do not limit or otherwise affect the provisions of this Plan; (d) words denoting the singular number include the plural number and vice versa; (e) the rules of construction set forth in section 102 apply; (f) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) apply; (g) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; and (h) the words “herein,” “hereof,” “hereto,” “hereunder,” and others of
~~///~~
similar import refer to this Plan as a whole and not to an particular section, subsection, or clause contained in this Plan.

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C. Plan Supplement, Supplemental Plan Supplement, and Second Supplemental Plan Supplement.

~~No later than 14 days prior to the deadline established by the Bankruptcy Court for objection to confirmation of the Plan, the City shall file electronically and serve a hard copy of the Plan Supplement in the Bankruptcy Court. In addition, the City shall make the Plan Supplement~~
On January 27 and February 10, respectively, the City electronically filed with the Bankruptcy Court and Rust Omni served in CD-ROM format by U.S. mail on all parties entitled to vote on the Plan the Plan Supplement [Dkt. No. 1236] and the Supplemental Plan Supplement

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1 [Dkt. No. 1259]. Further, the City will electronically file with the Bankruptcy Court and Rust
2 Omni will serve in CD-ROM format by U.S. mail on all parties entitled to vote on the Plan the
3 Second Supplemental Plan Supplement. The City has made (and in the case of the Second
4 Supplemental Plan Supplement, will make) each of these documents electronically available on
5 its website ~~and on the website of Rust Omni~~. The exhibits and schedules contained in ~~the Plan~~
6 ~~Supplement~~ these documents are incorporated into, and are a part of, the Plan as if set forth herein.

7
8 **II. TREATMENT AND DEADLINE FOR THE ASSERTION OF ADMINISTRATIVE CLAIMS AND PROFESSIONAL CLAIMS**

9 **A. Treatment of Administrative Claims.**

10 Except to the extent that the holder of an Allowed Administrative Claim agrees to
11 a different treatment, the City or its agent shall pay to each holder of an Allowed Administrative
12 Claim, in full satisfaction, release, and discharge of such Allowed Administrative Claim, Cash in
13 an amount equal to such Allowed Administrative Claim on the later of (i) the Effective Date or
14 (ii) the date on which such Claim becomes an Allowed Administrative Claim, or as soon
15 thereafter as is practicable.

16 **B. Treatment of Professional Claims.**

17 Pursuant to section 943(~~a~~b)(3), all amounts paid following the Effective Date or to
18 be paid following the Effective Date for services or expenses in the Chapter 9 Case or incident to
19 this Plan must be disclosed to the Bankruptcy Court and must be reasonable. There shall be paid
20 to each holder of a Professional Claim, in full satisfaction, release, and discharge of such Claim,
21 Cash in an amount equal to that portion of such Claim that the Bankruptcy Court approves as
22 reasonable, on or as soon as reasonably practicable following the date on which the Bankruptcy
23 Court enters a Final Order determining such reasonableness. The City, in the ordinary course of
24 its business, and without the requirement for Bankruptcy Court approval, may pay for
25 professional services rendered and costs incurred following the Effective Date.

26 **C. Priority Claims in Chapter 9.**

27 The only priority claims incorporated into chapter 9 through section 901 are
28 Administrative Claims allowed under section 503(b) and entitled to priority under section

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1 507(a)(2). The treatment of all such Administrative Claims is set forth immediately above in
2 Sections II(A) and II(B). No other kinds of priority claims set forth in section 507 are recognized
3 in chapter 9 cases, and Claims that are not Administrative Claims herein and that would constitute
4 administrative expenses in a case under another chapter of the Bankruptcy Code, including Other
5 Postpetition Claims, are treated in chapter 9 and in this Plan as General Unsecured Claims.
6

7 **D. Deadline for the Filing and Assertion of Other Postpetition Claims,**
8 **Administrative Claims and Professional Claims.**

9 **All proofs of claim for Other Postpetition Claims arising on or after August**
10 **16, 2013, and requests for payment or any other means of preserving and obtaining**
11 **payment of Administrative Claims that have not been paid, released, or otherwise settled,**
12 **and all requests for approval of Professional Claims, must be filed with the Bankruptcy**
13 **Court and served upon the City no later than ~~thirty~~(30) days after the date on which the**
14 **Notice of Effective Date is served.** Any proof of claim for Other Postpetition Claims, or request
15 for payment of an Administrative Claim or a Professional Claim, that is not timely filed by such
16 date will be forever barred, and holders of such Claims shall be barred from asserting such Claims
17 in any manner against the City. For the avoidance of doubt, proofs of claim for Other
18 Post-Petition Claims that arose before August 16, 2013 must have been filed by August 16, 2013,
19 in order to be considered timely.

20 **III. DESIGNATION OF CLASSES OF CLAIMS**

21 Pursuant to sections 1122 and 1123(a)(1), all Claims other than Administrative
22 Claims and Professional Claims are classified for all purposes, including voting, confirmation,
23 and distribution pursuant to this Plan, as follows:

24 Class 1A – Claims of Ambac – 2003 Fire/Police/Library Certificates;

25 Class 1B – Claims of Holders of 2003 Fire/Police/Library Certificates;

26 Class 2 – SEB Claims of the 2006 SEB Bond Trustee/NPFG;

27 Class 3 – Arena Claims of the 2004 Arena Bond Trustee/NPFG;

28 Class 4 – Parking Structure Claims of the 2004 Parking Bond Trustee/NPFG –
2004 Parking Structure Bonds;

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Class 5 – Office Building Claims of the 2007 Office Building Bond

Trustee/Assured Guaranty – 2007 Office Building Bonds;

Class 6 – Pension Obligation Bonds Claims;

Class 7 – Claims of DBW;

Class 8 – SCC 16 Claims;

Class 9 – Thunder Claims;

Class 10 – Claims of Holders of Restricted Revenue Bond and Note Payable Obligations;

Class 11 – Claims of the Holders of Special Assessment and Special Tax Obligations;

Class 12 – General Unsecured Claims.

This Class includes:

- General Unsecured Claims;
- ~~The~~ Golf Course/Park ~~Claims of the 2009 Golf Course/Park Bond-Trustee/Franklin~~ Unsecured Claim;
- Retiree Health Benefit Claims;
- Leave Buyout Claims;
- The Claim filed by Michael A. Cobb; and
- Other Postpetition Claims.

