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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-21
 Chapter 9

15 **JOINT MOTION TO APPROVE**
 16 **STIPULATION BETWEEN THE CITY**
 17 **OF STOCKTON AND ASSURED**
 18 **GUARANTY CORP. FOR RELIEF FROM**
 19 **THE AUTOMATIC STAY**

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

21
 22 The City of Stockton, California (the “City”) and Assured Guaranty Corp. (“Assured” and,
 23 together with the City, the “Parties”) bring this joint motion pursuant to Local Bankruptcy Rule
 24 4001-1 for an order approving the Stipulation (the “Stipulation”) between the Parties, granting relief
 25 from the automatic stay as contemplated in the Stipulation with respect to the real property
 26 commonly known as 400 E. Main Street (the “400 E. Main Street Property”). A true and correct
 27 copy of the Stipulation is attached hereto as Exhibit A.

28

1 **Background**

2 As further set forth in the Stipulation, the City Plan¹ provides, as part of the treatment for
 3 Assured's claim in the City's bankruptcy case, that the Parties will enter into a Real Property Option
 4 Agreement and Joint Escrow Instructions (the "Option Agreement") and Joint Stipulation Re:
 5 Appointment of Receiver; [Proposed] Order Thereon (the "Receivership Stipulation"). The Option
 6 Agreement is attached as Exhibit 1.c to the Supplemental Plan Supplement In Connection With The
 7 First Amended Plan For The Adjustment Of Debts Of City Of Stockton, California (November 15,
 8 2013) [Dkt. No. 1259]. The Option Agreement, among other things, affords Assured or its designee
 9 the right to acquire the 400 E. Main Street Property, and the Receivership Stipulation reflects the
 10 Parties' agreement to the appointment of a Receiver over that property as of the Effective Date and
 11 subject to the occurrence of the Effective Date.

12 The Option Agreement requires the City to execute and file the Receivership Stipulation in
 13 the Superior Court for the State of California for the County of San Joaquin (the "State Court")
 14 within two (2) business days after this Court enters an order confirming the Plan. Option Agreement
 15 § 1.2. It also requires the City to use "its commercially reasonable efforts to obtain the appointment
 16 of the Receiver" on or before the Effective Date of the Plan. Id.

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

20 The Parties wish to expedite the State Court's review of the Receivership Stipulation. They
 21 therefore seek immediate relief from the automatic stay, to the extent applicable, so that they may
 22 file the Receivership Stipulation and other appropriate documents in the State Court to maximize the
 23 likelihood that the State Court will appoint a receiver upon the occurrence of the Effective Date of
 24 the Plan.

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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].

Exhibit A

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**STIPULATION BETWEEN THE CITY
 OF STOCKTON AND ASSURED
 GUARANTY CORP. FOR RELIEF
 FROM THE AUTOMATIC STAY**

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

21
 22
 23 The City of Stockton, California (the “City”) and Assured Guaranty Corp. (“Assured” and
 24 together with the City, the “Parties”) hereby enter into the following stipulation (the “Stipulation”)
 25 and jointly request that the Court issue an order, as follows:

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RECITALS

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2 1. As part of the treatment provided by the City’s Plan¹ for Assured’s claim in
3 this chapter 9 case, the Parties have agreed to enter into a Real Property Option Agreement and Joint
4 Escrow Instructions (the “Option Agreement”) and Joint Stipulation Re: Appointment of Receiver;
5 [Proposed] Order Thereon (the “Receivership Stipulation”). The Option Agreement is attached as
6 Exhibit 1.c to the Supplemental Plan Supplement In Connection With The First Amended Plan For
7 The Adjustment Of Debts Of City Of Stockton, California (November 15, 2013) [Dkt. No. 1259].
8 The Option Agreement, among other things, affords Assured or its designee the right to acquire the
9 400 E. Main Street Property, and the Receivership Stipulation reflects the Parties’ agreement to the
10 appointment of a Receiver over that property as of the Effective Date.

11 2. The Option Agreement requires the City to execute and file the Receivership
12 Stipulation in the Superior Court for the State of California for the County of San Joaquin (the
13 “State Court”) within two (2) business days after this Court enters an order confirming the Plan.
14 Option Agreement § 1.2. It also requires the City to use “its commercially reasonable efforts to
15 obtain the appointment of the Receiver” on or before the Effective Date of the Plan. Id.

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

20 4. The Parties wish to expedite the State Court’s review of the Receivership
21 Stipulation. They therefore seek immediate relief from the automatic stay, to the extent applicable,
22 so that they may file the Receivership Stipulation and other appropriate documents in the State
23 Court to maximize the likelihood that the State Court will appoint a receiver, subject to and
24 conditioned upon the occurrence of the Effective Date of the Plan.

25 ///

26
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].

STIPULATION

1
2 1. Upon entry of the order (“Order”) approving this Stipulation, the automatic stay of
3 11 U.S.C. §§ 362 and 922 shall, to the extent applicable, terminate as to Assured and its agents,
4 affiliates, successors and assigns (including, but not limited to, Four Hundred Main Street LLC) to
5 permit Assured to seek appointment of the Receiver over the 400 E. Main Street Property in
6 accordance with the Receivership Stipulation, conditioned upon the occurrence of the Effective
7 Date and effective upon the Effective Date of the Plan, and to assure the State Court that the entry
8 of any order does not violate the automatic stay.

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

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

18 **IT IS SO STIPULATED.**

19 Prepared by: SIDLEY AUSTIN LLP

20
21 Dated: October 15, 2014 By: /s/ Christina M. Craige
22 Christina M. Craige
Attorneys for Assured Guaranty Corp

23 **IT IS SO STIPULATED.** ORRICK, HERRINGTON & SUTCLIFFE LLP

24
25 Dated: October 15, 2014 By: /s/ Marc A. Levinson
26 Marc A. Levinson
Patrick B. Bocash
27 Attorneys for City of Stockton, Debtor

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