

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

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

FIRST SUPPLEMENTAL ORDER, IN FURTHERANCE OF THE COURT’S ORDER APPROVING EXPEDITED PROCEDURES FOR THE SALE, TRANSFER, DONATION AND/OR ABANDONMENT OF DE MINIMIS ASSETS, APPROVING BREAKUP FEE AND PROCEDURES FOR MARKETING CERTAIN ASSETS

Upon the motion (the “**Motion**”)² of Eastman Kodak Company (“**Kodak**”), on behalf of itself and its affiliated debtors and debtors in possession in these chapter 11 cases (collectively, the “**Debtors**”), for, among other things, entry of (1) a procedures order (a) authorizing and approving the breakup fee set forth in the Purchase, Assumption and Assignment Agreement attached hereto as Exhibit A (“**Purchase and Assignment Agreement**”), pursuant to which the Debtors propose to (i) assign that certain License Agreement November 12, 2009 between Kodak and Clear Channel Spectacolor, LLC (“**Clear Channel**”) (as amended, supplemented or otherwise modified as of the date hereof, the “**License Agreement**”), and that certain Restated Maintenance/Operations Agreement dated December 12, 2009 between Kodak and Clear Channel as amended, supplemented or otherwise modified as of the date hereof, the “**Maintenance and Operations Agreement**” and, together with the License Agreement, the

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.

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

“**Contracts**”), and (ii) to sell the physical sign and electronic screen related to the Contracts (together with the Contracts, the “**Purchased Assets**”) to Orange Barrel Media or its designee (collectively, “**OBM**”) or another Proposed Assignee; and (b) approving procedures by which Kodak may disclose and market to potential assignees the assumption, assignment, and sale of the Purchased Assets (together, the “**Procedures Relief**”), and (2) an order facilitating the sale and assignment of the Purchased Assets by sale striking certain use restrictions in the Contracts as unenforceable de facto anti-assignment and/or anti-alienation clauses (the “**Facilitation Relief**”); and the Court having previously entered the Order Approving Expedited Procedures for the Sale, Transfer, Donation and/or Abandonment of De Minimis Assets (Docket No. 445) (the “**DMA Sale Order**”); and the Debtors having served a Sale Notice (as defined in the DMA Sale Order) regarding the Debtor’s proposed sale, assumption and assignment of the Purchased Assets to OMB; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

FOUND AND DETERMINED THAT

A. The Court has jurisdiction to consider the Procedures Relief requested in the Motion pursuant to 28 U.S.C. §§ 157 and 1334, as well as pursuant to the DMA Sale Order. Venue of these chapter 11 cases and the Procedures Relief requested in the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b);

B. The Procedures Relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest;

C. Proper and adequate notice of the Motion and the Procedures Relief requested therein has been provided in accordance with the Bankruptcy Rules, the Local Rules

and the Case Management Procedures for these chapter 11 cases, and that, except as otherwise ordered herein, no other or further notice is necessary;

D. Any objections (if any) to the Procedures Relief requested in the Motion having been withdrawn or overruled on the merits; and

E. The assumption, sale, assignment, transfer and conveyance by the Debtors of their respective right, title and interest in, to and under the Purchased Assets on the terms and conditions set forth in the Purchase and Assignment Agreement satisfy the conditions set forth in Paragraph 2(b) of the DMA Sale Order and, thus, may be effectuated pursuant to the Sale Notice Procedures (as defined and set forth in the DMA Sale Order);.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED with respect to the Procedures Relief requested therein. This Order is without prejudice to the Facilitation Relief requested in the Motion, which has not yet been ruled upon by this Court and, thus, remains subject to a further order of the Court.

2. The breakup fee set forth in the Purchase and Assignment Agreement, in the aggregate amount of \$200,000 (the “**Breakup Fee**”), is authorized and approved, subject to the terms and conditions set forth in this Order, and shall be payable, as an allowed administrative expense of the Debtors’ estates having priority under sections 503(b)(2) and 507(a)(1) of the Bankruptcy Code, as set forth in Paragraph 7 of this Order.

3. Any Party interested in making a proposal for the purchase and assignment of the Purchased Assets, shall transmit such the material terms of such proposal in writing (a “Bid”) to the Debtors so that it is **actually received** by counsel to the Debtors, Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Mark U.

Schneiderman), with a copy to schneidermanm@sullcrom.com, no later than **5:00 p.m. (ET)** on the date (the “**Overbid Deadline**”) that is the **later to occur of (a) May 1, 2012, and (b) 10 days after the date on which an order, if any, of this Court granting the Facilitation Relief becomes a Final Order (as defined the Purchase and Assignment Agreement).**

4. If the Debtors receive any Bids on or before the Overbid Deadline, the Debtors shall, after consultation with the Creditors’ Committee and the Second Lien Noteholders Committee, select the superior bid (the “**Superior Bid**”), subject to resolution of any dispute by this Court; provided that if, the Debtors determine that OBM has not submitted the Superior Bid, the Debtors shall so advise the OBM of the same and provide OBM with the material terms of the Superior Bid and an opportunity to submit an overbid.

5. If the Debtors receive any Bids, OBM shall be entitled to submit an overbid and shall be entitled, in the calculation of the amount of OBM’s overbid to a credit in the amount of the Breakup Fee.

6. If the Debtors accept a Superior Bid from a party other OBM (an “**Alternative Buyer**”), as soon as reasonably practicable thereafter the Debtors shall file with the Bankruptcy Court and serve an amended Sale Notice in accordance with Paragraph 2(B)(viii) of the DMA Sale Order regarding the Superior Bid from, and the proposed transaction regarding the Purchased Assets with, the Alternative Buyer.

7. As set forth in Section 14 of the Purchase and Assignment Agreement, the Debtors are authorized and directed to pay the Breakup Fee to OBM (a) within ten (10) days of termination of the Purchase and Assignment Agreement if terminated by the Purchaser pursuant to Section 13(b)(iii) (Debtor Breach) of the Purchase and Assignment Agreement, and (b) if terminated pursuant to any other provision of Section 13 of the Purchase and Assignment

Agreement, on the earlier of: (i) the fifteenth (15) day after the Debtors file with the Bankruptcy Court an amended Sale Notice regarding a Superior Bid from, and proposed transaction regarding, the Purchased Assets with an Alternative Buyer or (ii) consummation of transaction regarding the Purchased Assets other than with the Purchaser; (to the extent it is not practical for the Debtors to make contemporaneous payment, payment shall be made on the next business day); provided that the Debtors have not previously notified the Purchaser in writing that the Purchaser is in breach of the Agreement and provided further that Purchaser has not previously terminated the Agreement.

8. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the contrary, (i) the terms of this Order shall be immediately effective and enforceable upon its entry, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or 6006(d), Rule 62(a) of the Federal Rules of Civil Procedure or otherwise, (ii) such rules are waived and the Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and (iii) the Debtors may, in their discretion and without further delay, take any action and perform any act authorized under this Order.

9. The requirements set forth in Local Rule 9013-1(b) are satisfied.

10. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.

11. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

Dated: April [•], 2012
New York, New York

Allan L. Gropper
United States Bankruptcy Judge