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 20 SS Farms, LLC, SSC Farming, LLC, SSC Farms I, LLC,
 SSC Farms II, LLC, SSC Farms III, LLC, SKF Aviation,
 21 LLC, and CSSS, LP d/b/a Central Valley Shippers

22 *Please see continuation page for a complete list of the*
 23 *moving parties and their respective counsel.*

24 UNITED STATES DISTRICT COURT
 25 EASTERN DISTRICT OF CALIFORNIA

26 In re:
 27 SK FOODS, LP, a California limited
 partnership, et al.,
 Debtors.

BANKRUPTCY CASE NO.: 09-29162-D-11
 Chapter 11
U.S. District Court Case Nos.
2:10-cv-2912-LKK; 2:10-cv-2913-LKK
2:10-cv-2914-LKK

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**STIPULATION AND ORDER STAYING
BANKRUPTCY APPEAL OF ORDER
MODIFYING PRELIMINARY
INJUNCTION**

BRADLEY D. SHARP,
Plaintiff,
vs.
SSC FARMS I, LLC, et al.,
Defendants.

AP No. 09-02692
DCN: FWP-1

Chapter 11

BRADLEY SHARP,
Plaintiff,
vs.
SCOTT SALYER, et al.,
Defendants.

AP No. 10-02014
DCN: FWP-1

Chapter 11

BRADLEY SHARP,
Plaintiff,
vs.
SFK AVIATION, LLC et al.,
Defendants.

AP No. 10-02016
DCN: FWP-1

Chapter 11

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**CONTINUATION SHEET: PARTIES
AND THEIR RESPECTIVE COUNSEL**

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1 Scott Salyer, individually and as trustee of the Scott Salyer Revocable Trust; the Scott
2 Salyer Revocable Trust; SK PM Corp.; SK Foods, LLC; SKF Canning, LLC; Blackstone Ranch
3 Corporation; Monterey Peninsula Farms, LLC; Salyer Management Company, LLC; SK Farms
4 Services, LLC; SK Frozen Foods, LLC; SS Farms, LLC; SSC Farming, LLC; SSC Farms I, LLC;
5 SSC Farms II, LLC; SSC Farms III, LLC; SKF Aviation, LLC; and CSSS, LP d/b/a Central
6 Valley Shippers (collectively, "Appellants"), on the one hand, and Bradley D. Sharp ("Appellee")
7 and, together with Appellants, the "Parties"), the duly appointed and acting chapter 11 trustee of
8 substantively consolidated debtors SK Foods, L.P., a California limited partnership, and RHM
9 Industrial/Specialty Foods, Inc., a California corporation, d/b/a Colusa County Canning Co., on
10 the other hand, by and through their respective counsel, hereby stipulate and agree as follows:

11 1. On October 13, 2010, the Bankruptcy Court entered the Order on Defendants'
12 Motion to Modify Preliminary Injunction (the "Order Modifying Preliminary Injunction"),
13 modifying a preliminary injunction (the "Preliminary Injunction") previously granted by the
14 Bankruptcy Court in the above-captioned adversary proceedings (collectively, the "Adversary
15 Proceedings"), in order to allow SSC Farming, LLC ("SSC Farming") to sell certain parcels of
16 real property and use some the proceeds from such sale (the "Sale Proceeds") for the payment of
17 certain expenses incurred by SSC Farming in the ordinary course of business pursuant to a budget
18 attached to the Order Modifying Preliminary Injunction for the months of August through
19 December 31, 2010 (the "Budget"), without prejudice to further requests to use the Sale Proceeds.

20 2. On October 27, 2010, Appellants filed in the Adversary Proceedings the Notice of
21 Appeal, appealing the Order Modifying Preliminary Injunction, and the Statement of Election to
22 have the Appeals heard by the United States District Court for the Eastern District of California.
23 Those actions by Appellants have resulted in the current proceedings (collectively, the
24 "Appeals").

25 3. On December 1, 2010, Appellants filed the Statement of Issues on Appeal from
26 Order on Defendants' Motion to Modify Preliminary Injunction for the Appeal, presenting issues
27 to be heard on in the Appeals, concerning the use of the Sale Proceeds.

28 4. On January 11, 2011, the Court entered a briefing schedule (the "Briefing")

1 Schedule”) for the Appeals. Pursuant to the Briefing Schedule, Appellants were to submit their
2 opening brief and excerpts of record on January 25, 2011.

3 5. On or around January 14, 2011, the Parties agreed to participate in mediation
4 concerning, among other things, the Appeals with Judge Michael McManus in the sixty (60) days
5 thereafter (the “Mediation”). The Parties also agreed to postpone the briefing of the Appeals as
6 the issues in the Appeals will be negotiated as part of the Mediation.

