

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-10202 (ALG)
Debtors.)	(Jointly Administered)

**STIPULATION AND ORDER BY AND AMONG EASTMAN KODAK COMPANY,
THE AFFILIATED DEBTORS AND SPECTRA LOGIC CORPORATION**

Eastman Kodak Company (“**Kodak**”, together with its affiliated debtors and debtors in possession, the “**Debtors**”) and Spectra Logic Corporation (“**Spectra Logic**”, and together with the Debtors, the “**Parties**”), stipulate and agree as follows, by and through their undersigned counsel.

RECITALS

A. On January 19, 2012, the Debtors filed voluntary petitions for relief with the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) under title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”), commencing their bankruptcy cases that are being jointly administered under the above-captioned case.

B. Kodak and Spectra Logic are parties to the Amended and Restated Service Provider Agreement Between Eastman Kodak Company, Document Imaging and Spectra Logic Corporation, dated November 29, 2011 (as amended or modified from time to time, the “**Service**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is 343 State Street, Rochester, NY 14650.

Agreement”). Under the terms of the Service Agreement, Kodak agrees to provide maintenance, support and other services to purchasers of Spectra Logic’s products, using Spectra Logic’s equipment and replacement parts (collectively, the “**Equipment**”) to provide necessary repairs.

C. On June 21, 2013, the Bankruptcy Court entered the *Order (I) Approving (A) the KPP Settlement and (B) Procedures for the Assumption and Assignment of Certain Contracts and (II) Authorizing the Debtors’ (A) Entry into Agreements with Respect to the Transfer of the Document Imaging and Personalized Imaging Businesses and (B) Use, License and Lease of Property of the Estate in Connection Therewith* [Docket No. 4113] (the “**Settlement Order**”),² approving, among other things, the KPP Global Settlement (as defined in the Settlement Order) and procedures to assume and assign certain Debtor contracts (the “**Assigned 365 Debtor Contracts**”) to KPP Trustees Limited (“**KPP**”).

D. On July 16, 2013, the Debtors filed the *Notice of Proposed Assumption and Assignment of Contracts* [Docket No. 4301] (the “**Contract Notice**”). The Contract Notice listed, among others, the Service Agreement as one of the Assigned 365 Debtor Contracts to be assumed by Kodak and assigned to KPP and listed the proposed amount to cure any defaults under the Service Agreement as zero dollars.

E. Absent this stipulation and agreed order (this “**Stipulation and Order**”), Spectra Logic would (a) object to the Contract Notice, on grounds of, among other things, lack of protection for Spectra Logic’s ownership rights in the Equipment, absence of any confirmation that KPP will assume all obligations regarding future services under the Service Agreement for which Spectra Logic had prepaid Kodak (the “**Prepaid Services**”) and lack of

² Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Settlement Order.

adequate assurance of future performance of the Service Agreement by KPP; and (b) potentially object to Debtors' *First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and its Debtor Affiliates* [Docket No. 4073] (as may be amended, modified or supplemented from time to time, the "**Plan**"), to protect Spectra Logic's ownership rights in the Equipment in the event that the transactions authorized in the Settlement Order, including the Settlement Agreement and the Purchase Agreement, are not consummated but the Plan is confirmed.

F. In light of the foregoing, the Parties have elected to resolve the foregoing issues as set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the Parties stipulate and agree as follows:

1. This Stipulation and Order shall be effective when approved and entered by the Bankruptcy Court.
2. Immediately upon the effective date of the assumption and assignment to KPP of the Service Agreement, all Equipment owned by Spectra Logic and held by Kodak, as bailee under the Service Agreement, shall be transferred to KPP subject in all respects to the Service Agreement.
3. The assumption and assignment to KPP of the Service Agreement shall include KPP's assumption of all obligations of Kodak to Spectra Logic arising from the Prepaid Services that were prepaid by Spectra Logic to Kodak prior to the effective date of such assumption and assignment.

4. Notwithstanding the provisions of the Plan, including any plan supplements and other exhibits and schedules, or any order confirming such Plan, the property of any estate of any Debtor or any Reorganized Debtor (as defined in the Plan) shall not include any Equipment owned by Spectra Logic and held by Kodak, as bailee under the Service Agreement, and no release, waiver, injunction or discharge under such Plan or any order confirming such Plan shall affect or impair Spectra Logic's ownership right in, and right to recover, such Equipment under applicable law.

5. Subject to the terms of this Stipulation and Order, the Service Agreement shall be an Assigned 365 Debtor Contract.

6. This Stipulation and Order resolves any of Spectra Logic's objections to the Contract Notice, the Plan and the entry of an order confirming the Plan. Subject to the terms hereof, Spectra Logic agrees not to object to the Court's entry of an order approving the assumption and assignment of the Service Agreement, confirmation of the Plan and entry of an order confirming the plan, *provided* that the Debtors do not amend the Plan and such orders in a manner adverse to Spectra Logic.

7. Nothing in this Stipulation and Order shall be construed as an admission of liability regarding any matter by any Party, except as expressly set forth herein.

8. This Stipulation and Order can be amended or modified only by a signed writing by and among the Parties.

9. Each person who executes this Stipulation and Order by or on behalf of each respective Party represents and warrants that such person has been duly authorized and empowered to execute and deliver this Stipulation and Order on behalf of such Party.

10. This Stipulation and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, and any photocopies, electronic copies or facsimile copies of this document or any counterpart signature shall have the same effect as an originally-executed document or signature.

11. The Bankruptcy Court shall retain jurisdiction to enforce, or resolve any disputes or controversies arising from, this Stipulation and Order.

Dated: July 30, 2013
New York, New York

/s/ Andrew G. Dietderich

Andrew G. Dietderich
Brian D. Glueckstein
Michael H. Torkin
Alexa J. Kranzley
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000
Facsimile: (212) 558-3588

Counsel to the Debtors and
Debtors in Possession

/s/ Eric E. Johnson

Eric E. Johnson (*Pro Hac Vice*)
Sherman & Howard L.L.C.
633 17th Street, Suite 3000
Denver, Colorado 80202
Telephone: (303) 299-8376
Facsimile: (303) 298-0940
E-Mail: ejohnson@shermanhoward.com

Michelle McMahon
Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104-3300
Telephone: (212) 541-2000
Facsimile: (212) 541-4630
E-Mail: michelle.mcmahon@bryancave.com

Attorneys for Spectra Logic Corporation

SO ORDERED:

Dated: New York, New York
August ____, 2013

Honorable Allan L. Gropper
United States Bankruptcy Judge