

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

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

**DEBTORS' FIRST AMENDED JOINT PLAN OF
LIQUIDATION FOR COLOR STAR GROWERS OF COLORADO, INC.,
VAST, INC., AND COLOR STAR, LLC**

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INTRODUCTION

Color Star Growers of Colorado, Inc., a Colorado corporation, Vast, Inc., a Texas corporation, and Color Star, LLC, a Colorado limited liability company, as debtors and debtors-in-possession in these Chapter 11 bankruptcy cases hereby propose this Debtors' First Amended Joint Plan of Liquidation pursuant to § 1121(a) of Title 11 of the United States Code. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, business, assets, liabilities, and for a summary of this Plan and certain related matters.

All holders of Claims and Equity Interests are encouraged to read the Plan and the Disclosure Statement in their entirety before voting to accept or reject this Plan. Other than the Disclosure Statement, the Trust Agreements, and any exhibits and schedules attached thereto or referenced therein, no materials have been approved by the Debtors for use in soliciting acceptances or rejections of this Plan.

ARTICLE I DEFINITIONS

1.1 Definitions.

As used in the Plan, the following terms shall have the respective meanings specified below. Any term used in the Plan not defined below or herein shall be interpreted in accordance with the Rules of Construction and Interpretation set forth in the following Articles of this Plan.

“Administrative Claim” A Claim for payment of an administrative expense of a kind specified in § 503(b) of the Bankruptcy Code and referred to in § 507(a)(2) of the Bankruptcy Code, including, without limitation, the actual, necessary costs and expenses incurred on or after the Petition Date for preserving the Estates of the Debtors, any actual and necessary costs and expenses of operating the business of the Debtors incurred on or after the Petition Date but prior to the Effective Date, any indebtedness or obligations incurred or assumed by the Estates in connection with the conduct of the Debtors' business on or after the Petition Date and prior to the Effective Date, compensation for legal and other professional services and reimbursement of expenses awarded under §§ 330(a) or 331 of the Bankruptcy Code, and all fees and charges assessed against the Estates under Chapter 123, Title 28, United States Code.

“Administrative Claim Bar Date” April 17, 2014.

“Allowance Date” The date on which a Claim is Allowed.

“Allowed” A Claim or Equity Interest that: (a) is listed in the Schedules in a liquidated, non-contingent, and undisputed known amount, but only if no proof of Claim or proof of Equity Interest is filed with the Bankruptcy Court to evidence such Claim or Equity Interest on or before the Bar Date and no objection thereto has been timely filed; (b) is evidenced by a proof of Claim or proof of Equity Interest filed on or before the Bar Date, but only if no objection to the

allowance of the Claim or Equity Interest or no motion to expunge the proof of Claim or Equity Interest has been timely filed; or (c) is allowed by a Final Order.

“Available Cash” All of the unrestricted Cash held by the Debtors, the Liquidation Trust, or the Litigation Trust consistent with the terms of the Global Settlement, and in the case of the Liquidation Trust and Litigation Trust, net of Reserves.

“Avoidance Actions” Any action commenced, or that that may be commenced before or after the Effective Date, pursuant to §§ 510, 522, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, 552 or 553 of the Bankruptcy Code, including, without limitation, such actions that arise under state law for fraudulent conveyance and other similar avoidance actions.

“Bankruptcy Code” Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*

“Bankruptcy Court” The United States Bankruptcy Court for the Eastern District of Texas, Sherman Division.

“Bankruptcy Rules” The Federal Rules of Bankruptcy Procedure, as amended and prescribed under section 2075, Title 28, United States Code, as applicable to the Chapter 11 Cases, together with the Local Rules of the Bankruptcy Court.

“Bar Date” The last date on which proofs of Claim may be timely filed against the Debtors unless otherwise extended by Final Order of the Bankruptcy Court, which is (a) April 17, 2014, for the filing of proofs of Claim by all parties other than Governmental Units, and (b) June 13, 2014, for the filing of proofs of Claims by all Governmental Units.

“Barrier Advisors” Barrier Advisors n/k/a NexBank Securities, Inc. a/k/a NexBank Capital Advisors and/or any equity holder, member, manager, partner, director, officer, employee or agent of Barrier Advisors, whether past or present.

“Bank of the West” Bank of the West and/or any equity holder, member, manager, partner, director, officer, employee or agent of Bank of the West, whether past or present.

“Bell Nunnally” Bell Nunnally & Martin, LLP and/or any equity holder, member, manager, partner, director, officer, employee or agent of Bell Nunnally & Martin, LLP, whether past or present.

“Business Day” Any day other than a Saturday, Sunday or “legal holiday” as defined in Bankruptcy Rule 9006(a).

“Cash” Cash and cash equivalents.

“Causes of Action” Any action, cause of action, suit, account, controversy, agreement, promise, right to legal remedy, right to equitable remedy, right to payment, and claim, including Avoidance Actions, whether known or unknown, reduced to judgment, not reduced to judgment,

liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable directly or indirectly or derivatively, in law, equity or otherwise, including: (a) any claim or right to recover damages (general, exemplary, or both) relating to or based on (i) fraud, negligence, gross negligence, willful misconduct, or any tort actions, (ii) violations of federal or state securities laws, (iii) violations of applicable corporate or partnership laws, (iv) breaches of fiduciary or agency duties, (v) unjust enrichment, suit on a sworn account, accounting, quantum meruit, restitution, (vi) malpractice, (vii) breach of contract, (viii) conversion, (ix) recharacterization, (x) alter ego, aiding and abetting, conspiracy, *respondeat superior*, or other vicarious or secondary liability claims relating to all of the aforementioned claims, or (xi) any other claim of the Debtors against any party, to the extent not specifically compromised or released pursuant to the Plan, the Global Settlement, or a Final Order entered by the Bankruptcy Court after notice and opportunity for hearing; (b) any claims of the Debtors for subordination under § 510 of the Bankruptcy Code or under other applicable laws; (c) any objection to any Disputed Claim that includes as a basis any counterclaim by the Debtors or the Estates for affirmative relief, and is pending and not resolved by Final Order as of the Effective Date, together with all liability of the Debtors or the Estates on account of such Disputed Claims; and (d) all claims and defenses asserted by the Debtors or the Trustees in an adversary proceeding or other civil litigation pending as of the Effective Date. Causes of Action also specifically include: (i) Avoidance Actions, (ii) all tort and common law claims held by the Debtors against any person, including, without limitation, the following: (a) Persons that were or are joint venturers or partners with, or controlling persons of, the Debtors, (b) Governmental Units, including taxing authorities, (c) holders of Equity Interests; and (iii) all claims held by the Debtors whether in contract, tort, or statutory law against current or former: (a) customers, (b) Claimants, (c) officers and directors, (d) suppliers (including any person with whom the Debtor ever did business), (e) employees, (f) managers and affiliates, (g) insurers (including, without limitation, for directors and officers liability coverage, business interruption, or similar claims), and (h) professionals used by Debtors. For the avoidance of doubt, but without limitation, the Causes of Action include the causes of action against the persons listed on Schedule E to the Disclosure Statement.

“Chapter 11 Case or Chapter 11 Cases” The Debtors’ Chapter 11 Cases commenced by the filing of respective voluntary petitions for each Debtor on December 15, 2013, under Chapter 11 of the Bankruptcy Code, and which are being jointly administered under Case No. 13-42959 pending before the Bankruptcy Court.

“Claim” Any right to payment from the Debtors or the Estates, whether or not such right is reduced to judgment, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, known or unknown; or any right to an equitable remedy against the Debtors or the Estates for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, known or unknown.

“Claimant” A Person holding a Claim against the Debtors, property of the Debtors, the Estates, the Liquidation Trust, the Litigation Trust, the Liquidation Trustee, the Litigation Trustee, or any assets of the Liquidation Trust or the Litigation Trust.

“Claims Objection Deadline” Two hundred seventy (270) days after the Effective Date, unless such date is extended by the Bankruptcy Court upon motion filed with the Bankruptcy Court on or prior to such date.

“Class” Any group of substantially similar Claims or Equity Interests classified by the Plan pursuant to § 1122 of the Bankruptcy Code.

“Class 8 Unsecured Claim” A Claim other than a Secured Claim, an Administrative Claim, a Priority Non-Tax Claim, a Priority Tax Claim, the Regions Deficiency Claim, the Comerica Deficiency Claim, the MCG Deficiency Claim, a Penalty Claim, or a Subordinated Claim.

“Collateral” Any property or interest in property of the Estates that is subject to a Lien to secure the payment or performance of a Claim, which such Lien is not avoided or otherwise invalid under the Bankruptcy Code or applicable law.

“Commercial Tort Claims” all Causes of Action identified on Exhibit B to the *Third Interim Order Granting Emergency Motion for Interim and Final Orders Authorizing the Use of Cash Collateral and Scheduling Final Hearing* [Docket No. 147].

“Comerica” Comerica Bank.

“Comerica Deficiency Claim” That portion of the Lenders' Deficiency Claim to be allocated to Comerica per agreement between Regions and Comerica to be made prior to the Effective Date.

“Committee” The Official Unsecured Committee of Unsecured Creditors of the Debtors, appointed in the Chapter 11 Case by the United States Trustee on January 14, 2014, as such membership may be amended.

“Confirmation Date” The date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

“Confirmation Hearing” The hearing held by the Bankruptcy Court pursuant to § 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

“Confirmation Order” The Order of the Bankruptcy Court, and any amendment thereto, confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code, which must be in form and substance satisfactory to the Lenders and MCG.

“Contingent Claim” A Claim for which the Debtors’ legal duty to pay does not come into existence until triggered by the occurrence of a future event.

“Debtor or Debtors” Collectively, or individually, as the case may be, Color Star Growers of Colorado, Inc., a Colorado corporation, Vast, Inc., a Texas corporation, and Color Star, LLC, a Colorado limited liability company.

“Debtors-in-Possession” The Debtors in their capacities as Debtors-in-Possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

“Deficiency Claim” Any portion of a Secured Claim (a) to the extent the value of the Collateral securing such Claim is less than the amount of such Claim or (b) to the extent the amount of the Claim that is secured by a right of setoff is less than the amount of such Claim, each as determined pursuant to § 506(a) of the Bankruptcy Code.

“Disallowed” A Claim or Equity Interest, any portion thereof, that: (a) has been disallowed by either a Final Order or pursuant to a settlement; (b) has been withdrawn by the holder of the Claim or Equity Interest; (c)(i) is set forth in the Schedules at zero or as contingent, disputed, or unliquidated and (ii) as to which no proof of Claim or proof of Equity Interest has been filed or deemed filed with the Bankruptcy Court by the Bar Date or pursuant to either the Bankruptcy Code or a Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law; or (d) has not been scheduled in the Schedules and as to which no proof of Claim or Equity Interest has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, a Final Order, or the Plan.

“Disclosure Statement” The Disclosure Statement with respect to the Plan filed by the Debtors with the Bankruptcy Court pursuant to § 1125 of the Bankruptcy Code, as may be amended or supplemented.

“Disputed Claim” The portion (including, when appropriate, the whole) of a Claim or Equity Interest that is not an Allowed Claim or Allowed Equity Interest as to which: (a) a proof of Claim or Equity Interest has been filed or deemed filed under applicable law or Order of the Bankruptcy Court; (b) an objection has been filed; and (c) such objection has not been (i) withdrawn, (ii) overruled or denied in whole or in part pursuant to a Final Order, or (iii) granted in whole or in part pursuant to a Final Order. Before the time that an objection has been or may be filed, a Claim or Equity Interest shall be considered a Disputed Claim or Equity Interest: (a) if the amount or classification of the Claim or Equity Interest specified in the proof of Claim or Equity Interest exceeds the amount or classification of any corresponding Claim or Equity Interest scheduled by the Debtors in their Schedules, to the extent of such excess; (b) in its entirety, if any corresponding Claim or Equity Interest scheduled by the Debtors has been scheduled as disputed, contingent, or unliquidated in their Schedules; or (c) in its entirety, if no corresponding Claim or Equity Interest has been scheduled by the Debtors in their Schedules.

“Disputed Claim Reserve” An amount determined by the Liquidation Trustee or the Litigation Trustee as applicable to be held in reserve for distribution to holders of Disputed

Claims upon such Claims becoming Allowed Claims, such that the Claimants, upon allowance of such Claims, shall receive the same Pro Rata distributions as holders of Claims in the same Class that are not Disputed Claims.

“Distribution” The property required by the Plan to be distributed to the holders of Allowed Claims.

“Distribution Date” As to all Claims and Equity Interests, the date that is within ninety (90) days after the dates on which the Trustees determine, in their sole and absolute discretion, that sufficient Available Cash exists to (a) pay, in whole or in part, Allowed Claims of the highest priority of previously unpaid Claims and (b) deposit sufficient funds in the Reserves. The Distribution Date shall be on or after the Effective Date. The Effective Date and the Final Distribution Date are each considered a Distribution Date.

“Effective Date” The first date on which all conditions precedent set forth in ARTICLE XIII have been satisfied.

“EKS&H” EKS&H LLLP, formerly known as Ehrhardt Keefe Steiner & Hottman, P.C., and including any equity holder, affiliate, member, manager, partner, director, officer, employee or agent of EKS&H, whether past or present.

“Equity Interest” Any ownership interest in the Debtors represented by shares of stock, or membership or partnership interest in any of the Debtors, including, to the extent provided by applicable law, any warrant, option, or other security to acquire any of the foregoing in any of the Debtors.

“Estates” The bankruptcy estates created on the filing of the Chapter 11 Cases pursuant to § 541 of the Bankruptcy Code, together with all rights, claims and interests appertaining thereto.

