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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. BB-001  
 Chapter 9

**STIPULATION BETWEEN THE CITY  
 OF STOCKTON AND THE  
 COALITION FOR A SUSTAINABLE  
 DELTA AND OTHER PARTIES FOR  
 LIMITED RELIEF FROM THE  
 AUTOMATIC STAY**

Date: July 1, 2014  
 Time: 9:30 a.m.  
 Dept: Courtroom 35  
 Judge: Hon. Christopher M. Klein

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 23 The Coalition for a Sustainable Delta, Belridge Water Storage District, Berrenda Mesa  
 24 Water District, Cawelo Water District, North of the River Municipal Water District, Wheeler  
 25 Ridge-Maricopa Water Storage District, and Dee Dillon (collectively, "Movants") and the City of  
 26 Stockton ("City," and together with Movants, the "Parties") hereby enter into the following  
 27 stipulation ("Stipulation") as follows:

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**RECITALS**

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2 1. By their Motion Of The Coalition For A Sustainable Delta And Other Parties For  
3 Limited Relief From Automatic Stay Pursuant To 11 U.S.C. § 362(d)(1) (“Motion”), Movants  
4 seek an order modifying the automatic stay with respect to the case, pending in the United States  
5 District Court for the Eastern District of California (“District Court”), titled *Coalition for a*  
6 *Sustainable Delta, et al. v. City of Stockton, and County of San Joaquin*, Case No. 2:09-CV-  
7 00466-JAM-KJN (“District Court Action”) such that Movants may pursue the District Court  
8 Action to judgment.

9 2. The City contends that relief from the automatic stay should not be granted, and  
10 believes that the Motion should be denied without prejudice pending further developments in its  
11 chapter 9 case relating to the City’s proposed plan of adjustment.

12 3. The Parties have reached agreement as to the automatic stay issues.  
13 Accordingly, the Parties hereby stipulate and agree as follows:

**STIPULATION**

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15 1. Movants shall be granted relief from the stay as follows:

- 16 a. The automatic stay is terminated with respect to the District Court Action  
17 effective on August 29, 2014, if not sooner terminated on the effective date  
18 of a plan of adjustment.
- 19 b. The termination of the automatic stay will enable Movants to pursue the  
20 District Court Action to judgment, but not to enforce any “claims,” as such  
21 term is defined in 11 U.S.C. § 101(5), that are subject to treatment in a  
22 confirmed plan of adjustment (the “Claims”).
- 23 c. Any Claims adjudicated in the District Court Action shall be subject to the  
24 treatment of claims in the bankruptcy case, including through a confirmed  
25 plan of adjustment.
- 26 d. Movants will file a partial summary judgment motion before engaging in  
27 other discovery with respect to the remainder of the Clean Water Act and  
28 Endangered Species Act claims in the District Court Action.

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e. Except for the partial summary judgment motion described in subsection 1.d. hereof, and subject to the approval of the District Court, Movants will agree to a reasonable period for mediation following the partial summary judgment ruling before engaging in extensive additional discovery in the District Court Action.

2. Notwithstanding anything contained in Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure, this Stipulation shall be effective upon the entry on the docket of the order granting Movants relief from the stay (“Order”), and the 14-day stay contemplated by Rule 4001(a)(3) shall not apply. If any provision of the Order is later modified, vacated or stayed by subsequent order of this or any other Court for any reason, such modification, vacation or stay shall not affect the validity of any action taken pursuant to the Order prior to the later of (a) the effective date of such modification, vacation or stay, or (b) the entry of the order pursuant to which such modification, vacation or stay was established.

Dated: June 30, 2014

Orrick, Herrington & Sutcliffe LLP

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

Dated: June 30, 2014

Belden Blaine, LLP

By:                   /s/ T. Scott Belden                    
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