

**SO ORDERED**



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**WENDELIN I. LIPP**  
**U. S. BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
(Greenbelt Division)**

**In re:**

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**FEDERATED HEARTLAND, INC.**

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**Case No.: 12-13523-WIL  
(Chapter 11)**

**Debtor**

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**INTERIM AGREEMENT AND CONSENT ORDER  
AUTHORIZING DEBTOR TO USE CASH COLLATERAL  
AND GRANTING ADEQUATE PROTECTION**

Following the filing of the Debtors’ Motion for Emergency Interim and Permanent Use of Cash Collateral (the “Motion”) filed by Federated Sports & Gaming, Inc. (“Federated Sports”) and Federated Heartland, Inc., debtors and debtors-in-possession, the Debtor Federal Heartland (the “Debtor”) and All In Production, LLP (the “Lender”) have reached agreement concerning the authorization of the Debtor to use cash collateral and grant adequate protection liens.<sup>1</sup>

The Debtor and the Lender hereby STIPULATE AND AGREE as follows:

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<sup>1</sup> Except as specifically provided for herein and without prejudice to the Lender, the Lender does not consent to the use of its Collateral (as defined herein) to fund the business operations of the debtor Federated Sports, a separate entity from the Debtor.

A. The Debtor filed a petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) on February 28, 2012 (the “Petition Date”). Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtor remains in possession of its assets and has continued the operation and management of its businesses in this reorganization case.

B. The Motion was filed on February 28, 2012. The Debtor has provided actual notice by mail of the terms of the Motion and the relief requested to all entities claiming an interest in the collateral and cash collateral affected by the Motion including (a) the twenty (20) largest unsecured creditors for the Debtor, (b) the Office of the United States Trustee, (c) the Internal Revenue Service, (d) counsel for the Lender and (e) parties requesting notice and other parties-in-interest in this matter. Consequently, the Court concludes that (a) adequate notice of the Motion and an opportunity for a hearing have been given in accordance with the provisions of Sections 102, 105, 361 and 363 of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, (b) the Lender and the Debtor have agreed to the terms of this Interim Agreement and Consent Order Authorizing Debtors to use Cash Collateral and Granting Adequate Protection (the “Interim Order”) pursuant to Fed. R. Bankr. P. 4001(d) as a resolution of the issues raised by the Motion, and (c) no further notice relating to this proceeding is necessary or required.

C. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (G), (M), and (O), involving matters concerning the use of cash collateral under Section 363 of the Bankruptcy Code. Venue is proper in this district pursuant to 28 U.S.C. § 1408.

D. The Debtor owns and operates the Heartland Poker Tour. Federated Sports owns and operates the Epic Poker Tour which is separate and not related to the Heartland Poker Tour.

E. The Lender is the Debtor's secured lender pursuant to the terms and conditions of the Financing Documents (as such term is defined below) with the power to initiate, conduct, or otherwise prosecute the enforcement of the Lender's rights and remedies with respect to the Debtor in accordance with the Financing Documents and applicable law. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Financing Documents.

F. The Debtor acknowledges, reaffirms and stipulates to the indebtedness owed by the Debtor to the Lender as of the Petition Date pursuant to the following credit accommodations and all of the written agreements, documents and instruments executed in connection with the same (collectively, the "Financing Documents") including, without limitation, the following documents and instruments:

1. Senior Secured Promissory Note dated June 10, 2011, by the Debtor in favor of the Lender in the original principal amount of \$2,950,000 (the "Promissory Note");
2. Security Agreement dated June 10, 2011, by and between the Debtor and the Lender securing the repayment of the amounts owed under the Promissory Note (the "Collateral");
3. Revolving Promissory Note dated January 9, 2012 by the Debtor in favor of the Lender in the original principal amount of \$299,000 (the "Revolving Note");
4. Forbearance and Settlement Agreement dated January 9, 2012 by and between the Debtor and the Lender;
5. Financing Statement against the Debtor filed with the State of Delaware Secretary of State Uniform Commercial Code Division on June 11, 2011 securing the Collateral

G. The aggregate principal indebtedness outstanding and owed by the Debtor to the Lender pursuant to the Financing Documents and other documents (the "Prepetition

Indebtedness”) is as of the Petition Date approximately \$1,870,276.95, exclusive of interest, attorneys’ fees and expenses.<sup>2</sup>

H. The Lender asserts that it has properly perfected its security interests in and liens on the Collateral by, inter alia, filing financing statements in appropriate jurisdictions and locations, taking possession of certain of the Collateral or documents evidencing title thereto and/or by taking other appropriate action.