Class 13 – Convenience Class Claims;

Class 14 – Claims of Certain Tort Claimants;

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Class 15 – Claims Regarding City’s Obligations to Fund Employee Pension Plan Contributions to CalPERS, as Trustee under the CalPERS Pension Plan for the Benefit of CalPERS Pension Plan Participants;

Class 16 – Claims of Equipment Lessors;

Class 17 – Workers Compensation Claims;

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~~Class 18 – SPOA Claims; and~~

~~Class 19 – Price Claims; and~~

~~Class 20 – Golf Course/Park Secured Claim.~~

IV. TREATMENT OF CLAIMS

A. Class 1A – Claims of Ambac – 2003 Fire/Police/Library Certificates.

1. Impairment and Voting.

Class 1A is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of Ambac, the holder of the Claims. Accordingly, this Class is entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

The treatment of the Class 1A Claims will be as set forth in the Ambac Settlement Agreement, which should be consulted for the precise terms of the treatment. The Plan does not modify, amend, or alter the amounts due to the holders of the 2003 Fire/Police/Library Certificates or the obligations of Ambac to pay principal or redemption price of, or interest on, the 2003 Fire/Police/Library Certificates as and when such amounts become due under the 2003 Fire/Police/Library Certificates Trust Agreement, which payments shall be made by Ambac in accordance with, and subject to, the terms of the Ambac Insurance Policy. Ambac, as the holder of the Class 1A Claims, is entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

B. Class 1B – Claims of Holders of 2003 Fire/Police/Library Certificates.

1. Impairment and Voting.

Class 1B is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, Ambac, as the deemed holder of the Claims in this Class, is entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

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~~2.~~ **Treatment.**

The treatment of the Class 1B claimants, the 2003 Fire/Police/Library Certificates holders, is identical to the treatment of Ambac, the Class 1A claimant.

C. Class 2 – SEB Claims of the 2006 SEB Bond Trustee/NPFG – 2006 SEB Bonds.

1. Impairment and Voting.

Class 2 is not Impaired by this Plan since the treatment of this Class will not affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, NPFG, as the deemed holder of the Claims in this Class, is not entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

On the Effective Date, the City will assume the SEB Lease Back and the SEB Lease Out under section 365(a) pursuant to the NPFG/SEB Settlement. The finding by the Bankruptcy Court that the Plan is feasible shall constitute adequate assurance of future performance of the SEB Lease Back and the SEB Lease Out. The Plan does not modify, amend, or alter the 2006 SEB Bonds or the obligations of NPFG to pay principal or redemption price of, or interest on, the 2006 SEB Bonds as and when such amounts become due under the 2006 SEB Bond Indenture, which payments shall be made by NPFG in accordance with, and subject to, the terms of the 2006 SEB Bond Insurance Policy.

D. Class 3 – Arena Claims of the 2004 Arena Bond Trustee/NPFG – 2004 Arena Bonds.

1. Impairment and Voting.

Class 3 is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, NPFG, as the deemed holder of the Claims in this Class, is entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

The treatment of the Class 3 Claims will be as set forth in the NPFG Arena

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1 Settlement, which should be consulted for the precise terms of the treatment. The Plan does not
 2 modify, amend, or alter the 2004 Arena Bonds or the obligations of NPFPG to pay principal or
 3 redemption price of, or interest on, the 2004 Arena Bonds as and when such amounts become due
 4 under the 2004 Arena Bond Indenture, which payments shall be made by NPFPG in accordance
 5 with, and subject to, the terms of the 2004 Parking Bond Insurance Policy. On the Effective Date,
 6 without the need to file any further motions, the Arena Lease Out and the Arena Lease Back shall
 7 be assumed, subject to the modification of the City's obligations pursuant to the terms of the
 8 NPFPG Arena Settlement.

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 10 **E. Class 4 – Parking Structure Claims of the 2004 Parking Bond Trustee/NPFPG**
 11 **– 2004 Parking Bonds.**

12 **1. Impairment and Voting.**

13 Class 4 is Impaired by this Plan since the treatment of this Class will affect the
 14 legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, NPFPG, as the
 15 deemed holder of the Claims in this Class, is entitled to vote to accept or reject this Plan in
 16 accordance with the Plan Solicitation Order.

17 **2. Treatment.**

18 The treatment of the Class 4 Claims will be as set forth in the NPFPG Parking
 19 Settlement Documents, which should be consulted for the precise terms of the treatment. ~~The~~
 20 ~~effectiveness of~~ On the Effective Date, without the need to file any further motions, the Parking
 21 Structure Lease Out shall be assumed, and any and all rights and obligations thereunder shall be
 22 assigned to the Parking Authority, with the obligations of the City limited by the NPFPG Parking
 23 ~~Settlement is contingent upon the entry into the SCC 16 Settlement Agreement. In the event the~~
 24 ~~parties are unable to agree to the terms of such settlement that is acceptable to NPFPG and the~~
 25 ~~2004 Parking Bond Trustee, then the City, at the request or direction of the 2004 Parking Bond~~
 26 ~~Trustee or NPFPG, shall take such actions (if any) that may be required by the 2004 Parking Bond~~
 27 ~~Trustee or NPFPG to terminate~~ Documents. To the extent the City determines it is necessary or
 28 desirable to do so, in addition to those executory contracts being assigned to the Parking
Authority by virtue of the above, the City reserves the right to file before or after the Effective

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Date a motion in which it will seek authority to assign to the Parking Authority certain executory contracts and unexpired leases executed in connection with the Parking Structure Lease ~~Back as part of an alternative arrangement that is acceptable to the City and the 2004 Parking Bond Trustee that is not conditioned on the occurrence of such settlement~~Out that are assumed under the Plan.

The Plan does not modify, amend, or alter the 2004 Parking Bonds or the obligations of NPMG to pay principal or redemption price of, or interest on, the 2004 Parking Bonds as and when such amounts become due under the 2004 Parking Bond Indenture, which payments shall be made by NPMG in accordance with, and subject to, the terms of the 2004 Parking Bond Insurance Policy.

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F. Class 5 – Office Building Claims of the 2007 Office Building Bond Trustee/Assured Guaranty – 2007 Office Building Bonds.

1. Impairment and Voting

Class 5 is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of the holder of the Claims, and, accordingly, Assured Guaranty, as the holder of the Claims in this Class, is entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

The treatment of the Class 5 Claims will be as set forth in the Assured Guaranty Settlement, which should be consulted for the precise terms of the treatment.

G. Class 6 – Pension Obligation Bonds Claims.

1. Impairment and Voting.

Class 6 is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, Assured Guaranty, as the deemed holder of the Claims in this Class, is entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order. The Plan does not modify, amend or

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alter the Pension Obligation Bonds or the obligations of Assured Guaranty to pay principal or redemption price of, or interest on Pension Obligation Bonds as and when such amounts become due under Pension Obligation ~~Bond~~Bonds Indenture, which payments shall be made by Assured Guaranty in accordance with, and subject to, the terms of the Pension Obligation ~~Bond~~Bonds Insurance Policy.

2. Treatment.

The treatment of the Class 6 Claims will be as set forth in the Assured Guaranty Settlement, which should be consulted for the precise terms of the treatment. The Plan does not modify, amend, or alter the Pension Obligation Bonds or the obligations of Assured Guaranty to pay principal or redemption price of, or interest on Pension Obligation Bonds as and when such amounts become due under Pension Obligation ~~Bond~~Bonds Indenture, which payments shall be made

~~///~~

by Assured Guaranty in accordance with, and subject to, the terms of the Pension Obligation ~~Bond~~Bonds Insurance Policy.

