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 8 Attorneys for Debtor
 City of Stockton

9 UNITED STATES BANKRUPTCY COURT
 10 EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION

12 In re:
 13 CITY OF STOCKTON, CALIFORNIA,
 14 Debtor.

Case No. 12-32118
 D.C. No. OHS-23
 Chapter 9

**JOINT MOTION TO APPROVE
 STIPULATION BETWEEN THE CITY
 OF STOCKTON AND WELLS FARGO
 BANK, NATIONAL ASSOCIATION, AS
 INDENTURE TRUSTEE, FOR RELIEF
 FROM THE AUTOMATIC STAY**

Date: November 18, 2014
 Time: 9:30 a.m.
 Dept: Courtroom 35
 Judge: Hon. Christopher M. Klein

21 The City of Stockton, California (the "City") and Wells Fargo Bank, National
 22 Association, in its capacity as Indenture Trustee for the Stockton Public Financing Authority
 23 Lease Revenue Bonds, Series 2004 (Parking and Capital Projects) (the "Trustee" and together
 24 with the City, the "Parties") bring this joint motion pursuant to Local Bankruptcy Rule 4001-1 for
 25 an order approving the Stipulation (the "Stipulation") between the Parties, granting relief from the
 26 automatic stay as contemplated in the Stipulation so as to permit the Trustee to seek entry of an
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1 order from the California State Court¹ approving the Stipulated Receivership Order. A true and
2 correct copy of the Stipulation is attached hereto as Exhibit A.

3 Background

4 1. As further set forth in the Stipulation, as part of the treatment provided by the
5 City's Plan in this chapter 9 case, the Parties, along with National Public Finance Guarantee
6 Corporation ("National" and collectively, with the Parties, the "Settlement Parties"), have entered
7 into a settlement pursuant to which the Settlement Parties will enter into a forbearance agreement
8 (the "Forbearance Agreement") and certain other related agreements and documents (collectively,
9 along with the Plan, the "Settlement").

10 2. In accordance with the terms of the Settlement, the City has created a new parking
11 authority (the "Parking Authority") to which it will transfer ownership and control of the Leased
12 Parking Facilities and the City's other downtown parking structures and parking assets specified
13 in the Settlement. Revenues from the Parking Authority will be pledged to the Trustee in support
14 of a new schedule of installment payments on the Bonds.

15 3. The Forbearance Agreement also requires the Parking Authority to retain a third
16 party parking operator to manage and operate certain of the parking facilities to be transferred to
17 the Parking Authority. If the parking operator has not been retained on or prior to the Effective
18 Date of the Plan, the Receiver will continue to operate the Leased Parking Facilities and will
19 assume control over the operations of certain additional parking structures until the Parking
20 Authority retains a third party parking operator. Such receivership will continue to be overseen
21 by the California State Court (the "Stipulated Receivership"). The terms of the Stipulated
22 Receivership are memorialized in a stipulated receivership order (the "Stipulated Receivership
23 Order"). The Trustee intends to seek entry by the California State Court of the Stipulated
24 Receivership Order.

25 4. The Plan provides that "[u]nless otherwise provided, all injunctions or stays
26 provided for in the Chapter 9 Case pursuant to sections 105, 362, or 922, or otherwise, and in

27 _____
28 ¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the First Amended
Plan for the Adjustment of Debts of City of Stockton, California, As Modified (August 8, 2014) [D.I. 1645] or the
Stipulation, as applicable.

1 existence on the Confirmation Date, will remain in full force and effect until the Effective Date.”
2 Plan § XI.C.

3 5. The Parties wish to expedite the California State Court’s review of the Stipulated
4 Receivership Order. They, therefore, seek immediate relief from the automatic stay, to the
5 extent applicable, so that they may file the Stipulated Receivership Order and other appropriate
6 documents in the California State Court to maximize the likelihood that the California State
7 Court will promptly enter such order.

8 **Jurisdiction and Venue**

9 6. This Court has jurisdiction over this motion and the relief requested pursuant to
10 28 U.S.C. §§ 157 and 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and
11 1409.