“Face Amount” means (i) as to a Disputed Claim, the full stated amount claimed by the holder of such Claim in any proof of Claim timely filed, or deemed timely filed, with the Bankruptcy Court, and (ii) as to an Allowed Claim, the full stated amount of such Claim claimed by the holder of such Claim in any proof of Claim timely filed, or deemed timely filed, with the Bankruptcy Court or the amount reflected in a Final Order or in the Schedules, as amended, if such claimant was not required to file a proof of Claim by reason of the Bankruptcy Rules, or in an amount agreed to by the holder of such Claim and the Debtors or the Trust, as applicable.

“Final Distribution” A Distribution made under the Plan, which represents the only or last Distribution to be made to a particular Class of Claimants.

“Final Distribution Date” The date upon which the Trustees make the Final Distribution.

“Final Order” An order or judgment under 28 U.S.C. § 158(a)(1) of the Bankruptcy Court or other court having jurisdiction over any matter that (a) has not been reversed, stayed, or vacated, (b) the time to appeal, petition for certiorari, or move for a new trial, re-argument, or rehearing has expired, and no such action has occurred, or (c) if a timely appeal is filed, upon completion of the appellate process either through the expiration of an initial deadline for invoking further appellate jurisdiction or, if in the United States Supreme Court, through the issuance of that Court’s final decision; provided, however, no order shall fail to be a Final Order because of the possibility that a motion pursuant to Rules 59 or 60 of the Federal Rules of Civil Procedure (and Bankruptcy Rules 9023 and 9024, respectively) may be filed to that order.

“Global Settlement” That certain settlement agreement entered into among the Debtors, the Committee, Regions, Comerica, and MCG and approved by Final Order of the Bankruptcy Court. The terms of the Global Settlement are incorporated herein by reference. In the event of a conflict between the Plan and the Global Settlement, the terms of the Global Settlement shall control.

“Governmental Unit” A governmental unit as such term is defined in § 101(27) of the Bankruptcy Code.

“Impaired” When used in reference to a Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of § 1124 of the Bankruptcy Code.

“Intercompany Claim” A Claim held by one Debtor against any other Debtor and any and all affiliates, subsidiaries, or interests of the Debtors, including, without limitation, (a) any account reflecting intercompany book entries by such Debtor with respect to any other Debtor(s), (b) any Claim not reflected in intercompany book entries that is held by such Debtor, and (c) any derivative Claim asserted or assertable by a Debtor or on such Debtor’s behalf against any other Debtor.

“Intercreditor Agreement” The Intercreditor Agreement among Debtors, Huibert “Herb” Verbeek, Kenney Verbeek, Englebrecht “Brett” Verbeek, B&K 2003 Trust, Regions as agent for Regions and Comerica, and MCG dated November 15, 2012.

“Lenders” Regions and Comerica, lenders to the Debtors under that certain Credit Agreement dated November 15, 2012, among the Debtors, the Lenders, and Regions as Administrative Agent.

“Lenders' Deficiency Claim” The Deficiency Claim held by the Lenders which under the Global Settlement is an Allowed Claim under the Plan in the amount of \$28,462,472.44, less the amount of any payments received by the Lenders subsequent to the Bankruptcy Court's approval of the Global Settlement and prior to the Effective Date of the Plan. The Lenders' Deficiency Claim shall be allocated between the Lenders as the Comerica Deficiency Claim and the Regions Deficiency Claim on or prior to the Effective Date of the Plan.

“Lien” A charge against or interest in property to secure payment of a debt or performance of an obligation, including, but not limited to, a mortgage, deed of trust lien, security interest, judicial lien, judgment lien, pledge, encumbrance, or writ of attachment.

“Liquidation Trust” The Color Star Liquidation Trust that shall be created as a Texas express trust established pursuant to the terms of the Liquidation Trust Agreement and in accordance with the Trust Act governing such trusts within the State of Texas.

“Liquidation Trust Advisory Board” The Liquidation Trust Advisory Board shall be established on the Effective Date pursuant to this Plan. The Liquidation Trust Advisory Board shall meet and consult with the Liquidation Trustee. The Liquidation Trust Advisory Board shall consist of 4 members, consisting of one each appointed by Regions, Comerica, MCG, and the Committee. The Liquidation Trust Advisory Board’s rights and obligations are outlined in the Liquidation Trust Agreement. The members of the Liquidation Trust Advisory Board will be entitled to vote their claim amounts, including separate votes with respect to the Regions Deficiency Claim and the Comerica Deficiency Claim (or in the case of the member appointed by the Committee, or any successor member representing the interests of the holders of Allowed Class 8 Unsecured Claims, the total amount of Allowed Class 8 Unsecured Claims) in any decisions made by the Liquidation Trust Advisory Board, and all votes by the Liquidation Trust Advisory Board would be decided by a majority dollar vote (greater than 50%) of such claims. Members of the Liquidation Trust Advisory Board are not fiduciaries, shall not be deemed to act in or occupy a fiduciary capacity, and shall have no fiduciary duties whatsoever to the Liquidation Trust Beneficiaries, the Liquidation Trustee, or any other Person except as expressly set forth in Section 8.7 below, and any and all such duties are expressly disclaimed.

“Liquidation Trust Agreement” That certain agreement which shall govern the actions of the Liquidation Trustee, and his or her professionals, attorneys, accountants, and other employees, and the actions of the Liquidation Trust Advisory Board. A copy of the Liquidation Trust Agreement shall be included in the Plan Supplement.

“Liquidation Trust Assets” All of the Debtors’ and/or the Estates’ powers, assets, and property interests in the following assets: (a) all Avoidance Actions (with the exception of the Estates’ Causes of Action against Barrier Advisors, UHY LLP, EKS&H, Nikki Gibson, Bell Nunnally, and Bank of the West arising under any section(s) of Chapter 5 of the Bankruptcy Code); (b) all Causes of Action with respect to: (i) insider transactions that do not involve Causes of Action against the individual guarantors of the loans previously made by Regions, Comerica and MCG to the Debtors, and that do not constitute Commercial Tort Claims; (ii) the Debtors’ pre-petition sale lease-back transactions; (iii) insurance proceeds attributable to the Debtors’ contents-flood-loss insurance claims in process as of the Effective Date to the extent such Causes of Action are not converted to Cash and such Cash received by the Debtors prior to the Effective Date; and (iv) any contents-based flood-loss insurance Causes of Action unpaid and in process on the Effective Date; and (c) \$75,000 to be paid from Available Cash in the Debtors’ possession into the Liquidation Trust Reserve. The Liquidation Trust Assets shall also include any Causes

of Action assigned and conveyed to the Liquidation Trust by the Litigation Trustee from and after the Effective Date with consent of the Litigation Trust Advisory Board.

“Liquidation Trust Beneficiaries” Regions, Comerica, MCG, and all holders of Allowed Class 8 Unsecured Claims shall be initial beneficiaries of the Liquidation Trust, with the percentage of beneficial interest of each beneficiary determined by their pro-rata percentage of the total unsecured claims (the total of the Regions Deficiency Claim, the Comerica Deficiency Claim, the MCG Deficiency Claim and the total amount of Allowed Class 8 Unsecured Claims) immediately prior to any distribution or vote. All holders of Class 10 Interests shall be residual beneficiaries of the Liquidation Trust. Pursuant to the terms of the Global Settlement, the Committee's professionals are deferring certain pre-confirmation professional fees which shall be paid, after approval and allowance by the Bankruptcy Court, as Administrative Claims from the Liquidation Trust to the extent set forth in the Global Settlement.

“Liquidation Trust Reserve” A reserve to be held by the Liquidation Trust for payment of administrative expenses of the Liquidation Trust, to be funded initially with \$75,000 to be paid from Available Cash in the Debtors' possession, and further supplemented from time to time with proceeds from the Liquidation Trust Assets in amounts determined by the Liquidation Trustee with consent of the Liquidation Trust Advisory Board.

“Liquidation Trustee” Daniel J. “Corky” Sherman, and any successor to such Person.

“Litigation Trust” The Color Star Litigation Trust that shall be created as a Texas express trust established pursuant to the terms of the Litigation Trust Agreement and in accordance with the Trust Act governing such trusts within the State of Texas.

“Litigation Trust Advisory Board” The Litigation Trust Advisory Board shall be established on the Effective Date pursuant to this Plan. The Litigation Trust Advisory Board shall meet and consult with the Litigation Trustee. The Litigation Trust Advisory Board shall consist of 4 members, consisting of one each appointed by Regions, Comerica, MCG, and the Committee. The Litigation Trust Advisory Board's rights and obligations are outlined in the Litigation Trust Agreement. The members of the Litigation Trust Advisory Board will be entitled to vote their claim amounts, including separate votes with respect to the Regions Deficiency Claim and the Comerica Deficiency Claim (or in the case of the member appointed by the Committee, or any successor member representing the interests of the holders of Allowed Class 8(a) Unsecured Claims, the total amount of Allowed Class 8(a) Unsecured Claims) in any decisions made by the Litigation Trust Advisory Board, and all votes by the Litigation Trust Advisory Board would be decided by a majority dollar vote (greater than 50%) of such claims. Members of the Litigation Trust Advisory Board are not fiduciaries, shall not be deemed to act in or occupy a fiduciary capacity, and shall have no fiduciary duties whatsoever to the Litigation Trust Beneficiaries, the Litigation Trustee, or any other Person except as expressly set forth in Section 8.8 below, and any and all such duties are expressly disclaimed.

“Litigation Trust Agreement” That certain agreement which shall govern the actions of the Litigation Trustee, and his or her professionals, attorneys, accountants, and other employees, and the actions of the Litigation Trust Advisory Board. A copy of the Litigation Trust Agreement shall be included in the Plan Supplement.

“Litigation Trust Assets” All of the Debtors’ and/or the Estates’ powers, assets, and property interests in the following assets: (a) all Commercial Tort Claims and any related tort Causes of Action belonging to the Debtors; (b) any Causes of Action the Debtors may have against Bank of the West, UHY LLP, EKS&H, Barrier Advisors, Nikki Gibson, and Bell Nunnally (including any chapter 5 Causes of Action against those parties); and (c) \$350,000 to be paid from Available Cash in the Debtors’ possession to the Litigation Trust Reserve. The Litigation Trust Assets shall also include any Causes of Action of the Debtors not vested in the Liquidation Trust, and all books and records of the Debtors whether presently in possession of the Debtors or not. Both the Litigation Trustee and the Liquidation Trustee shall have access to and shall be entitled to obtain copies of any and all such books and records at their respective costs, but possession and control of all such books and records shall remain subject to the provisions of the Sale Orders and further orders of the Bankruptcy Court. All such books and records shall also be subject to orders of the applicable state court or any other court of competent jurisdiction in any litigation currently pending or subsequently filed by either of the Lenders or MCG relating to the Debtors, or the Litigation Trustee relating to the Commercial Tort Claims or other Causes of Action that comprise Liquidation Trust Assets. Any Litigation Trust Assets may be assigned and conveyed by the Litigation Trustee to the Liquidation Trust from and after the Effective Date with consent of the Litigation Trust Advisory Board.

“Litigation Trust Beneficiaries” Regions, Comerica, MCG, and all holders of Allowed Class 8(a) Unsecured Claims shall be initial beneficiaries of the Litigation Trust, with the percentage of beneficial interest of each beneficiary determined by their pro-rata percentage of the total unsecured claims (the total of the Regions Deficiency Claim, the Comerica Deficiency Claim, the MCG Deficiency Claim and the total amount of Allowed Class 8(a) Unsecured Claims) immediately prior to any distribution or vote. All holders of Class 10 Interests shall be residual beneficiaries of the Litigation Trust. Pursuant to the terms of the Global Settlement, the Committee’s professionals are deferring certain pre-confirmation professional fees which shall be paid, after approval and allowance by the Bankruptcy Court, as Administrative Claims from the Litigation Trust, subject to the limitations set forth in the Global Settlement.

“Litigation Trust Reserve” A reserve to be held by the Litigation Trust for payment of litigation expenses (\$325,000) and administrative expenses (\$25,000) of the Litigation Trust, to be funded initially with \$350,000 to be paid from Available Cash in the Debtors’ possession, and further supplemented from time to time with proceeds from the Litigation Trust Assets in amounts determined by the Litigation Trustee with consent of the Litigation Trust Advisory Board.

“Litigation Trustee” An individual who shall be selected by Regions and Comerica, with consent of MCG and the Committee (such consent not to be unreasonably withheld), to

serve after the Effective Date pursuant to the Confirmation Order as the trustee of the Litigation Trust, and any successor to such Person. The Litigation Trustee will be identified in the Plan Supplement.

“MCG” MCG Capital Corporation and Solutions Capital I, L.P.

“MCG Deficiency Claim” The Deficiency Claim held by MCG which under the Global Settlement is an Allowed Claim under the Plan in the amount of \$14,736,610.54.

“Order” Any order, mandate, precept, command, or direction formally given or entered by court of competent jurisdiction.

“Other Secured Claims” Any Secured Claim other than Secured Tax Claims and the Secured Claims of Regions, Comerica, and MCG.

“Penalty Claim” Any Claim, secured or unsecured, priority or non-priority, arising before the Petition Date, for any fine, penalty, or forfeiture, or for multiple, exemplary, or punitive damages, to the extent that such fine, penalty, forfeiture, or damages are not compensation for actual pecuniary loss suffered by the Claimant.

“Person” As identified in § 101(41) of the Bankruptcy Code and includes an individual, corporation, partnership, joint venture, association, limited liability company, limited liability partnership, trust, estate, unincorporated organization, governmental entity or political subdivision thereof, or any other entity.

“Petition Date” December 15, 2013, the date on which the Debtors filed their voluntary Chapter 11 petitions commencing the Chapter 11 Case.

“Plan” This Debtors’ Joint Plan of Liquidation for Color Star Growers of Colorado, Inc., Vast, Inc., and Color Star, LLC, as it may be amended or modified.

“Plan Document” The documents to be executed, delivered, assumed, and/or performed in conjunction with the consummation of the Plan on the Effective Date.

