

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In re: §
§ **Chapter 11**
COLOR STAR GROWERS OF §
COLORADO, INC., VAST, INC., and § **Case No. 13-42959**
COLOR STAR, LLC, §
§ **(Jointly Administered)**
Debtors. §

**INTERIM ORDER GRANTING
EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS AUTHORIZING THE
USE OF CASH COLLATERAL AND SCHEDULING FINAL HEARING**

On December 20, 2013, the Court considered the *Emergency Motion for Interim and Final Orders Authorizing the Use of Cash Collateral and Scheduling Final Hearing* (the “**Motion**”)¹ filed by Color Star Growers of Colorado, Inc., a Colorado corporation (“**Color Star**”), Vast, Inc., a Texas corporation (“**Vast**”), and Color Star, LLC (“**CSLLC**,” collectively with Color Star and Vast, the “**Debtors**”), debtors and debtors-in-possession in the above-captioned cases.

**I.
FINAL CASH COLLATERAL HEARING**

1. The final hearing on the Motion shall take place on January 6, 2014, at 3:30 p.m. (the “**Final Hearing Date**”) before the Honorable Brenda T. Rhoades, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court, 660 North Central Expressway, Plano, Texas 75704.

¹ Capitalized terms not otherwise defined herein have the definitions ascribed in the Motion.

II.
FINDINGS OF FACT AND CONCLUSIONS OF LAW

2. The Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”) on December 15, 2013 (the “**Petition Date**”).

3. The Motion came before the Court on an emergency, interim basis. Having reviewed the Motion and the evidence presented, and having heard the statements of counsel concerning the relief requested, the Court finds that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (c) notice of the Motion and the hearing on the Motion was sufficient under the circumstances.

4. The Debtors are in the business of growing and selling plants and flowers to retailers such as Walmart and Lowes. The Debtors business is cyclical and varies according to certain growing cycles. The Debtors are presently in the process of completing their growing and shipment of poinsettia flowers for the 2013 holiday season, and are now beginning the process of planting and growing flowers for shipments to be delivered in the Spring of 2014.

5. The Debtors are borrowers on loans made pursuant to a certain Credit Agreement dated as of November 15, 2012, by and between the Debtors, Regions Bank as Administrative Agent (“**Agent**”), and the lenders thereunder, Regions Bank (“**Regions**”) and Comerica Bank (“**Comerica**,” and together with Regions, the “**Lenders**”), in the total original principal amount of \$52,500,000 (the “**Credit Agreement**”). The loans made to the Debtors under the Credit Agreement are also evidenced by: (a) a Revolving Credit Note dated November 15, 2012, and executed by the Debtors for the benefit of Regions in the original principal amount of

\$15,000,000; (b) a Revolving Credit Note dated November 15, 2012, and executed by the Debtors for the benefit of Comerica in the original principal amount of \$7,500,000; (c) a Term Note dated November 15, 2012, and executed by the Debtors for the benefit of Regions in the original principal amount of \$20,000,000; and (d) a Term Note dated November 15, 2012, and executed by the Debtors for the benefit of Comerica in the original principal amount of \$10,000,000 (collectively, together with the Credit Agreement, the "**Credit Documents**").

6. Subject to paragraph K below, the outstanding amount owed as of the Petition Date by the Debtors under the Credit Documents totaled \$42,231,807.13 consisting of principal indebtedness of \$41,215,585, accrued interest of \$984,995.63, and loan fees totaling \$31,226.50. The Debtors are also obligated to pay fees and expenses incurred or accrued by Agent and Lenders prior to the Petition Date in accordance with the Credit Agreement (the "**Pre-Petition Indebtedness**").

