

Consolidated Monthly Operating Report
CASH BASIS

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |
| JUDGE: | Brenda T. Rhoades |

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS**REGION 6****MONTHLY OPERATING REPORT**MONTH ENDING: February 2014
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Brad Walker

PRINTED NAME OF RESPONSIBLE PARTY

Chief Restructuring Officer

TITLE

3/20/14

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

Lars B. Parkin

PRINTED NAME OF PREPARER

Consultant

TITLE

DATE

Consolidated Monthly Operating Report
CASH BASIS

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UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: February 2014
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

| | |
|---|---|
| _____ ORIGINAL SIGNATURE OF RESPONSIBLE PARTY | _____ Chief Restructuring Officer TITLE |
| _____ Brad Walker PRINTED NAME OF RESPONSIBLE PARTY | _____ DATE |

PREPARER:

| | |
|---|------------------------------|
| _____ ORIGINAL SIGNATURE OF PREPARER | _____ Consultant TITLE |
| _____ Lars B. Parkin PRINTED NAME OF PREPARER | _____ 3/20/14 DATE |

Consolidated Monthly Operating Report

CASH BASIS-1

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |

| CASH RECEIPTS AND DISBURSEMENTS | MONTH December * | MONTH January * | MONTH February | MONTH |
|------------------------------------|---------------------|--------------------|-------------------|-------|
| 1. CASH - BEGINNING OF MONTH | \$ 424,721.02 | \$ 1,908,309.96 | \$ 3,095,364.32 | \$ - |
| RECEIPTS | | | | |
| 2. CASH SALES | | | | |
| 3. ACCOUNTS RECEIVABLE COLLECTIONS | \$ 1,729,861.61 | \$3,018,854.33 | \$ 7,920.00 | |
| 4. LOANS AND ADVANCES | | | | |
| 5. SALE OF ASSETS | | | | |
| 6. LEASE & RENTAL INCOME | | | | |
| 7. WAGES | | | | |
| 8. OTHER (ATTACH LIST) | \$ 1,126,777.13 | \$ 13,409,831.57 | \$ 13,129.58 | |
| 9. TOTAL RECEIPTS | \$ 2,856,638.74 | \$ 16,428,685.90 | \$ 21,049.58 | \$ - |
| DISBURSEMENTS | | | | |
| 10. NET PAYROLL | \$ 197,023.27 | \$ 265,536.26 | \$ 15,872.90 | |
| 11. PAYROLL TAXES PAID | \$ 194,545.10 | \$ 66,920.41 | | |
| 12. SALES,USE & OTHER TAXES PAID | | | | |
| 13. INVENTORY PURCHASES | \$ 305,626.52 | \$ 237,688.49 | | |
| 14. MORTGAGE PAYMENTS | | | | |
| 15. OTHER SECURED NOTE PAYMENTS | | | | |
| 16. RENTAL & LEASE PAYMENTS | | \$ 3,800.00 | | |
| 17. UTILITIES | \$ 119,759.00 | \$ 83,568.28 | \$ 82,058.01 | |
| 18. INSURANCE | \$ 117,717.73 | \$ 110,266.90 | \$ 24,082.01 | |
| 19. VEHICLE EXPENSES | | \$ 11,786.60 | | |
| 20. TRAVEL | | | | |
| 21. ENTERTAINMENT | | | | |
| 22. REPAIRS & MAINTENANCE | | | | |
| 23. SUPPLIES | | \$ 2,213.95 | | |
| 24. ADVERTISING | | | | |
| 25. HOUSEHOLD EXPENSES | | | | |
| 26. CHARITABLE CONTRIBUTIONS | | | | |
| 27. GIFTS | | | | |
| 28. OTHER (ATTACH LIST) | \$ 138,378.18 | \$ 59,850.65 | \$ 15,322.29 | |
| 29. TOTAL ORDINARY DISBURSEMENTS | \$ 1,073,049.80 | \$ 841,631.54 | \$ 137,335.21 | \$ - |
| REORGANIZATION EXPENSES | | | | |
| 30. PROFESSIONAL FEES | \$ 300,000.00 | | \$ 522,875.00 | |
| 31. U.S. TRUSTEE FEES | | | | |
| 32. OTHER (ATTACH LIST) | | \$ 14,400,000.00 | \$ 1,220,193.20 | |
| 33. TOTAL REORGANIZATION EXPENSES | \$ 300,000.00 | \$ 14,400,000.00 | \$ 1,743,068.20 | \$ - |
| 34. TOTAL DISBURSEMENTS | \$ 1,373,049.80 | \$ 15,241,631.54 | \$ 1,880,403.41 | \$ - |
| 35. NET CASH FLOW | \$ 1,483,588.94 | \$ 1,187,054.36 | \$ (1,859,353.83) | \$ - |
| 36. CASH - END OF MONTH | \$ 1,908,309.96 | \$ 3,095,364.32 | \$ 1,236,010.49 | \$ - |