H. Class 7 – Claims of DBW.

1. Impairment and Voting.

Class 7 is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holder of the Claims in this Class is entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

The treatment of the Class 7 Claims will be as set forth in the DBW Settlement Agreement. The General Fund will have no obligation to pay debt service on this obligation, or to reimburse operating expenses to DBW should DBW take over operations of the Marina Project. DBW will retain its pledge of rents and leases generated from the Marina Project. However, the pledge of gross revenues will be converted to a pledge of revenues net of all reasonable and direct

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operating expense of the Marina Project, calculated on a fiscal year basis ending June 30 of each year pursuant to section 928(b). ~~Should DBW decide to take over~~Upon no less than 120 days notice to the City, DBW may take possession of the facilities comprising the Marina Project, and if DBW elects to continue operations of the Marina Project, DBW will be responsible for payment of all operating expenses of the Marina Project,~~and the City will have the right to (i) ensure that the Marina Project is operated in a responsible and safe manner, including providing adequate security; and (ii) compel DBW to alter its manner of operations if such operations pose a threat to the public welfare or if such operations abet a public nuisance.~~If DBW should elect to continue operations, DBW shall provide adequate security of the premises. The General Fund shall have no liability, directly or indirectly, for the Claims of DBW, and the City may decide at any time to cease subsidizing the operating deficits of the operation of the Marina Project. DBW has stated to the City an interest in exercising its remedy of taking possession of the Marina Project. The real property that is the subject of the Marina Project shall be that real property described in Exhibit A to this Plan, and should DBW exercise its remedy of taking possession of the Marina Project, DBW shall succeed to possession and control only over the real property set forth in Exhibit A.

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I. Class 8 – SCC 16 Claims.

1. Impairment and Voting.

Class 8 is not Impaired by this Plan since the treatment of this Class will not affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of the Claims in this Class are not entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

To the extent SCC 16 has any offset rights arising under the Construction Agreement~~or the Disposition and Development Agreement~~, SCC 16 shall apply any such offsets against amounts owing under the SCC 16 Promissory Note. On the Effective Date, pursuant to

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the Plan, without the need to file any further motions, the SCC 16 Lease shall be assumed, and any and all rights and obligations thereunder shall be assigned to the Parking Authority. On the Effective Date, any and all rights of the City under the SCC 16 Settlement, the Construction Agreement shall be assumed and assigned by the City to the Parking Authority.

J. Class 9 – Thunder Claims.

1. Impairment and Voting.

Class 9 is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of the Claims in this Class are entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

The treatment of the Class 9 Claims will be as set forth in the Thunder Settlement, which should be consulted for the precise terms of the treatment.

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K. Class 10 – Claims of Holders of Restricted Revenue Bond and Note Payable Obligations.

1. Impairment and Voting.

Class 10 is not Impaired by this Plan since the treatment of this Class will not affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of the Claims in this Class are not entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

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2. Treatment.

Class 10 consists of Claims of the holders of Restricted Revenue Bond and Note Payable Obligations, which are secured by special and restricted sources of revenues.

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1 These special assessment and special tax revenues are legally restricted to the payment of debt
 2 service on the Special Assessment and Special Tax Obligations under California statutes and the
 3 California Constitution, are “special revenues” as defined in section 902(2), and cannot be used
 4 for any other purpose or be transferred to the General Fund. The General Fund is not obligated to
 5 pay debt service on the Special Assessment and Special Tax Obligations. The City will continue
 6 to apply revenues from the applicable special assessments and special taxes to pay the Special
 7 Assessment and Special Tax Obligations as required by the terms of such obligations.

8 **M. Class 12 – General Unsecured Claims.**

9 **1. Impairment and Voting.**

10 Class 12 is Impaired by this Plan since the treatment of this Class will affect the
 11 legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of
 12 the Claims in this Class are entitled to vote to accept or reject this Plan in accordance with the
 13 Plan Solicitation Order.

14 **2. Treatment.**

15 The Claims in this Class include without limitation: (i) the Retiree Health Benefit
 16 Claims; (ii) the Golf Course/Park ~~Claims of the 2009 Golf Course/Park Bond~~
 17 ~~Trustee/Franklin~~ Unsecured Claim; (iii) the Leave Buyout Claims; (iv) the Claim filed by Michael
 18 A. Cobb; and ~~(iv)~~ Other Postpetition Claims.

19 Pursuant to the Retirees Settlement, on the Effective Date, the City will pay the
 20 Retiree Health Benefit Claimants an aggregate amount of \$5,100,000 in full satisfaction of the
 21 Allowed Retiree Health Benefit Claims, and no other retiree health benefits will be provided by
 22 the City. If required by state or federal law, the City will withhold from the aggregate \$5,100,000
 23 payment any taxes or other deductions to be withheld from the individual payment to each Retiree
 24 Health Benefit Claimant. The individual recipient is responsible for any tax liability for this
 25 payment, and the City will not provide any advice to any recipient as to the taxable impact of this
 26 payment.

27 All other General Unsecured Claims shall receive cash on the Effective Date in the
 28 amount equal to a percentage of the Allowed ~~Amount~~ amount of such Claims, which percentage

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1 equals the Unsecured Claim Payout Percentage, or such other amount as is determined by the
2 Bankruptcy Court before confirmation of this Plan to constitute a pro-rata payment on such other
3 General Unsecured Claims; *provided, however*, that the dollar amount to be paid on account of
4 General Unsecured Claims other than the Retiree Health Benefit Claims on the Effective Date
5 shall not exceed \$500,000. If the amounts to be paid exceed \$500,000, then such excess amounts
6 shall be made in two equal annual installments on the first and second anniversary of the Effective
7 Date, together with simple interest accruing from and after the Effective Date at 5% per annum.
8 Such excess amounts may be prepaid at the option of the City without penalty.

9 **N. Class 13 – Convenience Class Claims.**

10 **1. Impairment and Voting.**

11 Class 13 is not Impaired by this Plan since the treatment of this Class will not
12 affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the
13 holders of the Claims in this Class are not entitled to vote to accept or reject this Plan in
14 accordance with the Plan Solicitation Order.

15 **2. Treatment.**

16 Holders of Convenience Class Claims will receive cash on the Effective Date in
17 the amount of their Allowed Convenience Class Claim, but not to exceed \$100.

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20 **O. Class 14 – Claims of Certain Tort Claimants.**

21 **1. Impairment and Voting.**

22 Class 14 is Impaired by this Plan since the treatment of this Class will affect the
23 legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of
24 the Claims in this Class are entitled to vote to accept or reject this Plan in accordance with the
25 Plan Solicitation Order.

