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

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

Case No. 12-32118-C-9
Chapter 9
Docket Control No. DM-1
Date: August 20, 2013
Time: 9:30 a.m.
Place: 501 I Street, Courtroom 35
Sacramento, CA 95814
Judge: The Honorable Christopher M. Klein

22 **ORDER GRANTING MOTION FOR RELIEF FROM**
23 **THE AUTOMATIC STAY (PRESTON PIPELINES, INC.)**

24 The matter having come before the above-captioned Court on the motion (“Motion”), filed
25 by Preston Pipelines, Inc. (“Movant”) for Relief from the Automatic Stay [Docket No. 1019], the
26 City of Stockton, California (“Debtor”) having filed its Statement of Non-Opposition on
27 August 5, 2013 [Docket No. 1045], the Court having read and considered the papers, and for good
28 cause,

It **IS HEREBY ORDERED** that:

1. The Motion is granted;

1 2. Movant may proceed with each or any legal action, as described in the Motion,
2 provided, however, any recovery by Movant in the legal action shall be solely out of the Delta
3 Water Supply Project Account (399-9922-670) (“Delta Account”) funds that are restricted to the
4 payment of costs related to the Delta Water Supply Project Intake and Pump Station Facility
5 and/or any escrow account containing funds from the Delta Account (“Escrow Account”); and
6 provided further that this Order has no impact or effect on any recovery that Movant may obtain
7 in any legal action from any party other than the Debtor.
8

9 3. By this Order, the Court is not granting Movant relief from the automatic stay to
10 pursue any obligation of the Debtor’s General Fund or from any other asset in which the Debtor
11 has an interest other than the Delta Account or Escrow Account.
12

13 4. Nothing in this order prevents the Debtor from seeking a reimposition of the
14 automatic stay or from seeking an injunction should Movant assert claims against the General
15 Fund in the future, or in the event that the City Attorney’s Office is forced to take a more active
16 role in the litigation.
17

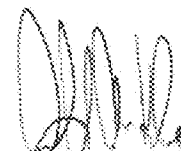
18 5. Nothing in this order prevents Movant from seeking future additional relief from
19 the automatic stay.
20

21 **APPROVED AS TO FORM AND CONTENT:**

22 **ORRICK, HERRINGTON & SUTCLIFFE LLP**

23
24 By: /s/ Marc. A. Levinson
25 Marc A. Levinson, Counsel for The City
26 of Stockton, California

27 **Dated: August 21, 2013**

28


United States Bankruptcy Judge