* Amounts reconciled and consolidated for all Debtors

**Color Star Growers of Colorado, Inc., et al.
13-42959 "Jointly Administered"**

Other Ordinary Course Receipts List - February

| Receipt Category | Amount |
|----------------------------|---------------|
| Insurance Reimbursement | \$ 2,575.47 |
| Misc Check Package Deposit | \$ 6,937.75 |
| Misc Check Package Deposit | \$ 3,477.00 |
| Misc Deposit | \$ 139.36 |
| TOTAL: | \$ 13,129.58 |

Other Ordinary Course Disbursements List - February

| Disbursement Category | Amount |
|------------------------------|---------------|
| Bank Fees | \$ 2,053.37 |
| Freight | \$ 4,393.52 |
| Payroll Fees | \$ 6,400.40 |
| Travel & Entertainment | \$ 2,475.00 |
| TOTAL: | \$ 15,322.29 |

Other Reorganization Disbursements List - February

| Disbursement Category | Amount |
|------------------------------|-----------------|
| Claims Agent | \$ 16,728.20 |
| Cash Sweep to Secured Lender | \$ 1,203,465.00 |
| TOTAL: | \$ 1,220,193.20 |

Consolidated Monthly Operating Report

CASH BASIS-1A

2014

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |

CASH DISBURSEMENTS DETAIL MONTH: February

| CASH DISBURSEMENTS | | | | |
|---------------------------------|------|-------------------|---------|------------------------|
| | DATE | PAYEE | PURPOSE | AMOUNT |
| | | See Attached List | | \$ 1,769,733.68 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL CASH DISBURSEMENTS | | | | \$ 1,769,733.68 |

| BANK ACCOUNT DISBURSEMENTS | | | | |
|----------------------------------|------|-------------------|---------|---------------|
| CK# | DATE | PAYEE | PURPOSE | AMOUNT |
| | | See Attached List | | \$ 110,669.73 |
| | | | | |
| | | | | |
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| | | | | |
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| | | | | |
| | | | | |
| TOTAL BANK ACCOUNT DISBURSEMENTS | | | | \$ 110,669.73 |

| | |
|--|------------------------|
| TOTAL DISBURSEMENTS FOR THE MONTH | \$ 1,880,403.41 |
|--|------------------------|