7. To secure performance under the Credit Documents, the Debtors granted to Agent for the benefit of the Lenders a first priority security interest in substantially all of the Debtors' assets (the "**Pre-Petition Collateral**"), as evidenced by the following security documents (collectively, the "**Security Agreements**" and together with the Credit Documents, the "**Loan Documents**"): (a) Security Agreement dated as of November 15, 2012; (b) Deed, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 15, 2012, from Color Star Growers of Colorado, Inc., in favor of Ryan Colburn, as Trustee for the benefit of Regions Bank, as Administrative Agent for the benefit of Secured Creditors, recorded as Instrument No. 2012-131177, Real Property Records of Denton County, Texas; (c) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 15, 2012, from Color Star, L.L.C., in favor of Ryan Colburn, as Trustee for the

benefit of Regions Bank, as Administrative Agent for the benefit of Secured Creditors, recorded as Instrument No. 2012-130884, Real Property Records of Denton County, Texas on November 16, 2012; (d) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 15, 2012, from Color Star Growers of Colorado, Inc., in favor of Ryan Colburn, as Trustee for the benefit of Regions Bank, as Administrative Agent for the benefit of Secured Creditors, recorded as Instrument No. 2012-03856, Real Property Records of Lee County, Texas on November 19, 2012; (e) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 15, 2012, from Color Star Growers of Colorado, Inc., in favor of the Public Trustee of El Paso County, Colorado, as Trustee for the benefit of Regions Bank, as Administrative Agent for the benefit of Regions Bank, as Administrative Agent for the benefit of Secured Creditors, recorded as Instrument No. 212140096, Real Property Records of El Paso County, Colorado on November 26, 2012; (f) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 15, 2012, from Color Star Growers of Colorado, Inc., in favor of the Public Trustee of Weld County, Colorado, as Trustee for the benefit of Regions Bank, as Administrative Agent for the benefit of Secured Creditors, recorded as Instrument No. 3890897, Real Property Records of Weld County, Colorado on November 26, 2012; (g) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 15, 2012, from Color Star, L.L.C., in favor of the Public Trustee of Weld County, Colorado, as Trustee for the benefit of Regions Bank, as Administrative Agent for the benefit of Secured Creditors, recorded as Instrument No. 3890890, Real Property Records of Weld County, Colorado on November 26, 2012; (h) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 15, 2012,

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from Color Star, L.L.C., in favor of LRF Trustee, LLC, as Trustee for the benefit of Regions Bank, as Administrative Agent for the benefit of Secured Creditors, recorded as Instrument No. 512475, in book 3631, Page 549, Real Property Records of Cass County, Missouri on November 27, 2012; (i) Bank Account Control Agreement dated November 15, 2012, among Regions Bank, as Senior Agent, MCG Capital Corporation, as Junior Agent, and Regions Bank, as Bank (Account No. 0128182936); (j) Bank Account Control Agreement dated November 15, 2012, among Regions Bank, as Senior Agent, MCG Capital Corporation, as Junior Agent, and Regions Bank, as Bank (Account No. 0128182928); and (k) Bank Account Control Agreement dated November 15, 2012, among Regions Bank, as Senior Agent, MCG Corporation, as Junior Agent, and Regions Bank, as Bank (Account Nos. 0128182987 and 0128182944).

8. Subject to paragraph K below, the Debtors acknowledge and agree that: (a) the liens and security interests granted under the Loan Documents are valid, binding, first-priority, enforceable, non-avoidable and properly perfected; (b) the liens and security interests granted under the Loan Documents have priority over any and all other liens, if any, on the Debtors' assets; (c) the Debtors' obligations owed pursuant to the Loan Documents constitute legal, valid, binding, and non-avoidable obligations of the Debtors; (d) the Loan Documents are valid, binding and enforceable against the Debtors according to their terms; (e) the Debtors do not have any offsets, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the liens or claims granted or arising under the Loan Documents, and no portion of any such liens or claim is subject to any challenge or defense including, without limitation, avoidance, disallowance, disgorgement, recharacterization, or subordination (whether equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; and (f) the

Debtors and their estates have no claims, objections, challenges, causes of actions, and/or choses in action, based on the validity, priority or perfection of liens under the Loan Documents.

9. The Debtors are also borrowers under a subordinated credit agreement and related security agreements (the "**MCG Loan Documents**") executed by and between the Debtors and MCG Capital Corporation ("**MCG**"). To secure performance under the MCG Loan Documents, the Debtors granted MCG a second priority security interest in substantially all their assets.