“Plan Supplement” The documents, including the form of the Liquidation Trust Agreement and the Litigation Trust Agreement, that shall be contained in a separate submission filed with the Clerk of the Bankruptcy Court at least fifteen (15) days prior to the date on which the Confirmation Hearing shall commence or such shorter period as ordered by the Bankruptcy Court. The Plan Supplement may be reviewed via the Bankruptcy Court’s ECF docket for this case, via www.upshotservices.com/colorstar, or requested in writing from the Debtors’ counsel.

“Post-Confirmation Service List” The list established by the *Order Granting Motion for Order Limiting Notice and Establishing Additional Notice Procedures* [Chapter 11 Case, Docket No. 40], plus all those receiving electronic notice via this Bankruptcy Court’s ECF electronic filing system.

“Priority Non-Tax Claim” A Claim or portion of a Claim entitled to priority under § 507(a) of the Bankruptcy Code, other than Administrative Claims and Priority Tax Claims.

“Priority Tax Claim” Claim of a Governmental Unit entitled to priority in payment as specified in §§ 502(i) and 507(a)(8) of the Bankruptcy Code, but excluding any portion of such Claim that is a Subordinated Claim or a Secured Tax Claim.

“Professional Fee Claim” An Administrative Claim under §§ 330(a), 331, or 503 of the Bankruptcy Code for compensation of a professional or other Person for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Effective Date under §§ 327, 328, or 1103 of the Bankruptcy Code.

“Proponents” The Debtors.

“Pro Rata” The proportion that the dollar amount of an Allowed Claim in a Class bears to the aggregate amount of all Allowed Claims in such Class or if distribution is to multiple Classes of equal priority, the aggregate amount of all Allowed Claims in such Classes.

“Regions” Regions Bank.

“Regions Deficiency Claim” That portion of the Lenders' Deficiency Claim to be allocated to Regions per agreement between Regions and Comerica to be made prior to the Effective Date.

“Reserves” The Disputed Claim Reserve and the Trust Reserves.

“Sale Orders” The *Orders Approving Motion for Order(s) Approving/Authorizing (A) Sale(s) of Certain or Substantially All of the Estates' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with the Sale(s)* entered on January 14, 2014 [Docket Nos. 95, 96 and 98].

“Schedules” The Schedules of Assets and Liabilities and the Statements of Financial Affairs filed by or on behalf the Debtors in the Chapter 11 Case pursuant to § 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as they have been or may hereafter be amended, modified or supplemented.

“Secured Claim” A Claim, if any, that is (a) secured by a valid, perfected and enforceable Lien under applicable state law or by reason of a Final Order on property in which the Debtors' Estates has an interest to the extent of the value of such property, or (b) subject to a permissible setoff under § 553 of the Bankruptcy Code, to the extent of such permissible setoff, in each case, as determined in accordance with § 506(a) of the Bankruptcy Code or as otherwise agreed upon in writing by the Debtors and the holder of such Claim.

“Secured Tax Claim” A Claim of a Governmental Unit for the payment of *ad valorem* taxes that is secured by property of the Debtors or the Estates.

“Subordinated Claim” A Subordinated Tax Penalty Claim and all or any portion of a Claim that is subordinated in payment pursuant to or in accordance with § 510 of the Bankruptcy Code.

“Subordinated Tax Penalty Claim” Any Claim against the Debtors or the Estates in connection with any tax liability and for any fine, penalty, disgorgement, forfeiture, order of restitution or for multiple, exemplary, or punitive damages (other than the type specified in § 507(a)(8)(G)) of the Bankruptcy Code to the extent that such fines, penalties, disgorgements, forfeitures, orders of restitution, or damages are not compensation for actual pecuniary loss suffered by a holder of such Claim; provided, however, in accordance with 18 U.S.C. § 3613(e), nothing herein shall apply to any fine, penalty, disgorgement, forfeiture, order of restitution entered or ordered in connection with any criminal action or criminal proceeding by the United States.

“Trust Agreements” The Liquidation Trust Agreement and the Litigation Trust Agreement.

“Trust Reserves” The Liquidation Trust Reserve and the Litigation Trust Reserve.

“Trustees” The Liquidation Trustee and the Litigation Trustee.

“Unimpaired” A Claim or Equity Interest that is not Impaired.

ARTICLE II RULES OF CONSTRUCTION AND INTERPRETATION

The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Plan as a whole and not to any particular section, subsection or clause contained in this Plan, unless the context requires otherwise. Whenever from the context it appears appropriate, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender include the masculine, feminine and the neuter. The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

A capitalized term used in this Plan and not defined herein but that is defined in the Bankruptcy Code has the meaning assigned to the term in the Bankruptcy Code. A capitalized term used in this Plan and not defined herein or in the Bankruptcy Code, but which is defined in the Bankruptcy Rules, has the meaning assigned to the term in the Bankruptcy Rules.

ARTICLE III
SUBSTANTIVE CONSOLIDATION OF THE ESTATES FOR ALL PURPOSES

3.1 Request for Substantive Consolidation. The Plan contemplates and is predicated on substantive consolidation of the Debtors into a single entity under the Plan. Entry of the Confirmation Order shall constitute approval, pursuant to Section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Debtors, the Estates and the Chapter 11 Cases for all purposes related to the Plan, including, without limitation, for purposes of voting, confirmation, and distribution.

3.2 Effect of Substantive Consolidation. Except as expressly set forth in this Plan, as a result of the substantive consolidation of the assets and liabilities of the Debtors, on and after the Effective Date: (a) all assets and liabilities of the Debtors shall be deemed merged so that all assets of the Debtors shall be available to pay all of the liabilities under the Plan as if they were one company, (b) no distributions shall be made under the Plan on account of Intercompany Claims, (c) no distributions are anticipated to be made under the Plan on account of any Equity Interests, (d) all guarantees by any of the Debtors of the obligations of any other Debtor shall be deemed eliminated so that any claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (e) every Claim filed or to be filed in the Chapter 11 Cases against any Debtor shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and all duplicate proofs of Claim for the same Claim filed against more than one Debtor shall be deemed expunged, and (g) for purposes of determining the availability of the right of setoff under Section 553 of the Bankruptcy Code, the Debtors shall be treated as one consolidated entity so that, subject to other provisions of Section 553 of the Bankruptcy Code, debts due to any Debtor may be set off against the debts of any other Debtor. For the avoidance of doubt, this substantive consolidation shall not be construed as substantive consolidation for a purpose other than described in this Plan.

ARTICLE IV
DESIGNATION OF CLAIMS AND EQUITY INTERESTS

4.1 Summary. The following presupposes substantive consolidation. As a result, it classifies all Claims against and Equity Interests in any Debtor as one obligation of the consolidated Debtors. In accordance with § 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the Classes. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest (a) qualifies within the description of that Class, (b) is an Allowed Claim or Allowed Equity Interest in that Class, and (c) has not been paid, released or otherwise satisfied before the Effective Date. A proof of Claim asserting a Claim which could be included properly in more than one Class is only entitled to inclusion within a particular Class to the extent that it qualifies under the description of such Class, and shall be included within a different Class(es) to the extent that it qualifies under the description of such different Class(es).

4.2 Classified Claims and Equity Interests. The following table is a summary of the classification and status of Claims and Equity Interests under the Plan:

Class	Status
Class 1: Secured Claims of Lenders	Impaired -- entitled to vote
Class 2: Secured Claim of MCG	Impaired -- entitled to vote
Class 3: Secured Tax Claims	Unimpaired -- deemed to have accepted the Plan
Class 4: Other Secured Claims	Impaired -- entitled to vote
Class 5: Priority Non-Tax Claims	Unimpaired -- deemed to have accepted the Plan
Class 6: Lenders' Deficiency Claims	Impaired -- entitled to vote
Class 7: MCG Deficiency Claim	Impaired -- entitled to vote
Class 8: Class 8 Unsecured Claims -- subsections (a) and (b)	Impaired -- entitled to vote
Class 9: Subordinated Claims	Impaired -- entitled to vote
Class 10: Equity Interests	Impaired -- entitled to vote

4.3 Controversy Concerning Classification, Impairment or Voting Rights. In the event a controversy or dispute should arise involving issues related to the classification, impairment or voting rights with respect to any Claim or Equity Interest, whether before or after the Confirmation Date, the Bankruptcy Court may, after notice and a hearing, determine such controversy. Without limiting the foregoing, the Bankruptcy Court may estimate for voting purposes the amount of any contingent or unliquidated Claim if the fixing or liquidation of, as the case may be, would unduly delay the administration of the Chapter 11 Case.

4.4 Nonconsensual Confirmation. If any Class of Claims is determined to be Impaired by the Bankruptcy Court, and if such Impaired Class of Claims votes not to accept the Plan by the requisite statutory majority required by Section 1126(c) of the Bankruptcy Code, the Debtors reserve the right to: (a) reclassify any Claim, including reclassifying any Impaired Claim as Unimpaired; (b) amend the Plan; or (c) ask the Bankruptcy Court to confirm the Plan under Section 1129(b) of the Bankruptcy Code.

ARTICLE V TREATMENT OF UNCLASSIFIED CLAIMS

5.1 Administrative Claims.

5.1.1 Time for Filing Administrative Claims. All requests for payment of Administrative Claims (other than Professional Fee Claims) incurred, accrued, or in existence prior to April 1, 2014, must have been filed by the Administrative Claim Bar

Date. Any such Administrative Claim for which an application or request was not filed by the Administrative Claim Bar Date is released and forever barred, and shall not be entitled to Distributions under this Plan. For any Administrative Claim (other than Professional Fee Claims) incurred, accrued, or in existence after March 31, 2014, an application or request for payment must be filed in the Bankruptcy Court within fifteen (15) days after the Effective Date. Such an application or request must include, at a minimum, (a) the name of the holder of the Claim, (b) the amount of the Claim, (c) the basis for the Claim, and (d) all documents supporting such Claim. Failure to file and serve the application required in this Plan shall result in the Administrative Claim being released and forever barred. The United States Trustee is not required to file an application for the allowance of an Administrative Claim with regards to fees due in accordance with 28 U.S.C. § 1930(a)(6).

5.1.2 Treatment of Administrative Claims. Except to the extent that any Person entitled to payment of an Administrative Claim agrees otherwise, or as otherwise provided in the Global Settlement, each holder of an Allowed Administrative Claim (other than Professional Fee Claims) shall, in full and final satisfaction of any Administrative Claim, receive Cash in amount equal to such Allowed Administrative Claim on or as soon as reasonably practicable following the later to occur of: (a) the Effective Date and (b) the date on which such Administrative Claim becomes an Allowed Administrative Claim; provided, however, Allowed Administrative Claims representing liabilities incurred in the ordinary course of business by the Debtors may be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions, provided that either (x) such Allowed Administrative Claims were included in the cash collateral budgets previously approved by Lenders, or (y) Lenders approve such payment in writing.

5.2 Professional Compensation and Reimbursement Claims. All requests for allowance and payment of Professional Fee Claims must be filed with the Bankruptcy Court and served on the Debtors or the Trustees, as applicable, no later than thirty (30) days after the Effective Date. Any such Professional Fee Claim for which an application or request for payment is not filed with the Bankruptcy Court within that time period shall be released and forever barred, and shall not be entitled to Distributions under the Plan. Objections to the payment of such Professional Fee Claims must be filed no later than seven (7) days prior to the hearing on such Claims. All Professional Fee Claims shall be paid in accordance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules, as well as the terms outlined in the Global Settlement and any prior orders entered by the Bankruptcy Court. No Professional Fee Claim shall be Allowed on account of services rendered or expenses incurred by a professional prior to the Effective Date unless payment for such services and expenses has been allowed and approved by the Bankruptcy Court.

5.3 Allowed Priority Tax Claim. Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by the Debtors prior to the Effective Date, and unless otherwise

agreed to in writing by the Trustees and the holder, each holder of an Allowed Priority Tax Claim shall be paid out of Available Cash in an amount equal to the unpaid portion of such Allowed Priority Tax Claim on the first Distribution Date following the Allowance Date for such Claim; provided, however, that any Claim or demand for payment of a Subordinated Tax Penalty Claim shall be Disallowed pursuant to the Plan, and the holder of an Allowed Priority Tax Claim shall not be allowed to assess or attempt to collect such penalty from the Debtors, their Estates, the Liquidation Trust or the Litigation Trust. To the extent that there is insufficient Available Cash to pay all Claims that have priority over any Allowed Priority Tax Claims, no Distributions will be made on account of Allowed Priority Tax Claims until the Liquidation Trust holds sufficient Available Cash to pay all Claims holding priority over such Allowed Priority Tax Claims in full, and the Disputed Claim Reserve is fully funded. For the avoidance of doubt, the Debtors and Estates retain all rights under § 505 of the Bankruptcy Code with respect to any Priority Tax Claim, all of which rights are deemed automatically transferred to the Liquidation Trust on the Effective Date.

5.4 Payment of Statutory Fees and Post-Petition Date Taxes. Notwithstanding anything herein, all fees payable pursuant to 28 U.S.C. § 1930 and all Claims of Governmental Unit of the type described in § 503(b)(1)(B)-(C) of the Bankruptcy Code shall be treated as Allowed Administrative Claims when such amounts become due and payable by the Debtors, the Liquidation Trust or the Litigation Trust under applicable non-bankruptcy law. Such dates shall be the Allowance Date.

ARTICLE VI TREATMENT OF CLAIMS AND EQUITY INTERESTS

6.1 Class 1: Secured Claims of Lenders.

6.1.1 Impairment and Voting. Class 1 is Impaired under the Plan. Class 1 shall include only Secured Claims of the Lenders. Each holder of a Class 1 Claim is entitled to vote to accept or reject the Plan.