12 **Relief Requested**

13 7. By this motion and pursuant to Rule 4001 of the Federal Rules of Bankruptcy
14 Procedure and Section 362(d) of the Bankruptcy Code (applicable to this case by Sections 901(a)
15 and 922 of the Bankruptcy Code), the Parties seek an order from this Court approving the
16 Stipulation. The Stipulation should be approved because the City has agreed to make
17 commercially reasonable efforts to seek appointment of a receiver prior to the Effective Date of
18 its Plan, and any order the Parties seek from the California State Court will be conditioned upon
19 the occurrence of the Effective Date of the Plan. Relief from stay thus allows nothing more than
20 putting the issue of appointing a receiver over certain of the City’s parking assets before the
21 California State Court and permitting that court to enter an order contingent on this Court’s
22 confirmation of the Plan and the Effective Date of the Plan.

23 8. Obtaining relief from the stay is consistent with the City’s obligations under the
24 Forbearance Agreement and promotes efficiency by allowing the City to shorten its list of steps
25 to be taken in the event its Plan is confirmed. In order to maximize efficiency and permit the
26 City to satisfy its obligations under the Forbearance Agreement, the Parties further request relief
27 from the 14-day stay contemplated by Rule 4001(a)(3) so that papers can be filed in the State
28 Court upon entry of an order approving the Stipulation.

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WHEREFORE, the Parties request that the Court enter an order approving the Stipulation, applicable immediately notwithstanding Rule 4001(a)(3), and granting such other relief as the Court may deem just and proper.

Dated: November 6, 2014

ORRICK, HERRINGTON & SUTCLIFFE LLP

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

Dated: November 6, 2014

MINTZ LEVIN COHN FERRIS GLOVSKY
AND POPEO P.C.

By: /s/ Jeffry A. Davis
 Jeffry A. Davis
 Abigail V. O’Brient
 Attorneys for Wells Fargo Bank, National
 Association, as Indenture Trustee

Exhibit A

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16 **STIPULATION BETWEEN THE CITY**
 17 **OF STOCKTON AND WELLS FARGO**
 18 **BANK, NATIONAL ASSOCIATION, AS**
 19 **INDENTURE TRUSTEE, FOR RELIEF**
 20 **FROM THE AUTOMATIC STAY**

Date: November 18, 2014
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 23 The City of Stockton, California (the “City”) and Wells Fargo Bank, National
 24 Association, in its capacity as Indenture Trustee for the Stockton Public Financing Authority
 25 Lease Revenue Bonds, Series 2004 (Parking and Capital Projects) (the “Trustee” and together
 26 with the City, the “Parties”) hereby enter into the following stipulation (the “Stipulation”) and
 27 jointly request that the Court issue an order, as follows:

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RECITALS

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2 1. Prepetition, the City became obligated to make certain lease payments to
3 the Stockton Public Financing Authority (the “Authority”) with respect to three parking structures
4 located within the City – namely, the Edmund S. Coy Parking Structure, the Stockton Events
5 Center Parking Structure and the Market Street Parking Structure (collectively, the “Leased
6 Parking Facilities”).

7 2. The Stockton Public Financing Authority issued its Lease Revenue Bonds,
8 Series 2004 (Parking and Capital Projects) (collectively, the “Bonds”), the debt service on which
9 is payable from lease payments to be made by the City. Proceeds of the Bonds were used to fund
10 the construction of certain of the parking garages and other improvements.

11 3. In April 2012, the Superior Court for the State of California, County of San
12 Joaquin (the “California State Court”), entered an order in the matter pending before it as *Wells*
13 *Fargo Bank, National Association v. City of Stockton*, Case No. 39-2012-00277662-CU-UD-STK
14 (the “Judgment”), pursuant to which it awarded the Trustee possession of the Leased Parking
15 Facilities.

16 4. The California State Court entered an order appointing Kevin Whelan as
17 receiver (the “Receiver”) to implement and enforce the Judgment (the “2012 Receivership
18 Order”). The 2012 Receivership Order provides that “[t]he Receiver shall continue in possession
19 of the Receivership Estate [i.e., the Leased Parking Facilities] pending further order of the Court.”
20 (2012 Receivership Order, ¶ 16.) The Receiver began operating the Leased Parking Facilities on
21 May 18, 2012 and has continued operating the Leased Parking Facilities since that date.

22 5. On June 28, 2012, the City filed a petition for relief under chapter 9 of the
23 United States Bankruptcy Code (the “Bankruptcy Code”) in this Court. The City’s bankruptcy
24 case is currently pending under the above-captioned case number (the “Bankruptcy Case”).
25 During the pendency of the Bankruptcy Case, the Receiver has continued to operate the Leased
26 Parking Facilities pursuant to the 2012 Receivership Order.