10. Subject to paragraph K below, as a result of the liens and security agreements granted to Agent, Lenders and MCG (collectively, the "**Pre-Petition Lenders**") respectively under the Loan Documents and the MCG Loan Documents (collectively, together with any intercreditor agreements entered into between the Pre-Petition Lenders prior to the Petition Date, the "**Pre-Petition Loan Documents**"), all cash or cash equivalents received by the Debtors, whether from sale or other disposition of any inventory, equipment, or other collateral, including any insurance proceeds arising from any casualty loss, and any and all collections on accounts, whether arising before or after the Petition Date, constitute the cash collateral (the "**Cash Collateral**") of the Pre-Petition Lenders as defined in Section 363(c) of the Bankruptcy Code subject to the relative lien priorities contained in the Pre-Petition Loan Documents.

11. To maintain the value of the Debtors' estates, and to pay all reasonable and necessary administrative expenses incurred by the Debtors from the entry of this Order to the Termination Period, as defined below (the "**Interim Period**"), including professional fees and expenses approved by this Court, the Debtors require the use of the Cash Collateral. Without such use of Cash Collateral, the Debtors cannot sustain the Debtors' growing operations. If the Debtors are unable to sustain their operations, substantial value will be lost to the Pre-Petition Lenders and other creditors.

12. This Court has determined that (a) the terms and conditions set forth in this Interim Order are necessary and appropriate to grant adequate protection to the Pre-Petition Lenders in connection with their interim consent to the Debtors' use of the Cash Collateral, and (b) the provisions hereof are in the best interests of the Debtors, their estates, and the Debtors' creditors, including, without limitation, the Pre-Petition Lenders.

III. ORDER

Accordingly, it is hereby **ORDERED** that:

A. The Debtors are authorized, on an interim basis, to use the Cash Collateral to pay actual, ordinary and necessary operating expenses incurred by the Debtors until and through the Final Hearing Date, identified in and up to the amounts set forth in the Budget attached hereto as Exhibit A (the "**Budget**"). The Debtors shall be allowed an 8% expense variance from the Budget measured on a cumulative basis, provided, however, the aggregate amount of expenditures for such period does not exceed the aggregate budgeted amount set forth in the Budget for that period, and in no event shall the Debtors exceed any line-item budget for professional fees for any period. The Budget may be modified with the written consent of the Lenders. The Debtors shall not use Cash Collateral except as provided in this Order.

B. The Debtors' ability to use Cash Collateral under this Order shall terminate on the earlier of January 7, 2014, or upon a default by the Debtors of the terms provided in this Order for the use of Cash Collateral (the "**Termination Date**"), unless the Termination Date is extended by written stipulation of the Lenders and the Debtors. Upon the Termination Date, all of the Debtor's cash, in excess of expenses incurred in accordance with the Budget but remaining unpaid, shall be paid to Lenders as adequate protection. Events of default shall include, but are

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①

not limited to, (i) making any payments not expressly included in the Budget; (ii) Debtors' failure to collect enough accounts receivable to fund each week's expenses under the Budget; and (iii) violation of any of the terms of this Order. Nothing in this Order prohibits the Debtors from paying expenses provided for in this Order and included in the Budget that were incurred but not yet paid prior to the Termination Date; provided, however, that no such expenses shall be paid from the proceeds of the sale of Debtors' assets occurring outside the ordinary course of business.

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As to all defaults other than item (ii) above, Pre-petition lenders shall provide notice of the default and the Debtors shall have three days opportunity to cure.

C. The Debtors shall supply as soon as possible all financial information and other information relating to the Debtors' operations or any of the Pre-Petition Lenders' collateral as may be reasonably requested by any of the Pre-Petition Lenders. Further, the Debtors shall deliver by email or otherwise to the Pre-Petition Lenders: (i) as and when filed, all reports and other documents and pleadings filed by Debtors with the Bankruptcy Court; (ii) a weekly cash flow statement in a form consistent with the Budget, by no later than Wednesday of the following week, comparing actual receipts and disbursements to the projected receipts and disbursements set forth in the Budget; (iii) within three (3) business days after entry of this Order, details of purchase orders and copies of invoices for all Walmart and Lowe's receivables that remain due and owing; and (iv) weekly reconciliations of receivable collections on a per-retailer basis, by no later than Wednesday of the following week, detailing what invoice numbers were paid by each of the retailers in the prior week.