26 **2. Treatment.**

27 The SIR Claim Portion of each Allowed General Liability Claim will be paid on
28 the Effective Date from the Risk Management Internal Service Fund, and will receive the same

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percentage payment on the dollar of Allowed Claim as will the holders of Allowed Class 12 Claims. The Insured Portion of each Allowed General Liability Claim is not Impaired, and shall be paid by the applicable excess risk-sharing pool.

P. Class 15 – Claims Regarding City’s Obligations to Fund Employee Pension Plan Contributions to CalPERS, as Trustee under the CalPERS Pension Plan for the Benefit of CalPERS Pension Plan Participants.

1. Impairment and Voting.

Class 15 is not Impaired by this Plan because the treatment of this Class will not affect the legal, equitable, or contractual rights of the holder of such Claims, and, accordingly, the holder of the Claims in this Class is not entitled to vote to accept or reject this Plan.

2. Treatment.

~~CalPERS will continue as the trustee for the City’s pension plan for its employees, and the CalPERS Pension Plan will be assumed by the City.~~ The City will continue to honor its obligations ~~to its employees and retirees to fund employee retirement benefits~~ under the CalPERS Pension Plan, and CalPERS as trustee and the CalPERS Pension Plan Participants retain all of their rights and remedies under applicable nonbankruptcy law. Thus, CalPERS and the CalPERS Pension Plan Participants will be entitled to the same rights and benefits to which they are currently entitled under the CalPERS Pension Plan. CalPERS, pursuant to the CalPERS Pension Plan, will continue to provide pension benefits for participants in the manner indicated under the provisions of the CalPERS Pension Plan and applicable nonbankruptcy law.

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Q. Class 16 – Claims of Equipment Lessors.

1. Impairment and Voting.

Class 16 is not Impaired by this Plan because the treatment of this Class will not affect the legal, equitable, or contractual rights of the holder of such Claims, and, accordingly, the holders of the Claims in this Class is not entitled to vote to accept or reject this Plan.

2. Treatment.

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Any equipment leases not specifically rejected by the Rejection Motion will be assumed under this Plan. The City believes that it is current on all such equipment leases and therefore no cure payments are required.

R. Class 17 – Workers Compensation Claims.

1. Impairment and Voting.

Class 17 is not Impaired by this Plan since the treatment of this Class will not affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of the Claims in this Class are not entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

2. Treatment.

The City must pay Allowed SIR Claim Portions related to Workers Compensation Claims in full. If not, the City will lose its State workers compensation insurance for those claims in excess of the SIR Claim Portions, exposing the City’s current and former workers to grave risk. The City will pay the SIR Claim Portions related to Worker Compensation Claims from the Workers Compensation Internal Service Fund.

S. Class 18 – SPOA Claims.

1. Impairment and Voting.

Class 18 is Impaired by this Plan since the treatment of this Class will affect the legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of the Claims in this Class are entitled to vote to accept or reject this Plan in accordance with the Plan Solicitation Order.

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2. Treatment.

The City will honor the SPOA Claims held by SPOA members on the terms and conditions set forth in the SPOA MOU.

T. Class 19 – Price Claims.

1. Impairment and Voting.

Class 19 is Impaired by this Plan since the treatment of this Class will affect the

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1 legal, equitable, or contractual rights of the holders of the Claims, and, accordingly, the holders of
2 the Claims in this Class are entitled to vote to accept or reject this Plan in accordance with the
3 Plan Solicitation Order.

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5 **2. Treatment.**

6 The treatment of the Class 19 Claims will be as set forth in the Price Settlement,
7 which should be consulted for the precise terms of the treatment.

8 **U. Class 20 – Golf Course/Park Secured Claim.**

9 **1. Impairment and Voting.**

10 The treatment of the Golf Course/Park Claims set forth below is the result of the
11 entry by the Bankruptcy Court of the Partial Judgment. Class 20 is Impaired by this Plan since
12 the treatment of this Class will affect the legal, equitable, or contractual rights of the holder of the
13 Claims, and, accordingly, the holder of the Claim in this Class is entitled to vote to accept or
14 reject this Plan in accordance with the Plan Solicitation Order.

15 **2. Treatment.**

16 No later than 28 days after the Bankruptcy Court has entered an order or judgment
17 fixing the amount of the Allowed Golf Course/Park Secured Claim, the City will file with the
18 Bankruptcy Court and serve upon the 2009 Golf Course/Park Bond Trustee and Franklin, as well
19 as all other parties on the special notice list, a notice of election in which it will elect, in its sole
20 discretion, one of the following Plan treatments for the Allowed Golf Course/Park Secured Claim,
21 as generally set forth below:

22 (a) **Payment in Full on Effective Date.** The City will pay to the 2009 Golf
23 Course/Park Bond Trustee the full amount of the Allowed Golf Course/Park Secured Claim in
24 cash on the Effective Date, in full and complete satisfaction of the Allowed Golf Course/Park
25 Secured Claim.

26 (b) **Payment in Full in Installments.** The City will pay to the 2009 Golf
27 Course/Park Bond Trustee the full value of the Allowed Golf Course/Park Secured Claim as
28 follows:

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2 (i) Interest. The Golf Course/Park Secured Claim will accrue simple
3 interest at the rate of 4.00% per annum.

4 (ii) Payment Schedule. Beginning on September 1, 2014, and on each
5 March 1st and September 1st thereafter, or the first Business Day thereafter if any such date does
6 not fall on a Business Day, the City will pay the 2009 Golf Course/Park Bond Trustee equal
7 semiannual installments of principal and interest on a fully amortizing basis with the last such
8 installment due on September 1, 2038, at which time all unpaid principal and interest on the
9 Allowed Golf Course/Park Secured Claim will be due and payable in full. Such full payment
10 (including by prepayment as set forth below) will be in complete satisfaction of the Allowed Golf
11 Course/Park Secured Claim and all liens and security interests in any properties of the City and
12 the Financing Authority that secure it, which liens and security interests will be fully satisfied and
13 released upon such full payment.

14 (iii) No Prepayment Penalty. The City may prepay in part or in full the
15 Allowed Golf Course/Park Secured Claim with no penalty.

16 (iv) Lien and Security Interest. The obligation of the City to make
17 such payments will be secured by a lien and security interest in favor of the 2009 Golf
18 Course/Park Bond Trustee in the Golf Course/Park Collateral evidenced by a supplemental order
19 in aid of confirmation from the Court providing for the same, including the termination of such
20 liens and security interests upon full payment of the Allowed Golf Course/Park Secured Claim,
21 which such supplemental order in aid of confirmation will be recorded against the Golf
22 Course/Park Properties by or at the instruction of the City.

