

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

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

**STIPULATION AND ORDER RELATING TO THE MOTION OF EASTMAN  
PARK MICROGRAPHICS, INC. TO LIFT THE AUTOMATIC STAY  
TO PERMIT TERMINATION OF EXECUTORY CONTRACTS**

This stipulation and agreed order (the “**Stipulation and Order**”) is entered into by and between Eastman Kodak Company (“**Kodak**”), on behalf of itself and its affiliated debtors and debtors in possession (collectively, the “**Debtors**”), and Eastman Park Micrographics, Inc. (“**EPM**”), by and through their respective undersigned counsel.

WHEREAS, on January 19, 2012, (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”). The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered under Case No. 12-10202 (ALG);

<sup>1</sup> 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.



WHEREAS, Kodak and EPM are parties to certain executory contracts evidencing the March 31, 2011 sale of the Kodak Imagelink microfilm business to EPM. These executory contracts include the Service Provider Agreement by and between Kodak and BRC-K Acquisition Corporation, dated March 31, 2011, and any revisions or amendments thereto (the “SPA”); Attachment B – Statement of Work – to the Transition Services Agreement, dated November 15, 2011 (the “ROW SOW”); the Transitional Trademark License Agreement by and between Kodak and BRC-K Acquisition Corporation, dated March 31, 2011, and any extension thereto previously agreed to by the parties (the “**Trademark License**”);

WHEREAS, Kodak and EPM are parties to that certain Amended and Restated Media Supply Agreement by and between Kodak and EPM, dated August 1, 2012 (the “**Restated MSA**”) (the SPA, ROW SOW, Trademark License, and Restated MSA, collectively, the “**Contracts**”), with respect to which EPM has given Kodak notice of termination, which is effective on April 30, 2013;

WHEREAS, the Trademark License will expire in accordance with its terms on March 31, 2013;

WHEREAS, on January 25, 2013, EPM filed the *Motion of Eastman Park Micrographics, Inc. to Lift the Automatic Stay to Permit Termination of Executory Contracts* [Docket No. 2936] (the “**Motion**”), seeking an order granting relief from the automatic stay imposed by section 362(a) of the Bankruptcy Code to permit EPM to terminate certain of the Contracts;

WHEREAS, following negotiations between the parties, on February 15, 2013, counsel for Kodak and EPM reached an informal agreement with respect to the adjournment of the Motion and certain interim actions with respect to the Contracts;

WHEREAS, in reliance upon such informal agreement reached between counsel, on February 15, 2013, EPM filed the *Notice of Adjournment of Hearing on Motion of Eastman Park Micrographics, Inc. to Lift the Automatic Stay to Permit Termination of Executory Contracts* [Docket No. 3112], adjourning the hearing on the Motion to March 20, 2013 at 11:00 a.m. (ET);

WHEREAS, on February 25, 2013, EPM filed the *Supplement to Motion of Eastman Park Micrographics, Inc. to Lift the Automatic Stay to Permit Termination of Executory Contracts* [Docket No. 3194] (the “**Supplement**”), clarifying the relief sought by the Motion;

WHEREAS, in accordance with such agreement, the Debtors desire to consent to a modification of the automatic stay pursuant to section 362(d)(1) of the Bankruptcy Code to permit termination or non-renewal of certain of the Contracts as requested in the Supplement, subject to the conditions set forth herein and to this Court’s approval of this Stipulation and Order;

WHEREAS, the Debtors provided prior notice to the counsel to the Official Committee of Unsecured Creditors, the Ad Hoc Committee of Second Lien Noteholders, and counsel to the debtor-in-possession lender of this form of Stipulation and Order and no objection has been noted;

NOW THEREFORE, the parties hereby stipulate and agree, through their undersigned counsel, as follows:

1. The parties agree that the hearing on the Motion on March 20, 2013 will be a preliminary hearing and not an evidentiary hearing.