6.1.2 Claim and Lien Determination. The Class 1 Claim shall be an Allowed Claim. Pursuant to the terms of the Global Settlement, Regions, as agent for the Lenders shall, except as provided below in section 6.1.4, retain its Lien in the Collateral that secured the Class 1 Claims on the Effective Date in the same priority as existed at the time such lien arose.

6.1.3 Treatment. Each Class 1 Claim shall be satisfied by (a) surrender of the Collateral to Regions as agent for Lenders (other than (i) the Collateral released by Lenders pursuant to the Global Settlement, and (ii) the contents-based flood-loss insurance Causes of Action that shall be transferred to the Liquidation Trust subject to Lenders' liens), and the automatic stay shall be lifted with respect to any such returned Collateral so that the Claimant may liquidate such Collateral under applicable state law and apply the proceeds to the Class 1 Claims, or (b) payment of the proceeds upon liquidation of the Collateral that secures the Class 1 Claims, including any proceeds of

the contents-based flood-loss insurance Causes of Action in excess of \$137,500 from the policy issued by AIG, no later than the Distribution Date.

6.1.4 Release of Liens. Notwithstanding anything in this Plan to the contrary, all liens held by the Lenders in the Commercial Tort Claims shall be released on the Effective Date of the Plan.

6.2 Class 2: Secured Claim of MCG.

6.2.1 Impairment and Voting. Class 2 is Impaired under the Plan. Class 2 shall include only the Secured Claim of MCG. Each holder of a Class 2 Claim is entitled to vote to accept or reject the Plan.

6.2.2 Claim and Lien Determination. The Class 2 claim shall be an Allowed Claim. Pursuant to the terms of the Global Settlement, except as provided below in section 6.2.4, each holder of a Class 2 Claim shall retain its Lien in the Collateral that secured the Class 2 Claim on the Effective Date in the same priority as existed at the time such lien arose.

6.2.3 Treatment. Each Class 2 Claim that is an Allowed Claim shall be satisfied by (a) surrender of the Collateral to Regions as agent for the Lenders (other than (i) the Collateral released pursuant to the Global Settlement, and (ii) the contents-based flood-loss insurance Causes of Action which shall be transferred to the Liquidation Trust subject to MCG's liens), if any, or (b) payment of the proceeds upon liquidation of the Collateral that secures the Class 2 Claims, including any proceeds of the contents-based flood-loss insurance Causes of Action in excess of \$137,500 from the policy issued by AIG, no later than the Distribution Date.

6.2.4 Release of Liens. Notwithstanding anything in this Plan to the contrary, all liens held by a holder of a Class 2 Claim in the Commercial Tort Claims shall be released on the Effective Date of the Plan.

6.3 Class 3: Secured Tax Claims.

6.3.1 Impairment and Voting. Class 3 is Unimpaired under the Plan. Each holder of a Class 3 Claim is presumed to have accepted the Plan.

6.3.2 Claim and Lien Determination. Until paid in full, each holder of a Class 3 Claim that is an Allowed Claim shall retain its Lien in the Collateral that secured the Class 3 Claim in the same priority as existed at the time such lien arose.

6.3.3 Treatment. Each Class 3 Claim that is an Allowed Claim shall be satisfied as provided in the Sale Orders.

6.4 Class 4: Other Secured Claims.

6.4.1 Impairment and Voting. Class 4 is Impaired under the Plan. Class 4 shall include only Allowed Other Secured Claims. Each holder of a Class 4 Claim is entitled to vote to accept or reject the Plan.

6.4.2 Claim and Lien Determination. Each holder of a Class 4 Claim shall retain its Lien in the Collateral that secured the Class 4 Claim on the Effective Date in the same priority at that time. The amount, validity, extent, value, and priority of each Class 4 Claim will be subject to determination by the Bankruptcy Court at a later date or pursuant to an agreement between the Liquidation Trustee and the holder of such Class 4 Claim.

6.4.3 Treatment. Each Class 4 Claim that is an Allowed Claim shall be satisfied by (a) return of the Collateral to the holder of each Class 4 Claim in full and final satisfaction of that holder's Class 4 Claim, or (b) payment of the proceeds upon liquidation of the Collateral that secures the Class 4 Claim, less any expenses incurred in the liquidation no later than the Distribution Date. Any Deficiency Claim of the holder of a Class 4 Claim shall be included in Class 8.

6.4.4 Surcharge. The Debtors and the Estates reserve all rights to surcharge the holder of a Class 4 Claim and any collateral securing the same under § 506(c) or other applicable law, which such rights are deemed transferred to the Liquidation Trust on the Effective Date.

6.5 Class 5: Priority Non-Tax Claims.

6.5.1 Impairment and Voting. Class 5 is Unimpaired under the Plan. Holders of Allowed Priority Non-Tax Claims are presumed to have accepted the Plan.

6.5.2 Treatment. Except to the extent that a holder of an Allowed Priority Non-Tax Claim has been paid prior to the Effective Date, or agrees to different treatment, each holder of an Allowed Priority Non-Tax Claim against the Debtors and/or the Estates shall receive Cash in an amount equal to the Allowed amount of such Priority Non-Tax Claim as soon as reasonably practicable after the Effective Date.

6.6 Class 6: Deficiency Claims of Lenders.

6.6.1 Impairment and Voting. Class 6 is Impaired under the Plan. Class 6 shall include only the Lenders' Deficiency Claims. Each holder of a Class 6 Claim is entitled to vote to accept or to reject the Plan.

6.6.2 Treatment. The Lenders' Deficiency Claims shall be an Allowed Class 6 Claim. The amount of the Allowed Class 6 Claim shall be reduced for any payments of money received by the Lenders on account of their Allowed Class 1 Claim from and after

the Effective Date of the Plan. Further, on or prior to the Effective Date of the Plan, the Lenders will allocate the Lenders' Deficiency Claims between them; thus, the Allowed Class 6 Claim shall thereafter consist of the Regions Deficiency Claim and the Comerica Deficiency Claim from and after the Effective Date of the Plan. The Regions Deficiency Claim and the Comerica Deficiency Claim shall also constitute Allowed Class 6 Claims in the amounts agreed to by the Lenders, but in no event greater than the amount of the Lenders' Deficiency Claims. Subject to the provisions of the Global Settlement, each holder of an Allowed Class 6 Claim shall receive its Pro Rata share of the net proceeds of and beneficial interests in the Liquidation Trust Assets and the Litigation Trust Assets pursuant to the terms set forth in the respective Trust Agreements. The Trustees may make multiple Distributions to holders of Allowed Class 6 Claims. The Trustees shall determine the amount and timing of such Distributions. For the avoidance of doubt, the treatment afforded to Allowed Class 6 Claims shall be on a Pro Rata basis with the treatment afforded Allowed Class 7 Claims and Allowed Class 8 Claims (as to the Liquidation Trust) or Allowed Class 8(a) Claims (as to the Litigation Trust), as more specifically provided in the Liquidation Trust Agreement and Litigation Trust Agreement. Notwithstanding the foregoing, however, nothing contained herein shall alter, affect or impair rights and obligations, including payment subordination provisions, under the Intercreditor Agreement.

6.7 Class 7: Deficiency Claim of MCG.

6.7.1 Impairment and Voting. Class 7 is Impaired under the Plan. Class 7 shall include only the MCG Deficiency Claim. Each holder of a Class 7 Claim is entitled to vote to accept or to reject the Plan.

6.7.2 Treatment. The MCG Deficiency Claim shall be an Allowed Class 7 Claim. The amount of the Allowed Class 7 Claim shall be reduced for any payments of money received by MCG on account of its Allowed Class 2 Claim from and after the Effective Date of the Plan. Subject to the provisions of the Global Settlement, each holder of an Allowed Class 7 Claim shall receive its Pro Rata share of the net proceeds of and beneficial interests in Liquidation Trust Assets and the Litigation Trust Assets pursuant to the terms set forth in the respective trust agreements. The Trustees may make multiple Distributions to holders of Allowed Class 7 Claims. The Trustees shall determine the amount and timing of such Distributions. For the avoidance of doubt, the treatment afforded to Allowed Class 7 Claims shall be on a Pro Rata basis with the treatment afforded Allowed Class 6 Claims and Allowed Class 8 Claims (as to the Liquidation Trust) or Allowed Class 8(a) Claims (as to the Litigation Trust), as more specifically provided in the Liquidation Trust Agreement and Litigation Trust Agreement. Notwithstanding the foregoing, however, nothing contained herein, shall alter, affect or impair rights and obligations, including payment subordination provisions, under the Intercreditor Agreement.

6.8 Class 8: Class 8 Unsecured Claims.

6.8.1 Impairment and Voting. Class 8 is Impaired under the Plan. Class 8 shall include only Class 8 Unsecured Claims. Each holder of a Class 8 Claim is entitled to vote to accept or to reject the Plan.

6.8.2 Treatment. Class 8 Unsecured Claims shall be subdivided into two subclasses, Class 8(a) and Class 8(b).

Class 8(a) shall consist of holders of Class 8 Unsecured Claims that return their Plan ballot indicating both a vote in favor of the Plan and their consent to "opt-in" to the treatment in Class 8(a) **and the releases set forth in Section 8.3**. In consideration of such release, each holder of an Allowed Class 8(a) Unsecured Claim shall be a Liquidation Trust Beneficiary and a Litigation Trust Beneficiary, and be entitled to receive its Pro Rata share of the net proceeds of both the Liquidation Trust Assets and the Litigation Trust Assets pursuant to the terms of the Trust Agreements.

Class 8(b) shall consist of holders of Class 8 Unsecured Claims that either: (i) vote against the Plan, (ii) do not return a ballot, or (iii) do not consent to "opt-in" to treatment in Class 8(a) and the releases set forth in Section 8.3. Each holder of an Allowed Class 8(b) Unsecured Claim shall be a Liquidation Trust Beneficiary and not a Litigation Trust Beneficiary, and be entitled to receive its Pro Rata share of the net proceeds of the Liquidation Trust Assets pursuant to the terms of the Liquidation Trust Agreement.

The Trustees may make multiple Distributions to holders of Allowed Class 8 Claims. The Trustees shall determine the amount and timing of such Distributions. For the avoidance of doubt, the treatment afforded to Allowed Class 8 Claims shall be on a Pro Rata basis with the treatment afforded Allowed Class 6 Claims and Allowed Class 7 Claims, as more specifically provided in the Liquidation Trust Agreement and Litigation Trust Agreement. Notwithstanding anything in this Plan to the contrary, any holder of an Allowed Class 8 Unsecured Claim who does not vote on the Plan will have one hundred and twenty (120) days after Effective Date to become a Litigation Trust Beneficiary by "opting-in" to the treatment in Class 8(a) and the releases set forth in Section 8.3.

6.8.3 Opt in Rights. During the one hundred twenty (120) day period following the Effective Date, the Liquidation Trustee may contact by telephone, mail or email all Class 8 Claimants for whom the Liquidation Trustee has contact information and who failed to submit a ballot or who failed to vote in favor of the Plan, advising such Claimant that they have the ability to receive a possibly greater recovery of their Claim by opting in to be a Class 8(a) Claimant. For the avoidance of doubt, any Claimant duly opting in to Class 8(a) pursuant to this section shall thereafter be treated as a Class 8(a) Claimant under this Plan, including, without limitation, for purposes of section 8.3 of this Plan.

6.9 Class 9: Subordinated Claims.

6.9.1 Impairment and Voting. Class 9 is Impaired under the Plan. Each holder of a Class 9 Claim is entitled to vote to accept or to reject the Plan.

6.9.2 Treatment. After payment in full of or reservation for Claims in Classes 1 through 8, each holder of an Allowed Class 9 Claim shall receive its Pro Rata share of the net proceeds of the Liquidation Trust Assets and the Litigation Trust Assets pursuant to the terms set forth in the respective trust agreements. The Trustees may make multiple Distributions to holders of Allowed Class 9 Claims. The Trustees shall determine the amount and timing of such Distributions. In no event shall holders of Class 9 Claims receive Distributions in excess of 100% of the Allowed Subordinated Claims.

6.10 Class 10: Equity Interests.

6.10.1 Impairment and Voting. Class 10 is Impaired under the Plan. Each holder of an Allowed Equity Interest is entitled to vote to accept or reject the Plan.

6.10.2 Treatment. After payment in full of or reservation for Claims in Classes 1 through 9, with pre- and post-petition interest and fees, the Trustees shall pay into the registry of the Bankruptcy Court any remaining net proceeds of the Liquidation Trust Assets and the Litigation Trust Assets pursuant to the terms set forth in the respective Trust Agreements, for further distribution to holders of Allowed Class 10 Equity Interests in such amounts as subsequently determined by the Bankruptcy Court. For the avoidance of doubt, no Distributions shall be made to holders of Class 10 Equity Interests unless holders of Allowed (a) Administrative Claims, (b) Professional Fee Claims, (c) Priority Tax Claims and (d) Classes 1-9 Claims have been paid in full and the Reserves contain sufficient Available Cash to pay (x) any Disputed Claim in full or in such other amounts as agreed in writing by the holder of such Claim and the Liquidation Trustee, with interest and fees, and (y) all actual and anticipated, reasonable Litigation Trust and Liquidation Trust expenses.

ARTICLE VII

EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS

7.1 Impaired Classes to Vote. Each Impaired Class of Claims shall be entitled to vote separately to accept or reject the Plan. Unless otherwise provided by the Plan, a holder of a Disputed Claim that has not been temporarily allowed for purposes of voting on the Plan may vote only such Disputed Claim in an amount equal to the portion, if any, of such Claim shown as fixed, liquidated, and undisputed in the Schedules.

7.2 Acceptance by Class of Claimants. A Class shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan.

7.3 Reservation of Cramdown Rights. In the event that any impaired Class shall fail to accept this Plan in accordance with § 1129(a) of the Bankruptcy Code, the Debtors reserve the right to request the Bankruptcy Court to confirm the Plan in accordance with the provisions of § 1129(b) of the Bankruptcy Code.