I. By virtue of the foregoing and subject to paragraph 18 below, the Lender asserts and the Debtor acknowledges that, (a) all of the Prepetition Indebtedness pursuant to the Financing Documents is due and owing, is a legal, binding and enforceable obligation of the Debtor, among others, and is not subject to any offset, defense, claim, counterclaim or any other diminution of any type, kind or nature whatsoever; (b) all of the Financing Documents are valid and enforceable against the Debtor in accordance with their terms, are not subject to any offset, defense, claim, counterclaim or diminution of any type, kind or nature whatsoever, and are not subject to avoidance pursuant to applicable state or federal laws; (c) the Lender’s liens and security interests in, to and against all of the Prepetition Collateral are valid, enforceable and properly perfected, and are not subject to avoidance under applicable state and federal law; and (d) there are no existing claims, causes of action of the Debtor, breaches of contract or other liabilities, whether liquidated or unliquidated, direct or indirect, and whether arising under state or federal law (including the Bankruptcy Code) against the Lender or its affiliates, predecessors, agents, representatives, employees or attorneys, arising from the business relationships between

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<sup>2</sup> The foregoing is without prejudice to the Lender asserting its claim for interest, fees, costs and expenses of the Lender incurred before and after the filing of the Voluntary Petition, including attorneys’ fees.

the Debtor on the one hand and the Lender or its affiliates, predecessors, agents, representatives, employees or attorneys on the other hand.

J. As of the Petition Date, the Debtor contends that Federated Sports had on hand cash in the aggregate approximate amount of \$15,085 (the "Cash") and Federated Sports and the Debtor anticipates that they will collect additional sums.

K. A need exists for the Debtor to obtain emergency use of cash collateral to fund critical business operations. A schedule of the Debtor's imminent cash requirements is set forth in the budget (the "Budget") attached hereto as Exhibit "A" and incorporated by reference herein. A schedule of Federated Sports' requested expenses is set forth in the budget (the "Federated Sports Budget") attached hereto as Exhibit "B" and incorporated by reference herein, which includes an allocation of salaries and wages, which the Debtor contends are for the benefit of the Debtor.

L. In order to continue the operation of the Debtor's business operations and to preserve the value of its assets and the Prepetition Collateral, the Debtor requires the use of the Debtor's cash on hand (if any), accounts receivable and the cash proceeds thereof (collectively, the "Cash Collateral") in accordance with the Budget. In addition, as more specifically provided herein, as described in Exhibits A and B, Federated Sports has requested the use of the Cash and the Debtor's Cash Collateral to fund its business operations.

M. Good cause has been shown for the entry of this Interim Order. Among other things, entry of this Interim Order will minimize the disruption of the Debtor's existing business and is in the best interests of the Debtor, its creditors and other parties-in-interest.

Based upon the foregoing stipulations of the parties which are incorporated by reference into this Interim Order, and following a hearing,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Authorization to Use Cash Collateral/Weekly Monitoring/Termination. The Debtor is authorized to use Cash Collateral in the amounts and for the purposes set forth in the Budget for the period from February 29, 2012 through March 31, 2012, subject to a five percent (5%) overall variance in the cumulative expenditures set forth in the Budget. The Debtor shall only use Cash Collateral in accordance with the time period and category limits set forth in the Budget and only for the periods set forth in the Budget, subject to the 5% overall variance. The amount of such Cash Collateral used during the period shall not exceed the total amount of expenses set forth in the Budget, subject to the 5% overall variance set forth herein. In addition to the expenses set forth in the Budget, the Debtor is authorized to use Cash Collateral to pay the prepetition wages that are the subject of a pending Motion to Pay Certain Prepetition Wages [Doc. 23] (the "Wages Motion"), subject to the Court granting the Wages Motion. Notwithstanding the foregoing, the Debtor shall not be authorized to make any payments to insiders, or related persons or entities (or for the benefit of said persons or entities), during the period covered by this Interim Order, except for wages and related benefits earned in the ordinary course of business and excluding inter-company transactions in the ordinary course of business. On a weekly basis, the Debtor shall provide the Lender with a compliance report in the same spreadsheet form as the Budget, certified in writing under penalties of perjury as true and accurate by an authorized representative of the Debtor, that documents the Debtor's *actual* use of cash for the prior week and cumulative *actual* cash use since the Petition Date as to each line item and category of the Budget ("Budget Compliance Report"). The authorization granted to the Debtor under this Interim Order shall terminate upon the earlier of: (i) March 31, 2012, (ii) entry by the Court of a final order authorizing use of the Lender's Cash Collateral pursuant to the

