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11 Attorneys for Defendant  
 City of Stockton, California

12 UNITED STATES BANKRUPTCY COURT  
 13 EASTERN DISTRICT OF CALIFORNIA  
 14 SACRAMENTO DIVISION

16 In re:  
 17 CITY OF STOCKTON, CALIFORNIA,  
 18 Debtor.  
 19  
 20 WELLS FARGO BANK, NATIONAL  
 ASSOCIATION, FRANKLIN HIGH YIELD  
 21 TAX-FREE INCOME FUND, AND  
 FRANKLIN CALIFORNIA HIGH YIELD  
 22 MUNICIPAL FUND  
 23 Plaintiffs,  
 24 v.  
 CITY OF STOCKTON, CALIFORNIA,  
 25 Defendant.

Case No. 12-32118  
 Chapter 9  
 Adv. No. 13-02315

**JUDGMENT**

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RECEIVED

November 18, 2014

CLERK, U. S. BANKRUPTCY COURT  
 EASTERN DISTRICT OF CALIFORNIA  
 0005379203

1 Plaintiffs Wells Fargo Bank, National Association, as indenture trustee for the  
2 \$35,080,000 Stockton Public Financing Authority Lease Revenue Bonds, 2009 Series A, Franklin  
3 High Yield Tax-Free Income Fund and Franklin California High Yield Municipal Fund  
4 (collectively, “Plaintiffs”) filed a Complaint for Declaratory Relief (the “Complaint”) on October  
5 14, 2013 [Adv. Dkt. No. 1] against the City of Stockton, California (“City”), debtor in the above-  
6 captioned case and defendant in the above-captioned adversary proceeding.<sup>1</sup>

7 On March 27, 2014, the City filed its Motion for Judgment to Be Entered in Favor of  
8 Plaintiffs [Adv. Dkt. No. 28].

9 On April 21, 2014, the Court entered a Partial Judgment in Favor of Plaintiffs [Adv. Dkt.  
10 No. 56] (“Partial Judgment”), which disposed of Counts One and Five of the Complaint.

11 Pursuant to Paragraph 6 of the Partial Judgment, Counts Two, Three and Four of the  
12 Complaint (the “Remaining Counts”) were tried in conjunction with the evidentiary hearing  
13 conducted on Franklin’s objections to confirmation of the Plan. The evidentiary hearing was  
14 conducted on May 12 through 15, and June 4, 2014.

15 The Court orally rendered its decision on the Remaining Counts at a hearing on July 8,  
16 2014, making oral findings of fact and conclusions of law pursuant to Rule 7052. To the extent  
17 any of those findings of fact constitute conclusions of law, they are adopted as such. To the  
18 extent any of those conclusions of law constitute findings of fact, they are adopted as such.

19 Having considered the various pleadings filed in this adversary proceeding, having heard  
20 the testimony adduced and the evidence presented at the evidentiary hearing, having heard the  
21 arguments of counsel, and having made its findings of fact and conclusions of law at the July 8,  
22 2014, hearing, the Court determines that it is appropriate to enter judgment on the Remaining  
23 Counts in the form, content and manner set forth herein.

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28 <sup>1</sup> Unless otherwise defined herein, capitalized terms used 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) [Dkt. No. 1645] (the “Plan”). References to “Rules” shall refer to the Federal Rules of Bankruptcy Procedure.

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Based on the foregoing,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

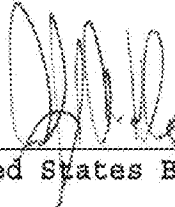
1. On Counts Two and Three of the Complaint, and pursuant to the Partial Judgment, the Golf Course/Park Claims are Allowed in the aggregate amount of \$36,603,626. The Allowed Golf Course/Park Claims consist of the Golf Course/Park Secured Claim and the Golf Course/Park Unsecured Claim. The Golf Course/Park Secured Claim is secured by a valid, perfected and enforceable security interest in and lien on the possessory interest in the Golf Course/Park Properties through July 1, 2053 (the “Collateral”).

2. On Count Four of the Complaint, the value of the Collateral is \$4,052,000, with the following component values: (a) possessory interest in the Swenson Golf Course: \$1,572,500; (b) possessory interest in the Van Buskirk Golf Course: \$658,750; (c) possessory interest in the Van Buskirk Community Center: \$1,600,000; and (d) possessory interest in Oak Park: \$221,000. Accordingly, the Allowed amount of the Golf Course/Park Secured Claim is \$4,052,000, and the Allowed amount of the Golf Course/Park Unsecured Claim is \$32,551,626.

3. The Partial Judgment remains in full force and effect.

4. The parties shall bear their own costs.

Dated: November 20, 2014

  
United States Bankruptcy Judge