**Color Star Growers of Colorado, Inc., et al.
13-42959 "Jointly Administered"**

Cash Disbursements - February

| Date | Payee | Purpose | Amount |
|-----------|------------------------------|---|-----------------|
| 2/3/2014 | Regions Bank, Secured Lender | Cash Sweep to Secured Lender | \$ 1,000,000.00 |
| 2/4/2014 | Travelers Insurance | Insurance | \$ 4,367.30 |
| 2/5/2014 | Gardere Wynne (Trust Acct) | Professional Fees | \$ 324,000.00 |
| 2/6/2014 | Susan R. Schlosser | Payroll - Salaries, Wages, Payroll Tax | \$ 2,831.85 |
| 2/6/2014 | Paula Plunkard | Payroll - Salaries, Wages, Payroll Tax | \$ 2,016.60 |
| 2/6/2014 | Lisa Hineman | Payroll - Salaries, Wages, Payroll Tax | \$ 1,824.00 |
| 2/6/2014 | Latisys Corp | Payroll - Salaries, Wages, Payroll Tax | \$ 675.00 |
| 2/7/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 300.39 |
| 2/7/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 251.72 |
| 2/7/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 239.50 |
| 2/10/2014 | Regions Bank, Secured Lender | Cash Sweep to Secured Lender | \$ 203,465.00 |
| 2/10/2014 | Regions Bank | Bank Fees | \$ 1,738.87 |
| 2/14/2014 | Harland Clarke | Check Orders | \$ 299.55 |
| 2/14/2014 | Regions Bank | Bank Fees | \$ 14.95 |
| 2/18/2014 | Gardere Wynne (Trust Acct) | Professional Fees | \$ 50,000.00 |
| 2/18/2014 | Gardere Wynne (Trust Acct) | Professional Fees | \$ 123,875.00 |
| 2/18/2014 | Gardere Wynne (Trust Acct) | Professional Fees | \$ 25,000.00 |
| 2/20/2014 | CIGNA | Cigna - Health Insurance, Dental & Life | \$ 19,714.71 |
| 2/21/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 370.72 |
| 2/21/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 48.55 |
| 2/21/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 38.16 |
| 2/21/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 16.18 |
| 2/27/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 4,099.71 |
| 2/27/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 718.62 |
| 2/27/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 665.62 |
| 2/27/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 459.02 |
| 2/27/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 523.19 |
| 2/28/2014 | ADP INC. | Payroll - Salaries, Wages, Payroll Tax | \$ 2,179.47 |
| TOTAL: | | | \$ 1,769,733.68 |

Bank Account Disbursements - February

| Check # | Date | Payee | Purpose | Amount |
|---------|-----------|-----------------|--|---------------|
| 1401 | 2/14/2014 | Encore Energy | Gas | \$ 71,502.71 |
| 1051 | 2/11/2014 | Melanie Chamley | Payroll - Salaries, Wages, Payroll Tax | \$ 1,674.68 |
| 1405 | 2/20/2014 | Beth Verbeek | Payroll - Salaries, Wages, Payroll Tax | \$ 848.53 |
| 1406 | 2/20/2014 | Beth Verbeek | Payroll - Salaries, Wages, Payroll Tax | \$ 117.20 |
| 1407 | 2/20/2014 | Monica Garza | Payroll - Salaries, Wages, Payroll Tax | \$ 99.45 |
| 1408 | 2/20/2014 | Laura Garza | Payroll - Salaries, Wages, Payroll Tax | \$ 443.70 |
| 1409 | 2/20/2014 | Brian Aguiar | Payroll - Salaries, Wages, Payroll Tax | \$ 940.91 |
| 1410 | 2/20/2014 | Brett Verbeek | Payroll - Salaries, Wages, Payroll Tax | \$ 2,647.37 |
| 1411 | 2/20/2014 | Lisa Hineman | Payroll - Salaries, Wages, Payroll Tax | \$ 427.50 |
| 1412 | 2/20/2014 | Susan Schlosser | Payroll - Salaries, Wages, Payroll Tax | \$ 1,309.35 |
| 1413 | 2/20/2014 | Paula Plunkard | Payroll - Salaries, Wages, Payroll Tax | \$ 1,385.83 |
| 1414 | 2/25/2014 | Latisys | Other SG&A | \$ 450.00 |
| 1415 | 2/25/2014 | Latisys | Other SG&A | \$ 1,350.00 |
| 1416 | 2/25/2014 | Coserv | Utilities | \$ 10,555.30 |
| 1418 | 2/25/2014 | Upshot Services | Other SG&A | \$ 16,728.20 |
| 1419 | 2/25/2014 | Betty Morales | Payroll & Benefits | \$ 157.50 |
| 1420 | 2/25/2014 | Betty Morales | Payroll & Benefits | \$ 31.50 |
| TOTAL: | | | | \$ 110,669.73 |