Motion that expressly supercedes this Interim Order, (iii) entry by the Court of an order denying the Debtor's authorization to use Cash Collateral; or (iv) at the option of the Lender, upon the occurrence of an Event of Default under paragraph 10 below after notice to the Debtor and the expiration of a two (2) business day cure period. Notwithstanding any such termination, the rights and obligations of the Debtor and the rights, claims, security interests, liens and priorities of the Lender with respect to all transactions which occurred prior to the occurrence of any termination, including, without limitation, all replacement liens granted to the Lender as adequate protection and priority claims under Bankruptcy Code Section 507(b) which are provided under this Interim Order, shall remain unimpaired and unaffected by any termination of the Interim Order, shall survive any such termination of the Interim Order, and shall be binding upon the Debtor, any and all successors-in-interest to the Debtor, including any Chapter 11 trustee or any Chapter 7 trustee, all creditors and other parties in interest, and the Debtor's Estate (the "Estate"). Unless otherwise agreed to by the Lender in writing, all of the Cash Collateral shall be deposited and maintained in a separate and segregated bank account in the name of the Debtor and shall not be commingled with any funds of any third-parties including, without limitation, Federated Sports (the "Cash Collateral Account"). The segregated bank account must be a Debtor-In-Possession account in a United States Trustee approved depository.

2. Federated Sports Authorization to Use Cash Collateral.<sup>3</sup> Federated Sports is authorized to use the Cash and Cash Collateral in the amounts and for the purposes set forth in the Federated Sports Budget for the period from February 29, 2012 through March 31, 2012.

Federated Sports shall only use Cash Collateral within the time period and category limits set forth in the Federated Sports Budget and only for the periods set forth in the Federated Sports Budget. The amount of such Cash Collateral used during the period shall not exceed the total amount allowed by the Federated Sports Budget. The Debtor shall have the authority to authorize the use of Cash Collateral from the Cash Collateral Account for Federated Sports to conduct its business in strict accordance with the Federated Sports Budget. The Budget Compliance Report, referenced *infra*, shall also include information regarding any disbursements to or for the benefit of Federated Sports in accordance with the Federated Sports Budget for the prior week. The authorization granted under this Interim Order shall terminate upon the earlier of: (i) March 31, 2012, (ii) entry by the Court of a final order authorizing use of the Lender's Cash Collateral pursuant to the Motion that expressly supercedes this Interim Order, (iii) entry by the Court of an order denying the Debtor's or Federated Sports' authorization to use Cash Collateral; or (iv) at the option of the Lender, upon the occurrence of an Event of Default under paragraph 10 below after notice to the Debtor and Federated Sports (as applicable) and the expiration of a two (2) business day cure period.

3. Disbursements from Cash Collateral Account. The Debtor is strictly prohibited from making any disbursements from the Cash Collateral Account except as provided for in the Budget, the Federated Sports Budget or consistent herewith, or as hereafter authorized in writing

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(Footnote continued from previous page)

<sup>3</sup> These terms and conditions, among others, are discussed in more detail in a separate Order authorizing Federated Sports to use cash collateral.



by the Lender and with notice to the United States Trustee, or as provided for in any order of this Court entered after notice to the Lender and an opportunity for hearing.

4. Adequate Protection Liens and Payments in Favor of Lender. As adequate protection of the Lender's interest in the Collateral, including without limitation, Cash Collateral, for and in an aggregate amount equal to, the diminution in value of such interest from and after the Petition Date, calculated in accordance with section 506(a) of the Bankruptcy Code, the Lender shall receive, *nunc pro tunc* to the Petition Date, the following adequate protection:

(a) Pursuant to Sections 361 and 363 of the Bankruptcy Code, a valid, choate, perfected, enforceable and non-avoidable first priority security interest in and lien upon all assets and property of the Debtor and its Estate, of any kind or nature whatsoever, whether now existing or hereafter acquired or arising, and all proceeds, rents, products, or profits thereof (collectively, the "Postpetition Collateral" and, together with the Prepetition Collateral, the "Collateral"), including, without limitation, the Prepetition Collateral owned by the Debtor as of the Petition Date and all proceeds, rents, products or profits thereof. The security interests and liens granted to the Lender as adequate protection for any diminution in the Lender's interest during this period shall at all times be senior to the rights of the Debtor and any successor chapter 11 trustee, any examiner or any responsible person in this or any subsequent proceedings under the Bankruptcy Code and shall be superior in priority to the security interests and liens of the Lender existing prior to the Petition Date. Other than as specifically set forth herein, the liens, security interests, rights, and remedies granted to the Lender pursuant to this Interim Order shall not be modified, altered or impaired in any manner by any plan of reorganization or order of confirmation for the Debtor, or by any other financings of, extensions of credit to, or incurring of debt by the Debtor, whether pursuant to Section 363 or 364 of the Bankruptcy Code, or otherwise. The liens and

security interests granted to the Lender shall not be subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the Debtor pursuant to Section 551 of the Bankruptcy Code. Nothing herein shall be construed to grant or extend Lender's liens to pre-petition assets to which the Lender did not have a pre-petition lien.