D. Bradford "Brad" C. Walker, Chief Restructuring Officer of the Debtors and principal at Scouler & Company, shall serve as responsible party on behalf of the Debtors, and in that role shall be responsible for the oversight and management of the Debtors, and for all reporting, accounting overview, budgeting, management and use of Cash Collateral, compliance

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3) for. Such notice shall be provided via email to mhelt@gardner.com, ebake@gardner.com or bwalker@scouler.com

with all applicable laws, and for making necessary decisions regarding the sale of the Debtors' assets and the management of the Debtors' operations.

E. As adequate protection for the Debtors' use of the Cash Collateral during the Interim Period, the Pre-Petition Lenders are hereby granted, from and after the Petition Date, valid and automatically perfected (without necessity of the execution by the Debtors of additional mortgages, security agreements, pledge agreements, financing statements, or other documents) replacement liens and security interests that are of the exact nature, kind, priority, and character of the liens and security interests that existed between the Pre-Petition Lenders and the Debtors in the Pre-Petition Collateral or Cash Collateral on the Petition Date (the "**Replacement Liens**"). The Replacement Liens shall be subject to the same subordination and priority between the Pre-Petition Lenders and the Debtors that existed on the Petition Date, and such Replacement Liens shall be equal in amount to the diminution in value of the Pre-Petition Collateral measured from the Petition Date, plus the amount of Cash Collateral expended pursuant to this Order. The Replacement Liens are junior and subordinate to the Carve Out² and do not attach to any causes of action or claims brought under Chapter 5 of the Bankruptcy Code.

F. As additional adequate protection for the Debtors' use of Cash Collateral, the Pre-Petition Lenders are hereby granted, from and after the Petition Date, valid and automatically perfected (without the necessity of the execution by the Debtors of additional mortgages, security agreements, pledge agreements, financing statements, or other documents) security interests and liens (the "**Adequate Protection Liens**") in all of the Debtors' other assets of any kind, including, without limitation, any commercial tort claims identified on Exhibit B attached hereto.

² For purposes of this Order, "**Carve Out**" means all fees required to be paid to the Clerk of the Bankruptcy Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code.

The Adequate Protection Liens shall be subject to the same subordination and priority between the Pre-Petition Lenders that existed on the Petition Date, and the amount of such Adequate Protection Liens shall equal the amount of diminution in value of the Pre-Petition Collateral measured from the Petition Date, plus the amount of Cash Collateral expended pursuant to this Order. The Adequate Protection Liens are junior and subordinate to the Carve Out and do not attach to any causes of action or claims brought under Chapter 5 of the Bankruptcy Code. If, as of the Petition Date, the Debtors' interest in any of the foregoing property was encumbered by a valid, binding, and unavoidable lien senior to the prepetition liens held by the Pre-Petition Lenders, the Adequate Protection Liens shall be junior to such existing senior lien.

(4)
Other than the use of Cash Collateral.

G. In the event that the adequate protection provided to the Pre-Petition Lenders is insufficient to protect the Pre-Petition Lenders from Debtors' use of Cash Collateral or from a diminution in value of the Pre-Petition Lenders' other collateral, then to that extent, the Pre-Petition Lenders' claim shall have priority under Section 507(b) of the Code over all administrative expenses incurred in this Chapter 11 proceeding of the kind specified in Section 503(b) of the Code, provided that any Section 507(b) claim granted to Lenders under this Order shall be senior in priority to any Section 507(b) claim of MCG. No costs or expenses of administration which have been or may be incurred in these proceedings (including any conversion of these proceedings under Section 1112 of the Code, or any other related proceedings), and no priority claims are, or will be, prior to or on a parity with the claims of the Pre-Petition Lenders against Debtor, or with the security interests of the Pre-Petition Lenders in the Debtors' assets except as provided herein, and no such cost or expenses of administration shall be imposed against the Pre-Petition Lenders, their claims or their collateral under Section 506(c) or Section 552 of the Code or otherwise. The foregoing provision shall not restrict

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Debtors' payment of administrative expenses, including professional fees, if such expenses are in the Budget and Debtors are not then, and will not as a result of such payment be, in default under this Order. The priority claim granted in this paragraph shall be junior and subordinate to the Carve Out.