Consolidated Monthly Operating Report
CASH BASIS-2

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |

| BANK RECONCILIATIONS | Acct #1 | Acct #2 | Acct #3 | |
|-------------------------------------|----------------|----------------|----------------|-----------------|
| A. BANK: | See Attached | | | TOTAL |
| B. ACCOUNT NUMBER: | | | | |
| C. PURPOSE (TYPE): | | | | |
| 1. BALANCE PER BANK STATEMENT | | | | \$ 1,254,727.69 |
| 2. ADD: TOTAL DEPOSITS NOT CREDITED | | | | \$ - |
| 3. SUBTRACT: OUTSTANDING CHECKS | | | | \$ - |
| 4. OTHER RECONCILING ITEMS | | | | \$ - |
| 5. MONTH END BALANCE PER BOOKS | \$ - | \$ - | \$ - | \$ 1,236,010.49 |
| 6. NUMBER OF LAST CHECK WRITTEN | | | | See Attached |

| INVESTMENT ACCOUNTS | DATE OF PURCHASE | TYPE OF INSTRUMENT | PURCHASE PRICE | CURRENT VALUE |
|-----------------------------|-------------------------|---------------------------|-----------------------|----------------------|
| BANK, ACCOUNT NAME & NUMBER | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. TOTAL INVESTMENTS | | | \$ - | \$ - |

| | |
|-------------------------------|-----------------|
| CASH | |
| 12. CURRENCY ON HAND | \$ - |
| 13. TOTAL CASH - END OF MONTH | \$ 1,236,010.49 |

Color Star Growers of Colorado, Inc., et al.
13-42959 "Jointly Administered"

BANK RECONCILIATIONS

| | Acct #1 | Acct #2 | Acct #3 | Acct #4 | Acct #5 | Acct #6 |
|-------------------------------------|-----------------|--------------|------------|------------|------------|----------------|
| A. Bank: | Regions Bank | Regions Bank | Bank of CO | Bank of CO | Bank of CO | Community Bank |
| B. Account Number: | 2987 | 2928 | 9603 | 8911 | 0061 | 8026 |
| C. Purpose (Type): | DIP Acct | Aux Acct | Aux Acct | Aux Acct | Aux Acct | Aux Acct |
| 1. Balance Per Bank Statement: | \$ 1,244,748.14 | \$ 2,151.43 | * | * | * | * |
| 2. Add: Total Deposits Not Credited | | | | | | |
| 3. Subtract: Outstanding Checks | \$ 18,717.20 | | | | | |
| 4. Other Reconciliation Items | | | | | | |
| 5. Month End Balance Per Books | \$ 1,226,030.94 | \$ 2,151.43 | | | | |
| 6. Number of Last Check Written | | | | | | |

| | Acct #7 | Acct #8 | Acct #9 | Acct #10 | Acct #11 | |
|-------------------------------------|----------------|----------------|----------------|-----------------|-------------|-----------------|
| A. Bank: | Community Bank | First National | First National | Prosperity Bank | Sanger Bank | TOTAL |
| B. Account Number: | 7798 | 0834 | 6239 | 9026 | 9058 | |
| C. Purpose (Type): | Aux Acct | Aux Acct | Aux Acct | Aux Acct | Aux Acct | |
| 1. Balance Per Bank Statement: | * | \$ 584.16 | \$ - | \$ 5,010.73 | \$ 2,233.23 | \$ 1,254,727.69 |
| 2. Add: Total Deposits Not Credited | | | | | | \$ - |
| 3. Subtract: Outstanding Checks | | | | | | \$ - |
| 4. Other Reconciliation Items | | | | | | \$ - |
| 5. Month End Balance Per Books | | \$ 584.16 | \$ - | \$ 5,010.73 | \$ 2,233.23 | \$ 1,236,010.49 |
| 6. Number of Last Check Written | | | | | | |