(b) For the authorization and use of Cash Collateral by the Debtor and Federated Sports in accordance with the Budget and Federated Sports Budget (collectively, the "Budgets"), a monthly payment to the Lender by no later than April 5, 2012, in an amount equal to all excess cash in the Cash Collateral Account in excess of \$20,000 as of close of business on March 31, 2012.

5. Grant of Superpriority Treatment. In addition to the liens and security interests granted hereunder, to the extent that the Lender shall suffer any diminution in its interests in Cash Collateral during this period or the adequate protection granted pursuant to this Interim Order shall prove to be inadequate, the Lender shall have priority, pursuant to the provisions of Section 507(b) of the Bankruptcy Code to the extent applicable, over all administrative and priority expenses incurred in the reorganization case including, without limitation, expenses of the kind specified in Section 503(b) and 507(a) of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtor, its creditors other than the Lender or any successor-in-interest to the Debtor or its creditors, including without limitation any trustee appointed in the case.

6. Professional Fees. Unless agreed to by the Lender in writing or ordered by this Court after notice to the Lender and an opportunity to be heard, no claim for professional fees during the term of this Interim Order other than the retainers received by the Debtor's professionals and the funds budgeted for the payment of professional fees during the period covered by the Interim Order shall have priority over the claims of the Lender, or may be charged

against the Lender, the Prepetition Collateral or the Postpetition Collateral, whether pursuant to Section 506(c) of the Bankruptcy Code or otherwise. Nothing in this Interim Order affects the rights of any party to seek fees and/or carve outs from the Lender or the Collateral. This provision applies only during the term of this Interim Order and is without prejudice to the claims and defenses of the Lender and the Debtor with respect to any final order or further orders governing cash collateral.

7. Extent of Grant of Security Interests. The security interests and liens granted herein shall secure payment of (a) Prepetition Indebtedness in an amount equal to any diminution in value of the Lender's interest in the Prepetition Collateral which occurs during the pendency of the Debtor's bankruptcy case, whether such diminution is a consequence of (i) the Debtor's use of Collateral (including the Debtor's consumption of Cash Collateral), (ii) depreciation or price fluctuation in the Collateral, (iii) the conversion of such Prepetition Collateral into Postpetition Collateral, or (iv) any other action, event or circumstance; and (b) all fees, costs and expenses of the Lender arising on or after the Petition Date or in connection with the Motion, this Interim Order, the relief sought herein or therein, or the Debtor's bankruptcy case (collectively, the "Adequate Protection Obligation") to the extent allowable under the Bankruptcy Code.

8. No Filing or Recording Necessary. All agreements, rights, licenses, security interests and liens contemplated or granted by this Interim Order are effective, attach and are perfected as of the commencement of the reorganization case without the necessity of any further filing or recording by the Lender. Notwithstanding any otherwise applicable requirements under any state or federal law, the Lender shall not be required to file financing statements or any other documents in any jurisdiction or take any other action in order to perfect its security interests and

liens granted under or pursuant to this Interim Order, provided however that nothing in this Interim Order shall be deemed to prohibit the Lender's filing of any such documents.

9. Prepetition Loans. Nothing in this Interim Order shall in any way restrict the scope of the Lender's prepetition liens, security interests, rights of set-off or claims with respect to the Prepetition Indebtedness or the Prepetition Collateral, or the proceeds, rents, products or profits thereof, and the Lender's lien and security interests on the Prepetition Collateral and the proceeds, rents, products and profits thereof shall extend to the fullest extent permitted by Section 552(b) of the Bankruptcy Code. Cash proceeds of the Prepetition Collateral that come into the possession, custody or control of the Debtor constitute Cash Collateral.