5 to the amount of \$100,000 per week

H. The professional fees provided for in the Budget are to be funded on a weekly basis, as provided in the Budget, and such funds are to be placed into a trust account held by Gardere Wynne Sewell LLP and distributed as set forth in any order regarding the employment and payment of such professionals. Any unused portion in a given month will be carried forward to any subsequent week or applied to unsatisfied fees or expenses for any preceding week. Any unused portion remaining after payment of all allowed professional fees for the period of time and up to the amount set forth in the Budget shall be paid to reduce the Pre-Petition Indebtedness as provided in the Credit Documents within 14 days after entry of a final order approving or disapproving such professional fees. For the avoidance of doubt, claims of professionals for professional fees against the funds deposited in the trust account in accordance with the first sentence of this paragraph shall be senior to any claim of the Pre-Petition Lenders to such funds whether under the Replacement Liens, the Adequate Protection Liens or otherwise. To the extent that the funds deposited in the trust account in accordance with the first sentence of this paragraph are funded from insurance proceeds, the funds will be a carve-out from the Pre-Petition Lenders' security interest in such proceeds. In no event shall the carve-out described in the preceding sentence entitle any professional to recourse against the Pre-Petition Lenders or their collateral other than the insurance proceeds paid into the trust account and then limited to the lesser of (i) the amount of insurance proceeds actually paid into the trust account and (ii) \$300,000.

(for a total of \$300,000)

6 NO payment will be made without further order of the Court.

I. Subject to paragraph K below, the security interest and liens granted to the Pre-Petition Lenders under this Order shall be evidenced by the entry of this Order, and except as otherwise provided herein, shall be deemed to be first, valid, and perfected as against all third parties upon entry of this Order, without regard to applicable federal, state, or local filing and recording statutes, as of the Petition Date; provided however, that the Pre-Petition Lenders may take such steps as they deem appropriate to comply with such recording statutes and Debtors shall execute and deliver such additional documents and shall take any and all additional action to comply with such recording statutes as the Pre-Petition Lenders may request. Any Pre-Petition Lender may attach this Order to financing statements bearing the Debtors' names as debtors, and may file them with any state or local office to further evidence the liens granted thereby without the signature of the Debtors.

J. The Debtors shall keep all collateral securing the Pre-Petition Lenders' indebtedness, including all collateral subject to liens and security interests granted under the Pre-Petition Loan Documents and this Order, maintained by sufficient insurance coverage in amounts acceptable to the Lenders, with Lenders named as the mortgagee, loss payee, and/or additional insured as appropriate on all such policies.

K. The Debtors, on behalf of themselves and as representative of their respective bankruptcy estates, ~~and all other creditors and parties in interest in these bankruptcy cases,~~ shall have thirty days (30) days following entry of this Order to file and serve on any of the Pre-Petition Lenders as applicable any challenge to: (i) the amount of their indebtedness; (ii) whether the indebtedness is subject to any defenses, counterclaims, offset; (iii) the validity or enforceability of the Pre-Petition Lenders' respective loan documents; or (iv) the validity, priority, perfection and/or extent of any of the Pre-Petition Lenders' liens and security interests in

Any creditor, or other party in interest (other than the Debtors) including without limitation

the Debtors' assets or the Cash Collateral. ~~If the United States Trustee appoints an Official Committee of Unsecured Creditors (the "Committee") in these cases, such Committee shall have~~ ^{if appointed,}

~~forty five (45) days from the date of the initial meeting of creditors pursuant to 11 U.S.C. section 341 until the earlier of (a) twenty one (21) days from and after the appointment of the Committee and~~

