



SO ORDERED.

SIGNED this 29th day of November, 2012.

Dale L. Somers

Dale L. Somers
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF KANSAS**

In re:)	
)	
)	Case No. 12-22602
DICKINSON THEATRES, INC.,)	
a Kansas corporation,)	Chapter 11
)	
Debtor.)	

SUPPLEMENTAL STIPULATION AND ORDER REGARDING FINAL ORDER: (A) AUTHORIZING DEBTOR TO OBTAIN POST-PETITION FINANCING FROM PEOPLES BANK; (B) GRANTING LIENS AND SUPERPRIORITY CLAIMS IN FAVOR OF PEOPLES BANK; (C) GRANTING REPLACEMENT LIENS TO HAWTHORN BANK; (D) AUTHORIZING USE OF HAWTHORN BANK'S AND PEOPLES BANK'S CASH COLLATERAL; AND (E) GRANTING ADEQUATE PROTECTION TO HAWTHORN BANK AND PEOPLES BANK (Docket No. 166)

The Parties hereto, by and through their respective attorneys, have conferred and agreed to modify the existing Final Order (*Docket No. 166*) authorizing the Debtor to, among other things, obtain post-petition financing pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d), and 507 of Title 11 of the United States Code 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") as follows:

1. On September 21, 2012 (the "Petition Date"), the Debtor filed its voluntary petition in this Court for reorganization relief under Chapter 11 of the Bankruptcy Code, commencing the Debtor's Chapter 11 case (the "Chapter 11 Case").¹ The Debtor continues to operate its business and manage its properties as debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in this Chapter 11 Case.

2. On the Petition Date, the Debtor filed, among other things, a Motion for Entry of Interim and Final Orders: (A) Authorizing Debtor To Obtain Post-Petition Financing From People's Bank; (B) Granting Liens And Superpriority Claims In Favor Of People's Bank; (C) Authorizing Use Of People's Bank's Cash Collateral; and (D) Granting Adequate Protection To People's Bank (the "Motion"); and the Court heard the Motion on an emergency basis at the Interim Hearing.

3. On October 5, 2012, the Court granted the Motion, on an interim basis, and entered the Interim Order. (*See Docket No. 100.*)

4. A Final Hearing on the Motion was held on October 25, 2012,

5. On October 27, 2012, the Court entered a Final Order on the Motion ("Final Order"). (*See Docket No. 166.*)

6. The Final Order authorized Debtor, among other things, to use cash collateral per the budget attached to the Final Order as Exhibit A (the "Budget") through the week ending November 30, 2012 (the "Budget Period").

7. The Final Order also provided that "[i]f necessary, the Debtor may file in lieu of a further hearing, a supplemental stipulation and order (the "Supplemental Stipulation and Order"), agreed to by the Debtor, Peoples, Hawthorn and the Committee, (the "Parties") that includes a

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

budget from December 1, 2012 through and including December 31, 2012. If necessary, a hearing on continuance of this order, or entry of a new order regarding use of cash collateral and DIP financing, after November 30, 2012, shall be held on November 28, 2012 at 9:30 a.m. or as soon thereafter as counsel may be heard."

8. The Parties hereby stipulate and agree that it is necessary that Debtor be authorized to use cash collateral per the Budget from December 1, 2012 through and including December 31, 2012.

9. The Parties hereby further stipulate and agree that the Budget for Professional Fees is increased to \$300,000 (an increase of \$50,000 from the previous budget of \$250,000).

10. This Supplemental Stipulation and Order may be further amended by agreement of the parties.

11. The Parties Stipulate and agree that all other terms and conditions of the Final Order shall remain in full force and effect.

12. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Supplemental Stipulation and Order.