* Details for other accounts to be provided in amended Monthly Operating Report

Consolidated Monthly Operating Report

CASH BASIS-3

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |

ASSETS OF THE ESTATE

| SCHEDULE "A" REAL PROPERTY | SCHEDULE AMOUNT | MONTH | MONTH | MONTH |
|-------------------------------------|--------------------|------------------|-----------------|-----------------|
| | | December | January | February |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. OTHER (ATTACH LIST) | \$ 33,100,000.00 | \$ 33,100,000.00 | \$ - | \$ - |
| 5. TOTAL REAL PROPERTY ASSETS | \$ 33,100,000.00 | \$ 33,100,000.00 | \$ - | \$ - |
| SCHEDULE "B" PERSONAL PROPERTY | | | | |
| | | | | |
| 1. CASH ON HAND | \$ 28.04 | \$ 28.04 | \$ 28.04 | \$ 28.04 |
| 2. CHECKING, SAVINGS, ETC. | \$ 410,250.09 | \$ 1,952,708.90 | \$ 3,082,862.28 | \$ 1,236,010.49 |
| 3. SECURITY DEPOSITS | \$ 703,838.00 | \$ 703,838.00 | \$ 703,838.00 | \$ 703,838.00 |
| 4. HOUSEHOLD GOODS | | | | |
| 5. BOOKS, PICTURES, ART | | | | |
| 6. WEARING APPAREL | | | | |
| 7. FURS AND JEWELRY | | | | |
| 8. FIREARMS & SPORTS EQUIPMENT | | | | |
| 9. INSURANCE POLICIES | \$ 50,499.00 | \$ 50,499.00 | \$ 50,499.00 | \$ 50,499.00 |
| 10. ANNUITIES | | | | |
| 11. EDUCATION | | | | |
| 12. RETIREMENT & PROFIT SHARING | | | | |
| 13. STOCKS | | | | |
| 14. PARTNERSHIPS & JOINT VENTURES | | | | |
| 15. GOVERNMENT & CORPORATE BONDS | | | | |
| 16. ACCOUNTS RECEIVABLE | \$ 5,184,439.33 | \$ 4,885,745.18 | \$ 851,270.86 | \$ 853,045.30 |
| 17. ALIMONY | | | | |
| 18. OTHER LIQUIDATED DEBTS | | | | |
| 19. EQUITABLE INTERESTS | | | | |
| 20. CONTINGENT INTERESTS | | | | |
| 21. OTHER CLAIMS | | | | |
| 22. PATENTS & COPYRIGHTS | | | | |
| 23. LICENSES & FRANCHISES | | | | |
| 24. CUSTOMER LISTS | | | | |
| 25. AUTOS, TRUCKS & OTHER VEHICLES | | | | |
| 26. BOATS & MOTORS | | | | |
| 27. AIRCRAFT | | | | |
| 28. OFFICE EQUIPMENT | | | | |
| 29. MACHINERY, FIXTURES & EQUIPMENT | | | | |
| 30. INVENTORY | \$ 6,952,313.00 | UNKNOWN | \$ - | \$ - |
| 31. ANIMALS | | | | |
| 32. CROPS | | | | |
| 33. FARMING EQUIPMENT | | | | |
| 34. FARM SUPPLIES | | | | |
| 35. OTHER (ATTACH LIST) | | | | |
| 36. TOTAL PERSONAL PROPERTY ASSETS | \$ 13,301,367.46 | \$ 7,592,819.12 | \$ 4,688,498.18 | \$ 2,843,420.83 |
| 37. TOTAL ASSETS | \$ 46,401,367.46 | \$ 40,692,819.12 | \$ 4,688,498.18 | \$ 2,843,420.83 |

Color Star Growers of Colorado, Inc., et al.
13-42959 "Jointly Administered"

Real Property Schedule List

| DESCRIPTION AND LOCATION OF PROPERTY | NATURE OF DEBTOR'S INTEREST IN PROPERTY | CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR MORTGAGE | AMOUNT OF SECURED CLAIM OR MORTGAGE |
|--|---|---|-------------------------------------|
| 4122 Cowling Road Sanger, TX 76266 | Legal Jointly owned by Color Star, LLC | \$8,000,000.00 * | \$8,000,000.00 |
| 11610 County Road 14 1/2 Fort Lupton, CO 80621 | Legal | \$5,100,000.00 * | \$5,100,000.00 |
| 1180 PR 2906 Giddings, TX 78942 | Legal | \$3,500,000.00 * | \$3,500,000.00 |
| 14095 North Peyton Highway Peyton, CO 80831 | Legal | \$16,500,000.00 * | \$16,500,000.00 |
| TOTAL: | | \$33,100,000.00 | \$33,100,000.00 |