ARTICLE VIII MEANS FOR IMPLEMENTATION OF THE PLAN

8.1 Substantive Consolidation. As outlined in Article III, the Plan is predicated on substantive consolidation of the Debtors into a single entity under the Plan. Pursuant to § 105 of the Bankruptcy Code, entry of the Confirmation Order shall constitute approval, effective as of the Effective Date, of the substantive consolidation of the Chapter 11 Cases for all purposes related to the Plan, including, without limitation, for purposes of voting, confirmation and distribution. As a result of the substantive consolidation of the assets and liabilities of the Debtors, on and after the Effective Date, (a) all assets and liabilities of the Debtors shall be deemed merged so that all assets of the Debtors shall be available to pay all of the liabilities under the Plan as if they were one company, (b) no distributions shall be made under the Plan on account of Intercompany Claims, (c) no distributions are anticipated to be made under the Plan on account of any Equity Interests, (d) all guarantees of the Debtors of the obligations of any other Debtor shall be deemed eliminated so that any claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (e) every Claim filed or to be filed in the Chapter 11 Cases against any Debtor shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and all duplicate proofs of Claim for the same Claim filed against more than one Debtor shall be deemed expunged, and (g) for purposes of determining the availability of the right of setoff under § 553 of the Bankruptcy Code, the Debtors shall be treated as one consolidated entity so that debts due to any Debtor may be set off against the debts of any other Debtor.

8.2 Releases by the Debtors, the Estates, and the Committee. Pursuant to the Global Settlement, the Debtors, the Estates, and the Committee granted certain releases to the Lenders, MCG and each of their past or present affiliates, subsidiaries, officers, directors, employees, agents, attorneys, representatives, accountants and consultants, which releases are incorporated herein by reference.

8.3 Release by Holders of Class 8(a) Unsecured Claims of Causes of Action against Regions, Comerica and MCG. Pursuant to the Global Settlement, Bankruptcy Rule 9019, and in consideration for the classification, distribution, releases, beneficial trust interests and other benefits provided under the Plan, upon the Effective Date, any holder of a Class 8(a) Unsecured Claim electing treatment under the Plan as a beneficiary of the Litigation Trust, including but not limited to pursuant to section 6.8.3 of this Plan, shall be deemed to have fully released Regions, Comerica, and MCG and their respective past or present affiliates, subsidiaries, officers, directors, employees, agents, attorneys, representatives, accountants, and consultants from any and all Causes of Action related to the Debtors, the Chapter 11 Cases or the

pre-petition loans made to the Debtors by Regions, Comerica, and MCG, other than any obligations arising under the Global Settlement.

For the avoidance of doubt, holders of Class 8(b) Unsecured Claims shall not grant the release set forth above in this Section 8.3.

8.4 Plan Funding. The Cash necessary for Confirmation will come from the Available Cash in the Debtors' possession on the Confirmation Date pursuant to the terms of the Global Settlement and the Cash proceeds of Liquidation Trust Assets and Litigation Trust Assets collected by the Liquidation Trustee and Litigation Trustee after the Effective Date.

8.5 Color Star Liquidation Trust.

8.5.1 Establishment and Purpose of the Color Star Liquidation Trust. On the Effective Date, the Liquidation Trust will be established and become effective for the benefit of the Liquidation Trust Beneficiaries. The Debtors, all Claimants, and all holders of Equity Interests shall be deemed to have adopted and approved the Liquidation Trust Agreement. The purpose of the Liquidation Trust is to (a) liquidate all Liquidation Trust Assets, including the investigation and prosecution of Causes of Action conveyed to the Liquidation Trust under this Plan, (b) resolve and reconcile all Class 8 Unsecured Claims, and (c) distribute the proceeds of the Liquidation Trust Assets to the Liquidation Trust Beneficiaries.

8.5.2 Transfer of Assets to the Liquidation Trust. On the Effective Date, all of the Liquidation Trust Assets of the Debtors and/or the Estates shall transfer to and vest in the Liquidation Trust free and clear of all Claims, Liens, interests, and encumbrances without the need for any action by the Debtors or the Bankruptcy Court.

8.5.3 Objections to Claims. On the Effective Date, all objections, counterclaims, rights of setoff, rights of recoupment, and other defenses held by the Debtors and the Estates in relation to Claims and in relation to the distribution rights for such Claims shall be preserved and transferred to the Liquidation Trust. From and after the Effective Date, the Liquidation Trustee shall have the authority and standing to assert, prosecute, and settle any and all of such objections, counterclaims, rights of setoff or recoupment, and other defenses to all Claims (except those Allowed in the Global Settlement or by this Plan, which include Claims in Classes 1, 2, 6, and 7).

8.5.4 Appointment of the Liquidation Trustee. Pursuant to the Confirmation Order, the Liquidation Trustee will be appointed on the Effective Date and shall be a representative of the Estates pursuant to § 1123(b)(3)(B) of the Bankruptcy Code and signatory of the Liquidation Trust. The Liquidation Trust shall be administered by the Liquidation Trustee consistent with terms of the Plan, the Confirmation Order, and the Liquidation Trust Agreement. Any successor Liquidation Trustee shall be appointed consistent with the terms of the Liquidation Trust Agreement.

8.5.5 Powers of the Liquidation Trustee. The Liquidation Trustee shall have the powers of the Debtors as debtors-in-possession under the Bankruptcy Code, including the power to sell Liquidation Trust Assets free and clear of all Liens, claims, interests, and encumbrances under § 363 of the Bankruptcy Code, the Plan, and the Liquidation Trust Agreement. As a representative of the Debtors and the Estates pursuant to § 1123(b)(3) of the Bankruptcy Code, the Liquidation Trustee will have the power to prosecute all Causes of Actions assigned to the Liquidation Trust in the name of the Liquidation Trust or, as necessary, in the name of the Debtors. Notwithstanding the foregoing, the Liquidation Trustee shall be required to obtain prior approval from the Lenders as to any proposed settlement of any insurance claims of the Debtors. Any decision by the Liquidation Trustee not to pursue any Chapter 5 causes of action shall require approval of the Liquidation Trust Advisory Board. The Liquidation Trustee shall be governed in all things by the terms of the Liquidation Trust Agreement and the Plan. The Liquidation Trustee shall administer the Liquidation Trust and the Liquidation Trust Assets and make Distributions in accordance with the Plan and the Liquidation Trust Agreement. The Bankruptcy Court shall retain jurisdiction to supervise the Liquidation Trustee in the fulfillment of his/her duties pursuant to the Liquidation Trust Agreement.

8.5.6 Employees and Agents. The Liquidation Trustee may hire Munsch Hardt Kopf & Harr P.C. and, subject to the approval of the Liquidation Trust Advisory Board, may hire other employees and professionals, including, without limitation, brokers, banks, custodians, investment advisors, attorneys, accountants, auditors, tax advisors, and other agents, in the Liquidation Trustee's sole discretion without approval from the Bankruptcy Court and pursuant to the terms of the Liquidation Trust Agreement. The Liquidation Trustee shall not be liable for any loss to the Liquidation Trust or any person interested therein by reason of any mistake or default of such agent or consultant as shall be selected and retained in good faith and without gross negligence.

8.5.7 Compensation of Liquidation Trustee and Professionals. Subject to the provisions of the Liquidation Trust Agreement, all costs, fees, expenses, and obligations incurred by the Liquidation Trustee in administering the Plan, the Liquidation Trust, or in any manner connected or related thereto (including compensation to the Liquidation Trustee, the Liquidation Trustee's retained professionals and agents, and the reimbursement of their expenses) shall be a charge against the Liquidation Trust Assets. The Liquidation Trustee may retain any Person or professional retained by the Debtors as necessary to assist the Liquidation Trustee in the performance of the Liquidation Trustee's duties. Court approval shall not be required for the fees or expenses of the Liquidation Trustee of his professionals.

8.5.8 Effectuating Documents; Further Transactions. On the Effective Date, the Liquidation Trust, the Liquidation Trustee, and the employees, agents, attorneys and professionals of the Liquidation Trust shall be authorized and directed, without further Order of the Bankruptcy Court, to execute, deliver, file, and record all agreements, instruments, and contracts, and take such actions as may be necessary or

appropriate to effectuate and further evidence the terms and conditions and consummate the Plan or to otherwise comply with applicable law to cause title to the Liquidation Trust Assets to be transferred to the Liquidation Trust; however, notwithstanding the non-execution of such documents, title to the Liquidation Trust Assets will automatically vest in the Liquidation Trust under this Plan on the Effective Date.

8.5.9 Tax Treatment of the Liquidation Trust. The Liquidation Trust to be established for the benefit of holders of Allowed Claims is intended to qualify as a grantor trust for federal income-tax purposes. All items of income, deduction, credit, or loss of the Liquidation Trust shall be allocated for federal, state and local income-tax purposes to the Liquidation Trust Beneficiaries.

8.5.10 Exculpation Relating to the Liquidation Trust. None of the Liquidation Trust Beneficiaries nor any holder of a Claim or Equity Interest nor any other party-in-interest will have, or may otherwise pursue, any Claim or Cause of Action against the Liquidation Trustee, the members of the Liquidation Trust Advisory Board, the Liquidation Trust, or any employee or professional thereof for making payments in accordance with the Plan or for fulfilling any functions incidental to implementing the provisions of the Plan or the Liquidation Trust, except for any acts or omissions to act that are the result of willful misconduct or gross negligence.

8.5.11 Information and Reporting. The Liquidation Trustee shall report periodically to the Litigation Trustee as to the amounts of allowed and disallowed claims of, and all distributions made to, the Liquidation Trust Beneficiaries.

8.5.12 Duration/Dissolution of Liquidation Trust. The Liquidation Trust shall continue to exist until the earlier of the (a) fifth (5th) year anniversary of the Effective Date (as such date may be extended by Order of the Bankruptcy Court) and (b) the time the Liquidation Trustee has (i) administered all Liquidation Trust Assets and made a final Distribution to holders of Allowed Claims not previously paid and after all Allowed Claims are paid in full, Allowed Equity Interests, and (ii) performed all other duties required by the Plan and the Liquidation Trust Agreement. As soon as reasonably practicable after the Final Distribution, the Liquidation Trustee shall dissolve the Liquidation Trust pursuant to the Liquidation Trust Agreement. Upon dissolution, the Liquidation Trustee's duties under the Trust Agreement and this Plan shall terminate.

8.5.13 The Liquidation Trust Advisory Board. The Liquidation Trust Advisory Board shall be entitled to monitor the status and progress of the administration of the Liquidation Trust as more specifically detailed in the Liquidation Trust Agreement. The Liquidation Trustee shall consult periodically with the Liquidation Trust Advisory Board as may be requested by the Liquidation Trust Advisory Board. The Liquidation Trust Advisory Board may meet and/or consult with the Liquidation Trustee and keep itself generally aware of the Liquidation Trust's affairs. The Liquidation Trust Advisory Board may terminate and replace the Liquidation Trustee on not less than ten (10) days'

notice. The Liquidation Trust Advisory Board shall file a notice of such termination and replacement with the Bankruptcy Court within 2 business days of service upon the Liquidation Trustee.

8.6 Color Star Litigation Trust.

8.6.1 Establishment and Purpose of the Color Star Litigation Trust. On the Effective Date, the Litigation Trust will be established and become effective for the benefit of the Litigation Trust Beneficiaries. The Debtors, all Claimants, and all holders of Equity Interests shall be deemed to have adopted and approved the Litigation Trust Agreement. The purpose of the Litigation Trust is to (a) liquidate all Litigation Trust Assets, including the investigation and prosecution of all Causes of Action it may own, and (b) distribute the proceeds of the liquidated Litigation Trust Assets to the Litigation Trust Beneficiaries pursuant to the terms of the Plan.

8.6.2 Transfer of Assets to the Litigation Trust. On the Effective Date, all Litigation Trust Assets of the Debtors and/or the Estates shall transfer to and vest in the Litigation Trust free and clear of all Claims, Liens, interests, and encumbrances without the need for any action by the Debtors or the Bankruptcy Court.

8.6.3 Appointment of the Litigation Trustee. Pursuant to the Confirmation Order, the Litigation Trustee will be appointed on the Effective Date and shall be a representative of the Estates pursuant to § 1123(b)(3)(B) of the Bankruptcy Code and signatory of the Litigation Trust. The Litigation Trust shall be administered by the Litigation Trustee consistent with terms of the Plan, the Confirmation Order, and the Litigation Trust Agreement. Any successor Litigation Trustee shall be appointed consistent with the terms of the Litigation Trust Agreement.

8.6.4 Powers of the Litigation Trustee. The Litigation Trustee shall have the powers of the Debtors as debtors-in-possession under the Bankruptcy Code, including the power to sell Litigation Trust Assets free and clear of all Liens, claims, interests, and encumbrances under § 363 of the Bankruptcy Code, the Plan, and the Litigation Trust Agreement. As a representative of the Debtors and the Estates pursuant to § 1123(b)(3) of the Bankruptcy Code, the Litigation Trustee will have the power to prosecute all Causes of Actions assigned to the Litigation Trust in the name of the Litigation Trust or, as necessary, in the name of the Debtors. Notwithstanding the foregoing, any decision by the Litigation Trustee to bring or to settle any Claim or Cause of Action shall require the prior approval of the Litigation Trust Advisory Board. The Litigation Trustee shall be governed in all things by the terms of the Litigation Trust Agreement and the Plan. The Litigation Trustee shall administer the Litigation Trust and the Litigation Trust Assets and make Distributions in accordance with the Plan and the Litigation Trust Agreement. The Bankruptcy Court shall retain jurisdiction to supervise the Litigation Trustee in the fulfillment of his/her duties pursuant to the Litigation Trust Agreement.