7 6. On January 17, 2011, the Parties filed a stipulation (the “Stipulation”) extending
8 the deadline for Appellants to file their opening brief and excerpts of record to March 17, 2011
9 with all other briefing thereafter regarding the Appeals to be conducted pursuant to a briefing
10 schedule in accordance with the rules of this Court and the Federal Rules of Bankruptcy
11 Procedure (the “Bankruptcy Rules”). The Court entered an order approving the Stipulation on the
12 same day.

13 7. On January 31, 2011, SSC Farming, SSC Farms I, LLC, SSC Farms II, LLC and
14 SSC Farms III, LLC (collectively, the “Farming Entities”) filed the Motion of Farming Entities to
15 Further Modify the Preliminary Injunction to Permit Ordinary Course Lease and Management
16 Transactions (the “Ordinary Course Transactions Motion”) to allow them to make further
17 expenditures of the Sale Proceeds to protect and preserve assets subject to the Preliminary
18 Injunction.

19 8. On February 16, 2011, the Parties filed a stipulation (the “Revised Budget
20 Stipulation”) in the Adversary Proceedings in which they agreed to the entry of an order, among
21 other things, (i) resolving the Ordinary Course Transactions Motion, (ii) modifying the terms of
22 and extending the time period of the Budget (the “Revised Budget”) to cover the period of
23 January 1, 2011 through March 31, 2011 and allowing the Farming Entities and Appellee, by
24 written agreement, to extend the Revised Budget after March 31, 2011 for amounts agreeable to
25 Appellee, without further order of the Bankruptcy Court or the Court and (iii) agreeing that
26 Appellants would immediately stipulate to the stay of the Appeals for the period that the Revised
27 Budget remains in effect, including any extensions thereof agreed to by the Farming Entities and
28 Appellee. The Bankruptcy Court entered the order requested by the Revised Budget Stipulation

1 on the same day (the “Revised Budget Order”).

2 9. Appellants believe that, so long as the Revised Budget is in effect, the relief sought
3 by them in the Appeals may be unnecessary.

4 10. For the foregoing reasons, the Parties hereby jointly request that the Court enter an
5 order (A) staying all proceeding in the Appeals; said stay to include but not be limited to,
6 suspending the deadline for Appellants to file their opening brief and excerpts of record in the
7 Appeals, and suspending all other briefing thereafter regarding the Appeals, and (B) requiring
8 that, within seven (7) days after the Revised Budget, including any extensions thereof, no longer
9 remains in effect and either of the Parties determines that that it will no longer negotiate regarding
10 extending the time period of the Revised Budget, such party will file with the Court a notice of
11 expiration of the Revised Budget and a proposed order lifting the stay and reinstating the briefing
12 schedule, which (a) in no event shall the deadline for Appellants to file their opening brief and
13 excerpts of record in the Appeals be earlier than fourteen (14) days after the date of the filing of
14 the notice and proposed order and (b) all other briefing thereafter regarding the Appeals shall be
15 conducted in accordance with the rules of this Court and the Bankruptcy Rules.

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1 Dated this 28th day of February, 2011

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SCHNADER HARRISON SEGAL &
LEWIS LLP

/s/ Michael M. Carlson
MICHAEL M. CARLSON
Counsel for Bradley D. Sharp, as Chapter 11
Trustee of SK Foods, L.P.

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Management Company, LLC, SK Farms
Services, LLC, SK Frozen Foods, LLC, SS
Farms, LLC, SSC Farming, LLC, SSC Farms I,
LLC, SSC Farms II, LLC, SSC Farms III, LLC,
SKF Aviation, LLC, and CSSS, LP d/b/a Central
Valley Shippers

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GOOD CAUSE APPEARING, IT IS ORDERED AS FOLLOWS,

1. All proceedings regarding the Appeals are stayed, pending further order of the Court, Pursuant to the stay, the deadline for Appellants to file their opening brief and excerpts of record in the Appeals, and the deadlines for all other briefing thereafter regarding the Appeals are suspended, and
2. Within seven (7) days after the Revised Budget no longer remains in effect and either of the Parties determines that that it will no longer negotiate regarding extending the time period of the Revised Budget, such party will file with the Court a notice of expiration of the Revised Budget and a proposed order lifting the stay and issuing a revised briefing schedule, which (a) in no event shall the deadline for Appellants to file their opening brief and excerpts of record in the Appeals be earlier than fourteen (14) days after the date of the filing of the notice and proposed order and (b) all other briefing thereafter regarding the Appeals shall be conducted in accordance with the rules of this Court and the Bankruptcy Rules.

Dated: March 2, 2011.


LAWRENCE K. KARLTON
SENIOR JUDGE
UNITED STATES DISTRICT COURT