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Budget 12/31/2012

		2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
		28 Dec	2-28-12	3-31-12	4-30-12	5-31-12	6-30-12	7-31-12	8-31-12	9-30-12	10-31-12	11-30-12	12-31-12	2012
Admissions		\$ 254,960	\$ 345,903	\$ 392,842	\$ 334,526	\$ 316,887	\$ 339,482	\$ 408,471	\$ 759,999	\$ 510,639	\$ 207,907	\$ 520,880	\$ 919,245	\$ 616,000
Concessions	46.50%	\$ 123,205	\$ 160,845	\$ 182,872	\$ 155,555	\$ 147,352	\$ 157,859	\$ 189,939	\$ 353,400	\$ 237,447	\$ 86,677	\$ 242,208	\$ 427,448	\$ 288,440
Misc Income		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
		\$ 403,165	\$ 521,748	\$ 590,514	\$ 505,081	\$ 479,239	\$ 512,341	\$ 613,410	\$ 1,128,399	\$ 763,086	\$ 319,584	\$ 778,089	\$ 1,361,694	\$ 917,440
Film Rental (3 wk lag)	56.00%	\$ 133,543	\$ 168,123	\$ 189,046	\$ 148,378	\$ 193,706	\$ 219,992	\$ 187,335	\$ 177,457	\$ 190,110	\$ 228,744	\$ 425,599	\$ 285,958	\$ 291,693
Concession Costs (2 wk lag)	14.00%	\$ 19,544	\$ 21,977	\$ 17,249	\$ 22,518	\$ 25,574	\$ 21,778	\$ 20,629	\$ 22,100	\$ 26,591	\$ 49,476	\$ 33,243	\$ 13,535	\$ 59,843
Gross Profit		\$ 250,079	\$ 331,648	\$ 384,219	\$ 334,185	\$ 259,960	\$ 270,572	\$ 405,446	\$ 928,842	\$ 546,385	\$ 41,364	\$ 319,247	\$ 1,062,201	\$ 565,904
Rent	\$ 720,460		\$ 720,460			\$ 720,460					\$ 720,460			\$ 720,460
Operating Expenses	29.57%	\$ 78,342	\$ 102,275	\$ 116,154	\$ 88,911	\$ 93,896	\$ 100,378	\$ 120,775	\$ 224,713	\$ 150,983	\$ 61,473	\$ 154,011	\$ 271,798	\$ 182,136
Payroll & Taxes	13.58%	\$ 35,971	\$ 46,960	\$ 53,332	\$ 45,415	\$ 43,021	\$ 48,088	\$ 55,454	\$ 103,178	\$ 89,324	\$ 28,225	\$ 70,715	\$ 124,797	\$ 91,032
Management Fee	3.00%	\$ 12,095	\$ 15,652	\$ 17,715	\$ 15,132	\$ 14,377	\$ 15,370	\$ 18,402	\$ 33,852	\$ 22,893	\$ 9,588	\$ 23,343	\$ 40,851	\$ 29,920

Rent concessions (Monthly)	2.50%					\$ (18,011)				\$ (18,011)				\$ (18,011)
Catch-Up Rent		\$ 288,179.15												\$ 288,179
Convenience under \$2,000		\$ 41,064.18												\$ 41,064
Convenience \$2,000-\$2,500		\$ 15,547.71												\$ 15,548
Critical Vendor Clinadyn		\$ 358,048.00				\$ 86,000			\$ 86,000					\$ 86,000
Professional Fees		\$ 250,000.00												\$ 250,000

* Clinadyn includes \$100K - Port Arthur

*includes USTE quarterly fees pursuant to 28 USC sec. 1930

Weekly Operating Cash Flow		\$ 123,671	\$ (551,699)	\$ 197,018	\$ 174,706	\$ 108,866	\$ (679,711)	\$ 210,815	\$ 567,099	\$ 903,185	\$ (143,922)	\$ (631,270)	\$ 624,756	\$ 527,785	\$ (1,108,622)
Beginning Cash		\$ -	\$ 123,671	\$ 0	\$ 0	\$ 0	\$ 5,050	\$ (0)	\$ (0)	\$ 57,742	\$ 360,927	\$ 217,005	\$ 0	\$ 164,979	\$ 692,765
LOC		\$ -	\$ 475,540	\$ (197,018)	\$ (174,706)	\$ (108,816)	\$ 720,172	\$ (210,815)	\$ (509,357)		\$ 459,777	\$ (459,777)	\$ -	\$ -	\$ 415,857
Ending Weekly Cash		\$ 123,671	\$ 0	\$ 0	\$ 0	\$ 5,050	\$ (0)	\$ (0)	\$ 57,742	\$ 360,927	\$ 217,005	\$ 0	\$ 164,979	\$ 692,765	\$ (0)
Acc LOC		\$ -	\$ 475,540	\$ 278,522	\$ 103,818	\$ -	\$ 720,172	\$ 509,357	\$ -	\$ -	\$ -	\$ 459,777	\$ -	\$ -	\$ 415,857

* Op/Admin percentage based upon 27 week average Sept 28 2012 - March 31, 2013

* Payroll/Taxes percentage based upon 27 week average Sept 28 2012 - March 31, 2013

* December 2012 will require a \$100,000 expenditure to convert Port Arthur, TX to digital

* Average management fees range from 5-6% plus out of pocket and professional services

* To date, approximately 2.5% in annual rate renegotiations have been tentatively agreed

* Cash flow loss eliminated with 4 theater closings \$ 52,931.94 per month (per actual cash loss incurred in prior four months with these theaters)

EXHIBIT

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