23 (c) Transfer of Possession to 2009 Golf Course/Park Bond Trustee. On the
24 Effective Date, in full and complete satisfaction of the Allowed Golf Course/Park Secured Claim
25 (regardless of whether or not the 2009 Golf Course/Park Bond Trustee or its assignee or designee
26 actually takes possession of the Golf Course/Park Properties), the City will deliver the Deed of
27 Estate for Years to the 2009 Golf Course/Park Bond Trustee. In order for the 2009 Golf
28 Course/Park Bond Trustee or its assignee or designee to actually take possession of the Golf
Course/Park Properties pursuant to the terms of the Deed of Estate for Years, the 2009 Golf

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Course/Park Bond Trustee must file with the Bankruptcy Court and serve upon the City the Possession Notice within 60 days of the date of delivery of the Deed of Estate for Years. Should the 2009 Golf Course/Park Bond Trustee fail to timely file and serve the Possession Notice in the required format and with the required content, possession of the Golf Course/Park Properties will remain with the City, and the Deed of Estate for Years shall be returned to the City.

V. ACCEPTANCE OR REJECTION; CRAMDOWN

A. Voting of Claims.

Each holder of an Allowed Claim (and, as applicable as specified herein, Ambac, NCFG, and Assured Guaranty) classified into Classes 1A, 1B, 3, 4, 5, 6, 7, 9, 12, 14, 18, 19, and ~~1920~~ shall be entitled to vote each such Claim to accept or reject this Plan.

With respect to any Class of Impaired Claims that fails to accept this Plan, the City, as proponent of this Plan, will request that the Bankruptcy Court nonetheless confirm this Plan pursuant to the so-called “cramdown” powers set forth in section 1129(b).

VI. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption of Executory Contracts and Unexpired Leases.

~~Except as otherwise provided in this Plan, as to any executory contract or unexpired lease that~~Without the need to file any further motions, the City elects to assume,~~the City shall file the Assumption Motion, which, if granted in an order of the Bankruptcy Court, will authorize the City’s assumption of such contracts and leases. and will assume as of the EffectiveDate all executory contracts and unexpired leases to which it is a party (and will assign certain of those executory contracts as set forth in the Plan) except: (i) for those unexpired leases and executory contracts specified in subsection C. below; (ii) for the equipment leases in Class 16; and (iii) as otherwise provided in this Plan. Further, as set forth in Section IV.E.2 dealing with the treatment of the Class 4 Claims, and in addition to the assignment described and effected therein, to the extent the City determines it is necessary or desirable to do so, the City reserves the right to file before or after the Effective Date a motion in which it will seek authority to assign to the Parking Authority certain executory contracts and unexpired leases executed in connection with the Parking Structure Lease Out that are assumed under the Plan.~~

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B. Cure Payments.

~~After the provision of notice and the opportunity for a hearing on the Assumption Motion, in accord with the Bankruptcy Rules, the~~ The Bankruptcy Court shall resolve all disputes regarding: (i) the amount of any cure payment to be made in connection with the assumption of any contract or lease; (ii) the ability of the City to provide “adequate assurance of future performance” within the meaning of section 365 under the contract or lease to be assumed; and (iii) any other matter pertaining to such assumption and assignment. Any party to an executory contract or unexpired lease that is ~~included in~~ to be assumed by the ~~Assumption Motion~~ City that asserts that any payment or other performance is due as a condition to the proposed assumption shall file with the Bankruptcy Court and serve upon the City a written statement and accompanying declaration in support thereof, specifying the basis for its Claim within ~~such deadline and in the manner established for filing objections as shall be set forth in the Assumption Motion~~ 90 days of the Effective Date. The failure to timely file and serve such a statement in accordance ~~with the instructions set forth in the Assumption Motion~~ shall be deemed to be a waiver of any and all objections to the proposed assumption and any claim for cure amounts of the agreement at issue.

C. Rejection of Executory Contracts and Unexpired Leases.

The ~~Rejection Motion shall seek authority to reject all executory contracts and unexpired leases that that the City in the exercise of its business judgment deems warranted.~~ Golf Course/Park Lease Out and the Golf Course/Park Lease Back (to the extent that such leases, which were recharacterized by the Partial Judgment, remain in effect) and the Office Building Standby Agreement are rejected under this Plan, without the need to file any motions.

In addition, no later than 120 days after the Effective Date, the City will file a Rejection Motion, in which it will seek authority to reject certain executory contracts and unexpired leases, which may include those listed below. The City is currently unaware of any other executory contracts and unexpired leases that may be included in the Rejection Motion, but reserves the right to add others.

- The executory contracts related to the use and management of the Golf

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Course/Park Properties (in the event that the City should determine to exercise the transfer of possession option to the Golf Course/Park Properties set forth in section IV.U.2(c) dealing with the treatment of the Class 20 Claim, and should the 2009 Golf Course/Park Bond Trustee request that one or more of such executory contracts be rejected by the City);

- Lease, dated as of December 27, 1974, between the City, as lessor, and Stephens Marine, Inc., a California corporation, as lessee, as amended;
- Lease, dated as of June 21, 1988, between the City, as lessor, and Stockton Sailing Club, a California corporation, as lessee, as amended by the First Amendment to Lease, dated as of August 22, 1994;
- Agreement for Purchase and Sale of Real Property, dated as of August 17, 2004, by and between the City and the County of San Joaquin; and
- Ports License Agreement (only if the City and the Ports have been unable to reach an agreement on the Ports Settlement Documents prior to 120 days after the filing of the Notice of the Effective Date).

D. Claims Arising From Rejection.

Proofs of claim arising from the rejection of executory contracts or unexpired leases must be filed with the Bankruptcy Court and served on the City no later than 28 days after the date on which notice of entry of the order approving the Rejection Motion is served on the parties to the executory contracts and expired leases subject to the Rejection Motion. Any Claim for which a proof of claim is not filed and served within such time will be forever barred and shall not be enforceable against the City or its assets, properties, or interests in property. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be classified into Class 12 (General Unsecured Claims) and treated accordingly.

E. Executory Contracts and Unexpired Leases Not Included in Motion.

~~The Omitted Agreements shall be deemed assumed as of the Effective Date, provided, however, that any non-debtor counter-party to an Omitted Agreement may, within 63 days after receiving notice from the City that such agreement is being assumed, file a motion in~~

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the Bankruptcy Court seeking an order reconsidering the assumption of the agreement.

VII. IMPLEMENTATION AND MEANS FOR IMPLEMENTATION OF THIS PLAN

Following the Effective Date, the City will continue to operate pursuant to the City Charter, the California Constitution, and other applicable laws.

Pursuant to the Rejection Motion, the City will reject certain (i) unexpired leases, ~~including, without limitation, the Office Building Standby Agreement, the Golf Course/Park Lease Out, and the Golf Course/Park Lease Back;~~ and (ii) executory contracts, including, without limitation, the Ports License Agreement, if the City and the Ports have been unable to reach an agreement on the Ports Settlement Documents prior to 120 days after the Effective Date.