10. Events of Default. The Lender may terminate the Debtor's use of Cash Collateral if: (a) the Debtor pays any expenses not authorized for payment in the Budgets; (b) the expenditures of the Debtor exceed the expenditures set forth in the Budget by more than five percent (5%) on a cumulative basis; (c) the Debtor fails to abide by any other terms or conditions set forth in this Interim Order; (d) this Interim Order is modified, stayed, or amended without the consent of the Lender; (e) a claim or action is instituted by the Debtor, the purpose of which is to seek or obtain any relief (i) invalidating, setting aside, avoiding or subordinating, the Prepetition Indebtedness or the Lender's liens or security interests in the Collateral; (ii) preventing, hindering or otherwise delaying the Lender's assertion, enforcement, or realization upon any Collateral, or (iii) otherwise seeking relief against the Lender without its consent; (f) the Debtor's bankruptcy case is converted or dismissed; or (g) the Debtor institutes an action seeking the granting or imposition, under Section 364 of the Bankruptcy Code or otherwise, of liens, security interests, or mortgages on any of the Collateral equal or superior to the Lender's interest on that property. The termination based upon these events will occur at 8:00 a.m. on the third business day after

the day on which the Lender gives notice (the "Termination Notice") to the Debtor and Federated Sports (if applicable) of the termination event (except for subsection (c) of this paragraph above which may occur immediately), unless such termination event is non-monetary in nature and the Debtor cures such default by 8:00 a.m. on the third business day after the day on which the Lender issued the Termination Notice. In addition to the above termination events, the Debtor must continue to comply with those terms of the Financing Documents as set forth in this Interim Order.

11. Binding Effect of Order. Unless otherwise provided herein, the terms and conditions of this Interim Order relating to the liens and priorities granted to the Lender during the period covered by this Interim Order shall be binding upon the Debtor, its creditors, Federated Sports, all other parties-in-interest and all successors-in-interest thereof including, without limitation, any Chapter 11 trustee that may be appointed in the reorganization case or any trustee in a case under Chapter 7 of the Bankruptcy Code into which the reorganization case may be converted. This binding effect is an integral part of the agreement evidenced hereby. Nothing herein shall divest the Lender of the adequate protection granted herein for the period covered by this Interim Order.

12. Access to Books and Records. In addition to the foregoing protections, the Debtor shall fully comply with its obligations, and shall not breach any material representation or warranty as set forth in the Financing Documents, with respect to (a) access to the Debtor's books and records and the Prepetition Collateral, which provisions shall be deemed to also apply to the Postpetition Collateral, (b) financial and other reporting, (c) inspections and audits (other than an annual accounting audit), and (d) maintenance and preservation of the Prepetition Collateral, which provisions shall be deemed to also apply to the Postpetition Collateral, except

that the Debtor need not comply with representations as to the absence of any proceeding such as the Debtor's bankruptcy case, or provisions requiring the payment of money to the Lender (except as required by this Interim Order) or establishing any financial covenants. Further, the Debtor shall deliver to the Lender such financial and other information concerning the businesses and financial affairs of the Debtor as the Lender may reasonably request from time to time (other than an annual accounting audit).

13. Effect of Order. Nothing contained in this Interim Order shall be deemed a finding with respect to adequate protection (as that term is defined in Section 361 of the Bankruptcy Code) of the interests of the Lender. In addition, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair, any of the rights, claims or privileges of the Lender.

14. Additional Relief. The Lender may at any time file a motion with this Court seeking any such additional protection as either may reasonably require with respect to the Debtor's continued use of the Lender's Cash Collateral or otherwise, including, without limitation, modification or termination of this Interim Order or any Final Order authorizing the Debtor's continued use of Cash Collateral. Nothing herein shall prevent the Debtor or any other party-in-interest from opposing such a motion. Nothing contained herein shall or shall be deemed to constitute an admission by the Lender that its interests in the Prepetition Collateral and the Postpetition Collateral are adequately protected within the meaning of Section 361 of the Bankruptcy Code now or at some future time. The Lender and the Debtor retain all rights available pursuant to the Bankruptcy Code or any other applicable law, including their right to seek different or additional forms of adequate protection.

15. Effect of Future Modification of Order. No subsequent stay, modification, termination, failure to extend the term of or vacation of this Interim Order shall affect, limit or modify any claim, right or lien granted hereunder to the Lender incurred pursuant to this Interim Order or otherwise, nor shall any such stay, modification, or vacation limit, affect or modify the validity, enforceability or perfection of any security interest, lien or priority granted or reaffirmed in connection therewith.

16. No Requirement to Lend. Nothing contained in this Interim Order, shall require or be deemed to require the Lender to make any additional loan or loans or to extend further credit or other financial accommodations to or for the benefit of the Debtor or Federated Sports.