8.6.5 Employees and Agents. Subject to the approval of the Litigation Trust Advisory Board, the Litigation Trustee may hire employees and professionals, including, without limitation, brokers, banks, custodians, investment advisors, attorneys, accountants, auditors, tax advisors, and other agents, in the Litigation Trustee's discretion without approval from the Bankruptcy Court and pursuant to the terms of the Litigation Trust Agreement. The Litigation Trustee shall not be liable for any loss to the Litigation Trust or any person interested therein by reason of any mistake or default of such agent or consultant as shall be selected and retained in good faith and without gross negligence.

8.6.6 Compensation of Litigation Trustee and Professionals. Subject to the provisions of the Litigation Trust Agreement, all costs, fees, expenses, and obligations incurred by the Litigation Trustee in administering the Plan, the Litigation Trust, or in any manner connected or related thereto (including compensation to the Litigation Trustee, the Litigation Trustee's retained professionals and agents, and the reimbursement of their expenses) shall be a charge against the Litigation Trust Assets. The Litigation Trustee may retain any Person or professional retained by the Debtors as necessary to assist the Litigation Trustee in the performance of the Litigation Trustee's duties. Court approval shall not be required for the fees or expenses of the Litigation Trustee or his professionals.

8.6.7 Effectuating Documents; Further Transactions. On the Effective Date, the Litigation Trust, the Litigation Trustee, and the employees, agents, attorneys and professionals of the Litigation Trust shall be authorized and directed, without further Order of the Bankruptcy Court, to execute, deliver, file, and record all agreements, instruments, and contracts, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions and consummate the Plan or to otherwise comply with applicable law to cause title to the Litigation Trust Assets to be transferred to the Litigation Trust; however, notwithstanding the non-execution of such documents, title to the Litigation Trust Assets will automatically vest in the Litigation Trust under this Plan on the Effective Date.

8.6.8 Tax Treatment of the Litigation Trust. The Litigation Trust to be established for the benefit of holders of Allowed Claims is intended to qualify as a grantor trust for federal income-tax purposes. All items of income, deduction, credit, or loss of the Litigation Trust shall be allocated for federal, state and local income-tax purposes to the Litigation Trust Beneficiaries.

8.6.9 Exculpation Relating to the Litigation Trust. No Holder of a Claim or Equity Interest or any other party-in-interest will have, or may otherwise pursue, any Claim or Cause of Action against the Litigation Trustee, members of the Litigation Trust Advisory Board, the Litigation Trust, or any employee or professional thereof for making payments in accordance with the Plan or for fulfilling any functions incidental to implementing the provisions of the Plan or the Litigation Trust, except for any acts or omissions to act that are the result of willful misconduct or gross negligence.

8.6.10 Information and Reporting. The Litigation Trustee shall report periodically to the Liquidation Trustee as to the amounts of allowed and disallowed claims of, and all distributions made to, the Litigation Trust beneficiaries.

8.6.11 Duration/Dissolution of Litigation Trust. The Litigation Trust shall continue to exist until the earlier of the (a) fifth (5th) year anniversary of the Effective Date (as such date may be extended by Order of the Bankruptcy Court) and (b) the time the Litigation Trustee has (i) administered all Litigation Trust Assets and made a final Distribution to holders of Allowed Claims not previously paid and after all Allowed Claims are paid in full, Allowed Equity Interests, and (ii) performed all other duties required by the Plan and the Litigation Trust Agreement. As soon as reasonably practicable after the Final Distribution, the Litigation Trustee shall dissolve the Litigation Trust pursuant to the Litigation Trust Agreement. Upon dissolution, the Litigation Trustee's duties under the Litigation Trust Agreement and this Plan shall terminate.

8.6.12 The Litigation Trust Advisory Board. The Litigation Trust Advisory Board shall be entitled to monitor the status and progress of the administration of the Litigation Trust as more specifically detailed in the Litigation Trust Agreement. The Litigation Trustee shall consult periodically with the Litigation Trust Advisory Board as may be requested by the Litigation Trust Advisory Board. The Litigation Trust Advisory Board may meet and/or consult with the Litigation Trustee and keep itself generally aware of the Litigation Trust's affairs. Any decision by the Litigation Trustee to incur an expense greater than \$25,000 to any one person or entity in part or in aggregate shall require the prior approval of the Litigation Trust Advisory Board. The Litigation Trust Advisory Board may terminate and replace the Litigation Trustee on not less than ten (10) days' notice. The Litigation Trust Advisory Board shall file a notice of such termination and replacement with the Bankruptcy Court.

8.7 Liquidation Trustee Recourse. The Liquidation Trustee shall owe fiduciary duties to the Liquidation Trust Beneficiaries. The Liquidation Trust Advisory Board shall not have any fiduciary duties. Each member of the Liquidation Trust Advisory Board shall owe fiduciary duties only to the party that appointed such member (in the case of the member appointed by the Committee, such member shall owe fiduciary duties only to holders of Class 8 Unsecured Claims). In the event that the Liquidation Trustee believes that any direction from the Liquidation Trust Advisory Board to the Liquidation Trustee, or the failure of any such direction or required consent, would cause the Liquidation Trustee to breach his fiduciary duties to the Liquidation Trust Beneficiaries, the Liquidation Trustee may seek a determination from the Bankruptcy Court seeking direction as to the appropriate course of action, following a hearing upon notice to the Liquidation Trust Advisory Board, and any such determination shall be conclusive for purposes of the Liquidation Trustee's reliance thereon (unless and until vacated or reversed on appeal), but without prejudice to the rights of any party to appeal such determination. In the event that the Liquidation Trustee seeks such a determination by the Bankruptcy Court, no notice of termination of the Liquidation Trustee that was pending as of the date of such request, or which is provided while such request is pending, shall be effective absent

order of the Bankruptcy Court. The Liquidation Trustee may seek an award of fees and expenses from the Bankruptcy Court in connection with any such request to the Bankruptcy Court for direction. If awarded, such fees and expenses will be paid from the Liquidation Trust. If there are insufficient funds in the Liquidation Trust, the Liquidation Trustee may seek fees and expenses from the Litigation Trust.

8.8 Litigation Trustee Recourse. The Litigation Trustee shall owe fiduciary duties to the Litigation Trust Beneficiaries. The Litigation Trust Advisory Board shall not have any fiduciary duties. Each member of the Litigation Trust Advisory Board shall owe fiduciary duties only to the party that appointed such member (in the case of the member appointed by the Committee, such member shall owe fiduciary duties only to holders of Class 8(a) Unsecured Claims). In the event that the Litigation Trustee believes that any direction from the Litigation Trust Advisory Board to the Litigation Trustee, or the failure of such direction or required consent, would cause the Liquidation Trustee to breach his fiduciary duties to the Liquidation Trust Beneficiaries, the Litigation Trustee may seek a determination from the Bankruptcy Court seeking direction as to the appropriate course of action, following a hearing upon notice to the Litigation Trust Advisory Board, and any such determination shall be conclusive for purposes of the Litigation Trustee's reliance thereon (unless and until vacated or reversed on appeal), but without prejudice to the rights of any party to appeal such determination. In the event that the Litigation Trustee seeks such a determination by the Bankruptcy Court, no notice of termination of the Litigation Trustee that was pending as of the date of such request, or which is provided while such request is pending, shall be effective absent order of the Bankruptcy Court. The Litigation Trustee may seek an award of fees and expenses from the Bankruptcy Court in connection with any such request to the Bankruptcy Court for direction. If awarded, such fees and expenses will be paid from the Litigation Trust. If there are insufficient funds in the Litigation Trust, the Litigation Trustee may seek fees and expenses from the Liquidation Trust.

8.9 Debtors' Board of Directors. On the Effective Date, the officers and members of the Debtors' board of directors shall be deemed to have resigned from their positions and shall have no continuing rights or powers as such, nor shall they have any continuing duties or obligations as members or officers of any Debtor, any Estate, or any Claimant.

8.10 Dissolution of Debtors. The Liquidation Trustee shall be vested with the appropriate authority under applicable law to dissolve and to terminate the corporate existence of each Debtor by filing the appropriate documentation as necessary with the State of Texas and the State of Colorado to dissolve and to terminate the corporate existence of each of the Debtors; provided, however, the Debtors' formal existences may be maintained and preserved solely for the purpose of preventing, and to the extent necessary to prevent, any adverse impact on any Causes of Action transferred to either of the Liquidation Trust or Litigation Trust (or their Trustees) under this Plan. Notwithstanding anything above to the contrary, the Liquidation Trustee cannot dissolve or terminate the corporate existence of any Debtor without the consent of the Litigation Trustee. Such consent will (a) be requested by the Liquidation Trustee in writing and on not less than ten (10) days' notice, and (b) not be unreasonably withheld.

8.11 Section 1146 Exemption. Pursuant to § 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local government officials or agents to forego collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfer of property without the payment of any such tax or governmental assessment.

8.12 Preservation of Causes of Action. *Except as otherwise ordered by the Bankruptcy Court OR AS SPECIFICALLY AND EXPLICITLY PROVIDED in the Plan, ALL Causes of Action shall be preserved by the Debtors under this Plan and conveyed to either the LIQUIDATION TRUST OR THE LITIGATION TRUST AS APPLICABLE. The LIQUIDATION TRUSTEE AND/OR LITIGATION TRUSTEE AS APPLICABLE shall have the authority and standing to prosecute, enforce, pursue, sue on, settle or compromise SUCH TRANSFERRED Causes of Action in accordance with § 1123(b)(3) of the Bankruptcy Code, and no doctrine of res judicata or preclusion shall operate to adversely impact such standing. ALL PARTIES SHOULD READ ARTICLE IX OF THE DISCLOSURE STATEMENT CONCERNING PRESERVED CAUSES OF ACTION.* Without limiting the effectiveness or generality of the foregoing, and out of an abundance of caution, the following Causes of Action are specifically preserved and reserved under the Plan and are deemed transferred automatically to the Liquidation Trust or the Litigation Trust, as applicable, as of the Effective Date:

a. any Cause of Action, or adversary proceeding pending;

b. all transfers to or for the benefit of a Creditor, including any immediate or mediate transferee thereof, and which are avoidable as preferences or insider preferences under § 547 of the Bankruptcy Code, and to recover under §§ 550 or 551 of the Bankruptcy Code such transfers. Among the Parties listed on **Exhibit E** to the Disclosure Statement are the names of non-insiders of the Debtors who received one or more transfers from the Debtors during the ninety (90) days immediately preceding the Petition Date and the names of insiders of the Debtors who received one or more transfers from the Debtors during the one (1) year immediately preceding the Petition Date. Said exhibit and this provision of the Plan are provided to give maximum notice of potential preference claims as the Debtors are presently aware of and shall in no way act as a limitation on any other potential preference claims or any other claims that may exist, including by way of any applicable doctrine or rule of contractual interpretation. It is the specific intention of the Debtors that each and every Avoidance Action, whether arising before or after the Petition Date, and whether arising under state law or the Bankruptcy Code, be preserved and retained under this Plan and be transferred to the Liquidation Trust on the Effective Date of this Plan, except to the extent transferred to the Litigation Trust;

c. all Causes of Action (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, 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;

d. all Causes of Action (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, 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;

e. all Causes of Action (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, 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;

f. all Causes of Action (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, 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;

g. all Causes of Action (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 any Person, arising out of, connected with, or in any way directly or indirectly related to any acts, conduct or failure to act of the Person, or consultation, advice, services or goods provided to Debtors or any affiliate of Debtors by the 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;

h. all Causes of Action held by the Debtors or the Estates against SMB Holdings, LLC and SMB Risk Services, LLC (collectively, "SMB") and its affiliates, officers, directors, shareholders, members, representatives, attorneys, financial advisors, and agents, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,

unmatured, disputed, undisputed, and whether asserted or assertable directly or indirectly or derivatively, in law, equity or otherwise;

i. all Causes of Action held by the Debtors or the Estates against AEL Capital Partners, LLC and Colorado Financial Holdings (collectively, “AEL/CFH”) and their affiliates, officers, directors, shareholders, members, representatives, attorneys, financial advisors, and agents, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, and whether asserted or assertable directly or indirectly or derivatively, in law, equity or otherwise;

j. all Causes of Action held by the Debtors or the Estates against Great West Casualty Company, Hartford Fire Insurance Company, Markel Insurance Company, Lexington Insurance Company, American International Group, Inc., Hartford Insurance Company, Northwestern Mutual, Phoenix Life Insurance Company, and any other insurance company or broker (the “**Insurance Companies**”) and their affiliates, officers, directors, shareholders, members, representatives, attorneys, financial advisors, and agents, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, and whether asserted or assertable directly or indirectly or derivatively, in law, equity or otherwise;

k. all Causes of Action held by the Debtors or the Estates against Barrier Advisors, Bank of the West, UHY LLP, EKS&H, Bell Nunnally, SMB, and AEL under §§ 544, 547, 548, 550, and 551 of the Bankruptcy Code;

l. all Causes of Action (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 UHY LLP, arising out of, connected with, or in any way directly or indirectly related to any acts, conduct or failure to act of UHY LLP, or any consultation, advice, services or goods provided to Debtors or any affiliate of Debtors by UHY LLP, 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; and

m. all Causes of Action not described in section 8.12(a) – (l) above.

8.13 Preservation of Avoided Transfers and Liens. The Estates and then the Liquidation Trust and Litigation Trust (as applicable) shall retain and preserve, as Estate property, any transfers and Liens avoided with respect to property of the Estates or Liquidation Trust Assets and Litigation Trust Assets in accordance with § 551 of the Bankruptcy Code.