* 2012 Appraised Value

Consolidated Monthly Operating Report

CASH BASIS-4

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |

MONTH: February

LIABILITIES OF THE ESTATE

| PREPETITION LIABILITIES | SCHEDULE AMOUNT | PAYMENTS |
|----------------------------------|--------------------|-----------------|
| 1. SECURED | \$ 56,000,000.00 | \$ 1,203,465.00 |
| 2. PRIORITY | \$ 223,621.60 | |
| 3. UNSECURED | \$ 5,984,075.28 | |
| 4. OTHER (ATTACH LIST) | | |
| 5. TOTAL PREPETITION LIABILITIES | \$ 62,207,696.88 | \$ 1,203,465.00 |

| POSTPETITION LIABILITIES | DATE INCURRED | AMOUNT OWED | DUE DATE | AMOUNT PAST DUE |
|--|------------------|----------------|-------------|--------------------|
| 1. FEDERAL INCOME TAXES | | | | |
| 2. FICA/MEDICARE | | | | |
| 3. STATE TAXES | | | | |
| 4. REAL ESTATE TAXES** | | | | |
| 5. OTHER TAXES (ATTACH LIST) | | | | |
| 6. TOTAL TAXES | | \$ - | | \$ - |
| OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS) | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| 14. | | | | |
| 15. | | | | |
| 16. | | | | |
| 17. | | | | |
| 18. | | | | |
| 19. | | | | |
| 20. | | | | |
| 21. | | | | |
| 22. | | | | |
| 23. | | | | |
| 24. | | | | |
| 25. | | | | |
| 26. | | | | |
| 27. | | | | |
| 28. | | | | |
| 29. (IF ADDITIONAL ATTACH LIST) | | | | |
| 30. TOTAL OF LINES 7 - 29 | | \$ - | | \$ - |
| 31. TOTAL POSTPETITION LIABILITIES | | \$ - | | \$ - |

** All 2013 and 2014 Real Property taxes paid or will be paid pursuant to Docket Nos. 95, 96, 98 & 132

Consolidated Monthly Operating Report
CASH BASIS-4A

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |

MONTH: February

| ACCOUNTS RECEIVABLE AGING | | | | |
|------------------------------------|--------------------|-------------------|------------------|-------------------|
| | SCHEDULE AMOUNT | MONTH December | MONTH January | MONTH February |
| 1. 0 - 30 | \$ 3,911,245.88 | \$ 1,979,549.15 | \$ 518,429.43 | \$ 277,786.56 |
| 2. 31 - 60 | \$ 257,165.15 | \$ 2,162,935.08 | \$ 62,957.76 | \$ 168,678.54 |
| 3. 61 - 90 | \$ 500,158.53 | \$ (76,818.05) | \$ 93,942.64 | \$ 130,499.69 |
| 4. 91 + | \$ 515,869.77 | \$ 820,079.00 | \$ 175,941.03 | \$ 276,080.51 |
| 5. TOTAL ACCOUNTS RECEIVABLE | \$ 5,184,439.33 | \$ 4,885,745.18 | \$ 851,270.86 | \$ 853,045.30 |
| 6. AMOUNT CONSIDERED UNCOLLECTIBLE | | | | |
| 7. ACCOUNTS RECEIVABLE (NET) | \$ 5,184,439.33 | \$ 4,885,745.18 | \$ 851,270.86 | \$ 853,045.30 |

| AGING OF POSTPETITION TAXES AND PAYABLES | | | | |
|---|----------------|---------------|-------------|-------|
| TAXES PAYABLE | 0 - 30 DAYS | 31-60 DAYS | 90+ DAYS | Total |
| 1. FEDERAL | | | | \$ - |
| 2. STATE | | | | \$ - |
| 3. LOCAL | | | | \$ - |
| 4. OTHER (ATTACH LIST) | | | | \$ - |
| 5. TOTAL TAXES PAYABLE | \$ - | \$ - | \$ - | \$ - |

| | | | | |
|------------------------|--|--|--|------|
| 6. ACCOUNTS PAYABLE ** | | | | \$ - |
|------------------------|--|--|--|------|