17. Effect of Dismissal. In the event that the reorganization case is dismissed, converted, otherwise superseded or substantively consolidated, neither the entry of this Interim Order nor the dismissal or conversion of the reorganization case shall affect the rights of the Lender under the Financing Documents or the terms and conditions of this Interim Order, including the security interests and liens granted herein, and all the rights and remedies of the Lender hereunder shall be and remain in full force and effect as if the reorganization case had not been filed or the reorganization case had not been dismissed, converted or superseded.

18. No Effect on Other Rights. This Interim Order shall not operate to modify, alter, impair, affect, abrogate, amend, restrict or nullify any rights of the Lender with respect to any person or entity other than the Debtor, nor to release, alter, impair, affect or abrogate any debts, claims, demand, actions and causes of action in law and equity, whether known or unknown, that the Lender may have as to any person or entity other than the Debtor. Each of the parties, including the Lender, in whatever capacity, reserves all rights, remedies and interests that it has

or may have under agreements, documents or circumstances other than the Financing Documents.

19. Limited Period for Objection to Liens and Claims. Subject to no objections being received and entry of a final order, all parties-in-interest, *excluding the Debtor as to the matters listed in subparagraph (a) and (b) below*, shall have until the later of the date this Interim Order becomes a Final Order or ninety (90) days from the date of appointment of a creditors committee (or such other date as may be set by further Order of this Court) (the “Review Period”) to review the Financing Documents and any actions or conduct of the Lender and the Debtor. If, during the Review Period, such parties do not file an objection or other pleading with the Court contesting in whole or in part (a) the nature, extent, validity, perfection, priority and enforceability of the liens and security interests claimed by the Lender in and to the Prepetition Collateral, or (b) asserting any dispute, offset or defense against the Lender, or its agents, whether arising under applicable state or federal law, or the Bankruptcy Code, in connection with the amount claimed to be due to the Lender on the Petition Date under the Financing Documents then (I) all of the Prepetition Indebtedness pursuant to the Financing Documents shall be deemed due and owing, is a legal, binding and enforceable obligation of the Debtor, among others, and is not subject to any dispute, offset, defense, claim, counterclaim or any other diminution of any type, kind or nature whatsoever, (II) all of the Financing Documents shall be deemed valid and enforceable against the Debtor in accordance with their terms, are not subject to any dispute, offset, defense, claim, counterclaim or diminution of any type, kind nature whatsoever, and are not subject to avoidance pursuant to applicable state or federal laws, (III) the Lender’s liens and security interest in, to and against all of the Prepetition Collateral shall be deemed valid, enforceable and properly perfected, and are not subject to avoidance under applicable state and federal law, and



(IV) all such parties shall thereafter be forever barred from asserting or contesting any of the matters set forth in (a) and (b) above and the Lender shall be deemed to hold allowed, perfected, enforceable and non-avoidable secured interests in the Prepetition Collateral.

20. Effect of Order. To the extent Section 363(m) is applicable, in light of the stipulations of the parties as set forth above, the Court finds that the Lender has acted in “good faith” in all respects within the meaning of Section 363(m) of the Bankruptcy Code and on terms as would otherwise be found in an arm’s length transaction and in the event of any appeal of this Interim Order, any cash collateral used shall, pursuant to Section 363(m) of the Bankruptcy Code, shall be final and nonappealable, unless the party to such appeal shall have obtained a stay of this Interim Order pursuant to the Bankruptcy Code and the applicable Bankruptcy Rules. Notwithstanding anything to the contrary herein, no admissions of the Debtor contained herein shall be binding on a subsequently appointed committee of unsecured creditors or a trustee.

21. Budgets. In accepting the Budgets, in consenting to the use of Cash Collateral and by taking any other actions pursuant to this Interim Order, the Lender shall have no liability to any third party, and the Lender shall not be deemed to be in control of the operation of the Debtor or to be acting as a “responsible person” or “owner” or “operator” with respect to the operation or management of the Debtor. No third party is intended to be or shall be deemed to be a third party beneficiary of the provisions of this Interim Order.

22. Waiver of Prepetition Defaults. (a) The entry of this Interim Order shall not constitute a waiver of any Prepetition default or of any right or remedy of the Lender under applicable non-bankruptcy law, (b) the Debtor may not sell Prepetition Collateral other than in the ordinary course of business without the Lender’s prior written consent or order of this Court after notice and opportunity for a hearing and (c) to the extent expressly provided in this Interim

Order, the provisions of the Financing Documents shall remain in full force and effect, and the Lender shall be entitled to all rights and privileges thereunder.