On the Effective Date, pursuant to the ~~NPFG Settlement~~ Plan, without the need to file any further motions, the City will assume, among other leases, (i) the SEB Lease Out and the SEB Lease Back; and (ii) the Arena Lease Out and the Arena Lease Back, as modified by the NPFG Arena Settlement; ~~and (iii).~~ Further, pursuant to the NPFG Parking Settlement, the City will assign the Parking Structure Lease Out and the Parking Structure Lease Back, as modified by the NPFG Parking Settlement (alternatively, to the Parking Authority of the City of Stockton, and the Parking Authority of the City of Stockton will assume all of the City's obligations under the Parking Structure Lease Back will be terminated as provided in the NPFG Parking Settlement) Out and the Parking Structure Lease Back. On the Effective Date, pursuant to the Plan, without the need to file any further motions, the SCC 16 Lease shall be assumed, and any and all rights and obligations thereunder shall be assigned to the Parking Authority. On the Effective Date any and all rights of the City under the SCC 16 Settlement, the Construction Agreement shall be assumed and assigned by the City to the Parking Authority.

VIII. RESERVATION OF THE CITY'S RIGHTS OF ACTION

All of the City's claims, causes of action, rights of recovery, rights of offset, recoupment rights to refunds, and similar rights shall be retained by the City. The failure to list in the Disclosure Statement any potential or existing Right of Action retained by the City is not intended to and shall not limit the rights of the City to pursue any such action. Unless a Right of Action is expressly waived, relinquished, released, compromised, or settled (in this Plan or

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1 provision does not apply to holders of the 2003 Fire/Police/Library Certificates, the 2004 Arena
2 Bonds, the 2004 Parking Bonds, the 2006 SEB Bonds, the 2007 Office Building Bonds, and the
3 2009 Golf Course/Park Bonds, which bonds are not themselves obligations of the City and
4 therefore are not Claims. Therefore, the holders of such bonds and certificates will retain all of
5 their rights to postpetition interest, penalties, and late charges. This provision also does not apply
6 to Assured Guaranty, as the deemed holder of the Pension Obligation Bonds Claims, which shall
7 receive interest on any payments required of the City by the Assured Guaranty Settlement
8 Documents on account of such Pension Obligation Bonds Claims, which payments are delayed by
9 a failure to satisfy or waive the conditions to the Effective Date. Any such delayed payments
10 shall accrue interest at the rate specified in the Assured Guaranty Settlement Documents.

11 **K. CalPERS Pension Plan.**

12 Except as set forth in Section IX(F), this Section IX shall not apply to the
13 CalPERS Pension Plan.

14
15 **X. DISPUTED CLAIMS; OBJECTIONS TO CLAIMS; PROSECUTION OF**
16 **OBJECTIONS TO DISPUTED CLAIMS**

17 **A. Claims Objection Deadline; Prosecution of Objections.**

18 The City will have the right to object to the allowance of Claims filed with the
19 Bankruptcy Court with respect to which liability or allowance is disputed in whole or in part.
20 Unless otherwise ordered by the Bankruptcy Court, the City must file and serve any such
21 objections to Claims by not later than 182 days after the Effective Date (or, in the case of Claims
22 lawfully filed after the Effective Date, by not later than 182 days after the date of filing of such
23 Claims).

24 **B. Payments and Distributions with Respect to Disputed Claims.**

25 After the Effective Date has occurred, at such time as a Disputed Claim becomes
26 an Allowed Claim, in whole or in part, the City or its agent will distribute to the holder thereof the
27 distributions, if any, to which such holder is then entitled under this Plan. Such distributions, if
28 any, will be made as soon as practicable after the date that the order or judgment of the
Bankruptcy Court allowing such Disputed Claim becomes a Final Order (or such other date as the

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Claim becomes an Allowed Claim), but in no event more than 63 days thereafter. Unless otherwise specifically provided in this Plan or Allowed by order of the Bankruptcy Court, no interest will be paid on Disputed Claims that later become Allowed Claims.

XI. EFFECT OF CONFIRMATION

A. Discharge of the City.

Pursuant to section 944, upon the Effective Date, the City will be discharged from all ~~debts~~Debts of the City and Claims against the City other than (i) any Debt specifically and expressly excepted from discharge by this Plan or the Confirmation Order, or (ii) any Debt owed to an entity that, before the Confirmation Date, had neither notice nor actual knowledge of the Chapter 9 Case. The rights afforded in ~~this~~the Plan and the treatment of all holders of Claims, whether such Claims are Impaired or Unimpaired under ~~this~~the Plan, will be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever arising on or before the Effective Date, known or unknown, including any interest accrued or expenses incurred thereon from and after the Petition Date, whether against the City or any of its properties, assets, or interests in property. Except as otherwise provided herein, upon the Effective Date, all Pre-Confirmation Date Claims will be and shall be deemed to be satisfied, discharged, and released in full, be they Impaired or Unimpaired under this Plan. For the avoidance of doubt, nothing in the Plan discharges, releases, or impairs obligations of the City under the CalPERS Pension Plan.

Notwithstanding any other provision of this Plan or the Confirmation Order, the City's obligations pursuant to the Contracts For Loan Guarantee shall remain extant and enforceable and not subject to discharge pursuant to section 944; *provided, however, that the City retains all defenses to the enforceability of any such obligations under applicable nonbankruptcy law.*

B. Injunction.

Except as otherwise expressly provided in this Plan, all entities who have held, hold, or may hold Pre-Confirmation Date Claims shall be permanently enjoined from and after the Confirmation Date from: (i) commencing or continuing in any manner any action or other

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1 proceeding of any kind with respect to any such Pre-Confirmation Date Claim against the City or
2 its property; (ii) enforcing, attaching, collecting, or recovering by any manner or means any
3 judgment, award, decree, or order against the City or its property with respect to such
4 Pre-Confirmation Date Claims; (iii) creating, perfecting, or enforcing any lien or encumbrance of
5 any kind against the City or its property; and (iv) asserting any right of setoff, subrogation, or
6 recoupment of any kind against any obligation due to the City with respect to any such Pre-
7 Confirmation Date Claim, except as otherwise permitted by section 553. For the avoidance of
8 doubt, nothing in the Plan enjoins CalPERS with respect to Pension Plan.
9 ///

10 **C. Term of Existing Injunctions or Stays.**

11 Unless otherwise provided, all injunctions or stays provided for in the Chapter 9
12 Case pursuant to sections 105, 362, or 922, or otherwise, and in existence on the Confirmation
13 Date, will remain in full force and effect until the Effective Date.