~~(b) sixty (60) days after entry of this Order within which to file any challenge to: (i) the amount of the Debtors' indebtedness to any of the Pre-Petition Lenders; (ii) whether any indebtedness owed to the Pre-Petition Lenders is subject to any defenses, counterclaims, offset; (iii) the validity or enforceability of any of the Pre-Petition Loan Documents; or (iv) the validity, priority, perfection and extent of any of the Pre-Petition Lenders' liens and security interests in the Debtors' assets or the Cash Collateral. If no such challenge is timely filed as to any of the Pre-Petition Lenders, (i) the amount of such Pre-Petition Lenders' indebtedness shall be determined to be valid and correct; (ii) such Pre-Petition Lenders' indebtedness shall not be subject to any defenses, counterclaims or offset; (iii) any of the Pre-Petition Loan Documents not challenged shall be determined to be valid and enforceable; and (iv) the validity, priority, perfection and/or extent of the Pre-Petition Lenders' liens and security interests in the Debtors' assets and Cash Collateral shall not be subsequently challenged by the Debtors, the Committee or any other creditor or other party in interest in these bankruptcy cases.~~

L. Debtors agree that they shall not seek any extension of the exclusivity periods set forth in Sections 1121(b) and 1121(c) of the Code without the express written consent of the Lenders, which consent the Lenders may withhold in their sole discretion. Debtors agree that the intent of the foregoing sentence is to prohibit any extensions of the exclusivity periods unless the Lenders, in their sole discretion, consent in writing to any such extensions. The Debtors and all parties receiving notice of this Order shall have no claim, cause of action or defense on account of Lenders' exercise of the foregoing rights.

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M. Debtors shall provide the Pre-Petition Lenders, their attorneys, accountants, employees and agents, with reasonable access to Debtors' books and records for the purpose of audit, examination and inspection thereof, and observation of Debtors' operations, and shall provide all reasonable information and documents requested by any of the Pre-Petition Lenders or their designated agents. The Pre-Petition Lenders, their attorneys, accountants, employees and agents shall have the right to enter Debtors' business premises during reasonable business hours for the purpose of examining and appraising the Pre-Petition Lenders' Collateral.

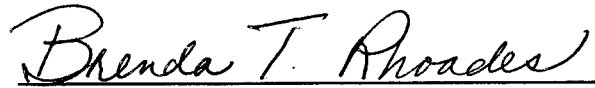
N. Any consent to the use of Cash Collateral shall not be construed as consent to any other relief the Debtors may request. The entry of this Order shall not prejudice, alter, or limit the rights of the Pre-Petition Lenders or any other party in interest to seek additional relief with respect to the use of Cash Collateral, to seek different or additional adequate protection, or to request modification or termination of this Order.

O. In the event that Debtors default in performance of any of their obligations under this Order, or upon the entry of an order dismissing any of these cases, ~~appointing a trustee in~~ ¹⁰ ~~any of these cases~~, converting any of these cases to a case under Chapter 7 of the Code, or transferring the venue of any of these cases to another district, Debtors' right to use Cash Collateral under this Order shall terminate, Debtors shall segregate and account for all cash collateral then in their possession or control, and the Pre-Petition Lenders shall have the right to apply for relief from the stay under § 362 of the Code. Any such application by the Pre-Petition Lenders may be scheduled for an emergency hearing on four (4) business days' notice without objection by any party who stipulated to entry of this Order (or as soon thereafter as practicable, depending on the Court's schedule and availability).

P. The provisions of this Order, which shall be immediately effective upon entry, and any actions taken under this Order, shall survive entry of, and shall govern with respect to, any conflict with any order which may be entered subsequently, and the terms and provisions of this Order, as well as the liens and security interests granted or arising under the Pre-Petition Loan Documents and this Order, and all other rights of the Pre-Petition Lenders and obligations of the Debtors created or arising under this Order, shall continue in these cases or any superseding cases or proceedings under the Code, and such liens and security interests shall maintain their priority as provided by this Order until satisfied and discharged. If any or all of the provisions of this Order are hereafter modified, vacated or stayed by subsequent order of this or any other court, such stay, modification or vacation shall not affect: (a) the validity of any adequate protection granted to the Pre-Petition Lenders under this Order; (b) the validity and enforceability of any lien or priority authorized for the benefit of the Pre-Petition Lenders; or (c) the conduct of the Pre-Petition Lenders with respect to the rights granted to the Pre-Petition Lenders in this Order prior to the effective date of such stay, modification or vacation, and notwithstanding such stay, modification or vacation, such adequate protection, liens and rights shall be governed in all respects by the original provisions of this Order and each of the Pre-Petition Lenders shall be entitled to all those rights, privileges and benefits.