8.14 Protection of Certain Parties in Interest. Provided the respective affiliates, subsidiaries, officers, directors, shareholders, employees, members, representatives, attorneys, accountants, financial advisors, agents and consultants of the Debtors, the Committee, the Liquidation Trust, Litigation Trust, the Liquidation Trust Advisory Board, the Litigation Trust Advisory Board, and the Trustees act in good faith, they will not be liable to any holder of a Claim or Equity Interest, or other party with respect to any action, forbearance from action, decision, or exercise of discretion in connection with: (a) the ordinary course of business operations of the Debtors after the Petition Date; (b) the proposal or implementation of any of the transactions provided for, or contemplated in, the Plan, the Liquidation Trust Agreement, or the Litigation Trust Agreement; or (c) the administration of the Plan or the assets and property to be distributed pursuant to the Plan, the Liquidation Trust Agreement, and the Litigation Trust Agreement; other than for fraud, willful misconduct or gross negligence. The Debtors, the Committee, the Liquidation Trust Advisory Board, the Litigation Trust Advisory Board, and the Trustees, and their respective affiliates, subsidiaries, officers, directors, shareholders, employees, members, representatives, attorneys, accountants, financial advisors, agents and consultants may rely on the opinions of counsel, certified public accountants, and other experts or professionals employed by the Debtors and the Trustees respectively, and such reliance will constitute evidence of good faith. In an action, suit, or proceeding by a holder of a Claim or Equity Interest or other party in interest contesting any action by or non-action of the Debtors, the Committee, the Liquidation Trust, the Litigation Trust, the Liquidation Trust Advisory Board, the Litigation Trust Advisory Board, the Trustees, or their respective affiliates, subsidiaries, officers, directors, shareholders, employees, members, representatives, attorneys, accountants, financial advisors, agents and consultants, the successful party is entitled to recover reasonable attorneys' fees and expenses in addition to any other available remedy.

8.15 Exculpation. Neither the Debtors, the Debtors' professionals (including Gardere Wynne Sewell LLP, Scouler & Company, Brad Walker, LLC, Simon, Ray & Winikka, LLP, and SSG Capital Advisors) nor the Committee and its professionals Munsch Hardt Kopf & Harr, P.C. and Gavin Solmonese, LLC (collectively, the "Exculpated Parties")) shall have or incur any liability to any holder of a Claim or any other Entity for any act or omission in connection with, or arising out of, the planning, filing or the administration of the Bankruptcy Cases, including the formulation, preparation, dissemination, approval, confirmation, administration, or consummation of the Plan, the Disclosure Statement, the solicitation of votes for or confirmation of the Plan or consummation or administration of the Plan or Distributions under the Plan, except for willful misconduct or gross negligence. From and after the Effective Date, the Trustees, members of the Liquidation Trust Advisory Board, the Litigation Trust Advisory Board and any professional hired by the Liquidation Trust Advisory Board and the Litigation Trust Advisory Board all solely in their capacity as such shall be exculpated by holders of Claims and Equity Interests from any and all Claims, Causes of Action, and other assertions of liability arising out

of the discharge of the powers and duties conferred on the Trustees by the Plan, the Liquidation Trust Agreement, the Litigation Trust Agreement, or any order of the Bankruptcy Court entered pursuant to and in furtherance of the Plan or applicable law, except for actions or omissions to act arising out of gross negligence or willful misconduct of such Persons.

8.16 Closing of the Chapter 11 Cases. When (a) all Disputed Claims have become Allowed Claims or Disallowed Claims, (b) all Litigation Trust Assets and Liquidation Trust Assets have been administered and liquidated, and (c) all Available Cash and Reserves have been distributed in accordance with this Plan and the respective Trust Agreements, the Trustees shall ask the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

ARTICLE IX DISTRIBUTIONS UNDER THE PLAN

9.1 Delivery of Distributions. Subject to Bankruptcy Rule 9010, and pursuant to the terms of the Liquidation Trust Agreement and the Litigation Trust Agreement, Distributions to holders of Allowed Claims will be made by mail at (a) the address of each such holder as set forth on the proofs of Claim filed by such holders, (b) the address set forth in any written notice of address change filed with the Bankruptcy Court and delivered to the Trustees after the date of any related proof of Claim, or (c) the address reflected in the Schedules if no proof of Claim is filed and the Trustees have not received a written notice of address change. If any Distribution is returned as undeliverable, no further Distributions to such holder will be made unless and until the Trustees are notified in writing of such Claimant's then current address. Such Distributions shall be placed in the Trust Reserve as specified in Section 9.2 of this Plan.

9.2 Unclaimed Distributions and Uncashed Checks. Unclaimed Distributions shall be held in the Trust Reserve for the benefit of the potential Claimants. All claims for undeliverable Distributions must be made by the ninetieth (90th) day following the date on which delivery the Distribution was initially mailed. The Claim upon which an undelivered or unclaimed Distribution was made shall be treated as a Disputed Claim until such 90-day period has passed, and if no party contacts the applicable Trustee to seek payment of such Claim, then such Claim shall be treated as Disallowed in full by Final Order of the Bankruptcy Court. After such date, all unclaimed Distributions will revert to the respective Trust for deposit into the Available Cash fund to be reallocated and distributed to the holders of Allowed Claims, and the Claim of any holder with respect to such Distribution will be released and forever barred. Checks issued in respect of Allowed Claims will be null and void if not negotiated within ninety (90) days after the date of issuance thereof, and such holder will forfeit its right to such Distribution. In no event shall any funds escheat to the State of Texas.

9.3 Due Authorization by Claimants. Every Claimant who elects to participate in the Distributions provided for herein warrants that the Claimant is authorized to accept in consideration of its Claim against the Debtors the Distributions provided for in this Plan and that there are no outstanding commitments, agreements, or understandings, express or implied, that

may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Claimant under this Plan.

9.4 Setoffs. Except as otherwise expressly provided in the Plan and pursuant to §§ 502(d) or 553 of the Bankruptcy Code or any applicable non-bankruptcy law, the Trustees may setoff against any Distribution to be made pursuant to the Plan on account of an Allowed Claim any claims, rights or Causes of Action held by the Debtors and/or the respective Trust against the holder of the Allowed Claim, or in relation to the Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim shall constitute a waiver or release by the Debtors or the respective Trust of any such claims, rights or Causes of Action. If the Debtors or the respective Trust fail to setoff against a Claim and seek to collect from the holder of such Claim after Distribution to that holder pursuant to the Plan, the Debtors or the Trust, as applicable, shall be entitled to full recovery on the claims of the Debtors, the Estates or the Trust, if any, against the holder of such Claim.

9.5 Additional Charges. Except as may be expressly provided in the Plan or allowed by Final Order of the Bankruptcy Court, no distribution shall be made to holders of Equity Interests until all Allowed Claims are paid in full, including pre- and post-petition interest, penalty, attorneys' fees and late charges.

9.6 Compliance with Tax Requirements. In connection with the Plan, and as fully governed by the Liquidation Trust Agreement and the Litigation Trust Agreement, each Trustee shall comply with all withholding and reporting requirements imposed on it by any Governmental Unit, and all Distributions pursuant to the Plan shall be subject to such withholding and reporting requirements.

9.7 De Minimis Distributions. Ratable Distributions to holders of Allowed Claims will not be made if such Distribution will result in a Distribution amount of less than \$150.00, unless a request therefore is made in writing to the Trustees.

9.8 Rounding. Where the calculation of a Distribution results in a fraction of a cent owing, the calculation shall be rounded down to the nearest whole cent for purposes of paying (or reserving) the Distribution.

9.9 InterCreditor Subordination Agreements. For the avoidance of doubt, nothing in this Plan shall impair, modify, or affect any subordination agreements or subordination rights by or among any holders of any Claims, including without limitation, the Intercreditor Agreement.

ARTICLE X EXECUTORY CONTRACTS AND UNEXPIRED LEASES

10.1 Rejection of Executory Contracts and Unexpired Leases Not Assumed. All executory contracts and leases of the Debtors that were not previously assumed and assigned or rejected by the Debtors in a prior Final Order from the Bankruptcy Court are deemed rejected,

unless otherwise dealt with by the Plan, the Confirmation Order or any other Final Order entered by the Bankruptcy Court prior to the Effective Date.

10.2 Claims Based on Rejection of Executory Contracts of Unexpired Leases. Any Claim for damages arising from the rejection of an executory contract or unexpired lease pursuant to the Plan must be asserted in a proof of Claim filed with the Bankruptcy Court not later than thirty (30) days after the Effective Date. Any such rejection Claims not timely filed shall be released and forever barred from assertion against the Debtors, the Liquidation Trust, the Litigation Trust, the Liquidation Trust Assets or the Litigation Trust Assets. Any other bar date previously established for the filing of Claims based on the rejection of executory contracts or unexpired leases shall not be affected by this provision.

ARTICLE XI PROCEDURES FOR RESOLVING DISPUTED CLAIMS

11.1 Objections to Claims. An objection to the allowance of any Claim (except as such objection is prohibited in Section 8.5.3) shall be in writing and may only be filed by the Liquidation Trustee at any time on or before the Claims Objection Deadline. Any Disputed Claim as to which an objection is not filed on or before the Claims Objection Deadline shall be deemed to constitute an Allowed Claim under the Plan following the Claims Objection Deadline.

11.1.1 Notwithstanding the foregoing, any party in interest that otherwise would have standing to object to a Claim absent the provisions of this Plan, may, on or before the Claims Objection Deadline, file a motion with the Bankruptcy Court requesting standing to so object on the basis that an advance, written demand has been made by the movant upon the Liquidation Trustee to object to the Claim and the Liquidation Trustee has unjustifiably refused or failed to respond. Any such motion filed by the Claims Objection Deadline shall, if granted, toll the Claims Objection Deadline solely with respect to the Claim which is the subject of the motion, until and including the date which is ten (10) business days following the date of entry of the Bankruptcy Court's order on the motion.

11.2 Contingent Claims. Until a Contingent Claim becomes an Allowed Claim or is Disallowed, the Claim will be treated as a Disputed Claim for all purposes under the Plan. The holder of a Contingent Claim will be entitled to a Distribution under the Plan only when the Contingent Claim becomes an Allowed Claim. Any Contingent Claim for reimbursement or contribution held by a Person that may be liable with the Debtors on a Claim of a Claimant is Disallowed as of the Effective Date if: (a) that Claimant's Claim is Disallowed; (b) the Claim for reimbursement or contribution is contingent as of the Effective Date; or (c) that Person asserts a right of subrogation to the rights of the Claimant under § 509 of the Bankruptcy Code.

11.3 Post-Confirmation Proofs of Claim and Amendments. Except as otherwise expressly contemplated by the Plan, following the later of the Effective Date and the applicable Bar Date, no original or amended proof of Claim may be filed in the Chapter 11 Case to assert a Claim against the Debtors or the Estates without prior authorization of the Bankruptcy Court,

and any such proof of Claim which is filed without such authorization shall be deemed null, void and of no force or effect; provided, however, that the holder of a Claim that has been evidenced in the Chapter 11 Cases by the filing of a proof of Claim on or before the Bar Date shall be permitted to file an amended proof of Claim in relation to such Claim at any time if the sole purpose of the amendment is to reduce the amount of the Claim asserted.

11.4 Settlement of Disputed Claims. From and after the Effective Date, pursuant to Bankruptcy Rule 9019(b) and § 105(a) of the Bankruptcy Code, the Liquidation Trustee shall be entitled to compromise and settle his objections to Disputed Claims, subject to Liquidation Trust Advisory Board approval, as follows:

11.4.1 If the Face Amount of the Disputed Claim is less than \$250,000.00, the Liquidation Trustee will be authorized and empowered to settle its objection to such Disputed Claim and execute the necessary documents, including a stipulation of settlement or release, on five (5) Business Days' notice filed with the Bankruptcy Court.

11.4.2 If the Face Amount of the Disputed Claim is greater than \$250,000.00, the Liquidation Trustee will be authorized and empowered to settle its objection to such Disputed Claim, and execute the necessary documents, including a stipulation of settlement or release, upon fifteen (15) Business Days' notice filed with the Bankruptcy Court.

11.4.3 If there are no objections or if a party objects to the proposed settlement of the Disputed Claim within the 5-day or 15-day time parameters established by subsections 11.4.1 and 11.4.2 and that party withdraws its objection to such settlement for any reason, the Liquidation Trustee may (a) enter into the proposed settlement without further notice, and without the necessity of a motion, hearing or order of the Bankruptcy Court, or (b) if all objecting parties do not withdraw their objections:

- a. Forego entry into the settlement agreement that is the subject of an objection,
- b. Modify the terms of the settlement agreement in a way that results in the withdrawal of all objections, or
- c. Set the objection for hearing in the Bankruptcy Court and request permission to enter into the settlement agreement over any pending objection.

ARTICLE XII EFFECT OF CONFIRMATION

12.1 Legally Binding Effect. The provisions of this Plan shall bind all holders of Claims and/or Equity Interests, and all other parties-in-interest, whether or not they accept this Plan. On and after the Effective Date, all holders of Claims and Equity Interests shall be precluded and enjoined from asserting any Claim against the Debtors, the Liquidation Trust, the

Litigation Trust, the Liquidation Trust Assets, or the Litigation Trust Assets based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan.

12.2 Vesting of Property of Debtors and the Estates in the Liquidation Trust and the Litigation Trust. Upon the Effective Date of the Plan, the Liquidation Trust Assets shall vest in and become the property of the Liquidation Trust and the Litigation Trust Assets shall vest in and become the property of the Litigation Trust.

12.3 Liens, Claims and Encumbrances. On the Effective Date of the Plan all property vesting in and becoming property of the Liquidation Trust and the Litigation Trust shall be free of all Liens, claims, interests, and encumbrances, except for the Liens of Regions as agent for the Lenders, on the contents-flood-loss insurance claims and proceeds as outlined in the Global Settlement.