| STATUS OF POSTPETITION TAXES | | | | |
|-------------------------------------|-------------------------------|----------------------------------|----------------|----------------------------|
| | BEGINNING TAX LIABILITY | AMOUNT WITHHELD OR ACCRUED | AMOUNT PAID | ENDING TAX LIABILITY |
| FEDERAL | | | | |
| 1. WITHHOLDING | | | | \$ - |
| 2. FICA-EMPLOYEE | | | | \$ - |
| 3. FICA-EMPLOYER | | | | \$ - |
| 4. UNEMPLOYMENT | | | | \$ - |
| 5. INCOME | | | | \$ - |
| 6. OTHER (ATTACH LIST) | | | | \$ - |
| 7. TOTAL FEDERAL TAXES | \$ - | \$ - | \$ - | \$ - |
| STATE AND LOCAL | | | | \$ - |
| 8. WITHHOLDING | | | | \$ - |
| 9. SALES | | | | \$ - |
| 10. EXCISE | | | | \$ - |
| 11. UNEMPLOYMENT | | | | \$ - |
| 12. REAL PROPERTY | | | | \$ - |
| 13. PERSONAL PROPERTY | | | | \$ - |
| 14. OTHER (ATTACH LIST) | | | | \$ - |
| 15. TOTAL STATE & LOCAL | \$ - | \$ - | \$ - | \$ - |
| 16. TOTAL TAXES | \$ - | \$ - | \$ - | \$ - |

** Not available at this time, will supplement pending reconciliation

Consolidated Monthly Operating Report
CASH BASIS-5

CASE NAME: Color Star Growers of Colorado, Inc., et al.
CASE NUMBER: 13-42959 "Jointly Administered"

MONTH: February

PAYMENTS TO INSIDERS AND PROFESSIONALS

| INSIDERS | | | |
|----------------------------|--|-------------|----------------|
| NAME | TYPE OF PAYMENT | AMOUNT PAID | TTL PD TO DATE |
| 1. Beth Verbeek | Payroll - Salaries, Wages, Payroll Tax | \$ 965.73 | * |
| 2. Brett Verbeek | Payroll - Salaries, Wages, Payroll Tax | \$ 2,647.37 | * |
| 3. Brian Aguiar | Payroll - Salaries, Wages, Payroll Tax | \$ 940.91 | * |
| 4. | | | |
| 5. | | | |
| TOTAL PAYMENTS TO INSIDERS | | \$ 4,554.01 | \$ - |

| PROFESSIONALS | | | | | |
|---------------------------------|---|-----------------|-------------|------------------|-------------------------|
| NAME | DATE OF COURT ORDER AUTHORIZING PAYMENT | AMOUNT APPROVED | AMOUNT PAID | TTL PAID TO DATE | TOTAL INCURRED & UNPAID |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| TOTAL PAYMENTS TO PROFESSIONALS | | \$ - | \$ - | \$ - | \$ - |

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

| NAME OF CREDITOR | SCHEDULED MONTHLY PAYMENTS DUE | AMOUNTS PAID DURING MONTH | TOTAL UNPAID POST-PETITION |
|------------------|--------------------------------|---------------------------|----------------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. TOTAL | \$ - | \$ - | \$ - |

* To be provided within amended operating report

Consolidated Monthly Operating Report
CASH BASIS-6

2014

| | |
|---------------------|--|
| CASE NAME: | Color Star Growers of Colorado, Inc., et al. |
| CASE NUMBER: | 13-42959 "Jointly Administered" |

MONTH: February

QUESTIONNAIRE

| | YES | NO |
|--|-----|----|
| 1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD? | | No |
| 2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT? | Yes | |
| 3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES? | | No |
| 4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD? | Yes | |
| 5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY? | | No |
| 6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE? | | No |
| 7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE? | | No |
| 8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE? | | No |
| 9. ARE ANY OTHER POSTPETITION TAXES PAST DUE? | | No |
| 10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT? | | No |
| 11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD? | | No |
| 12. ARE ANY WAGE PAYMENTS PAST DUE? | | No |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES"; PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

Question # 4 - Cash Sweeps to Secured Lender

Question # 4 - Debtor continued to maintain all insurance in the ordinary course

INSURANCE

| | YES | NO |
|--|-----|----|
| 1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT? | | No |
| 2. ARE ALL PREMIUM PAYMENTS PAID CURRENT? | Yes | |
| 3. PLEASE ITEMIZE POLICIES BELOW | | |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

The Debtors are in the process of canceling all insurance policies related to Assets and Employment effective 1/15/14

INSTALLMENT PAYMENTS

| TYPE OF POLICY | CARRIER | PERIOD COVERED | PAYMENT AMOUNT & FREQUENCY |
|----------------|---------|----------------|----------------------------|
| | | | |
| | | | |
| | | | |
| | | | |