Q. No subsequent stay, modification, termination, failure to extend the terms of, or vacation of this Order shall affect, limit, or modify any claim, right, or lien granted hereunder to the Pre-Petition Lenders, nor shall any such stay, modification, or vacation limit, affect, or modify the validity, enforceability, or perfection of any security interest, mortgage, lien, or priority granted herein.

Signed this 20th day of December, 2013



THE HONORABLE BRENDA T. RHOADES
CHIEF UNITED STATES BANKRUPTCY JUDGE

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EXHIBIT A

EXHIBIT
Debtors - ____

Color Star Hybrid Budget

	Forecast		Forecast
Week Number	51	52	1
WE Friday	12/20/2013	12/27/2013	1/6/2014
Sales Revenue			
WalMart	-	2,827	5,310
Lowe's	10,230	-	-
Other	-	-	-
Total Sales Revenue	10,230	2,827	5,310
AR Balance	4,861,140	4,377,172	3,318,125
Inventory Balance	3,541,250	3,822,500	3,878,750
Beginning Book Cash	390,029	475,014	455,597
Receipts			
Existing AR Collections	214,786	486,795	1,064,357
Lowe's Receivables (Go-forward)	3	-	-
Wal-Mart Factoring Receivables (Go-forward)	1	-	-
Accelerated Receivables (Outstanding A/R)	2	-	-
Other Collections	1,126,777	280,000	-
Total Receipts	1,341,563	766,795	1,064,357
VAST Disbursements			
Vast Logistics, Inc. (VSL)	50,000	-	20,000
Vast, Inc. (VSI)	70,000	20,000	25,000
Total VAST Disbursements	120,000	20,000	45,000
Operating Disbursements Category			
Existing AP	2	-	-
Materials Purchases	2	430,000	250,000
Freight		-	-
Payroll & Benefits		325,308	204,434
Temporary / Contract Labor		-	-
Other Direct		7,500	7,500
Rent		-	-
Utilities		199,840	177,733
Corporate Insurance		41,348	14,546
Advertising & Promotions		-	-
Professional Services		100,000	100,000
Credit Card Charges		-	-
Other SG&A		32,582	12,000
Corporate Taxes		-	-
Total Operating Disbursements	1,136,578	766,212	374,948
Total Operating and VAST Disbursements	1,256,578	786,212	419,948
Net Cash Flows from Operations	84,985	(19,417)	644,409
Ending Book Cash Balance	475,014	455,597	1,100,006

Exhibit B

COMMERCIAL TORT CLAIMS

1. All commercial tort claims (including but not limited to any and all claims for malpractice, negligence, professional negligence, negligent misrepresentation, fraudulent misrepresentation, breach of fiduciary duty, and/or conspirator or aider and abettor liability for any of these or other torts) that Debtors have or may have against Barrier Advisors and/or any equity holder, director, officer, employee or agent of Barrier Advisors (collectively, "**Barrier Advisors**"), arising out of, connected with, or in any way directly or indirectly related to any acts, conduct or failure to act of Barrier Advisors, or any consultation, advice, services or goods provided to Debtors or any affiliate of Debtors by Barrier Advisors, including, without limitation, any acts, conduct, consultation, advice, services or goods related to (i) any legal, investment, business, accounting or audit matter(s), (ii) any accounting entries, processes or procedures of Debtors, (iii) any financial statements, financial reporting, or books or records of Debtors, (iv) the capital structure of Debtors, (v) any analysis, valuation, verification, audit, count, reporting, or accounting of or for any of Debtors' inventory, and/or (vi) any credit, financing or refinancing provided to or obtained by Debtors, whether secured or unsecured, senior or subordinated.