23. Signature of Debtors. The signature of any officer of the Debtor submitted in writing and accepted by the Lender in writing, whether by letter, facsimile or e-mail to the Lender or appearing on any one or more of the aforesaid security agreements, instruments or documents, shall bind the Debtor with respect to documents executed and other actions taken pursuant to this Interim Order.

24. Core Matters. The subject of this Interim Order is a “core” proceeding within the meaning of 28 U.S.C. § 157. This Interim Order shall be valid and fully effective, shall be binding upon and inure to the benefit of the Lender, the Debtor, the Estate, and their respective successors and assigns (including, without limitation, any trustee, examiner, or responsible person in this or any subsequent proceeding under the Bankruptcy Code), immediately upon its entry and during the pendency of the Debtor’s bankruptcy proceedings, subject to the right of the Lender to terminate its consent to the Debtor’s use of Cash Collateral as provided in this Interim Order or the expiration of such consent on the date set forth herein.

25. Modification of Automatic Stay. The automatic stay provisions of Section 362 of the Bankruptcy Code are hereby vacated as to the Lender to the extent necessary to permit the Lender at its option to, as appropriate, (a) file any financing statements or other instruments and documents, if any, evidencing their security interests provided in this Interim Order; and (b) to charge any fees as provided in paragraphs 4 and 7.

26. Vacating of Order. The Debtor shall not seek to modify, vacate, or amend this Interim Order without the written consent of the Lender. If any or all of the provisions of this Interim Order are hereafter modified, vacated or stayed by subsequent order of this or any other

Court, such stay, modification or vacation shall not affect (a) the validity of any benefit granted to the Lender pursuant to this Interim Order with respect to the use of any Cash Collateral prior to the later of (i) the effective date of such stay, modification, or vacation, or (ii) the date of receipt of written notice thereof by counsel to the Lender at each of the addresses listed at the end of this Interim Order (the "Effective Time"), or (b) the validity and enforceability of any lien, security interest or priority authorized hereby. Notwithstanding any such stay, modification, or vacation, any use of Cash Collateral made pursuant to this Interim Order by the Lender prior to the Effective Time shall be governed in all respects by the original provisions of this Interim Order.

27. Financial and Business Reports. In addition to the reports required by this Interim Order, on or before the twentieth (20th) day of each month, the Debtor shall deliver to the Lender a copy of the actual monthly operating report the Debtor is required to file with the Court. The Debtor also shall deliver to the Lender on a weekly basis, at the same time as the Budget Compliance Report and covering the same period, a copy of the Debtor's current accounts receivable aging report and accounts payable aging report certified in writing under penalties of perjury as true and accurate by an authorized representative of the Debtor.

28. Books and Records. In addition to the inspection of records permitted by the Financing Documents (if any), the Debtor shall allow the Lender to review and copy, upon prior reasonable written request, (i) all vouchers, invoices, contracts and other writings relating to any and all disbursements made or obligations incurred by the Debtor with respect to the maintenance and operation of their businesses and (ii) any and all other books and records of the Debtor pertaining to the Debtor's use of the Lender's Cash Collateral.

29. Notice. Any notice which may be required to be given by the Lender to the Debtor or vice versa shall be sufficient if notice is given by facsimile transmission, hand delivery, or regular, certified or registered United States mail to:

As to the Debtor and Federated Sports:

Stephen A. Metz, Esquire  
Shulman, Rogers, Gandal, Pordy & Ecker, P.A.  
12505 Park Potomac Avenue, 6th Floor  
Potomac, MD 20854  
Phone (301) 230-6564  
Facsimile (301) 230-2891

As to the Lender:

Jodie E. Buchman, Esquire  
DLA Piper US LLP  
The Marbury Building  
6225 Smith Avenue  
Baltimore, Maryland 21209  
Phone (410) 580-3000  
Facsimile (410) 580-3001

With a copy to:

Cass S. Weil, Esquire  
Moss & Barnett  
4800 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MV 55402  
Phone: (612) 877-5327  
Facsimile: (612) 877-5075