14 **D. Exculpation.**

15 Except with respect to obligations specifically arising pursuant to or preserved in
16 this Plan, including but not limited to the Insurance Policies, no Exculpated Party shall have or
17 incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation,
18 cause of action or liability for any claim in connection with or arising prior to or on the Effective
19 Date for any act taken or omitted to be taken in connection with, or related to, (i) the
20 administration of the Chapter 9 Case, (ii) the negotiation, pursuit, confirmation, solicitation of
21 votes for, consummation or implementation of the Plan, (iii) the administration of the Plan or
22 property to be distributed under the Plan, (iv) the AB 506 process, (v) any document, release,
23 contract, or other instrument entered into in connection with, or relating to, the Plan or the
24 settlements referenced within the Plan or (vi) any other transaction contemplated by, or entered
25 into, in connection with the Plan; *provided, however*, that nothing in this Section XI-(D) shall be
26 deemed to release or exculpate any Exculpated Party for its willful misconduct or gross
27 negligence. In all respects, each Exculpated Party shall be entitled to reasonably rely upon the
28 advice of counsel with respect to its duties and responsibilities pursuant to the Plan.

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E. **Releases Among Releasing Parties and Released Parties.**

EFFECTIVE AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, (i) THE CITY AND EACH OF ITS RELATED PERSONS (COLLECTIVELY, THE “**CITY RELEASING PARTIES**”) SHALL, AND SHALL BE DEEMED TO, COMPLETELY, CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASE, WAIVE, VOID, EXTINGUISH, AND DISCHARGE EACH AND ALL OF THE RELEASED PARTIES (AND EACH SUCH RELEASED PARTY SO RELEASED SHALL BE DEEMED FOREVER RELEASED, WAIVED AND DISCHARGED BY THE CITY RELEASING PARTIES) AND THEIR RESPECTIVE PROPERTIES AND RELATED PERSONS; AND (ii) EACH OF NPMFG, ASSURED GUARANTY, AMBAC, THE INDENTURE TRUSTEE IN ALL ITS CAPACITIES (EXCEPT IN ITS CAPACITY AS THE 2009 GOLF COURSE/PARK BOND TRUSTEE) (COLLECTIVELY WITH THE CITY RELEASING PARTIES, THE “**RELEASING PARTIES**”) SHALL, AND SHALL BE DEEMED TO, COMPLETELY, CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASE, WAIVE, VOID, EXTINGUISH, AND DISCHARGE THE CITY (AND THE CITY SHALL BE DEEMED FOREVER RELEASED, WAIVED AND DISCHARGED BY SUCH RELEASING PARTIES), OF AND FROM ANY AND ALL OF THE FOLLOWING: CLAIMS, CAUSES OF ACTION, LITIGATION CLAIMS, AVOIDANCE ACTIONS AND ANY OTHER DEBTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, ACTIONS, REMEDIES, JUDGMENTS, AND LIABILITIES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, THE AB 506 PROCESS AND THE ELIGIBILITY CONTEST), WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, EXISTING AS OF THE EFFECTIVE DATE OR THEREAFTER ARISING, IN LAW, AT EQUITY, WHETHER FOR TORT, CONTRACT, OR OTHERWISE, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION,

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1 rights that a holder of a Claim may have with respect to any Claim against the City, any
2 distribution to be made pursuant to the Plan on account of any such Claim and any and all Claims
3 or causes of action of any party arising out of or relating to the AB 506 Process or the Eligibility
4 Contest. The entry of the Confirmation Order constitutes the Bankruptcy Court's approval, as of
5 the Effective Date, of the compromise or settlement of all such Claims or controversies and the
6 Bankruptcy Court's finding that all such compromises or settlements are in the best interests of
7 the City and the holders of Claims, and are fair, equitable, and reasonable.

8 **XII. RETENTION OF AND CONSENT TO JURISDICTION**

9 Following the Effective Date, the Bankruptcy Court shall retain and have exclusive
10 jurisdiction over any matter (i) arising under the Bankruptcy Code and relating to the City, (ii)
11 arising in or related to the Chapter 9 Case or this Plan, and (iii) otherwise for the following:

12 1. to resolve any matters related to the assumption, assumption and assignment, or
13 rejection of any executory contract or unexpired lease to which the City is a party or with respect
14 to which the City may be liable, and to hear, determine and, if necessary, liquidate any Claims
15 arising therefrom, ~~including those matters related to the amendment after the Effective Date of~~
16 ~~this Plan, and to add any executory contracts or unexpired leases to the Rejection Motion, as~~
17 ~~necessary;~~

18 2. to enter such orders as may be necessary or appropriate to implement or
19 consummate the provisions of this Plan, and all other contracts, settlement agreements,
20 instruments, releases, exculpations, and other agreements or documents related to this Plan;

21 3. to determine any and all motions, adversary proceedings, applications, and
22 contested or litigated matters that may be pending on the Effective Date or that, pursuant to this
23 Plan, may be instituted by the City after the Effective Date or that are instituted by any holder of a
24 Claim before or after the Effective Date concerning any matter based upon, arising out of, or
25 relating to the Chapter 9 Case, whether or not such action initially is filed in the Bankruptcy Court
26 or any other court;

27 4. to ensure that distributions to holders of Allowed Claims are accomplished as
28 provided herein;

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5. to hear and determine any objections to Claims or to proofs of Claim filed, both before and after the Effective Date, including any objections to the classification of any Claim, and to allow, disallow, determine, liquidate, classify, estimate, or establish the priority of or secured or unsecured status of any Claim, in whole or in part;

6. to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;

7. to issue such orders in aid of execution of this Plan, to the extent authorized by section 1142(b);

8. to consider any modifications of this Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

9. to the extent that the City elects to bring such matters before the Bankruptcy Court, to hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date;

10. to hear and determine all disputes or controversies arising in connection with or relating to this Plan or the Confirmation Order or the interpretation, implementation, or enforcement of this Plan or the Confirmation Order or the extent of any Entity's obligations incurred in connection with, released, enjoined, or exculpated under this Plan or the Confirmation Order;

11. to issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of this Plan;

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12. to determine any other matters that may arise in connection with or are related to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release or other agreement or document related to this Plan or the Disclosure Statement;

13. to hear any other matter for any purpose specified in the Confirmation Order that is

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not inconsistent with the Bankruptcy Code;

14. to hear and determine all disputes or controversies arising in connection with or relating to the terms or enforcement of any relevant agreements; and

15. to enter a final decree closing the Chapter 9 Case.

This Section XII shall not apply to any Claims, disputes, controversies, or other matters arising under or in connection with the CalPERS Pension Plan.

XIII. CONDITIONS PRECEDENT

A. Conditions Precedent to Confirmation.

The conditions precedent to confirmation of the Plan are: (i) the entry of the Confirmation Order in form and substance satisfactory to the City, and which is reasonably satisfactory to Assured Guaranty, Ambac, NPMG, and the Indenture Trustee; and (ii) the approval of the State of California Department of Finance of the restructuring of the Arena Pledge Agreement as described in the NPMG Settlement.