2. All commercial tort claims (including but not limited to any and all claims for malpractice, negligence, professional negligence, negligent misrepresentation, fraudulent misrepresentation, breach of fiduciary duty, and/or conspirator or aider and abettor liability for any of these or other torts) that Debtors have or may have against EKS&H LLLP and/or any equity holder, director, officer, employee or agent of EKS&H (collectively, "**EKS&H**"), arising out of, connected with, or in any way directly or indirectly related to any acts, conduct or failure to act of EKS&H, or any consultation, advice, services or goods provided to Debtors or any affiliate of Debtors by EKS&H, including, without limitation, any acts, conduct, consultation, advice, services or goods related to (i) any legal, investment, business, accounting or audit matter(s), (ii) any accounting entries, processes or procedures of Debtors, (iii) any financial statements, financial reporting, or books or records of Debtors, (iv) the capital structure of Debtors, (v) any analysis, valuation, verification, audit, count, reporting, or accounting of or for any of Debtors' inventory, and/or (vi) any credit, financing or refinancing provided to or obtained by Debtors, whether secured or unsecured, senior or subordinated.

3. All commercial tort claims (including but not limited to any and all claims for malpractice, negligence, professional negligence, negligent misrepresentation, fraudulent misrepresentation, breach of fiduciary duty, and/or conspirator or aider and abettor liability for any of these or other torts) that Debtors have or may have against Bell Nunnally & Martin, LLP and/or any equity holder, director, officer, employee or agent of Bell Nunnally & Martin, LLP (collectively, "**Bell Nunnally**"), arising out of, connected with, or in any way related to any acts, conduct or failure to act of Bell Nunnally, or any consultation, advice, services or goods provided to Debtors or any affiliate of Debtors by Bell Nunnally, including, without limitation, any acts, conduct, consultation, advice, services or goods related to (i) any legal, investment, business, accounting or audit matter(s), (ii) any accounting entries, processes or procedures of Debtors, (iii) any financial statements, financial reporting, or books or records of Debtors, (iv) the capital structure of Debtors, (v) any analysis, valuation, verification, audit, count, reporting, or accounting of or for any of Debtors' inventory, and/or (vi) any credit, financing or refinancing provided to or obtained by Debtors, whether secured or unsecured, senior or subordinated.

4. All commercial tort claims (including but not limited to any and all claims for malpractice, negligence, professional negligence, negligent misrepresentation, fraudulent misrepresentation, breach of fiduciary duty, and/or conspirator or aider and abettor liability for any of these or other torts) that Debtors have or may have against Bank of the West and/or any equity holder, director, officer, employee or agent of Bank of the West (collectively, "**Bank of the West**"), arising out of, connected with, or in any way directly or indirectly related to any acts, conduct or failure to act of Bank of the West, or consultation, advice, services or goods provided to Debtors or any affiliate of Debtors by Bank of the West, including, without limitation, any acts, conduct, consultation, advice, services or goods related to (i) any legal, investment, business, accounting or audit matter(s), (ii) any accounting entries, processes or procedures of Debtors, (iii) any financial statements, financial reporting, or books or records of Debtors, (iv) the capital structure of Debtors, (v) any analysis, valuation, verification, audit, count, reporting, or accounting of or for any of Debtors' inventory, and/or (vi) any credit, financing or refinancing provided to or obtained by Debtors, whether secured or unsecured, senior or subordinated.

5. All commercial tort claims (including but not limited to any and all claims for malpractice, negligence, professional negligence, negligent misrepresentation, fraudulent misrepresentation, breach of fiduciary duty, and/or conspirator or aider and/or abettor liability for any of these or other torts) that Debtors have or may have against any Person and/or any equity holder, director, officer, employee or agent of such Person (collectively, "**Person**"), arising out of, connected with, or in any way directly or indirectly related to any acts, conduct or failure to act of any Person, or any consultation, advice, services or goods provided to Debtors or any affiliate of Debtors by such Person, including, without limitation, any acts, conduct, consultation, advice, services or goods related to (i) any legal, investment, business, accounting or audit matter(s), (ii) any accounting entries, processes or procedures of Debtors, (iii) any financial statements, financial reporting, or books or records of Debtors, (iv) the capital structure of Debtors, (v) any analysis, valuation, verification, audit, count, reporting, or accounting of or for any of Debtors' inventory, and/or (vi) any credit, financing or refinancing provided to or obtained by Debtors, whether secured or unsecured, senior or subordinated.