29. Notice. The notice given by the Debtor of the Motion and of the interim hearing constitutes adequate notice under Bankruptcy Rule 4001(c)(2). Within two business days of the entry of this Interim Order, the Debtor shall promptly serve by overnight mail for next morning delivery or telecopy copies of a notice of entry of this Interim Order and notice of a final hearing together with a copy of this Interim Order, to the Lender, its counsel at each of the addresses set

forth at the end of this Interim Order, Federated Sports, the twenty (20) largest unsecured trade creditors of the Debtor as set forth on schedules filed by the Debtor pursuant to Bankruptcy Rule 1007(d), the United States Trustee, any other persons which the Debtor knows is entitled to notice under Bankruptcy Rule 4001(b) as of such date, and any other party-in-interest which counsel to the Debtor has received a written request in this case before 2:00 p.m. (EDT) on such date to receive such pleadings. The notice of entry of this Interim Order shall state that any party-in-interest objecting to the entry of a final order on the Motion shall file a written objection with the United States Bankruptcy Court Clerk for the District of Maryland (Greenbelt Division) no later than 4:00 p.m. (EDT) on March 21, 2012, which objection shall be served so that the same is received on or before 4:00 p.m. (EDT) on such date by the United States Trustee and counsel for the Debtor and counsel for the Lender set forth at the end of this Interim Order (at each of the addresses set forth therein). A final hearing shall be held on the Motion and objections thereto before this Court on March 26, 2012 at 2:30 p.m. The provisions of this Interim Order shall remain in full force and effect unless modified or vacated (i) at the final hearing, or (ii) by other subsequent order of this Court. If any or all of the provisions of this Interim Order are hereafter modified, vacated, or stayed by subsequent order of this or any other Court, such stay, modification, or vacation shall be subject to the provisions of paragraph 25. Subject to the entry of an order approving this Interim Order, further extensions of this Order shall be permitted without a hearing subject to notice and no objection being raised.

DATED: March 8, 2012

*Consented and Agreed To:*

SHULMAN, ROGERS, GANDAL, PORDY & ECKER, P.A.

By: /s/ Stephen A. Metz  
Stephen A. Metz

ATTORNEYS FOR THE DEBTOR AND FEDERATED SPORTS

DLA PIPER US LLP

By: /s/ Jodie E. Buchman  
Jodie E. Buchman

ATTORNEYS FOR ALL IN PRODUCTION, LLP

**Certification Pursuant to Admin. Order 03-02, Ex. A, Sec. V.B.1**

I HEREBY CERTIFY that the terms of the copy of the consent order submitted to the Court are identical to those set forth in the original consent order; and the signatures represented by the /s/ on this copy reference the signatures of consenting parties on the original consent order.

/s/  
Jodie E. Buchman

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**END OF ORDER**

**FEDERATED HEARTLAND (HPT) MARCH BUDGET****March Expenditure for Federated Heartland  
Operations**

	<b><u>Expense Item</u></b>	<b><u>Amount</u></b>
<b>1</b>	<b>Business insurance HPT</b>	<b>\$ 3,184.00</b>
<b>2</b>	<b>Employees health HPT</b>	<b>\$ 1,097.00</b>
<b>3</b>	<b>Event labor and expense HPT</b>	<b>\$ 22,500.00</b>
<b>4</b>	<b>Expense reimbursement HPT</b>	<b>\$ 18,000.00</b>
<b>5</b>	<b>Marketing and Design HPT</b>	<b>\$ 175.00</b>
<b>6</b>	<b>Rent HPT</b>	<b>\$ 4,446.00</b>
<b>7</b>	<b>Salaries and Wages HPT</b>	<b>\$ 53,741.00</b>
<b>8</b>	<b>Telephone Utilities HPT</b>	<b>\$ 1,850.00</b>
<b>9</b>	<b>TV Broadcasting HPT</b>	<b>\$ 6,000.00</b>
<b>10</b>	<b>Misc. (Accounting, ordinary course legal and computer)</b>	<b>\$ 2,500.00</b>
	<b>Total March Expenditures</b>	<b><u>\$113,493.00</u></b>
	<b>Subject to 5% variance limit</b>	

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**FS+G Budget: March 2012**

	<b>Short Term Needs (Cash on Hand)</b>	<b>Allocation</b>	<b>March 2012 (Revised)</b>	<b><u>March Total</u></b>
Computer expense	\$0		\$250	
Database license			\$2,500	
Employee health benefits	\$10,327			
Expense reimbursement			\$3,250	
Marketing and design			\$700	
Salaries and wages			\$9,765	
Salaries and wages - HPT Allocation		\$11,845		
SMG Marketing			\$500	
Hosting expense	\$2,000		\$0	
Telephone and utilities	\$1,155		\$0	
Website content			\$459	
DC Operating Expenses	\$1,500		\$750	
Guardian Insurance			\$825	
<b>Total</b>	<b>\$14,982</b>	<b>\$11,845</b>	<b>\$18,174</b>	<b>\$45,000</b>