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1 6. As part of the treatment provided by the City's Plan¹ in this chapter 9 case,
2 the Parties, along with National Public Finance Guarantee Corporation ("National" and
3 collectively, with the Parties, the "Settlement Parties"), have entered into a settlement pursuant to
4 which the Settlement Parties will enter into a forbearance agreement (the "Forbearance
5 Agreement") and certain other related agreements and documents (collectively, along with the
6 Plan, the "Settlement"). The effectiveness of the Forbearance Agreement and other agreements is
7 contingent on the occurrence of the Effective Date of the Plan.

8 7. In accordance with the terms of the Settlement, the City has activated its
9 parking authority (the "Parking Authority") to which it will transfer ownership and control of the
10 Leased Parking Facilities and other downtown parking structures and parking assets as specified
11 in the Settlement. Revenues of the Parking Authority's operation of such assets will be pledged
12 to the Trustee in support of a new schedule of installment payments to be made by the Parking
13 Authority, which the Trustee will apply towards debt service on the Bonds.

14 8. The Forbearance Agreement also requires the Parking Authority to retain a
15 third party parking operator to manage and operate certain of the parking facilities to be
16 transferred to the Parking Authority. If the third party parking operator has not been retained on
17 or prior to the Effective Date of the Plan, the Receiver will continue to operate the Leased
18 Parking Facilities and, in the event any of certain defaults identified in the Forbearance
19 Agreement occurs, will assume control over the operations of certain additional parking structures
20 until the Parking Authority retains a third party parking operator. Such receivership will continue
21 to be overseen by the California State Court (the "Stipulated Receivership"). The terms of the
22 Stipulated Receivership are memorialized in a stipulated receivership order (the "Stipulated
23 Receivership Order"). The Trustee intends to seek entry by the California State Court of the
24 Stipulated Receivership Order.

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27 ¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the First Amended
28 Plan for the Adjustment of Debts of City of Stockton, California, As Modified (August 8, 2014) [Dkt. 1645] or the
Forbearance Agreement, as applicable.

1 9. The Plan provides that “[u]nless otherwise provided, all injunctions or
2 stays provided for in the Chapter 9 Case pursuant to sections 105, 362, or 922, or otherwise, and
3 in existence on the Confirmation Date, will remain in full force and effect until the Effective
4 Date.” Plan § XI.C.

5 10. The Parties wish to expedite the California State Court’s review of the
6 Stipulated Receivership Order. They, therefore, seek immediate relief from the automatic stay,
7 to the extent applicable, so that they may file the Stipulated Receivership Order and other
8 appropriate documents in the California State Court to maximize the likelihood that the
9 California State Court will promptly enter such order.

10 **STIPULATION**

11 1. Upon entry of the order (“Order”) approving this Stipulation, the
12 automatic stay of 11 U.S.C. §§ 362 and 922 shall, to the extent applicable, terminate as to the
13 Settlement Parties (including their agents, affiliates, successors and assigns) to permit such entity
14 or entities to seek and obtain approval of the Stipulated Receivership Order and to assure the
15 California State Court that the entry of any order does not violate the automatic stay.

16 2. This Stipulation shall be effective upon entry of the Order, and the 14-day
17 stay contemplated by Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure shall not
18 apply. If any provision of the Order is later modified, vacated or stayed by order of this Court or
19 any other court for any reason, such modification, vacation or stay shall not affect the validity of
20 any action taken pursuant to the Order before the later of (a) the effective date of such
21 modification, vacation or stay, or (b) the entry of the order pursuant to which such modification,
22 vacation or stay was established.

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3. This Stipulation may be executed in facsimile or electronic counterparts and shall be deemed complete and effective as if it were executed as one original document.

IT IS SO STIPULATED.

MINTZ LEVIN COHN FERRIS GLOVSKY AND
POPEO P.C.

Dated: November 6, 2014

By: /s/ Jeffrey A. Davis
Jeffrey A. Davis
Abigail V. O’Brien
Attorneys for Wells Fargo Bank, National
Association as Indenture Trustee

ORRICK, HERRINGTON & SUTCLIFFE LLP

Dated: November 6, 2014

By: /s/ Marc A. Levinson
Marc A. Levinson
Patrick B. Bocash
Attorneys for City of Stockton, Debtor