12.4 Injunction. Except as otherwise provided in the Plan or the Confirmation Order, and only to the extent permitted under and subject to § 1141 of the Bankruptcy Code, from and after the Confirmation Date, all holders of Claims against the Debtors are permanently restrained and enjoined from taking any of the following actions against the Debtors, the Trustees, the Liquidation Trust Assets or the Litigation Trust Assets on account of any such Claims: (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, or Equity Interest against the Debtors, the Trustees, the Liquidation Trust Assets or the Litigation Trust Assets, other than to enforce any right to a Distribution pursuant to the Plan or a prior order of the Bankruptcy Court approving a sale or transfer of property of the Estates; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against the Debtors, the Trustees, The Liquidation Trust Assets or the Litigation Trust Assets; (c) creating, perfecting, or enforcing any encumbrance, security interest, or Lien of any kind against the Debtors, the Trustees, the Liquidation Trust Assets or the Litigation Trust Assets; (d) except to the extent permitted under the Bankruptcy Code or this Plan, asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due the Debtors, the Trustees, the Liquidation Trust Assets or the Litigation Trust Assets; and (e) performing any act, in any manner, in any place whatsoever, that does not conform to or comply with, or is inconsistent with, the provisions of the Plan; *provided, however,* that each holder of a Disputed Claim may continue to prosecute its proof of Claim in the Bankruptcy Court and all holders of Claims shall be entitled to enforce their rights under the Plan, and any agreements executed or delivered pursuant to or in connection with the Plan. If allowed by the Bankruptcy Court, any entity injured by any willful violation of such injunction shall recover actual damages, including, without limitation, costs and attorneys' and experts' fees and disbursements and, in appropriate circumstances, may recover punitive damages. Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays imposed by the Bankruptcy Code under §§ 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date, shall remain in full force and effect with respect to the Debtors until the Effective Date.

12.5 Injunction Against Non-Debtor Persons on Causes of Action. Except as provided in the Plan, as of the Effective Date, all non-Debtor Persons are permanently enjoined from commencing or continuing in any manner a Cause of Action constituting a Liquidation Trust Asset or a Litigation Trust Asset; provided, however, the foregoing shall not apply to any of the Lenders or MCG as to any claims or causes of action they may have relating to the Debtors, including, without limitation, the claims and causes of action asserted in the pending state court lawsuits filed by Regions and MCG, and any claim or cause of action asserted by Comerica in the future.

**ARTICLE XIII
CONDITIONS PRECEDENT TO CONFIRMATION
AND EFFECTIVENESS OF THE PLAN**

13.1 Conditions to Confirmation. The Bankruptcy Court shall have entered the Confirmation Order in a form and substance satisfactory to the Committee and the Debtors (that is also satisfactory to Regions, Comerica, and MCG) which shall include, among other things, findings of fact and/or conclusions of law that: (a) enjoin and restrain all Claimants and Equity Interest holders of and in the Debtors from asserting any Lien, Claim, or interest against the Debtors, the Estates, the Liquidation Trust, the Litigation Trust, the Liquidation Trust Assets, or the Litigation Trust Assets, unless such Lien, Claim, or interest is expressly reserved hereunder; (b) reserve jurisdiction of the Bankruptcy Court to implement and enforce the Plan; (c) provide, pursuant to § 1125(e) of the Bankruptcy Code, that Persons who have solicited acceptances or rejections of the Plan have acted in good faith and in compliance with the provisions of the Bankruptcy Code, and are not liable on account of such solicitation or participation for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan; and (d) find that the Plan and the payments required hereunder are feasible.

13.2 Conditions to Effective Date. The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied in accordance with the terms hereof: (a) the Confirmation Order shall have become a Final Order; (b) the Bankruptcy Court shall have entered a Final Order approving the Global Settlement; (c) execution of definitive documentation required to consummate the transactions contemplated in the Plan and satisfaction of the conditions precedent, if any, set forth therein in accordance with the terms thereof; and (d) all other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed; provided, however, that if the Effective Date has not occurred on or before the date that is sixty (60) days following the first date on which the Confirmation Order becomes a Final Order, then this Plan shall be deemed to be revoked and its terms null and void unless the Bankruptcy Court Orders otherwise.

13.3 Notice of Effective Date. On or before ten (10) Business Days after occurrence of the Effective Date, the Liquidation Trustee shall mail or cause to be mailed to the Post Confirmation Service List a notice that informs such holders of the following: (a) entry of the Confirmation Order; (b) occurrence of the Effective Date; (c) the deadline to file applications for

Administrative Claims (including claims for professional compensation and expense reimbursements); and (d) such other matters that the Debtors deem appropriate.

ARTICLE XIV RETENTION OF JURISDICTION

14.1 Retention of Jurisdiction. Notwithstanding entry of the Confirmation Order, or the entry of a final decree, with respect to the Chapter 11 Cases, or any of them, the Bankruptcy Court shall retain jurisdiction from and after the Effective Date, to the fullest extent legally permitted, over the Chapter 11 Cases, all proceedings arising under, arising in or related to the Chapter 11 Cases, the Confirmation Order and the Plan including, without limitation, jurisdiction to:

- a. determine (i) any Disputed Claims, Disputed Equity Interests and all related Claims accruing after the Confirmation Date including rights and liabilities under contracts giving rise to such Claims, (ii) the validity, extent, priority, and nonavoidability of consensual and nonconsensual Liens and other encumbrances, (iii) preconfirmation tax liability pursuant to § 505 of the Bankruptcy Code, and (iv) controversies and disputes regarding the interpretation of the Plan and documents executed in connection therewith;
- b. Allow, disallow, estimate, liquidate or determine any Claim or Equity Interest against or in the Debtors and to enter or enforce any Order requiring the filing of any such Claim or Equity Interest before a particular date;
- c. approve all matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease of the Debtors pursuant to § 365 of the Bankruptcy Code and the Plan;
- d. determine any request for payment of an administrative expense entitled to priority under § 507 of the Bankruptcy Code, including compensation of parties entitled thereto, or fees and reimbursements to the Debtors;
- e. resolve controversies and disputes regarding the interpretation and implementation of the Plan, any disputes relating to whether or not a timely and proper proof of Claim was filed or whether a Disallowed Claim or Disallowed Equity Interest should be reinstated;
- f. implement the provisions of the Plan and enter Orders and injunctions in aid of confirmation and consummation of the Plan, including any disputes concerning the enforceability or applicability of the releases and injunctions contained herein;
- g. issue injunctions, enter and implement other orders and take such other actions as may be necessary or appropriate to execute, interpret, implement,

consummate, or enforce the terms and conditions of the Plan, any Plan Document, the Plan Supplement, or any transaction contemplated under any of the foregoing, the Confirmation Order, or any other order of the Bankruptcy Court, or to maintain the integrity of the Plan following confirmation;

h. determine issues relating to the garnishment of any Distributions payable under the terms of the Plan;

i. modify the Plan pursuant to § 1127 of the Bankruptcy Code;

j. preside over and adjudicate any and all Causes of Action that arose prior to the Confirmation Date or in connection with the implementation of the Plan, whether or not pending on the Confirmation Date;

k. resolve disputes concerning any reserves with respect to Disputed Claims and Disputed Equity Interests or the administration thereof;

l. resolve any disputes concerning whether a person or entity had sufficient notice of the Chapter 11 Cases, any applicable Bar Date, the hearing on the approval of the Disclosure Statement as containing adequate information, or the Confirmation Hearing for the purpose of determining whether a Claim or Equity Interest is barred hereunder or for any other purpose;

m. preside over and determine any and all applications, claims, pending adversary proceedings, and contested matters (including, without limitation, any adversary proceeding or other proceeding to recharacterize agreements or reclassify Claims or Equity Interests) in the Chapter 11 Cases;

n. enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

o. seek the issuance of such orders in aid of execution of the Plan, to the extent authorized by § 1142 of the Bankruptcy Code;

p. consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

q. recover all assets of the Debtors and property of the Estates, wherever located;

r. resolve any dispute relating to the approval and payment of the fees and expenses of the Debtors, or the Committee, and their professionals;

- s. resolve matters concerning state, local, and federal taxes in accordance with §§ 346, 505, and 1146 of the Bankruptcy Code;
- t. hear any other matter not inconsistent with the Bankruptcy Code;
- u. resolve any and all disputes or controversies relating to Distributions to be made, and/or reserves or escrows to be established, under the Plan;
- v. enter a final decree closing the Chapter 11 Case;
- w. enforce any injunctions granted under the Plan; and
- x. approve settlements relating to any of the above.

14.2 Limitation on Jurisdiction and Authority. In no event shall the provisions of this Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334 or authority to enter final judgments beyond that provided by applicable law, including the Constitution of the United States.

14.3 No New Requirements. The grant of jurisdiction to the Bankruptcy Court herein over a matter or issue does not mean that Bankruptcy Court approval is required for such matters or issues, nor does it otherwise affect the substantive legal requirements or the requirements in the Trust Agreement pertaining to such matters or issues.

ARTICLE XV MISCELLANEOUS PROVISIONS

15.1 Authorization. The Debtors, the Trustees, the Liquidation Trust, and the Litigation Trust shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan.

15.2 Amendment of the Plan. The Debtors reserve the right, in accordance with the Bankruptcy Code, with the consent of the Committee, Regions and Comerica, to amend or modify the Plan prior to the Confirmation Date. After the Effective Date, the Trustees may, upon order of the Bankruptcy Court, amend or modify the Plan in accordance with § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purposes and intent of the Plan.

15.3 Non-Confirmation of the Plan. The Debtors reserve the right to withdraw this Plan at any time prior to the Confirmation Date. If the Debtors withdraw this Plan prior to the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained in this Plan shall be deemed to constitute an admission of any liability or of the viability of any defense to liability on the part of the Debtors, the Estates, or any other Person.

15.4 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or the propriety of any Claim's classification.

15.5 Filing of Additional Documentation. On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

15.6 Governing Law. Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Texas, without giving effect to the principles of conflicts of law thereof.

15.7 Headings. Each heading preceding an article, section or paragraph of the Plan is inserted for convenience only and shall not affect interpretation or construction of the Plan.

15.8 Severability. Should any term or provision of the Plan be determined by the Bankruptcy Court to be invalid, void or unenforceable, such determination shall in no way limit or affect the enforceability or operative effect of any other provision of the Plan. If any term or provision of the Plan is of such a character as to deny Confirmation, the Debtors reserve the right to strike such provisions from the Plan and seek Confirmation of the Plan as modified. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

15.9 All Claims and Equity Interests. The Plan is intended to deal with all Claims against and Equity Interests of whatever character whether or not Disputed, contingent, or liquidated and whether or not Allowed by the Bankruptcy Court under § 502 of the Bankruptcy Code. However, only those Allowed Claims and Equity Interests under § 502 of the Bankruptcy Code shall be entitled to receive the treatment afforded by the Plan.

15.10 Successors and Assigns. All of the rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person.

15.11 Computation of Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006 shall apply unless otherwise set forth in the Plan or determined by the Bankruptcy Court.

15.12 Section 1125(e) Good-Faith Compliance. The Debtors and their respective representatives and professionals shall be deemed to have acted in “good faith” under § 1125(e) of the Bankruptcy Code.

15.13 No Stay of Confirmation Order. The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including Bankruptcy Rules 3020(e) and 7062.

15.14 Notices. Any notice required to be given under this Plan shall be in writing and, except for a notice of change of address, shall be considered complete on the earlier of: (a) three (3) days following the date the notice is sent by United States mail, postage prepaid, or by overnight courier service, or in the case of mailing to a non-United States address, air mail, postage prepaid, or personally delivered; (b) the date the notice is actually received by the Entities on the Post-Confirmation Service List by facsimile or computer transmission; or (c) three (3) days following the date the notice is sent to those Entities on the Post-Confirmation Service List as such Service List is adopted by the Bankruptcy Court at the hearing on confirmation of the Plan, as such list may be amended from time-to-time by written notice from the Persons on the Post-Confirmation Service List. Unless and until otherwise directed, any pleading, notice or other document required or permitted by the Plan to be served on or delivered to the Debtors, or, if after the Effective Date, the Trustees in lieu of the Debtors, and the U.S. Trustee, as the case may be, shall be sent by U.S. first class mail, postage prepaid, to:

Debtors:

Color Star Growers of Colorado, Inc., *et al.*
c/o Brad Walker, CRO
3125 Westminster Ave.
Dallas, Texas 75225

With copies to:

Marcus A. Helt
Evan R. Baker
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201

Committee:

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street, Suite
3800
Dallas, Texas 75201-6659

United States Trustee:

Timothy O’Neal
Office of United States Trustee
110 N. College Ave., Suite 300
Tyler, TX 75702

Trustees:

[REDACTED]

Regions Bank

George H. Barber
John J. Kane
Kane Russell Coleman & Logan
PC
1601 Elm Street, Suite 3700
Dallas, Texas 75201

Comerica Bank

Robert J. Diehl, Jr.
Brian Trumbauer
Bodman PLC
6th Floor at Ford Field
1901 St. Antoine Street
Detroit, MI 48226

MCG

Daniel A. Fliman
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15.15 U.S. Trustee Fees. The Debtors will pay only unpaid, but accrued fees owed to the U.S. Trustee on or before the Effective Date of the Plan. After confirmation, the Trustees shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Trustees shall pay post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the Chapter 11 Case is converted or dismissed.

Respectfully submitted:

COLOR STAR GROWERS OF COLORADO, INC.

/s/ Bradford Walker

Chief Restructuring Officer of
Color Star Growers of Colorado, Inc.

VAST, INC.

/s/ Bradford Walker

Chief Restructuring Officer of Vast, Inc.

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COLOR STAR, LLC

/s/ Bradford Walker

Chief Restructuring Officer
of Color Star, LLC

GARDERE WYNNE SEWELL LLP

By: */s/ Marcus A. Helt*

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**ATTORNEYS FOR THE
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INC., VAST, INC., AND COLOR STAR, LLC - Page 48**