

**SO ORDERED**



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

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

**IN RE:** )  
)  
**FEDERATED SPORTS &** )  
**GAMING, INC.** )  
)  
**Debtor** )  
\*\*\*\*\* )

**Case No. 12-13521-WIL  
(Chapter 11)**

**ORDER EXTENDING DEBTOR'S INTERIM USE OF CASH COLLATERAL  
AND PROVIDING ADEQUATE PROTECTION THEREFOR**

**WHEREAS**, Federated Sports & Gaming, Inc. (“Federated Sports” or “Debtor”) and Federated Heartland, Inc. (“Federated Heartland,” debtor in Case No. 12-13523-WIL) (collectively, the “Debtors”), have moved pursuant to 11 U.S.C. Sections 361, 362 and 363, and Federal Rules of Bankruptcy Procedure 4001(b) and 9014 for Interim and Final Orders authorizing the Debtors’ use of cash collateral of PNK Development 10, LLC, a wholly owned subsidiary of Pinnacle Entertainment, Inc. (“Pinnacle”) and providing adequate protection therefor and scheduling a final hearing (the “Motion”), and

**WHEREAS**, on March 9, 2012, this Court entered an Order Authorizing Debtor's Interim Use of Cash Collateral and Providing Adequate Protection Therefore [Doc. 42], pursuant to which the Court authorized the Debtor to use cash collateral, on an interim basis, through March 31, 2012, and

**NOW, THEREFORE**, upon consideration of the Motion, and it appearing that it is appropriate for this Court to extend the Debtor's authority to use of cash collateral on an interim basis (through April 30, 2012) pursuant to the terms and conditions set forth below, it is by the United States Bankruptcy Court for the District of Maryland, hereby:

**ORDERED**, that the Debtor is authorized to use Cash Collateral provided that the Debtor strictly complies with the following terms and conditions of this Order:

1. Use of Cash Collateral by Debtor. The Debtor, until April 30, 2012 (the "Interim Period"), shall be entitled to use the Cash Collateral in the ordinary course of its business for the purpose of paying operating expenses in accordance with the following terms and conditions. The Debtor and Pinnacle may extend the use of the Cash Collateral, without further order of the Court, upon the agreement of the Debtor and Pinnacle, which shall be evidenced by a Line filed with the Court extending the time period for use of the Cash Collateral. Nothing herein authorizes the Debtors to use the cash collateral of All In Production, LLC ("AIP"). The use, by either of the Debtors, of AIP's cash collateral (during the interim period of April 1, 2012 – April 30, 2012), pursuant to AIP's lien on the assets of Federated Heartland, Inc. shall be subject to and in accordance with the terms of a certain Stipulation and Consent Order Extending and Modifying Interim Agreement and Consent Order Authorizing Debtor to Use Cash Collateral and Granting Adequate Protection (the "Federated Heartland Extended Interim Order"), subject to Court approval of the

Federated Heartland Extended Interim Order in the Federated Heartland, Inc. case (Case No. 12-1213523-WIL).

2. Payment of Budget Expenses. The Debtor may use the Cash Collateral only for the purposes set forth in the monthly operating budget, attached hereto as Exhibit 1 (the “Budget”).<sup>1</sup> In addition, the Debtor may use Cash Collateral for purposes or in amounts not set forth in the Budget (“Off Budget Items”), but only for such purposes and in such amounts as may be consented to in writing by Pinnacle and provided that notice is given to any creditors’ committee that may be formed in this case and the office of the United States Trustee. The Debtor shall provide Pinnacle with the same Budget Compliance Reports that are required to be given to AIP pursuant to the Federated Heartland Extended Interim Order.

3. Grant of Replacement Liens in Favor of Pinnacle. Notwithstanding the provisions of Section 552(a) of the Bankruptcy Code, the Debtor hereby grants in favor of Pinnacle replacement liens in all assets of the Debtor which are or have been acquired, generated or received by the Debtor subsequent to the Petition Date, and proceeds of same, to the same extent, priority and validity as their pre-petition liens, to the extent Debtor’s use of the Cash Collateral results in a decrease in the value of Pinnacle’s interest in the Cash Collateral (the “Adequate Protection Liens”).

4. Perfection of Replacement Liens; Priority of Liens. The security interests granted in this Order are deemed perfected without the necessity for filing or execution of documents which might otherwise be required under non-bankruptcy law for the perfection of said security interests. Such security interests and perfection shall be binding, to the extent that the post-petition liens granted herein replace properly perfected pre-petition liens, upon any subsequently appointed trustee either in Chapter 11 or any other Chapter of the Bankruptcy Code and upon all creditors of

the Debtor who have extended or who may hereafter extend credit to the Debtor or the Debtor-in-Possession.

5. Effect of Order. The provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order (i) converting these cases to a Chapter 7 case; or (ii) dismissing these cases, and the terms and provisions of this Order, as well as the Adequate Protection Liens granted pursuant to this Order shall continue in full force and effect notwithstanding the entry of any such order, and such claims and liens shall maintain their priority as provided by this Order and to the maximum extent permitted by law.

6. Notice of Order. The Debtor shall promptly mail copies of this Order to those parties having been given notice of the emergency interim hearing on the Motion, any other person required by applicable rules of bankruptcy procedure to receive such notice and to any other party that has filed a request for notices with this Court. Any party-in-interest objecting to the relief sought at the final hearing shall serve and file written objections; which objections shall be served upon: (a) Stephen A. Metz, Esquire, Shulman, Rogers, Gandal, Pordy & Ecker, P.A., 12505 Park Potomac Avenue, Sixth Floor, Potomac, Maryland 20854; and (b) the Office of the United States Trustee, 6305 Ivy Lane, Suite 600, Greenbelt, Maryland 20770.

Copies to:

Stephen A. Metz, Esquire  
Shulman, Rogers, Gandal, Pordy & Ecker, P.A.  
12505 Park Potomac Avenue, Sixth Floor  
Potomac, Maryland 20854

Office of the United States Trustee  
6305 Ivy Lane, Suite 600  
Greenbelt, Maryland 20770

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**END OF ORDER**

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<sup>1</sup> The same Budget is attached to the Federated Heartland Extended Interim Order.

FS+G

**FS+G & FHI Budget**

For the month of April, 2012

	Budget		Disbursements		Balance	
	<u>FS+G</u>	<u>FHI</u>	<u>FS+G</u>	<u>FHI</u>	<u>FS+G</u>	<u>FHI</u>
Business Insurance	17,890	400			17,890	400
Employees Health Insurance	10,203	1,097			10,203	1,097
FHI Health Allocation	1,326				1,326	
Event Labor	-	27,730			-	27,730
Expense Reimbursement	3,250	27,800			3,250	27,800
Marketing & Design	700	525			700	525
Rent	-	4,446			-	4,446
Salaries	-				-	-
Allocated to FHI	11,845				11,845	-
Other Salaries	-	53,741			-	53,741
Telephone & Utilities	1,155	1,850			1,155	1,850
TV Broadcasting	-	6,000			-	6,000
Database license	2,925	-			2,925	-
Computer expense	370	-			370	-
SMG Marketing	500	-			500	-
Legal Fees - IP	-				-	-
Hosting expense	2,000	-			2,000	-
Website content	459	-			459	-
Operating/Misc	1,125	2,500			1,125	2,500
FHI Allocated Operating Expenses	1,125				1,125	
Misc Office expenses	2,181	-			2,181	
	-				-	
	-				-	
	-				-	
Totals	57,054	126,089	-	-	57,054	126,089

Exhibit 1