2. The parties will continue to negotiate in good faith on the term sheet with respect to the amendment of certain of the Contracts and the execution of certain new agreements (the “**Term Sheet**”). The parties’ intent is to execute such amended and new documentation before the March 20, 2013 hearing. Notwithstanding the status or completion of such negotiations and/or process, the parties intend for the agreement stated herein to be a binding agreement of the parties and to be effective regardless of such negotiations and/or process.

3. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as of the date of entry of this Stipulation and Order pursuant to section 362(d)(1) of the Bankruptcy Code to permit EPM to (a) give notice of non-renewal such that the SPA will terminate at the end of its initial term effective March 31, 2014, unless the parties mutually agree otherwise (without either party admitting or denying in any respect that the SPA has been amended in any respect since March 31, 2011), and (b) give notice that the ROW SOW will terminate effective on March 31, 2014 or such later date as may be specified by EPM in its termination notice.

4. Kodak and EPM agree to the following amendments to and/or waivers of certain of the Contracts:

(a) Notwithstanding the exclusivity provisions in the ROW SOW with respect to the sale and distribution by Kodak of Micrographic Media, as defined in the ROW SOW (“**Micrographic Media**”) in any country other than the United States

and Canada (the “**ROW**”), EPM may market, distribute, and sell non-Kodak manufactured Micrographic Media to any customer other than any existing customers in the ROW now serviced by Kodak (“**Kodak-Serviced ROW Customer**”).

(b) Notwithstanding the termination of the Restated MSA, which is effective on April 30, 2013, and as a limited waiver of the restrictive covenants set forth therein, Kodak shall be permitted to distribute, sell and accept orders for Products (as defined in the Restated MSA) for the duration of the ROW SOW, and may continue to manufacture, distribute, market and sell Products beyond April 30, 2013 as may reasonably be necessary in order to complete the manufacture and distribution of EPM’s final order under the Restated MSA.

5. The parties agree promptly to execute this Stipulation and Order and to use their respective best efforts expeditiously to seek approval by the Bankruptcy Court of this Stipulation and Order.

6. This Stipulation and Order contains the entire agreement by and between the parties with respect to the subject matter hereof.

7. This Stipulation and Order shall be construed and interpreted in accordance with the laws of the State of New York, without regard to the choice of law principles of the State of New York. For the purposes of construing this Stipulation and Order, neither of the parties shall be deemed to have been the drafter of the Stipulation and Order.

8. By their signature hereto, each of the undersigned (a) represents that it has been duly authorized to enter into this Stipulation and Order, and (b) requests that the Bankruptcy Court approve this Stipulation and Order as an Order of the Bankruptcy Court.

9. This Stipulation and Order may be executed in multiple counterparts, each of which is deemed an original, but when taken together it constitutes one and the same document.

10. This Stipulation and Order will be effective upon approval by the Bankruptcy Court.

11. This Stipulation and Order may not be modified other than by a signed writing executed by the parties hereto and by further order of the Court.

12. The Bankruptcy Court shall retain jurisdiction to enforce this Stipulation and Order and to hear any matters or disputes arising from this Stipulation and Order.

Dated: February 28, 2013  
New York, New York

**HAYNES AND BOONE, LLP**

By: /s/ Robert D. Albergotti  
Robert D. Albergotti, Esq.  
Admitted *Pro Hac Vice*  
2323 Victory Avenue, Suite 700  
Dallas, Texas 75219  
(214) 651-5265

*Attorneys for EPM*

**SULLIVAN & CROMWELL LLP**

By: /s/ Mark U. Schneiderman  
Mark U. Schneiderman, Esq.  
125 Broad Street  
New York, New York 10004  
(212) 558-4000

*Attorneys for the Debtors*

**IT IS SO ORDERED.**

Dated: March 12, 2013  
New York, New York

/s/Allan L. Gropper  
The Honorable Allan L. Gropper  
United States Bankruptcy Judge