

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
	:	
EASTMAN KODAK COMPANY, et al.,	:	Case No. 12-10202 (AJG)
	:	
Debtors.	:	

STIPULATION RESOLVING CLAIM OF
NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE

This stipulation is made and entered into this ___ day of April 2013, between Eastman Kodak Company and certain of its affiliates, as debtors and debtors in possession (the "Debtors") and the New York State Department of Taxation and Finance (the "Department") (collectively the Debtors and the Department, each a "Party" and together, the "Parties").

WHEREAS, on January 19, 2012 (the "Petition Date") the Debtors filed a voluntary petition in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. Section 101 et seq. (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, on May 10, 2012, the Court entered an order (the "Bar Date Order") (a) providing that, except as otherwise provided therein, all persons and entities (including, without limitation, individuals, partnerships, corporations, joint ventures, trusts and governmental units as defined by section 101(27) of the Bankruptcy Code) that assert a claim, as defined in section 101(5) of the Bankruptcy Code, against the Debtors that arose prior to the Petition Date shall file a proof of such claim in writing so that it is received on or before July 17, 2012 at 5:00 p.m. (Prevailing Eastern Time) (the "General Bar Date"), and (b) approving the form and manner of notice of the Bar Date;

WHEREAS, the Department filed a timely proof of claim designated as Claim No. 3008 in the Claims Register on June 21, 2012 with the United States Bankruptcy Court for the Southern District of New York against the Debtors asserting a deficiency

for the time period ending December 31, 2008 for corporation tax in the amount of \$2,660,422, interest in the amount of \$2,434,407, and penalty in the amount of \$159,038. Although the Department's claim was subsequently amended by claim dated January 28, 2013 (Claim No. 6075), the deficiency asserted to be owed by the Debtors for corporation tax, interest and penalty remained the same;

WHEREAS, the Debtors have disputed, in part, the corporation tax deficiency including penalty and interest assessed by the Department and reflected in the proofs of claim filed by the Department; and

WHEREAS, in order to resolve the dispute the parties have negotiated this Stipulation in good faith and at arms' length and desire that it shall be binding on each of them.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the Debtors and the Department, through their undersigned counsel, that:

1. The Department shall have an Allowed Priority Tax Claim in the amount of \$3,630,374 which is comprised of tax in the amount of \$1,809,715 and interest in the amount of \$1,820,659 (the "Allowed Claim"). Claim No. 6075 is hereby: (a) deemed to embody the Department's Allowed Claim ; and (b) reduced, amended and allowed in the amount of \$3,630,374 (the "Surviving Claim"). The Department shall not amend the Surviving Claim to increase the amount thereof.

2. The Surviving Claim will be paid, in part, by offsetting a prepetition sales and use tax refund owed to the Debtors for the tax period 12/01/08 through 02/28/10 of tax in the amount of \$1,635,308.84 and interest in the amount of \$127,529.00 as of April 30, 2013 and by offsetting any additional sales and use tax refunds owed to the Debtors. The remaining unpaid balance of the Surviving Claim shall be paid in accordance with the payment of priority claims under the Debtors approved Plan of Reorganization.

3. Nothing in this Stipulation shall be construed to constitute a waiver or modification of the protections afforded to the Debtors pursuant to section 362 of the Bankruptcy Code.

4. Each person who executes this Stipulation represents that he or she is duly authorized to execute this Stipulation on behalf of the respective parties hereto and that each such party has full knowledge and has consented to this Stipulation subject to compliance with the notice and objection procedures set forth in that certain order

establishing omnibus procedures for settling and allowing certain claims and causes of action (Docket 3361).

5. This Stipulation may be executed simultaneously or in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies or facsimiles signed by the parties hereto to be charged.

6. The Court shall retain jurisdiction over the Parties with respect to the implementation of this Stipulation.

7. It is acknowledged that each Party has participated in and jointly consented to the drafting of this Stipulation and that any claimed ambiguity shall not be construed for or against either Party on account of such drafting.

8. This Stipulation shall be governed by, construed, and enforced in accordance with the laws of the State of New York without giving effect to the provisions, policies, or principles thereof relating to choice of law or conflict of laws.

STIPULATED AND CONSENTED TO BY:

NEW YORK STATE DEPARTMENT
OF TAXATION AND FINANCE

Amanda Hiller
Deputy Commissioner and Counsel

By: _____
David Demeter
OOC-Bankruptcy Unit
Building 9, Room 100
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Albany, NY 12227

EASTMAN KODAK COMPANY

By: _____
Paul W. Dils
Chief Tax Officer and
Vice President of
Corporate Finance Group