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

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

Case No. 2012-32118  
 D.C. No. DM-1  
 Chapter 9

**CITY OF STOCKTON'S STATEMENT  
 OF NON-OPPOSITION TO PRESTON  
 PIPELINES, INC.'S MOTION FOR  
 RELIEF FROM THE AUTOMATIC  
 STAY**

Date: August 20, 2013  
 Time: 9:30 a.m.  
 Dept: Courtroom 35  
 501 I St.  
 Sacramento, CA 95814  
 Judge: Hon. Christopher M. Klein

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 24 The City of Stockton, California ("City") does not oppose the relief requested by Preston  
 25 Pipelines, Inc's ("PPI's") Motion For Relief From The Automatic Stay ("Relief Motion"). The  
 26 City agrees with the allegations in the Relief Motion that any judgment and any costs incurred as  
 27 the result of PPI's lawsuit will be paid solely out of the Water Project Account (399-9922-670),  
 28 funds that are restricted to the payment of costs related to the Delta Water Supply Project Intake

1 and Pump Station Facility, and are not an obligation of the City’s General Fund. Thus, any  
2 litigation costs and/or judgments will not affect the General Fund or the City’s ability to confirm  
3 a plan of adjustment.

4 Furthermore, the underlying lawsuit will not create any significant additional work for the  
5 City Attorney’s Office. While the City Attorney’s Office will monitor outside counsel and advise  
6 on this litigation, its role will be minimal. Thus, although the City remains mindful of the  
7 burdens already placed on the overworked City Attorney’s Office, the litigation PPI seeks leave  
8 to pursue, unlike most other lawsuits against the City, will not significantly add to its workload.

9 In the event that PPI asserts claims against the City’s General Fund in the future, or in the  
10 event that the City Attorney’s Office is forced to take a more active role in the litigation, the City  
11 reserves its right to seek reimposition of the automatic stay or an injunction.

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Dated: August 5, 2013

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By:                   /s/ Marc A. Levinson                    
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