B. Conditions Precedent to Effective Date.

The “effective date of the plan,” as used in section 1129, shall not occur, and this Plan shall be of no force and effect, until the Effective Date. The occurrence of the Effective Date is subject to the satisfaction (or waiver as set forth in Section XIII(C)) of the following conditions precedent:

1. Confirmation Order. The Confirmation Order shall have been entered, shall be in full force and effect, and shall be a Final Order (but the requirement that the Confirmation Order be a Final Order may be waived by the City at any time).

2. Order Fixing Allowed Amount of the Golf Course/Park Secured Claim. The Bankruptcy Court shall have entered an order fixing the amount of the Allowed Golf Course/Park Secured Claim.

3. ~~2.~~ Plan Documents. All agreements and instruments contemplated by, or to be entered into pursuant to, this Plan shall be in form and substance acceptable to the City (and in the case of all agreements and instruments

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1 between the City and Ambac, Assured Guaranty, NPFPG, and the Indenture Trustee,
2 acceptable to Ambac, Assured Guaranty, NPFPG, and the Indenture Trustee,
3 respectively); shall have been duly and validly executed and delivered (including, but
4 not limited to, any documents necessary to be executed on or prior to the Effective
5 Date so as to implement the Ambac Settlement, the Assured Guaranty Settlement, and
6 the NPFPG Settlement, respectively, and the satisfaction or waiver of the conditions
7 precedent to the Ambac Settlement, the Assured Guaranty Settlement, and the NPFPG
8 Settlement, respectively), or deemed executed by the parties thereto; and all conditions
9 to their effectiveness shall have been satisfied or waived.

10 **4.** ~~3.~~ **Authorizations, Consents, Etc.** The City shall have
11 received any and all authorizations, consents, regulatory approvals, rulings, no-action
12 letters, opinions, and documents that are necessary to implement the Plan and that are
13 required by law, regulation or order.

14 **5.** ~~4.~~ **Timing.** The Effective Date shall occur on the first Business
15 Day on which the conditions set forth in Section XIII(B)(1) and (B)(2) are satisfied or
16 waived; *provided* that, unless otherwise ordered by the Bankruptcy Court, the
17 Effective Date must occur by no later than 182 days after the Confirmation Date.

18 **C. Waiver of Conditions to Effective Date.**

19 The City may waive in whole or in part any condition to effectiveness of this Plan.
20 If a condition to the occurrence of the Effective Date is the occurrence of the conditions to the
21 effectiveness of the Ambac Settlement Agreement, the Assured Guaranty Settlement, or the
22 NPFPG Settlement, then such condition may not be waived without the prior written consent of
23 Ambac, Assured Guaranty, of NPFPG, as applicable. Any such waiver of a condition may be
24 effected at any time, without notice or leave or order of the Bankruptcy Court and without any
25 formal action, other than the filing of a notice of such waiver with the Bankruptcy Court.

26 **D. Effect of Failure of Conditions.**

27 In the event that the conditions to effectiveness of this Plan have not been timely
28 satisfied or waived, and upon notification submitted by the City to the Bankruptcy Court, (i) the

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1 Confirmation Order shall be vacated, (ii) no distributions under this Plan shall be made, (iii) the
2 City and all holders of Claims shall be restored to the status quo ante as of the day immediately
3 preceding the Confirmation Date as though the Confirmation Date never occurred, and (iv) all of
4 the City’s obligations with respect to the Claims shall remain unchanged and nothing contained
5 herein shall be deemed to constitute a waiver or release of any claims by or against the City or any
6 other entity or to prejudice in any manner the rights, remedies, or claims of the City or any entity
7 in any further proceedings involving the City.

8 **E. No Admission of Liability.**

9 The Plan constitutes a settlement and compromise between and among the City
10 and various parties. The Plan shall not be deemed an admission or concession by any party with
11 respect to any factual or legal contention, right, defense, or position taken by the City.

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13 **XIV. MISCELLANEOUS PROVISIONS**

14 **A. Dissolution of the Retirees Committee.**

15 On the Effective Date, the Retirees Committee shall be released and discharged of
16 and from all further authority, duties, responsibilities, and obligations relating to and arising from
17 and in connection with the Chapter 9 Case, and the Retirees Committee shall be deemed dissolved
18 and its appointment terminated.

19 **B. Severability.**

20 If any term or provision of this Plan is held by the Bankruptcy Court or any other
21 court having jurisdiction, including on appeal, if applicable, to be invalid, void, or unenforceable,
22 the Bankruptcy Court, in each such case at the election of and with the consent of the City, shall
23 have the power to alter and interpret such term or provision to make it valid or enforceable to the
24 maximum extent practicable, consistent with the original purpose of the term or provision held to
25 be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered
26 or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of
27 the terms and provisions of this Plan shall remain in full force and effect and shall in no way be
28 affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation

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Order shall constitute a judicial determination and shall provide that each term and provision of

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this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

C. Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent that an exhibit hereto or Plan Document provides otherwise, the rights, duties, and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without giving effect to principles of conflicts of laws.

D. Effectuating Documents and Further Transactions.

Each of the officials and employees of the City is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and provisions of this Plan.

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3 **E. Notice of Effective Date.**

4 On or before 14 days after occurrence of the Effective Date, the City or its agent
5 shall mail or cause to be mailed to all holders of Claims the Notice of the Effective Date, which
6 will inform such holders of: (a) entry of the Confirmation Order; (b) the occurrence of the
7 Effective Date; (c) the assumption and rejection of the City’s executory contracts and unexpired
8 leases pursuant to this Plan, as well as the deadline for the filing of Claims arising from such
9 rejection; (d) the deadline established under this Plan for the filing of Administrative Claims; (e)
10 the procedures for changing an address of record pursuant to Section IX; and (f) such other
11 matters as the City deems to be appropriate.

12
13 DATED: ~~November _____, 2013~~ June 2, 2014 CITY OF STOCKTON, CALIFORNIA

14
15 By: _____
16 Kurt O. Wilson
~~Interim~~ City Manager

17 Submitted By:
18 ORRICK, HERRINGTON & SUTCLIFFE LLP

19
20 By: /s/ Marc A. Levinson
21 Marc A. Levinson
22 Jeffery D. Hermann
23 Norman C. Hile
Patrick B. Bocash
John A. Farmer

24 Attorneys for the City of Stockton

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~~EXHIBITS~~ **EXHIBIT A**

TO

THE FIRST AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF CITY OF STOCKTON, CALIFORNIA ~~(NOVEMBER 15, 2013)~~ **AS MODIFIED (JUNE 2, 2014)**

Exhibit A Description of Marina Project Real and Personal Property

DESCRIPTION OF MARINA PROJECT REAL PROPERTY

All interests or rights in and to that certain real property situated in the County of San Joaquin, State of California, described by the assessor parcel numbers listed below:

APN: 137-010-02

APN: 137-010-03

APN: 137-010-08

APN: 137-010-06

APN: 137-260-30

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